

Regulators begin hearings on how much customers should pay for Georgia nuclear reactors

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The first of two new nuclear reactors, left, operates at Plant Vogtle, July 31, 2023, in Burke County near Waynesboro, Ga., while the second reactor, right, awaits completion. In hearings that began on Monday, Dec. 4, Georgia Power Co. is asking the state Public Service Commission to approve a further 6% increase in customer bills to pay for the second unit. Credit: Arvin Temkar/Atlanta Journal-Constitution via AP, File

Georgia Power Co. is urging the state's utility regulators to approve a deal to pay for the company's new nuclear reactors as a few holdout opponents keep fighting to try to get the Public Service Commission to keep the utility from collecting any cost overruns for the two reactors at Plant Vogtle.

Commissioners began hearings Monday on the proposed [deal](#), which would add \$8.95 a month to a typical residential customer's monthly bill, atop the \$5.42 that Georgia Power is already collecting. The five elected commissioners, all Republicans, are scheduled to vote on the \$7.56 billion proposal on Dec. 19.

The increase would raise the current typical monthly residential bill of nearly \$157 by almost 6%. The increase would begin in the month after Unit 4 begins commercial operation. Georgia Power says that will happen next spring.

The largest unit of Atlanta-based Southern Co., Georgia Power announced the deal in August, agreeing with commission staff and some [consumer groups](#). Without the agreement, the company could face months of contentious hearings over how much blame the company should bear for billions in cost overruns at two new nuclear reactors southeast of Augusta.

Vogtle's Unit 3 and Unit 4 are the first new American reactors built from scratch in decades. Each [reactor](#) can power 500,000 homes and businesses without releasing any carbon. But even as [government officials](#) and some utilities are again looking to [nuclear power](#) to alleviate [climate change](#), the cost of Vogtle could discourage utilities from pursuing nuclear power.

The project's overall cost, including financing, is currently \$31 billion for Georgia Power and three other owners, Associated Press calculations show. Add in \$3.7 billion that original contractor Westinghouse paid the Vogtle owners to walk away from construction, and the total nears \$35 billion. The reactors are seven years late and \$17 billion over budget.

Vogtle is projected to cost the company \$10.2 billion to build, plus \$3.5 billion in financing costs, Georgia Power Chief Financial Officer Aaron Abramovitz testified on Monday. He said the company believes it could have asked the commission to award it \$8.83 billion of the construction cost, but instead agreed to seek \$7.56 billion.

"This strikes an appropriate balance among complex technical issues and provides for the recovery of reasonable and prudent costs for the project," Abramovitz testified.

Groups that reached the agreement with Georgia Power said in August that they believed it was the best deal they could get, saying there was a chance commissioners would have voted for a higher number because they are historically friendly to the utility.

But the deal angered remaining opponents. Patty Durand, a Democrat who could challenge Republican Tim Echols, argued in pre-filed testimony that the deal gives away the store and does nothing to hold Georgia Power accountable for its failings. She also argues that the deal is unfairly denying customers a full accounting of management failures in Vogtle's construction.

"Where are the cost disallowances for the failures documented in staff reports?" Durand asked in written testimony filed before the hearing.

"Where is the study on what went wrong? Where is the bill pay assistance that the largest rate increase in the history of the state should necessitate?"

Durand argued that the company should only get the \$6.1 billion in construction and financing costs for which it originally promised to build the reactors. And she said it that wasn't possible, it should at least be the starting point for negotiations.

"You don't start with the worst possible outcome for yourself, which is your opponent's position, and negotiate down," she said. "That is not a win."

Finally, some opponents including Durand are also arguing that the vote shouldn't take place before elections are held to fill the seats now occupied by Commissioners Tim Echols and Fitz Johnson. Both were scheduled to stand for election in 2022, but balloting was postponed during a court case that sought to make Georgia voters chose commissioners by district. A [federal appeals court](#) rejected that move last month.

Georgia Power owns 45.7% of the reactors. Smaller shares are owned by Oglethorpe Power Corp., which provides electricity to member-owned cooperatives, the Municipal Electric Authority of Georgia and the city of Dalton. Some Florida and Alabama utilities have also contracted to buy Vogtle's [power](#).

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