VOGTLE PLANT UPDATE

Cost Overruns & Schedule Delays

Cost overruns and schedule delays continue to rule the day for Vogtle Plant Units 3 and 4.

These new nuclear generating units were approved by the GA PSC in 2009. Then, GA Power projected that their 45.7% share of the project would cost $6.1 billion and go online in 2016.

The project is more than 3 years behind schedule and may be four years behind schedule before completion.

GA Power’s portion of the project is $1.7 billion, or 28%, over budget and could be much more over budget when finished.

We first began reporting on and predicting cost overruns and schedule delays in our summer 2012 newsletter. We provided updates in 2013, 2014 and 2015. Unfortunately, the actual cost overruns and schedule delays have been even greater than we predicted.

VOGTLE PLANT LAWSUITS

GA Power and the other owners of the Vogtle Plant settled a lawsuit with their contractors in January 2016. The amounts the three owners of the plant paid to settle the litigation can be seen in the box below.

In September 2016, employees working on construction of the plant filed a lawsuit alleging that they were not being paid for overtime at the plant. Approximately 6,000 people work on the construction of the plant. This lawsuit has the potential to lead to significant additional costs for GA Power and the other plant owners.

IMPACT ON ELECTRIC RATES

The total plant cost including cost overruns, schedule delays and lawsuits has or will result in significantly higher electric rates for customers.

Even though the plant is years from producing electricity, GA Power customers have already been paying a 9.735% surcharge on their electric bills under the Nuclear Construction Cost Recovery Rider. This rider has existed for years.

Read it at this web site: https://georgiapower.com/docs/rates-schedules/common/10.10_NCCR.pdf

When the plant goes online, which we project for 2020, we anticipate that this rider will be eliminated and overall base rates will be increased by more than 10%.
For the ninth year, UMS just completed serving as a sponsor of the World Energy Engineering Congress (WEEC). It was held in Washington, DC.

The WEEC is the one truly comprehensive event where you can fully assess the “big picture” and see exactly how the economic and market forces, new technologies, regulatory developments and industry trends all merge to shape your critical decisions, as well as define what specific steps are needed to achieve optimum energy efficiency and performance within your organization.

The WEEC includes a trade show with over 300 vendors displaying energy producing, consuming and conserving technologies and more than 250 technical presentations on energy related topics.

UMS brought a team of representatives to enhance our knowledge of the energy industry so we can continue to provide even better services to you.

For the 41st Annual WEEC in 2017, the keynote speaker will be former President George W. Bush.

President Bush continues with our tradition of having outstanding speakers like those listed below:

- Former President Bill Clinton
- Former Secretary of State General Colin Powell
- Former Secretary of State Condoleezza Rice
- Former Governor Arnold Schwarzenegger

YOU’RE INVITED!

UMS sends out two free passes to the WEEC to all of our active customers every year. We enjoyed seeing some of you in Washington, DC this year and look forward to seeing you in Atlanta, GA next year.

September 27 - 29, 2017
Georgia World Congress Center
Atlanta, GA