

**FOR IMMEDIATE RELEASE**

Monday, May 6, 2019

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### **Statement on East Point's Victory in Electric Lawsuit**

**EAST POINT, GA.-** In 2016, a group of electric customers filed a class action lawsuit against the City of East Point alleging that the electric rates charged by the City since 2010 were "illegal taxes" and violated the Constitution. They also claimed that they were entitled to a credit on their electric bills from the funds the City received through the Municipal Competitive Trust (MCT) that was set-up by the Municipal Electric Authority of Georgia (MEAG), the City's wholesale electric provider.

After three (3) years of litigation, on April 17, 2019, the Court entered judgement in favor of the City on all claims. "This ruling provides clarity and closure to a law suit that cost the city over \$1.2 million dollars to zealously defend," said Mayor Holiday Ingraham. "Funds that could have been used to further enhance and increase our services to our residents."

The Court ruled that the City only charges electric customers the reasonably estimated costs of providing electric services to them, and that the electric rates charged by the City, since 2010, are legal. The Court also ruled that the plaintiffs do not have a right to the money in the MCT and do not have a right to the money distributed from the MCT to the City. Specifically, the Court ruled that it is undisputed that the MCT subaccounts, in the City's budget, were not funded by the City's electric customers. The Court further stated that the electric customers were not injured and did not pay increased electric rates from 2009-2018 due to the mechanism used by MEAG to distribute the funds from the investment of the trust to the City and other beneficiaries.

MEAG created the MCT, for the City of East Point and 48 other municipalities, using funds it had previously invested and cash funded bond reserve accounts it had previously created. The purpose of this trust was to help the City and other participants accumulate funds that would grow through investment and could then be used to mitigate the costs of possible electric deregulation in Georgia.

Since 2008, the City has spent approximately \$17,751,173.00 in MCT funds to further enhance and increase our services to residents. The list of MCT funded projects include, but are not limited to, the following: equipment for the 50 Worst Properties program, road repairs, vehicles for both the police and fire departments, park improvements, sidewalk installation and repairs, stormwater, communication and IT equipment upgrades, and improvement of buildings.

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#### **About The City of East Point**

*The City of East Point is approximately 13.8 miles with a population of over 35,000. Located southwest of Atlanta, East Point is conveniently located minutes away from Hartsfield-Jackson International Airport. This quaint urban community's prime location, numerous retail, and great restaurants make it an attractive place for a "live-work-play-shop-stay" environment because there's no point like East Point. For more information about the City of East Point visit [www.eastpointcity.org](http://www.eastpointcity.org). Also like us on Facebook at [www.facebook.com/cityofeastpoint/](http://www.facebook.com/cityofeastpoint/) and follow us on twitter @cityofeastpoint, snapchat @cityofeastpoint, or instagram @cityofeastpoint.*

**Office of Communications**

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