

## **DOE Loan Guarantees Background**

- On June 18, 2010, Southern Company, on behalf of Georgia Power, accepted the first Conditional Commitment for nuclear loan guarantees of approximately \$3.4 billion or 70 percent of Vogtle Units 3 & 4 eligible project costs.
- The Conditional Commitment is for a loan from the Federal Financing Bank (FFB), full recourse to Georgia Power, and includes a first lien to DOE for Georgia Power's ownership in Vogtle Units 3 & 4.
- Southern Company is committed to working constructively with the DOE to finalize the loan guarantees, which are subject to receipt of the combined Construction and Operating Licenses (COL) and completion of final agreements.
- Southern Company believes it was awarded the loan guarantee because of the strong creditworthiness, scale and proven nuclear track record.
- As a result of the DOE loan guarantees, Georgia Power and its customers are currently expected to save approximately \$15 million to \$20 million in interest costs annually over the expected life of the bonds. The actual amount of the interest savings will be dependent on final terms and the timing of specific borrowings.
- The total Vogtle 3 & 4 Project DOE loan guarantee commitment is \$8.3 billion, including co-owner Conditional Commitments.

### **Application Timeline:**

- Georgia Power and the co-owners filed part I of the application on Sept. 29, 2008, and requested the maximum funding available (80 percent) for the construction cost of Vogtle 3 and 4.
- In November 2008, DOE announced the Vogtle project ranked among the first out of all applicants.
- In December 2008, Georgia Power and the co-owners filed part II of the application.
- In December 2009, DOE issued a Final Rulemaking to change the rules governing the Loan Guarantee Program. These rule changes are critical for Georgia Power and other projects that use an undivided interest ownership structure.
- In February 2010, the DOE offered Conditional Commitments to the Company and its co-owners.
- In June, 2010, the Company accepted the Conditional Commitment.

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