Plant Vogtle Update

Commission Gives Go-Ahead

The new nuclear units at the Plant Vogtle got a reprieve in December when the Georgia Public Service Commission unanimously voted to allow GA Power to continue construction on the project. Interestingly, in voting to continue the project, the Commission voted against the recommendation of the analysts they had hired to evaluate the future of the project; the analysts recommended that the project be canceled.

The vote by the Commission was contingent on the federal government granting an additional $800 million in tax credits for the plant. The proposed tax credits are in the hands of the Republican-controlled Senate Finance Committee. Both chambers of Congress would need to approve the tax credits and President Trump would need to sign them into law. None of these are a “sure thing.”

The new units are billions of dollars over budget and years behind schedule. More cost overruns and schedule delays are likely for the foreseeable future.

Customers are already paying for the plant construction in their electric bills. Eventually, whether completed or not, the project is likely to result in significantly higher electric rates for many years to come.

Lower Your Bills at Home

GA Power Residential Electric Rate Options

Georgia Power has two time-of-use rates for residential customers. These types of rates can significantly lower the electric bills for some customers compared to what they would pay on the standard Residential Service rate. The information below illustrates how the time-of-use rates work.

Time of Use - Residential Energy Only (TOU-REO)

<table>
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<tr>
<th>TIME</th>
<th>COST</th>
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<tbody>
<tr>
<td>2pm-7pm, Mon - Fri, June thru Sept.</td>
<td>$0.203217/KWH</td>
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<tr>
<td>All other hours of the year</td>
<td>$0.49409/KWH</td>
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Basic Customer Charge = $10/month

Time of Use - Residential Demand (TOU-RD)

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<tr>
<th>TIME</th>
<th>COST</th>
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</thead>
<tbody>
<tr>
<td>2pm-7pm, Mon - Fri, June thru Sept.</td>
<td>$0.096052/KWH</td>
</tr>
<tr>
<td>All other hours of the year</td>
<td>$0.009896/kKWH</td>
</tr>
<tr>
<td>Every Month</td>
<td>$6.64/KW of month’s peak demand</td>
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Basic Customer Charge = $10/month

Note that the high prices on these rates apply to less than 5% of the hours in a calendar year and the low prices apply to more than 95% of all hours. If your home is empty during most of the high-priced hours, these can be very good options for you. Also, even if you are home during the high-priced hours, avoiding running major appliances (dishwasher, clothes washer/dryer) during those hours can result in significantly lower electric bills.

These rates are also very attractive for residential customers who use a lot of energy since pricing on the standard Residential Service rate increases sharply for customers who use more than 650 KWH/month during the summer months and even more sharply for customers who use more than 1,000 KWH/month.

Customers on the TOU-RD rate will also want to manage their peak demand. This can be done by avoiding running many large appliances at the time. Don’t wash clothes, dry clothes, bake a turkey, run your dishwasher and take a hot shower all at the same time.

Our largest customer spends $1.4 BILLION per year for electricity and receives approximately 200,000 electric bills per month. Regardless of the size of your electric bills, we work continuously to lower them. Whatever your bill amount, remember it could always be worse!

Thank You for Your Business!

At UMS, we strive to reduce your electricity bills; if we don’t save you money, we don’t earn money. We are in this together and our interests are aligned.

We appreciate the opportunity to work for you!
The Tax Cuts & Jobs Act of 2017 reduced the corporate income tax rate from 35% to 21%. This creates a very significant windfall for investor owned utilities. This windfall should be passed on to the customers, rather than to the shareholders of these firms. Some rough math and assumptions indicate the potential magnitude of these savings for customers to around 2.727% of a current bill.

Advocating for Customers

I will be testifying as an expert witness in the pending Duke Energy Carolinas rate case in North Carolina. I will be advocating for more rate and pricing options for business customers as well as making changes to all electric rates to reflect the new corporate income tax rates. In this case, the potential savings associated with accounting for the new corporate income tax rate is about $170,944,000/year.

-Brian Coughlan, PE
BSEE, MSEE, MBA, CEM, CEA, CEP, CODSM
President of UMS

Will my power provider adjust their rates to reflect the new taxes?

Not necessarily. Rates are set by state regulatory commissions. Rates are generally only adjusted as part of a formal rate case. These proceedings typically happen every few years. Power companies receiving a windfall have no incentive to ask state regulators to reduce their rates to reflect the new taxes. In some cases, they may simply enjoy the windfall for several years until the next rate case. Also, even when a power company does have a rate case, they may forget to point out this significant windfall to their state regulators.

What can an average customer do?

Contact your state regulatory commission and ask them to schedule a rate case proceeding specifically to address the new tax laws in the electric rates. If your power provider is having a rate case, send a letter to state regulators requesting the new tax law be accounted for when setting the new electric rates.

Feel free to call me if you have questions:
Brian Coughlan, President - 910.793.6232 x102

We've made some changes!

You may have noticed there’s something different about this quarter’s newsletter. Increasing the layout to legal size allows us to share more information.

We’re also Going Electronic!

We have started delivering our newsletter via email. Many email addresses are already in our database, but we’re working to obtain more. See RIGHT for more info.

Quarterly Prizes - Win! Win! Win!

Each quarter’s newsletter will include an opportunity for you to provide feedback of some sort. All who respond will be entered into a drawing for the quarterly prize!

Please provide three email addresses for people in your organization to receive our newsletters.

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<th>Name</th>
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Provide three email addresses by end-of-day on March 31, 2018 and you will be entered to win this quarter’s prize: Apple Watch

Scan your response and email it to Lindsey Quick at LQuick@UtilManagement.com or simply send Lindsey an email with your three names and email addresses. Must be received prior to 5pm on March 31, 2018.

Congratulations to three of our employees on passing the following AEE certification exams!

Jessica Hannah passed the Certified Demand Side Manager Exam
Janessa Goldstein passed the Certified Lighting Efficiency Professional Exam
James Horne passed the Certified Energy Procurement Professional Exam