Vogtle Plant Update

In August 2006, Georgia Power applied for an Early Site Permit to build two additional nuclear reactors at the Vogtle Plant. These will be Vogtle 3 and Vogtle 4. The projects, currently under construction, are grossly off schedule and over budget.

Westinghouse Bankruptcy

Westinghouse, the provider of the reactors and the general contractor building the plants, has filed for bankruptcy and is no longer planning to finish construction. The bankruptcy was driven by $9 billion in losses from the Vogtle plants and the Summer plant being built by South Carolina Electric & Gas. This bankruptcy throws the completion of the plants into question.

What is Next?

Georgia Power is developing plans to try to complete construction of the project on their own. This is a very tall order for a power company; they almost always contract out the construction of power plants to other firms because they are not equipped or prepared to complete such projects on their own.

Construction Schedule

The nuclear units were already many years behind schedule before Westinghouse declared bankruptcy. Due to their being unable to complete construction, years of additional delays can be expected.

<table>
<thead>
<tr>
<th>UNIT</th>
<th>Initial Schedule</th>
<th>Pre-Bankruptcy</th>
<th>UMS New Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vogtle 3</td>
<td>2016</td>
<td>2019</td>
<td>2023</td>
</tr>
<tr>
<td>Vogtle 4</td>
<td>2017</td>
<td>2020</td>
<td>Never</td>
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</tbody>
</table>

Construction Costs

The two units were initially projected to cost a total of $14 billion. We now project that only one unit will be built and it will cost as much as $20 billion. On a per-unit basis, that is roughly 285% greater than original projections.

Who Will Pay?

Customers of GA Power, MEAG, Oglethorpe Power Corp and Dalton Utilities, the owners of the plants, will likely see very sharp rate increases to pay for the units. The increases will likely result in higher rates for several decades.

Taxpayers will likely pay for part of the plants, also. The federal government provided a $6.5 billion loan guarantee on the plants. It is not yet clear if the taxpayers will ultimately have to pay under that guarantee.

Have Cost Overruns & Construction Delays Happened Before?

Yes. Unfortunately, dramatic cost overruns and schedule delays are common. Google these stories:

- **Shearon Harris Plant (NC)** - $1 billion budgeted for 4 units. Only 1 unit was constructed at a cost of $4 billion.
- **Shoreham Plant (NY)** - $75 million projected; $6 billion spent and the plant never went on line - a total loss.
- **San Onofre Plant (CA)** - Closed permanently in 2013 after failure of newly installed steam generators. Now a multi-billion dollar storage facility for spent nuclear fuel; no power being produced.
- **Crystal River 3 (FL)** - Permanently closed due to construction failures in the containment building; multi-billion dollar loss.
- **North Ana Plant (VA)** - Closed for one year after an earthquake struck near the plant that was greater than what the plant was designed to withstand. The NRC later allowed it to re-open.
Janessa Goldstein Promoted to Vice President of Financial Operations

Utility Management Services, Inc. (UMS) announced the promotion of Janessa Goldstein to Vice President of Financial Operations on June 1, 2017.

Goldstein joined UMS in January 2010 as Office Manager, handling collections, accounts receivable/payable and general administrative duties before taking on additional human resources responsibilities of benefits and payroll in June of the same year. In July 2011, she began handling collections and several HR duties remotely and on a part-time basis while pursuing a law degree.

After earning a Juris Doctorate from the Charlotte School of Law, Goldstein returned to the firm on a full-time basis in 2014 as Corporate Counsel, and was promoted to Director of Financial Operations in early 2015.

As a licensed North Carolina attorney, she plays an integral role in negotiating and advocating for better rate structures for UMS clients in various administrative proceedings, and is a two-time recipient of the CALI Excellence for the Future Award for Lawyering Processes I & II.

Goldstein also holds a degree in Business Administration with a concentration in Human Resources Management from the University of North Carolina at Wilmington. She will continue serving in the role of Corporate Counsel as she takes on additional responsibilities in the area of financial operations.

Lightning season is here!
Protect your Electronic Equipment

Protect your server(s), computers and other electronic equipment by installing surge protection at your facility. A variety of options are available.

Power Strips

These are inexpensive, easy to use and provide power and surge protection for multiple devices. We recommend having one of these for each of your computers or other pieces of electronic equipment.

Electrical Panel Surge Protection

A variety of surge protection devices are available to be installed at your electrical panel. They provide protection for your entire facility, as well as a higher level of protection than single-device power strips. These protectors are more expensive and must be installed by a licensed electrician. We recommend this type of protection be used in conjunction with power strip surge protection.

Electrical Grounding

Surge protection equipment is only effective when used with a high quality, low impedance grounding system. If you install surge protection at your electrical panel, we suggest you also install additional ground rods bonded to your existing grounding system. This will reduce the impedance of your grounding system and improve your overall level of surge protection.