

## BUSINESS

## Georgia Power's rates will go up again next month. Here's how much

New rate bump of 3.5% facing the average residential customer in January is the sixth increase in the last two years.



A view of Unit 3 at Georgia Power's Plant Vogtle, in Burke County near Waynesboro, on Monday, July 31, 2023. (Arvin Temkar/AJC)

By Drew Kann

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State utility regulators voted Tuesday to allow Georgia Power to raise its rates again starting in January, the latest in a series of increases that have raised customers' electric bills sharply.

The new rates, which will take effect Jan. 1, were approved unanimously by the five members of the Georgia Public Service Commission. All five are Republicans.

This increase has been expected since late 2022 — that's when the PSC in a 4-to-1 vote approved Georgia Power's rate plan for the years 2023, 2024 and 2025. But the exact step up amount each year is determined by annual compliance filings the company submits to the commission's approval. The company had said it needed the incremental increases to pay for grid improvements, investments in cleaner energy and customer service upgrades.

Tuesday's vote means the company will be allowed to collect about \$306 million more from its ratepayers starting next year.

Residential customers who pay an average of \$165 for electricity each month now will see an increase of roughly 3.5% or \$5.84 on their monthly bills next year, according to Georgia Power rate impact worksheets shared with The Atlanta Journal-Constitution.

Once the new rates kick in, Georgia Power's ratepayers will have faced six different hikes since the start of 2023 to pay for fuel costs, the expansion of Plant Vogtle and more. All told, the increases have raised the average customer's bill by about \$43, according to data from Georgia Power. (An earlier estimate by the Southern Environmental Law Center pegged the amount at about \$44.)

The average residential power bill in Georgia, across all providers, was \$141.67 in 2023, the latest data available from the federal Energy Information Administration. Georgia bills that year were about \$5 higher than the national average and ranked 17th highest nationally.

The average Georgia Power ratepayer will now pay around \$171 on their monthly bill in 2025, but it was not immediately clear how that stacks up against customers of utilities in other states.

The PSC's staff had recommended the commission approve the rate increase. But last week, not all commissioners seemed to agree with that advice.

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Commissioner Lauren “Bubba” McDonald, who was also the lone vote against the company’s rate hikes back in 2022, said in committee meetings last week he did not think it was appropriate to raise rates again. McDonald cited inflation and devastation caused by Hurricane Helene, which hammered homes and businesses across Georgia and knocked out power to roughly half of Georgia Power’s 2.7 million customers in the immediate aftermath.

McDonald, who mentioned the soaring profits Georgia Power’s parent company Southern Co. has enjoyed so far this year, said he’d asked the utility’s leadership to keep the 2024 rates in place and “suck it up a little bit.”

“Let’s be good citizens and good Americans and work through this thing,” McDonald said.

Brandon Marzo, an attorney who represents Georgia Power, told McDonald and the other commissioners “we hear you,” but asked that the PSC still approve the increase. Monopoly utilities like Georgia Power have traditionally been guaranteed to recoup their expenses through different rate components, plus earn a set profit on capital expense, like building new power plants and lines.

“The compliance filing (rate increase) is important to be approved because we relied upon the rate recovery in order to make those investments,” Marzo said. He added the company has already taken steps to soften the blow to ratepayers, through moves like expanding its low-income discount program, and would look for other ways to offer savings.

In the end, McDonald joined his fellow commissioners Tuesday and voted to approve the increase.

And it’s possible rates could go up again in the near future.

On an earnings call at the end of October, Southern Co. leadership told investors Hurricane Helene caused an estimated \$1.1 billion in damage to its system in September. Georgia Power maintains a storm recovery account, which the company’s customers contribute to in their monthly bill, but Jacob Hawkins, a spokesperson for the utility, said that account is currently in the red. He did not specify how large the deficit is.

Hawkins said Georgia Power will address the collection of storm costs from customers when it files its next three-year rate plan next summer.

On Tuesday, the PSC also approved Georgia Power's financial surveillance report for the year 2023, and the results mean the company's customers are not expected to receive any bill refunds anytime soon.

Last year, Georgia Power earned a 10.9% return on equity. That's within its commission-approved earnings target, but not high enough to require it to share profits with its customers.

## About the Author



**Drew Kann**



Drew Kann is a reporter at The Atlanta Journal-Constitution covering climate change and environmental issues. His passion is for stories that capture how humans are responding to a changing environment. He is a proud graduate of the University of Georgia and Northwestern University, and prior to joining the AJC, he held various roles at CNN.

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