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Commissioner Stan Wise
Chairman, Georgia Public Service Commission
244 Washington Street
Atlanta, GA 30334

Re: Implications on Plant Vogtle of Tax Plans in Congress

Docket 29849

Dear Chairman Wise:

Georgia Power Company is in receipt of your correspondence of December 1, 2017 wherein you request information on the potential impact corporate tax reform being considered by the U.S. Congress may have on the Plant Vogtle Nuclear Construction Project if such were to become law.

Our preliminary analysis indicates that the lower federal tax rate results in lower revenue requirements (favorable impacts to customers) for the NCCR tariff; as well as completion and abandonment scenarios.

While a lower federal tax rate (as low as 20%) will positively impact customers, there is one benefit of the current higher (35%) rate that will be forgone under the Commission's current scheduling order if the reductions take effect in 2018 as provided for under the Tax Cuts and Jobs Act passed last month by the U.S. House of Representatives.

If the decision were to be made that it is in the best interest of customers to cease the construction of Plant Vogtle Units 3 & 4, making that determination prior to December 31, 2017 would preserve the Company's ability to utilize the current higher federal tax rate under what is known in simple accounting terms as an abandonment deduction.

Under a scenario where an abandonment is declared in 2017, the Company would be able to realize an approximately \$150 million larger tax benefit under the current 35% tax rate. This benefit takes in to account the Company's anticipated taxable income and related limitations on deductions the Company may take in any given year. These benefits would offset project costs and be passed along to customers through the traditional ratemaking process.

I hope this information is responsive to your inquiry. Once a final bill is passed, I will provide more specific information to you.

Sincerely,

W. Paul Bowers