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Digging Deeper:

Georgia Power electricity rates rising

Costs at issue in Public Service

Commission races

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It used to be that millions of Georgians got a bargain on their monthly electric bills, paying Georgia Power residential rates that were nearly 10 percent lower than the national average. But in the last decade most of that advantage has slipped away.

The average rate residential customers pay the state's largest utility has risen faster than the national average, according to an Atlanta Journal-Constitution analysis of federal data.

And more cost increases are expected in years ahead due to a steeply overbudget nuclear expansion of Plant Vogtle. potentially threatening Georgia's marketing promise of cheap power.

Energy costs have emerged as a flashpoint in a pair of Nov. 6 general election races for the Georgia Public Service Commission, particularly in the contest between **Republican incumbent Chuck Eaton** and Democratic challenger Lindy Miller. The rivals have been slinging

competing statistics that suggest local energy costs are either among the very best in the nation — or among the very worst.

“We in Georgia have the third highest energy bills in the country,” Miller said in a PSC debate, referring to [an analysis by personal finance site WalletHub](#).

Instead of just considering electric rates, the WalletHub measurement factors in the size of bills based on how much power people use as well as energy spending in areas the PSC doesn't regulate, such as gasoline prices. Miller said she thinks the PSC needs to invest more in improving energy efficiency.

Meanwhile, Eaton, vying to keep his seat on the PSC, said businesses and residents have been well served: “Our electric rates are 15 percent below the national average. And in the last seven years the average bill hasn't gone up one dime.” He said he got his figures from Georgia Power.

But **the company left out most utilities in the nation** when coming up with its comparison with the U.S. average, and **it included lower business rates that residential (rate) payers don't get.**

Federal data shows Georgia Power actually had higher residential electric rates in 2017 than it did in 2011, an AJC review found. But the rates still remained lower than the U.S. average cost per kilowatt hour for 2017, according to data from the U.S. Energy Information Administration, a central data source used by both industry and regulators.

Nonetheless, the energy landscape is changing locally. Georgia Power's residential rates no longer stand out compared to the more than than 2,000 other U.S. utilities, according to an AJC review of the federal data.

“It looks like it is pretty much close to the average for the U.S., maybe slightly lower,” EIA economist Tyler Hodge said.

In fact, the company's residential rates are now higher than those of most states in the Southeast, according to federal data. At least part of the reason prices are up is because of the Vogtle financing costs and profits already embedded in consumer bills.

“Georgia Power likes to talk about having some of the lowest rates in the nation,” said Liz Coyle, who leads consumer advocacy group Georgia Watch, but “Georgia Power does not even have the lowest rates in the state.”

In an email to the AJC, Georgia Power spokesman John Kraft wrote that “Georgia Power's rates are 14.9 percent below the national average.” Asked for clarification about what the company was including in its measurement, he wrote that the figure combined all rates, not just those for

residential consumers, and compared only companies like Georgia Power that are investor-owned utilities.

Kraft also wrote that federal data “can be sliced/diced many ways but our overall numbers when compared to other IOU’s are lower than average and definitely lower than they were in 2011.”

The AJC’s review of federal figures shows Georgia Power’s residential average costs per kilowatt hour for 2017 were up compared to 2011 and up compared to a decade ago, when they were nearly 21 percent lower.

Two of the PSC’s highest-profile duties are determining what is built and how much is charged by Georgia Power, which has a state-mandated geographic monopoly for most customers. The PSC does not have authority to set rates for more than 70 other smaller utilities in the state. PSC commissioners and company executives have predicted that rates will increase once the nuclear expansion at Plant Vogtle is completed and construction costs are rolled into consumers’ monthly electric bills. The project, which is billions of dollars over budget and years behind schedule, is currently slated for completion in 2022. Georgia Power customer bills already include some Vogtle financing costs and related company profits.

But this **election year, Georgia Power bills have included special short-term reductions: credits for a portion of a legal settlement related to the Vogtle project, a temporary dip in nuclear financing fees** tied to project delays and savings from sweeping federal tax changes. PSC races rarely generate much voter attention.

This time, though, the races have attracted extra heavy campaign donations and more attention, perhaps at least in part because of **lingering questions about how much of the Vogtle’s growing bill will be picked up by customers.**

Libertarian candidate Ryan Graham is also running against Eaton and Miller.

In the other statewide PSC race up for grabs incumbent Tricia Pridemore, a Republican, is facing off against Democrat Dawn Randolph and Libertarian John Turpish.

Karen Heatwole, a retired senior executive at a Fortune 500 software company, watched debates between the candidates for PSC seats and said she struggled to make sense of dueling claims by Eaton and Miller about energy prices.

“Why are these two candidates saying these two diametrically opposed comments?” said Heatwole, who said she is an independent voter. “How are we really doing?”

“For me as a consumer, I don’t like hearing about the cost overruns at Plant Vogtle. It’s maddening,” she said. But she said she hadn’t noticed her own power bills rising, though she said she expects **that to change once Vogtle’s costs fully hit.**