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Remarks

R. W. Scherer
Chief Executive Officer &
Chairman of the Board
Georgia Power Company

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News Conference
August 5, 1985
Georgia Power Co.
Atlanta, Georgia

OFFICE OF THE
DOCKETING & SERVICE
BRANCH

We have new information about Plant Vogtle which we wanted to share with you.

We have found it necessary to increase the estimated budget for Plant Vogtle by about 16.7 percent. That will increase the total projected cost from \$7.2 billion to \$8.4 billion.

As you know, Georgia Power is one of four co-owners of the plant. You have been provided with some specific numbers on how the new budget is broken down between the co-owners. Georgia Power's portion of the new estimate is \$3.6 billion. This specific increase, however, will not change our scheduled outside financing requirements.

We have also revised the schedule for the commercial operation of the plant's first unit. The expected commercial operation date of the first unit is now June 1987. That is a three-month extension from the previous estimate of March 1987.

As many of you know, we have anticipated this increase for some time now. There are several reasons why the estimated cost is up and the schedule is being adjusted.

First, these new budget estimates for Plant Vogtle reflect, among other things, a revision of projected productivity rates. Those rates -- which measure progress by the number of man-hours it takes to reach specified construction goals -- have been below the very ambitious targets we set last year.

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I want to make clear that these earlier goals were by every standard -- a pursuit of excellence. In some areas, we accomplished those goals. However, we have simply not met the high standards of excellence we set for ourselves.

We are at the stage in construction where much of the work is extremely detailed, with a good part of it installing complex electrical systems. That work is taking longer than we projected -- even though our overall production level is high.

As a result, we have had excellent construction progress -- or production, even though we have not met the specific productivity rates which were set. For example, we have placed more than 500 thousand cubic yards of concrete at Plant Vogtle and installed almost six million linear feet of wire and cable. However, the total number of man-hours it has taken us to make that kind of progress have been higher than we anticipated.

Therefore, we have had high levels of production -- but somewhat lower levels of productivity.

Another reason for the revision in the Vogtle budget is the increase in the amount of electrical materials, including wire and cable. We have determined that larger amounts of those materials need to be installed than we originally estimated. This reevaluation contributes to the overall increase.

Let me emphasize that while the projected cost of Plant Vogtle has increased, the quality of the project is, we believe, one of the best. We have designed and are completing a facility that we believe will be very safe and very efficient. We have always emphasized quality and safety

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in our program. That quality costs money. However, it is the best way we know to ensure that when the plant is finished, it will operate at the highest levels of efficiency and safety.

Finally, let me say this. We are not one to take our commitments lightly. We have kept the lights on in Georgia. We have accommodated a high level of economic growth. We have kept our rates competitive. As many of you know, our rates are among the nations's lowest and they will continue to be competitive even after Plant Vogtle is completed. We are committed to keeping a reliable and affordable supply of electricity for all Georgians.

This latest increase in the cost of Plant Vogtle will have no effect on our continued commitment to build and operate the facility. In fact, the need for Vogtle's generating capacity is more apparent than ever.

All time records in both the summer and winter demand for electricity have been set in 1985. In fact, during early June, our customers' demand for electricity not only surpassed the old record but exceeded our projected peak load for 1987.

We feel more strongly than ever that Plant Vogtle will play a vital role in providing a reliable supply of electricity for Georgians over the next 40 years.

PLANT VOGTLE FACT SHEET

OWNERS:

Georgia Power Company 45.7%
Oglethorpe Power Corporation . . 30.0%
Municipal Electric Authority
of Georgia 22.7%
City of Dalton 1.6%

LOCATION:

Approximately 34 miles south of Augusta,
Georgia, on the Savannah River

Nearest City - Waynesboro, Georgia

REACTORS:

Type - Pressurized Water Reactor
Size - 1,160 megawatts per unit

NUCLEAR STEAM SUPPLY SYSTEM:

Westinghouse Electric Company

TURBINE GENERATOR:

General Electric Company

CONTAINMENT:

Vertical, cylindrical, post-tensioned concrete structure with a dome and a flat base. It houses reactor, reactor coolant system and other Nuclear Steam System Supply (NSSS) components. The interior is lined with carbon steel plate. Concrete shields the reactor and other NSSS components. It is 140 feet in diameter and 225 feet high. Vertical wall thickness is 3 feet 9 inches. Dome thickness is 2 feet 6 inches and foundation thickness is 10 feet.

OPERATOR/CONSTRUCTOR:

Georgia Power Company

ARCHITECT/ENGINEER:

Bechtel Power Corporation and
Southern Company Services, Inc.

COST:

\$8.4 billion, including financing

PERCENT COMPLETE:

<u>Unit 1</u>	<u>Unit 2</u>
82%	47%

APPROXIMATE EMPLOYMENT:

11,000 total
Georgia Power - 2,000
Contractors and Other - 9,000

ANNUAL PAYROLL:

Approximate 1984 Jobsite Payroll
\$300 Million

COMMERCIAL OPERATION:

Unit 1 - 1987
Unit 2 - 1988

SIZE OF CONSTRUCTION SITE:

3,150 acres

TAXES:

It is projected that by 1988
Georgia Power and its co-owners
will have paid approximately \$40
million in ad valorem taxes to
Burke County.