Southern States Energy Board
Annual Meeting
October 16, 2011

Cheri D. Collins
General Manager and Nuclear Liaison
Southern Company
Vogtle 3&4 Project Scope

- $14 billion capital investment in Georgia, largest construction project in state’s history
- Will create ~3,500 construction jobs and ~800 permanent new jobs upon COD
- 1100MW each, able to power >500,000 homes
- Co-owners: Oglethorpe Power, Municipal Electric Authority of Georgia, Dalton Utilities
- COD 2016 and 2017, Units 3&4 respectively
Why Build New Nuclear?

• Nuclear power is cost-competitive and clean
• Provides much-needed fuel diversity
• Safe and secure operations of six units across Southern Company fleet (GA and AL)
• Nuclear power currently provides more than 20% of Georgia’s electricity needs
Georgia’s Integrated Resource Plan identified need for new base load generation

- 4 million new residents by 2030

Economics on new nuclear competitive with coal and natural gas

- 60-year life – capital, plus O&M (fuel)

Georgia PSC approved need and cost-effectiveness of Vogtle 3&4, March 2009
NRC Regulatory Reforms

- New Licensing Rules enacted in 1989
- Two-step process is now one-step process
  - NRC approves both the construction and the operation with one license called a COL
Georgia Nuclear Energy Financing Act in 2009

- Allows Georgia Power to recover financing costs during the construction of new nuclear units
  - Reduces total projected rate increases for the plant from ~12 percent to ~9 percent.
  - Cuts financing costs $300 million during the construction period, directly benefiting consumers.
  - Reduces borrowing costs, saving customers as much as $100 million annually for all company projects, not just nuclear.
Southern Company and its co-owners have received conditional approval for an $8.3 billion DOE Loan Guarantee.

Loan Guarantees are backed by the federal government and may come in the form of direct loans from the FFB.

Southern Company – with 4.4 million customers – is a high-quality, low-risk investment partner for the government.

Loan Guarantee benefits pass directly to customers by reducing electricity prices in the future.

Customers are expected to save ~$15 million to ~$20 million in annual financing costs.
Consumer Protections

- EPC Contract assures risks are shared between designer, builder and owner
- Georgia Law
  - Recovery of prudently incurred costs only
  - Imprudence borne by Company
  - Savings flow to customers, if under budget
  - PSC maintains aggressive oversight with VCM
- Vogtle project schedule and budget targets achievable
Schedule

Commercial operation: 2016 & 2017 for Units 3&4

- ESP Preparation: 08-15-06
- ESP and LWA Review: 8-26-09
- PSC Certification Process (complete)
- EPC Contract Signed: 4-8-08
- PSC Certification received: 3-17-09
- ESP and LWA Received: 8-26-09
- COLA Preparation
- COLA Submitted: 3-31-08
- NRC COL Review
- Pre-Construction
- LWA Activities: Fall 2011
- Construction
- COL Received
- COLA Submitted
- Construction
- COLA Preparations
- COLA and LWA Review
- NRC COL Review
- Commercial operation: 2016 & 2017 for Units 3&4

Vogtle units 3&4 Nuclear Development
China and AP1000

- Four AP-1000s under construction in China
- Southern Nuclear MOU with SDNPC
  - Lessons learned during construction
  - Chinese gain SNC fleet operator expertise
  - SNC gains startup, first cycle of operation and first refueling experience from both AP1000 units at Haiyang.