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Georgia Watch asks PSC to relieve ratepayers of cost overrun burden

August 10, 2012 – In a series of cases before the Georgia Public Service Commission (PSC) to monitor the cost of constructing two new nuclear units at Plant Vogtle, Georgia Watch is working to protect consumers. [A legal dispute between Georgia Power and its Plant Vogtle contractors over cost overruns from project design issues and schedule delays could end up costing Georgia Power ratepayers \\$400 million or more!](#) In a [brief](#) filed at the Commission on August 3, 2012, Georgia Watch once again called on Commissioners to approve a risk sharing mechanism as a means of protecting ratepayers.

Currently, the entire cost of overruns is unfairly borne by ratepayers alone. Southern Company shareholders, who own Georgia Power, have no skin in the game! Through a risk-sharing mechanism, the Company's investors and ratepayers would equitably share in any cost overruns incurred related to Georgia Power's \$6.1 billion ownership interest in the project. Such a mechanism clearly would provide Georgia Power with a strong incentive to manage the project efficiently in order to keep costs down.

In the current construction monitoring phase of the case, evidence shows a number of events that call into question how well the project is being managed by the Company and whether the decision to build the units is proving to be a good economic one for consumers.

Georgia Watch efforts recognized in the news

[As reported](#) about the Plant Vogtle proceedings in last week's *Atlanta Business Chronicle*, "The wheels are coming off the bus," said Helen O'Leary, director of consumer energy for Georgia Watch. "[But] Georgia Power has no skin in the game. ... Every day this project is late and costs more is a day they're making money."

And earlier this week, in Tom Crawford's [Georgia Report](#), "In terms of costs, it is unknown at this time how many more change orders, cost increase disputes, and schedule delays may materialize," Georgia Watch said. "In light of these eventualities, the project could very easily prove to have been an uneconomic decision for consumers."

Please [help Georgia Watch](#) continue its fight for consumer interests by [making a tax-free contribution today](#).