

Nuclear Power \$\$\$

Higher electric rates for you, lower taxes and higher dividends for the power company

Household Electric Bills Increase, Dollars Siphoned from County and State

The Georgia Public Service Commission unanimously approved a settlement Tuesday that will increase Georgia Power's rates by about a \$100 a year for the average residential customer by 2016.

Georgia Power rate hike approved, Augusta Chronicle, December 18, 2013

Dollars Removed By Annual Rate Increases

Year	Monthly rate increase	Annual Rate Increase Impact Burke County (9,847 households)	Annual Rate Increase Impact Georgia (2.3 million customers)
2014	\$ 2.19	\$258,779	\$60,444,000
2015	\$ 3.61	\$426,572	\$99,636,000
2016	\$ 2.96	\$349,765	\$81,696,000
Total	\$ 8.76	\$1,035,116	\$241,776,000

Annual impact = monthly increase × 12 months × number of households or customers

As reported above, the three-year rate plan recently approved by the Georgia Public Service Commission will hit households hard. But the cumulative impact of the rate hikes will take hundreds-of-thousands of dollars out of Burke County every year, and hundreds-of millions more dollars annually out of the state economy, money otherwise spent on food, clothing, transportation and shelter.

Households Pay More, Company Enjoys Windfall

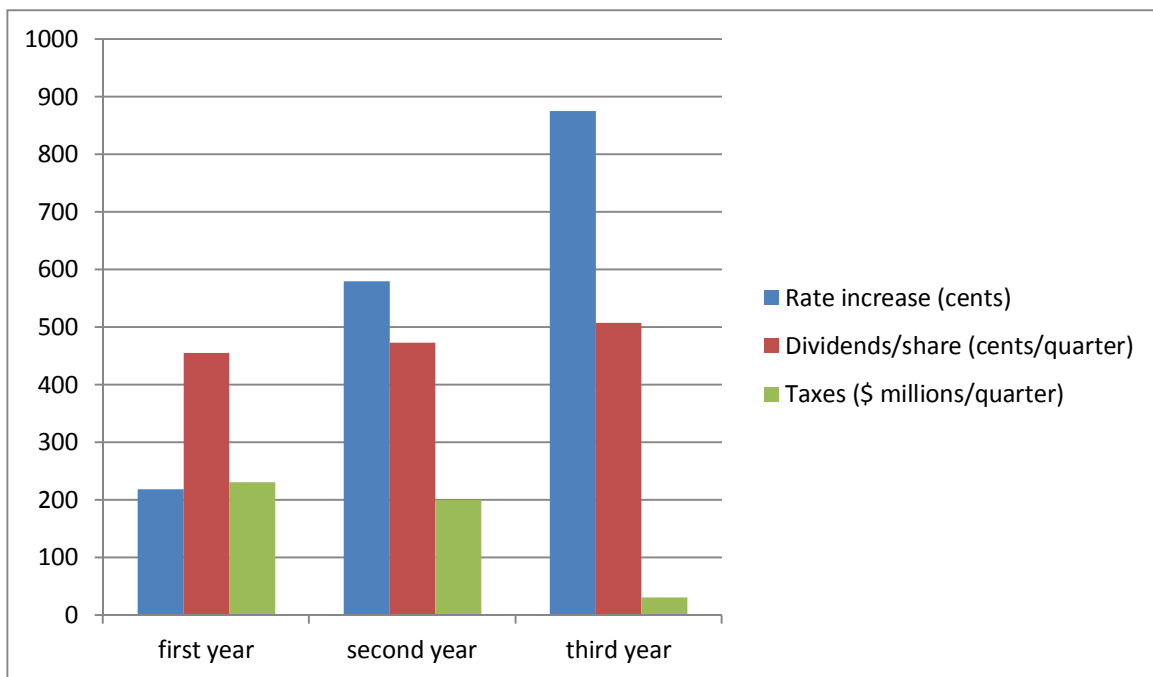


Figure 1: Electric Rates, Stockholder Dividends, Taxes

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Revenues Up but Company Pays Lower Taxes and Wants Tax Credit

In the first quarter of 2013, Southern Company paid just \$31 million in income taxes, down from \$200 million in 2012 and \$231 million in 2011. And the company will receive taxpayer-funded subsidies. Although its tax burden is lower, Vogtle is in line for an 18 cent/MWh production tax credit for the first 6,000 MW of new nuclear capacity. This credit was approved by Congress in the 2005 Energy Policy Act. Southern Company's revenues are up: In the first quarter 2013, retail revenues were \$3.3 billion compared to \$3.1 billion for the corresponding period in 2012.

From data filed with SEC Form 10-Q

Company Stockholders Dividends Skyrocket

Over the last three years, Southern Company's dividends per share have increased 11½ percent.

	Quarterly Dividend per share	Annual increase %	Cumulative increase %
2011	\$ 0.4550		
2012	\$ 0.4725	3.8 %	
2013	\$ 0.5075	7.4 %	11.5%

Construction Costs Rise, Lawyers Argue, Customers Pay

“Plant Vogtle in eastern Georgia, initially estimated to cost \$14 billion, has run into over \$800 million in extra charges related to licensing delays. A state monitor has said bluntly that co-owner Southern Co. can't stick to its budget.”

Building Costs Rise at US Nuclear Sites, Associated Press July 10, 2012

“One pending lawsuit is between Georgia Power and the construction company over which of them should pay \$425 million in costs related to the licensing delay.”

Deal blames Vogtle's cost overruns on nuclear critics, Augusta Chronicle, July 16, 2013

“If the utilities that own Vogtle wind up owing all or some part of the disputed sum, then electricity customers or shareholders could be on the hook as well. The Public Service Commission would have to decide how to split Georgia Power's 46-percent portion between its customers across the state and the shareholders of its parent, Southern Company.”

\$900 million Vogtle dispute not unusual, Rome News-Tribune, May 5, 2013

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