

# Consumers may pay early for nuclear power plants

Public Service Commission says move would cost consumers more, senator says they will save

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A hike in Georgia Power bills could make its way through the Legislature this session.

Sen. Don Balfour (R-Snellville) said Thursday that he expects to introduce a bill Friday that would let Georgia Power charge customers early for the interest costs of building two nuclear reactors near Augusta.

The company, which is building the reactors with the state's other power companies, expects to begin in 2011.

It won't finish the \$14 billion project until 2017. Georgia Power's share of the cost is about \$6.4 billion.

Normally, regulated utilities like Georgia Power charge for new plants only after the plants are running.

Balfour said his bill will cut costs.

"If we pay for the interest now, we're saving money," said Balfour. "The interest is going to be born by the customer either way."

The early charges are also under consideration at the Public Service Commission, which held hearings this week. The PSC is scheduled to decide in March.

The state's biggest industrial power consumers and the PSC staff oppose early interest collection.

They say it would cost consumers more, not less.

Some see the pending legislation as an end-run around the PSC. Georgia Power says a law would codify the PSC's power to allow the early fees.

Balfour said the proposed fee would add about \$1.30 to a typical homeowner's monthly bill. The fee would ratchet up to \$9.10 per month by 2017. If Georgia Power didn't charge early, bills would jump by \$11.70 by 2017, the company says.

"Your rate's going to go through the roof when the plant comes on line," Balfour said.

Opponents say the early charge will actually cost customers more in real terms.

By the time the reactors are built, customers will have already paid \$1.6 billion for them. Because of that, they won't come out ahead until 2027, 16 years after they begin paying.

In testimony at the PSC, staff and industry consultants said Georgia Power's figures ignore the real value of money over time. They say customers will pay hundreds of millions of dollars more by paying early, because of lost opportunities for using their money.

"Ratepayers have a cost of money as well," consultant Lane Kollen told the PSC.