BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
GEORGIA POWER COMPANY
DOCKET NO. 43083

Data Request No. STF-CCR-12-1

BASIS FOR THE ASSERTION THAT THE INFORMATION SUBMITTED IS A TRADE SECRET

In accordance with the order of the Georgia Public Service Commission, Georgia Power Company ("Georgia Power" or the "Company") submits to the Georgia Public Service Commission its response to STF-CCR-12-1 ("Response") in Docket No. 43083. In the Response, the Company has submitted details related to its environmental compliance strategies, including detailed schedule projections for CCR ARO ash pond closures and landfill projects (the "Information"). All such Information constitutes trade secret information of the Southern Company, Georgia Power, and its affiliates and is therefore protected from public disclosure under Commission Rule 515-3-1-.11.

The Information derives economic value from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Specifically, the Information contains competitively sensitive details on the site specific and CCR unit specific volumes that directly factor into the costs the Company is forecasted to incur to close its ash ponds and landfills as well as the timing and issuance of future contracts. Publicly disclosing these costs would allow bidders and vendors to tailor proposals according to the Company's expected costs, setting an artificial floor on bidding, to the detriment and harm of the Company and its customers by not allowing the Company to conduct a proper solicitation and obtain the best cost estimates for future consulting work.

The Information is subject to extensive efforts to maintain its confidentiality. Only select Georgia Power and Southern Company personnel and their legal counsel are granted access to the Information. Those personnel receive access only on a "need to know" basis. If a party outside of Georgia Power and Southern Company and their legal counsel are granted access to the Information, the party is required to sign a confidentiality agreement with respect to the Information.

Docket No. 43083
Georgia Power Company's Semi-Annual Coal Combustion Residuals Asset Retirement Obligation (CCR-ARO) Report
Staff Data Request Set Number 12

STF-CCR-12-1

Question:
Question 1 please reference the document titled GPC CCR Portfolio Monthly Review Meeting.

During the Teams meeting dated Thursday July 23, 2026, the Company stated that it undertook a comprehensive re-evaluation of ash quantities across the Company's sites and impoundments that resulted in a baseline of quantities as of the 3rd quarter, 2025. Please respond the following:

a. What facts did the Company rely on to determine the need for this re-evaluation of the ash quantities?

b. What were the changes in means and methods used to develop the 3rd quarter, 2025, ash impoundment quantities such that the accuracy and confidence of these estimates improved?

c. Please provide a table by site and impoundment of the estimated ash quantities assumed prior to the 3rd quarter, 2025, and the estimated ash quantities that were developed because of the 3rd quarter, 2025, re-evaluation. Calculate the increase or decrease between the two estimated ash quantities.

d. Staff identified sites Kraft, McIntosh, and McManus in the Company's Semi-annual Report as of December 31st, 2025, that were not included in this document. Please provide the CCR removal data for these three sites.

e. Please refer to page 4.
   i. Under the Top Surveillance Types bar chart please define the x-axis.
   ii. Under the Top Noncompliant Behaviors bar chart please provide the root cause or causal analysis(es) that explains the CCR-Fill Placement Noncompliant Behaviors.
   iii. Contractually, which party's Quality Assurance Program(s) govern i.e. Contractor; Company; both; etc…

f. Please refer to page 5. Based on Staff's interpretation of the slide, behavioral observations were taken of site personnel. The Contractor performed 16% of the observations; the Company performed 84% of the observations. Please respond to the following:
   i. Please define the population of personnel being observed i.e. Contractor; Company; both; etc…
   ii. Contractually, which party is responsible for site personnel behaviors?

iii. Contractually, which party is responsible for performing the quality surveillances?

g. Please refer to page 9. Please provide Staff in Excel format (please retain all formulas) with ash quantities by all sites and impoundments that correspond to the budget, actual, and forecast figures for each year in the forecast i.e. please do not combine 2031-2039 or any other grouping of years. Additionally, for this spreadsheet response break out the Post-Closure Sites by site and year.

h. Please provide all assumptions, analyses, references, calculations, and narrative explanations for the derivation of the Estimate to Complete escalation forecast amount of $1,873 million. Please provide this information in its native format with all formulas intact.

i. Please confirm that the escalation figure is a non-accounting estimate that ultimately flows through actual costs as they are spent i.e. escalation costs are incurred as actual costs are paid. If not, provide the accounting treatment accompanied by all authoritative GAAP literature that substantiates the Company's treatment.

j. Please spell out the following acronyms and provide a brief explanation of each:
   i. CQS p 5;
   ii. CQA p 5;
   iii. QSS p 5;
   iv. FEP p 7.

Response:

a. The reported quantities were updated through the normal progression of detailed engineering and project design and implementation, which provides more refined information as the project matures.

b. The detail of the estimates improved through the normal progression of the project from preliminary planning to more advanced engineering and design. As additional site-specific information, design details, and engineering analyses became available, the quantity estimates were refined to reflect a more detailed understanding of project conditions and requirements. These include, but are not limited to, additional fieldwork (*i.e.* borings) or excavation during construction. This refinement process is consistent with standard project development practices and resulted in increased confidence in the estimated ash quantities.

c. Please see tables provided in STF-CCR-12-1 Attachment A.

d. CCR removal has been completed for Kraft AP-1, McIntosh AP-1, and McManus AP-1 in compliance with state and federal regulatory requirements. These sites are identified under "Construction Complete" in *Table 6 Ash Pond Construction Progress* in the CCR ARO Semi-Annual Report. CCR removal certifications were submitted to and acknowledged by the Georgia Environmental Protection Division ("EPD"). These sites are also represented in the values provided for the "Post-Closure Sites" on page 9 of *the GPC CCR Portfolio Monthly Review Meeting* and STF-CCR-12-1 Attachment A.

e.

i. The X-axis of the Top Surveillance Types bar chart represents the number of construction Quality Surveillance ("CQS") behaviors that were taken for each CQS Observation category. Multiple behaviors may be captured in a single CQS observation.

ii. Non-compliance in this instance refers to compliance with the contract specifications. The root causes of the CCR-Fill Placement Noncompliant Behaviors include:
   a. Debris found in fill material
   b. Rocks/rip rap found in fill material
   c. Failing field density tests due to low moisture and low compaction
   d. Lift thickness exceeded project specifications in an isolated area

iii. Both quality programs apply but serve different functions. The Contractor's Quality Program and Construction Quality Control ("CQC") program govern performance and control of the grading work, including compliance with project specifications, lines and grades, material placement, moisture conditioning, lift thickness, and compaction requirements. Separately, the Company's Construction Quality Assurance ("CQA") Program provides independent oversight, observation, testing, and verification that the work complies with contractual, technical, permitting, and regulatory requirements. The CQA Program does not relieve the Contractor of responsibility for the quality or execution of its work under the contract.

f. The CCR quality surveillance process reduces construction and compliance risk through multiple, coordinated layers of quality control ("QC") and/or independent CQA by performing in-field surveillances and documenting quality behaviors observed.

A CQS can consist of multiple behaviors (or individual steps) referencing an applicable activity (such as structural fill placement). An observed behavior can be compliant, which

meets project specifications, or non-compliant which does not meet project specifications at time of observation. Non-compliant behaviors observed are tracked to correction or acceptance and require representatives to verify the corrective action performed. A consistent pattern of non-compliant behaviors or a major quality issue can be documented through a Non-Conformance Report ("NCR"). All NCRs are tracked to correction or acceptance. The contractor is responsible for meeting project quality specifications.

The contractor is responsible for meeting project quality specifications. Prime contractors, CQA consultants, Quality Shared Services ("QSS") personnel, engineering, project and construction management, and Southern Company quality representatives can each contribute to identifying issues early, verifying compliance, and confirming that deficiencies are corrected.

The population of personnel being observed is primarily from prime construction contractors, their subcontractors, and CQA Consultants. At any given time, the headcount at the job sites varies. Currently, there are approximately 449 contractors and 67 company employees.

g. Please see tables provided in STF-CCR-12-1 Attachment A.

h. Please see STF-CCR-12-1 Attachment B.

i. The escalation figure is a direct requirement of Accounting Standards Codification 410-20 (formerly Financial Accounting Standard No. 143), referred to herein as Asset Retirement Obligation ("ARO") GAAP accounting. The Company is required to adhere to ARO GAAP accounting as of the mandatory implementation date of January 1, 2003. Application of ARO GAAP accounting appropriately calculates cost estimates which include future inflation used to escalate current year cost estimates for removal and remediation of assets to the projected retirement year. Applying escalation ensures future cash flows are as accurate as possible, per ARO GAAP accounting. Escalation ultimately flows through actuals over the life of the project.

ARO GAAP accounting states:

> *An entity shall recognize the fair value of a liability for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value*

can be made. An expected present value technique will usually be the only appropriate technique with which to estimate the fair value of a liability for an asset retirement obligation. An entity, when using that technique, shall discount the expected cash flows using a credit-adjusted risk-free rate. In estimating the fair value of a liability for an asset retirement obligation using an expected present value technique, an entity shall begin by estimating the expected cash flows that reflect, to the extent possible, a marketplace assessment of the cost and timing of performing the required retirement activities. Considerations in estimating those expected cash flows include developing and incorporating explicit assumptions, to the extent possible, about all of the following: a. The costs that a third party would incur in performing the tasks necessary to retire the asset, b. Other amounts that a third party would include in determining the price of the transfer, including, for example, inflation, overhead, equipment charges, profit margin, and advances in technology, c. The extent to which the amount of a third party's costs or the timing of its costs would vary under different future scenarios and the relative probabilities of those scenarios, d. The price that a third party would demand and could expect to receive for bearing the uncertainties and unforeseeable circumstances inherent in the obligation, sometimes referred to as a market-risk premium.

j.

i. Construction Quality Surveillance ("CQS"): The selective review, observation, and evaluation of processes, procurement, manufacturing operations, and quality control systems and programs to determine supplier compliance with contractual quality requirements.

ii. Construction Quality Assurance ("CQA"): A planned and systematic pattern of actions taken by an organization that operates separately from the Contractor and the Owner (i.e., independent party) to verify that construction materials and/or services achieve compliance with technical, contractual, and regulatory requirements. This generally involves observation, review of test results submitted by others and conducting independent tests to verify conformity of the various components of the Project with the requirements of the Construction Documents.

iii. Quality Shared Services ("QSS"): A program that provides program-wide quality assurance oversight, consistency reviews, assessments, and quality surveillance support for CCR projects.

iv. Front-End Planning ("FEP"): Project planning and construction preparations including engineering design, third-party constructability reviews, contracting milestones for dewatering, quality assurance, construction contracts, and other technical and engineering activities.

This attachment has been redacted in its entirety.

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