

Electric bills are likely to increase

Ga. Power files for a fuel cost boost

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Georgia Power wants to raise electric bills by \$416 million per year starting next year, the company said Monday.

If granted, that would increase the typical residential customer's bill by about \$5.50 per month for 1,000 kilowatt-hours of power use.

The increase comes on top of a \$5 per month the state Public Service Commission allowed the company to add to bills this summer. It's also

dramatically higher than the 91 cents per month the company proposed raising bills in September, before the PSC ordered it to redo the numbers with more up-to-date information.

A typical customer's bill now averages \$88.76 monthly over a year's time. With Monday's increase request, it would average \$94.26.

Like the increase granted in June, Monday's request is for money to pay Georgia Power's costs for the coal, natural gas and nuclear fuel used to make power.

The company is also expected to file for a rate increase, covering other cost increases, this coming spring.

Georgia Power's fuel increases have outstripped its rate increases over the past two years. The fuel numbers also have become increasingly confusing.

A portion of the company's fuel fee is intended to collect projected fuel costs, and another portion is meant to cover the fuel costs the company failed to collect in earlier years because its projections were too low. It has been years since Georgia Power's predictions were correct.

The two portions are collected on different timelines. Further complicating things, the company now charges multiple backlog fees based on whether the under-collection happened before or after Georgia Power's merger with Savannah Electric this summer and on where customers got their power at the time.

The \$5.50 boost proposed Monday would likely last at least two years. A portion of it could last much longer.

A PSC order in June, saying Georgia Power needed to begin filing fuel requests more often, adds to the confusion.

Georgia Power met its first deadline in September, filing a fuel request that would have raised bills only 91 cents per month, but failed to include any projections. The new filing includes projections, but projections that are hard to compare with those made in June, because of the change in timing.

Projections of future costs are the bulk of Georgia Power's new request.

Asked why the projections are so high in a time of cheaper energy, company Comptroller Ann Daiss said prices aren't expected to fall enough to balance other factors that govern how Georgia Power uses fuel.

Among them: The company expects to use more natural gas as demand increases, especially in the summer months.

Not only did Georgia Power pick up a lot of Savannah Electric customers this June, it continues to pick up new customers anyway, because of growth in its traditional territory.

The company uses natural gas to meet that increase, making the higher-priced fuel a bigger part of its mix.

The projections also include two changes in how Georgia Power budgets for fuel use in the future.

The company wants to use a higher estimate for how much power it keeps in reserve during high-demand times and to budget some additional costs related to its power purchases.

The changes would make Georgia Power's budgeting more realistic and help prevent under-collections, Daiss said.

The PSC is scheduled to begin hearings in January and make a decision in February. Any increase would take effect in March.