BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re: Construction Monitoring Proceeding for Georgia Power Company's Plant Vogtle Units 3 and 4; Supplemental Information, Staff Review, and Opportunity for Settlement	))))))))	Docket No. 29849

Stipulation

The Georgia Public Service Commission Staff ("Staff") and Georgia Power Company ("Georgia Power" or the "Company") agree to the following:

No costs incurred through 12/31/15 were imprudent:

1. None of the costs that were incurred, verified and approved through the 14th Vogtle Construction Monitoring Report should be disallowed from rate base on the basis of imprudence as specified in O.C.G.A. § 46-3A-7. Should any system, structure, or component, or portion thereof, included in such costs not perform as required or specified in the design documents, or not meet any NRC requirement, and subsequently delays commercial operation of the Unit(s) as defined in this stipulation, the Commission expressly reserves its right to review and disallow any cost and or schedule impacts of such deficiency.

The Settlement with the Contractor is prudent:

2. The Settlement between the Owners (including Georgia Power) and Westinghouse and CB&I / Stone and Webster is reasonable and prudent given the totality of the circumstances and none of the amounts paid, or to be paid, to the Contractor pursuant to that settlement should be disallowed from rate base on the basis of imprudence as specified in O.C.G.A. § 46-3A-7.

The revised cost forecast is presumed prudent:

3. The revised schedule and capital cost forecast should be adjusted to $5.680 billion (consisting of the current forecast of $5.440 billion plus a contingency of $240 million) and this new capital cost forecast is reasonable.

4. Capital costs incurred up to $5.680 billion will be presumed to be reasonable and prudent. The burden of proof shall be on the party challenging such costs.

5. The Company will have the burden to show that Capital costs above the revised forecast of $5.680 billion are reasonable and prudent.

The Original Certificate will not be amended:

6. The certificate will not be amended and the certified capital cost for purposes of calculating the NCCR will remain at $4.418 billion.

The NCCR will apply only to the certified capital amount of $4.418 billion:

7. As provided by O.C.G.A. § 46-2-25, the NCCR tariff will continue until the units are in base rates, but the NCCR will only be collected on the certified capital cost of $4.418 billion. The Company will utilize AFUDC accounting treatment on the CWIP balance above the $4.418 billion certified capital cost amount.

8. Financing costs on capital dollars that have been verified and approved will be deemed prudent provided they are incurred pursuant to O.C.G.A. § 46-2-25 and this agreement and provided that they are incurred prior to December 31, 2019 for Unit 3 and December 31, 2020 for Unit 4.

The Company's ROE will be adjusted when calculating the NCCR and AFUDC:

9. As it relates to the original certified capital amount, the Company's ROE used to determine the NCCR from January 1, 2016 will be reduced from 10.95% to 10.00%. Such lower ROE will first be used when adjusting the NCCR rate effective January 1, 2017 and in every annual adjustment through the Project being placed into base rates. If the Commission adjusts the Company's ROE rate setting point in a rate case as defined in O.C.G.A. § 46-2-25 prior to the Project being placed into retail rate base, then the ROE to be used under this paragraph shall be the new Company ROE set point less 95 basis points.

10. As it relates to current projected capital costs above the original certified capital amount of $4.418 billion, Georgia Power will exclude such amounts from the NCCR, but will recognize AFUDC on the CWIP balance above the $4.418 certified amount during construction. The Company will use a 10.00% ROE to calculate AFUDC on those amounts up to $5.44 billion until the Project is placed in commercial operation. If the Commission adjusts the Company's ROE rate setting point in a rate case as defined in O.C.G.A. § 46-2-25 prior to the Project being placed into commercial operation, then the ROE to be used under this paragraph shall be the new Company ROE less 95 basis points.

11. The Company will use its average cost of long-term debt, including the benefits of the federal loan guarantees, as the ROE to calculate AFUDC on any amounts above $5.440 billion until the Project reaches commercial operation.

The Project will not be placed into retail base rates until December 31, 2020:

12. The Project, consisting of both Units 3 and 4, will be placed into retail rate base on December 31, 2020 or upon reaching commercial operation whichever is later.

13. Commercial Operation of a Unit as used in this Stipulation will be defined as the Unit being fully dispatchable on demand at the stated Net Electrical Output of 1,102 MWe of the Unit. For ratemaking purposes, the Units will not be included in base rates until December 31, 2020 or when the Units reach Commercial Operation, whichever is later.

14. If the Project is not Commercially Operational (as defined above) by December 31, 2020, the Company will further reduce its ROE used to calculate the NCCR by an additional 300 basis points and the ROE used to calculate AFUDC pursuant to this agreement to its average cost of long-term debt, including the benefits of the federal loan guarantees until such time as it reaches Commercial Operation. If the NCCR ROE is lowered pursuant to this paragraph, it shall be in the Commission's discretion whether to lower the NCCR rate to reflect the lower ROE at that time or to accrue the difference to be used for the benefit of ratepayers in the transition to placing the asset in rate base.

15. The Commission shall determine for retail ratemaking purposes the process of transitioning the Project from a construction project to an operating plant in the Company's 2019 rate case, or if the Commission chooses, at such earlier time that for good cause the Company may request.

Agreed to this 20th day of October, 2016.

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On behalf of the Georgia Public Service Commission Staff

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On behalf of Georgia Power Company