

GEORGIA HISTORICAL SOCIETY



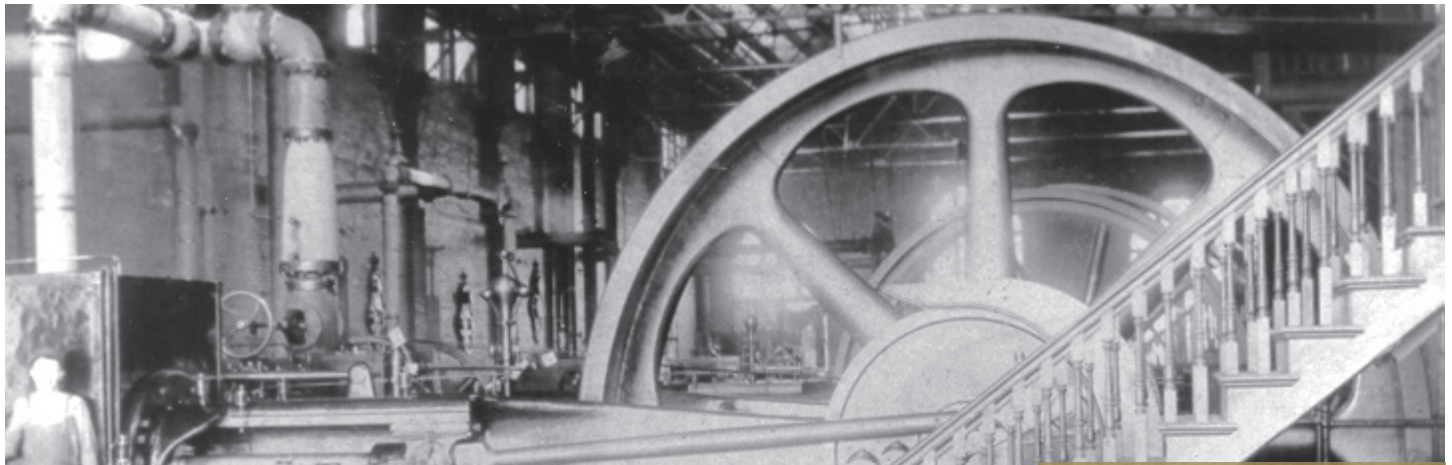
GEORGIA BUSINESS HISTORY INITIATIVE

Sharing the Stories of the Businesses that Built Georgia




Georgia
Power





BUSINESS HISTORY PROFILE

Georgia Power Company has been serving Georgians since the 1880s. From a small electric company supplying electricity primarily to Atlanta residents, Georgia Power has grown to become the state's leading power provider. Not just a producer of electricity, Georgia Power lives up to its longtime motto "A Citizen Wherever We Serve" by creating jobs, bringing new industry to the state, and running one of the largest corporate foundations in Georgia.

The people of Atlanta took the initiative to organize the first Georgia Power Company, the Georgia Electric Light Company of Atlanta (GELCA). In 1883, the company built a 940-kilowatt generating plant on Marietta and Spring Streets, installed 22 electric streetlights, and received a franchise that allowed it to provide electricity to Atlanta residents. At first, GELCA primarily provided electricity for street lighting and street railway transportation. After Atlanta banker Henry M. Atkinson took control of the company in 1891, GELCA expanded to include a new steam electric generating plant on Davis Street. He also shortened the company name to Georgia Electric Light Company.

Although the Davis Street Plant was generating 11,000 kilowatts of power and serving about 400 customers, the demand for electricity continued to increase. Atkinson recognized this demand and decided to expand the company. He and rival Joel Hurt, a streetcar entrepreneur, competed to gain control of Atlanta's small electric, streetcar, and steam-heat businesses. Hurt and Atkinson raced to purchase the small companies. The dispute finally ended in 1902 when Atkinson bought out Hurt and formed the Georgia Railway and Electric Company (GR&EC). The same year, Georgia Power's most iconic leader, Preston S. Arkwright, became the first president of the new company.

One of Arkwright's greatest challenges was keeping up with Atlanta's demand for electric power. Up to that point, two main steam plants and one substation generated

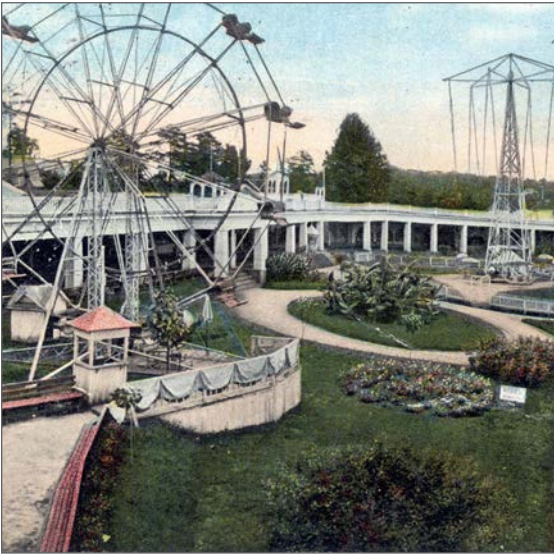


Top: Henry M. Atkinson, founder of Georgia Electric Light Company. Bottom: Preston S. Arkwright, first president of Georgia Railway and Electric Company. Left: Generators at Tallulah Falls hydroelectric plant.





Atlanta's electricity, but the output could not keep up with demand. Arkwright looked to a new source to meet Atlanta's needs—**hydroelectric power**. In 1904, Arkwright entered a contract to purchase all the electric output from Morgan Falls hydroelectric plant on the Chattahoochee River. The Morgan Falls plant, located approximately twenty-one miles north of Atlanta, was one of the largest hydroelectric plants of the time and the first hydroelectric facility to transform water from the Chattahoochee River into a usable power source for Atlanta's residents.



In 1912, GR&EC purchased a hydroelectric project on the Tallulah River, roughly 96 miles north of the city. The project had been started by Georgia Power Company, a small, local electric company chartered in 1908 by C. Elmer Smith and Eugene Ashely. In 1912, Atkinson combined the first Georgia Power Company, the Morgan Falls plant, and GR&EC into one company under the name Georgia Railway and Power Company (GR&PC). That same year, the company completed the Tallulah Falls project.

The power produced at hydroelectric plants, such as Morgan Falls and Tallulah Falls, was transmitted to homes and businesses through a unit known as a substation. GR&PC's innovative Boulevard Substation in Atlanta was one of the earliest outdoor substations in the nation. GR&PC built a total of six hydroelectric plants on the Tallulah and Tugaloo Rivers.



The 1920s were a time of great change and growth for GR&PC. In 1926, Southeastern Power and Light Company, a holding company, began acquiring several southern **utilities** including GR&PC. **Holding companies**—also called **parent companies**—own and oversee multiple companies (called **subsidiaries**). Today, Georgia Power, Alabama Power, Gulf Power, and Mississippi Power are all subsidiaries of Southern Company. After joining Southeastern Power and Light Company, GR&PC began purchasing and consolidating companies throughout the state, including in Athens, Rome, Macon, and Augusta. The current Georgia Power Company was chartered when the company acquired Columbus Electric and Power Company in 1930.



DID YOU KNOW?

Georgia Power was involved in several interesting business ventures in the process of providing and promoting electricity. Here are a few:

- WDAW - first radio station in Atlanta
- Ponce de Leon Springs – an amusement park east of downtown Atlanta
- Atlanta Crackers and Ponce de Leon Ballpark – minor league baseball

Top to bottom: Morgan Falls hydroelectric plant, Ponce de Leon Springs amusement park, Georgia Railway and Electric Company electric truck, Georgia Power storefront.



In the 1930s, Georgia Power focused on selling electric appliances for the home.

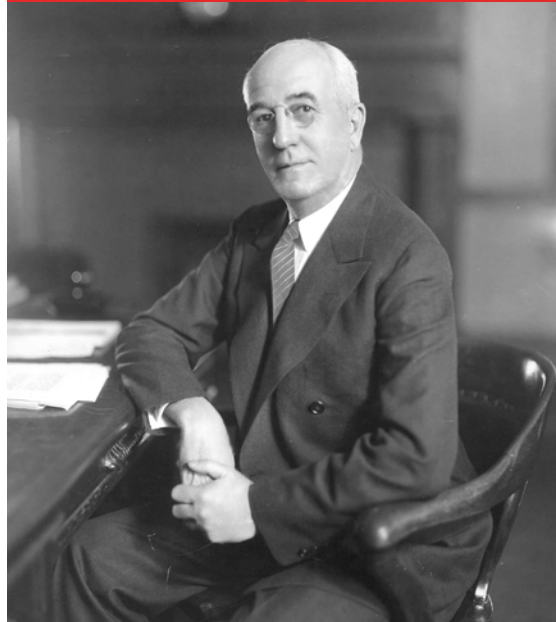
Like most Georgia businesses, Georgia Power experienced financial difficulties during the economic downturn in the 1930s. One way the company survived the Great Depression was through the sale of electric appliances. By the end of the 1940s, Georgia Power was serving 562 communities in 138 out of 159 of Georgia's counties.

During the 1960s and through the mid-1970s, the company fell upon hard times. New construction projects, the oil embargo, high inflation rates, and other costly issues left Georgia Power on shaky financial ground. Higher prices, employment cutbacks, and the selling of assets helped stabilize Georgia Power Company and by 1976 the company's finances had improved and many construction projects were completed.

Georgia Power has reached many milestones in the twenty-first century, the first of which was the construction of Plant Dahlberg, a combined-cycle gas plant that utilizes both steam and natural gas to generate 50 percent more electricity. In 2003, Georgia Power achieved another success by serving its 2 millionth customer and producing 14 million megawatts of electricity. Then, three years later, the company merged with Savannah Electric, which added 150,000 accounts to Georgia Power's customer base. In 2008, the company celebrated its 125th anniversary. From small beginnings as an Atlanta electric company to being a leading power producer in the state, Georgia Power has become an iconic Georgia business.



GEORGIA POWER'S ICONIC LEADER: PRESTON S. ARKWRIGHT



Preston S. Arkwright's leadership at Georgia Power helped turn the small company serving Atlanta into Georgia's leading provider of electricity. Perhaps more importantly, Arkwright shaped the company's philosophy. Famous for coining the slogan "a citizen wherever we serve," he believed that Georgia Power had a responsibility to make a lasting commitment to the communities it served. Arkwright explained his philosophy of corporate citizenship in a speech at the 1927 National Electric Light Association Convention: "When and where we go, we build. We construct works of permanent character that can never be moved away. Our first act on arrival constitutes a declaration that we have selected that particular place in which to become a citizen, not just for an hour, not just a day, but always."

VOCABULARY

Kilowatt - A measure of power that is equal to 1,000 watts. As Georgia Power continued to expand, it kept increasing the amount of kilowatts of electricity it produced.

Franchise - A privilege granted by the government or a corporation that allows an individual or group to sell a company's goods and services. When Henry Atkinson wanted to expand Georgia Power, he bought steam-heat franchises from small companies, which enabled him to supply and sell more electricity

Streetcar - A vehicle that runs along rails and is powered by electricity. During the late 19th and early 20th centuries, streetcars were a popular form of public transportation. In fact, they were so popular that Georgia Power purchased streetcar companies in order to increase the use of electricity and make more money.

Steam-electric generating plant - Converts heat from either fuel or water into steam, which is then used to generate electricity. Georgia Power bought steam-heat power plants to help them power Atlanta.

Substation - A unit that reduces the strength of electricity as it passes through on its way from a power plant to homes and businesses. Georgia Power's Boulevard Substation helped carry power to Atlanta residents and was one of the nation's original substations.

Hydroelectricity/hydroelectric plant - Electricity that is produced by falling or flowing water. This type of power is generated in hydroelectric plants. During the early 1900s, Georgia Power relied heavily on hydroelectricity, and built or bought many hydroelectric power plants to help provide power to Atlanta.

Holding company/Parent Company - A company that owns several other companies. Southeastern Power and Light, for example, was a holding company that gained control of multiple utilities during the 1920s.

Utilities - Public services, such as electricity, water, or gas, that are provided to the public by a company. Georgia Power, for example, is a utility company, and it supplies electric power to communities throughout the state.

Subsidiaries - Companies that are owned by holding companies. When Southeastern Power and Light bought Georgia Railway and Power Company (GR & PC), GR & PC became a subsidiary of Southeastern Power and Light.

Embargo - A ban preventing trade with a particular country. The 1973 Oil Embargo between the United States and nations in the Middle East greatly affected the U.S. economy. Oil prices were skyrocketing, and businesses like Georgia Power had to increase their fees so they could stay afloat.

Inflation rates - The amount of change in prices. Due to high inflation rates in the economy during the 1970s, Georgia Power experienced financial difficulty and was forced to make changes so the company could remain in business.

Combined-cycle plant - Uses steam and gas to produce energy. This form of energy production makes double the amount of electricity than a tradition power plant. Plant Dahlberg was Georgia Power's first combined-cycle plant.

Megawatt - A measure of power that is equal to one million watts. Georgia Power reached a landmark when it upped its power production to 14 million megawatts of electricity in 2006.

Asset - Something of use or value. Georgia Power sold some of its assets to help stabilize the company during financial crisis.



A CASE STUDY IN GEORGIA'S
BUSINESS HISTORY

TALLULAH FALLS DAM AND HYDROELECTRIC PLANT

Approximately an hour and a half drive northeast of Atlanta sits Tallulah Falls, Georgia. It lies in Rabun and Habersham counties, and is home to the Tallulah Gorge, a 1,000 foot deep canyon carved out by the Tallulah River. The gorge is two miles long, includes six waterfalls, and is the main feature of the Tallulah Gorge State Park. Today, the park occupies 2,739 acres and offers numerous outdoor activities to park visitors, including hiking, fishing, camping, kayaking, and more.

Did you know that Georgia Power's Tallulah Falls dam and hydroelectric plant have been operating for over 100 years? Did you know that the site was once the center of one of Georgia's first conservation campaigns? Did you know that Georgia Power played an important role in the creation of the Tallulah Gorge State Park? The construction of the hydroelectric dam on the Tallulah River certainly sparked controversy and, as we will see, it played an important role in the creation of the Tallulah Gorge State Park. Keep reading to uncover the fascinating story of Georgia Power and Tallulah Falls.



Illustration of Tallulah Falls in Newspaper. From the GHS Collection of Etchings, Silhouettes, and Other Prints, MS 1361-PR.

HENRY ATKINSON AND ATLANTA'S POWER PROBLEM



Postcard of Marietta Street in Atlanta, circa 1900.

Henry Atkinson was a leader, innovator, and driving force behind Georgia Power's development in the company's early years. After gaining control of the company in 1891, Atkinson expanded the city's electric system by adding more street lighting and building a new electric plant on Davis Street. By the turn of the century, Atlanta's population had tripled and, as a result, its need for electricity grew dramatically. Atlanta's growing commercial and industrial businesses and expanded railroad system also increased the need for electric power. Although the Davis Street Plant was generating more power for Atlanta, the city was still hungry for more electricity.

In the early 1900s, Atkinson acquired more utility companies, such as Atlanta Gas Light Company, to meet the needs of Atlanta residents and industries. Atkinson's efforts helped, but the demand for electricity was still growing



Helen Dortch Longstreet, 1913. Library of Congress Prints & Photographs Division, LC-DIG-ggbain-13584

In 1913, Helen Longstreet published a broadside titled "Unmatched Tallulah, the Pride and Glory of a Free People Appeal for Protection to the War-Worn Heroes of the Sixties." Based on the following quotes from the broadside, what do you believe Longstreet's goals were in writing this pamphlet? How did she try to accomplish her goals? What were GR & PC's reasons for building the dam? What did Longstreet believe GR & PC's true motives were for constructing on the Tallulah River?

"The interest of the Georgia Railway and Power Company in the development of Georgia's resources is the interest of the vampire in the organism out of which it draws blood. The patriotism of this infamous water power is the patriotism of the leech!"

"The men who stood by the south in the sixties will stand by Georgia Today...Standing on the border lands of eternity, with its shadows touching their silvered heads and bent forms, these last survivors of an army, the like of which the world shall see now more, will give answer to Georgia's call which will resound from every mountain top and echo in every gaping valley... 'Tallulah must and shall be saved!'"

more quickly than he could supply it. He knew it was time to think big to solve his energy production problems – it was time to harness the power of Georgia's waterways.

LOOKING TO TALLULAH FALLS

Due to its lush landscapes and roaring waterfalls, Tallulah Falls was nicknamed the Niagara Falls of the South. Writers and artists from across the country reflected the area's beauty to diverse audiences, drawing local and national attention to the falls. Publicity, in addition to quicker and more affordable railroad transportation, helped increase tourism in Tallulah Falls, and people from across the country traveled to experience its beautiful scenery. The economy surrounding the Tallulah Gorge boomed. Several hotels and churches were built, as well as a bar to accommodate the area's travelers, and visitors could enjoy many activities such as horseback riding, hunting, fishing, bowling, and tennis.

As tourism in Tallulah Falls was growing, the hydroelectric industry also expanded. What made Henry Atkinson look to Tallulah Falls to solve Atlanta's energy problems? First, the Tallulah River provided a large water supply, and its steep sides could easily be dammed. The depth of the gorge was also advantageous because it could hold a vast amount of water without occupying a lot of surface space. Tallulah Falls' location in the northeast region of the state was another contributing factor. The dam would produce power that would then provide electricity to Atlanta and surrounding communities. Combined, these elements made Tallulah Falls an attractive, cost-effective building site for a hydroelectric facility.

In 1909, businessmen C. Elmer Smith and Eugene Ashley purchased land at Tallulah Falls and began constructing a dam. Financial difficulty made it impossible to complete the project. Henry Atkinson agreed to purchase the project from Smith and Ashley. In 1912, Atkinson combined the Tallulah Falls project with the Morgan Falls hydroelectric plant and Georgia Railway and Electric Company to form the Georgia Railway and Power Company (GR&PC).

HELEN DORTCH LONGSTREET AND THE TALLULAH FALLS CONSERVATION ASSOCIATION

When GR&PC resumed construction on the hydroelectric dam in Tallulah Falls, not everyone was excited. Although the gorge was an ideal location to generate hydroelectric power, it was also a beloved landscape for tourists and locals alike. In fact, the Tallulah Falls Conservation Association (TFCA) was formed to try and prevent the building of a dam at Tallulah Gorge. Activist Helen Dortch Longstreet agreed to lead the association as its president and fight against dam construction at Tallulah Gorge.

Second wife of Confederate General James Longstreet, Helen Longstreet is most remembered for her efforts to rehabilitate her husband's controversial legacy, but she was also a vocal advocate for women's suffrage, civil rights, and environmental conservation. After graduating from Brenau College in Gainesville, Georgia, Longstreet went on to work in a variety of prestigious occupations, including editor for the Carnesville Tribune, Assistant State Librarian (1894-1897), and postmistress of Gainesville. Her famous last name, popularity, contacts throughout the state, and work experience made Longstreet the ideal candidate to lead one of Georgia's first conservation campaigns in the fight to stop damming at Tallulah Gorge.

Longstreet and TFCA used a combination of public awareness, political lobbying, and legal maneuvering to try to stop GR&PC from building a dam at Tallulah Falls. As a tactic to gain public support for the TFCA and the preservation of Tallulah Gorge, Longstreet published lengthy pamphlets called broadsides. Longstreet and TFCA did not necessarily oppose all hydro-electric development. Tallulah Falls and Tallulah Gorge were simply too beautiful to develop, in their opinion, so they requested the company look elsewhere for waterpower. In a more aggressive effort to preserve the region, Longstreet and TFCA decided to challenge the company's legal right to build at Tallulah.

GR&PC responded to Longstreet's tactics by launching a massive publicity campaign. The company published advertisements that spoke about efficiency and the dam's ability to harness the Tallulah River's water and use it to benefit Georgians. They also suggested that the lake created behind the dam would aid tourism and enhance the region's beauty, claiming that it would provide people with easier access to fishing, swimming, and boating. People who lived near Tallulah Falls generally supported construction of the dam. They hoped that it would result in more jobs, higher wages, and the opportunity to sell land to the company and earn much-needed cash. Indeed, many felt that electricity would provide a brighter future for north Georgia.

To legally build a hydroelectric dam on the Tallulah River, GR&PC bought the land surrounding the Gorge from individual landowners. The company purchased land based on an 1820 land survey done by Rabun County. TFCA claimed that there were major inaccuracies in the land survey. They believed these inaccuracies meant that GR&PC did not rightfully own all the land being used for the hydroelectric plan. Led by Longstreet, TFCA and other conservation supporters continuously petitioned the state legislature to conduct a new land survey of Tallulah Falls. As a result of consistent lobbying, Governor Hoke Smith ordered Professor John C. Koch from the University of Georgia to conduct a survey of a 100-acre tract of land in Rabun County, which included the main falls of Tallulah. Longstreet believed the updated survey supported her cause, but Attorney General Thomas Felder and new Georgia Governor Joseph Brown did not take action against the company.

LEGAL BATTLES

This minor setback did not deter Longstreet. She and the TFCA changed their strategy and worked to convince the state legislature for a resolution that would force the Governor to bring suit. To do so, Longstreet had to prove that many people supported her cause. She wrote ads in newspapers and letters to powerful Georgians, reminding them of Tallulah's beauty. In July 1912, Longstreet's efforts proved successful when the state senate and the House passed a resolution and ordered Attorney General Felder to bring a lawsuit against GR&PC over Tallulah's disputed land. The case went to trial in April 1913.



The construction of Tallulah Falls hydroelectric plant

Tallulah's fate was to be decided by a jury of Rabun County residents. Although Longstreet hoped that locals would prove to be supportive of her campaign, the jury sided with the power company. The state appealed the verdict and the case went all the way to the Georgia Supreme Court. In October of that same year, the justices agreed with the court's previous judgment, acknowledging GR&PC's landownership at Tallulah.

TALLULAH FALLS HYDROELECTRIC PLANT AND TALLULAH GORGE STATE PARK

Georgia Railway and Power Company continued construction on the dam, and the project was completed in 1913. The final dam was a long stone structure that measured 160 feet high, 140-feet long. It created a 63-acre lake and a 6,666-foot-long underground tunnel that carries water from the lake to a holding area above the powerhouse. The Tallulah Falls power plant was a key component in a multi-dam project on the Tallulah and Tugaloo rivers.



Tallulah Gorge

In 1992, Georgia Power Company in conjunction with the state, created the Tallulah Gorge State Park. Five years later, the trails around the gorge were named "The Helen Dortch Longstreet Trail System" in honor of her environmental activism. In the end, both parties got something they wanted—a preserved natural area open to citizens for rest and recreation and one of the most impressive feats of engineering in Georgia history.

QUESTIONS TO CONSIDER

Georgia Standards of Excellence: SS8E2, L6-8RHSS1, L6-8WHST1

Imagine you were an entrepreneur during the early 1900s. What kind of business would you create? What kinds of goods or services would you provide? What makes your product significant? Profit is typically the main incentive for businessmen and women, but when starting a company from scratch you must be mindful of risks as well as rewards. What risks do you think are involved in building a new business? How would you overcome them?

How are Georgia Power and its leaders important to Georgia's history? Explain your answer with details from the profile and case study.

RESEARCH AND REPORT

Georgia Standards of Excellence: SS8E2, L6-8WHST7, L6-8WHST8, L6-8WHST9

Now that you have learned a little bit about Georgia Power, it is time to dig deeper. There is so much more to discover about Georgia Power and its impact on the Georgia's economy. Use the research prompts below to learn more and report back to your class.

Research Question: How did electricity impact Georgia's economy? Specifically, what role did Georgia Power play in the state's economic growth and development?

Get started with your research with these sources:

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Free e-book from the Southern Company. *Big Bets: Decisions & Leaders That Shaped Southern Company* by Dub Taft & Sam Heys
(<http://www.southerncompany.com/history-book/home.cshtml>)

"Power to the People: Rural Electrification in Georgia."
(<http://www.libs.uga.edu/russell/recovered/exhibits/ruralelectrification/readmore.shtml>)

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Special thanks to Sarah Napier.

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