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For IMMEDIATE RELEASE

NEWS RELEASE

21-12

Commission Approves Cut in Georgia Power Rates *New Rate Effective June 1, 2012*

ATLANTA, May 15, 2012 – Georgia Power customers will see a reduction beginning June 1, 2012 in the charges they pay for the cost of fuel used to generate their electricity, one month earlier than scheduled. The Georgia Public Service Commission (Commission) today unanimously approved June 1, 2012 as the date when Georgia Power will implement the reduction in the Fuel Cost Recovery (FCR) rate in Docket 35277. The average Georgia Power residential customer who uses 1,000 kilowatt hours (kWh) of electricity will see rates drop approximately \$8 per month.

“With so much bad news surfacing these days, it is nice to be able to say your summer electric rates won’t be quite as high,” said Commission Chairman Tim Echols. “Having a diverse energy mix that includes natural gas-fired electricity has made this possible.”

“Thanks to this Commission’s foresight and the willingness of Georgia Power to go ahead and implement this reduction, consumers will reap the benefits,” said Commissioner Chuck Eaton.

Commissioner Stan Wise said, “The fiscally conservative attitude of the Commission and the willingness of the Company to work with the Commission will now pay a great benefit for ratepayers.”

Under Georgia law, Georgia Power is entitled to recover fuel costs associated with generating electricity and such costs are passed-through to ratepayers without a profit. Beginning over a decade ago, fuel prices for coal, natural gas, fuel oil and other sources increased sharply due to limited energy supplies in the United States and increased demand worldwide, primarily from the growing economies of China and India.

To reduce the impact on customers that an immediate dollar-for-dollar pass-through would have had on monthly bills, the Commission required the utility to carry a fuel cost balance. Although it has fluctuated, the under-recovered balance at one time reached close to \$1 billion dollars. The balance was paid off on March 31, 2012.

Commissioners Lauren “Bubba” McDonald, Jr. and Doug Everett echoed the other Commissioners’ comments. “I am excited that we have paid off this balance and adopted a sound policy going forward,” said Commissioner McDonald. Commissioner Everett added, “It is a great day for Georgia Power customers who will see their average power bill drop by nearly \$100 a year.”

Georgia Power filed on March 30, 2012 to implement the new rate effective July 1, 2012. The Company filed a request to reduce fuel rates by \$567 million annually or a monthly reduction of approximately six percent for the typical residential consumer averaging 1,000 kilowatt-hours (kWh). The reduced energy costs, anticipated to be in effect for a two-year period based on current fuel price projections, are mainly the result of conservative fiscal planning by the Commission and lower natural gas prices

From more information on this Docket 35277 and on the Commission, see the Commission web site at www.psc.state.ga.us. Twitter us at #Georgiapsc.

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