Lawmaker Wants Profit Cap on 2 Nuclear Reactors

RAY HENRY, Associated Press

ATLANTA (AP) — Southern Co. would face limits on the profits it would make from building two nuclear reactors in Georgia under a plan from a Republican state lawmaker.

Rep. Jeff Chapman, R-Brunswick, said Monday that he wants to write legislation loosely inspired by an agreement that Southern Co. subsidiary Mississippi Power made as it builds a first-of-its-kind coal gasification plant in Mississippi's Kemper County. As construction costs have mounted in Mississippi, Southern Co. shareholders have absorbed nearly $1 billion in pre-tax losses.

In a separate project, Southern Co. subsidiary Georgia Power is trending about $737 million above its $6.1 billion budget to build two more nuclear reactors at Plamt Vogtle, and those costs may still rise. Utility customers are legally required to pay for the power company's costs and profits unless Georgia utility regulators decide the spending was imprudent and cannot be passed along.

The agreement in Mississippi is more restrictive than Chapman's most recent plan because it prevents Mississippi Power from recouping some of its costs in addition to restricting profits.

Chapman has not demonstrated large support for his plans to limit the power company's spending. During this year's legislative session he filed a similar bill, but it never received a vote. His only co-sponsor was a Democrat, not much help in a Legislature with an overwhelming Republican majority. The lawmaker said he would revise the plan to reflect elements on the Mississippi agreement and was still working on the details.

"We think that Georgia should be treated in the same fair way that was acknowledged and agreed to by Southern Company in the state of Mississippi," Chapman said.

Southern Co. opposed Chapman's first proposal and it's certain to oppose his new idea, which could hurt its shareholders. Georgia Power spokesman Mark Williams said that utility regulators already approve construction spending in regular intervals, employ monitors who track the project and can ultimately prevent the company from passing any unreasonable costs to customers.

"We believe the PSC has all the tools to monitor the project," Williams said.

Chapman, who is running for Congress, asked the state's utility regulators in July to negotiate a Mississippi-style agreement to control costs at the Georgia nuclear

plant. Commissioner Doug Everett told Chapman last month that state law does not allow regulators to unilaterally set a financial cap on building costs, though regulators can disallow spending if it's unreasonable or, for example, the result of fraud.

Chapman has found some allies in the tea party. Debbie Dooley, a co-founder of the Atlanta Tea Party, said utility customers should not have to pay extra costs if Southern Co. exceeds its budget.

"Why should we bear that risk?" Dooley said. "I would love for elected officials to tell me why they believe that Georgia ratepayers are not entitled to the same protection as Mississippi ratepayers."

Chapman will speak Tuesday at a Statehouse news conference held by the Green Tea Coalition, a loose confederation of tea party activists, libertarians, solar power advocates and developers. The coalition said it will announce what it describes as a "bill of rights" for utility customers.

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