



**NEWS RELEASE**  
**GEORGIA PUBLIC SERVICE COMMISSION**

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**PSC Cuts Georgia Power Rates**

ATLANTA – The Georgia Public Service Commission (the Commission or PSC) today approved a \$354 million reduction in Georgia Power Company’s revenues over the next three years. The reduction means a decrease of about \$1.40 for the average residential customer’s monthly bill. The Commission vote was 4-1, with Commissioner Robert Baker voting no. Commission Chairman Lauren “Bubba” McDonald, Jr, said, “It’s unprecedented that consumers have enjoyed rate reductions of more than \$1.2 billion since 1998. The lights are still on; Georgia Power is well managed and is making sure that there is power for generations to come. The end result is the consumer is the benefactor.”

In its decision, the Commission adopted a three-year accounting order rather than the five-year plan the Company requested. The terms of the accounting order are:

- Rates would be set at a return on equity (ROE) of 12.50%. Reduction in company revenues of \$354 million.
- Reduction in average monthly residential bills of \$1.40
- An earnings band of 10% to 12.95%. Any earnings above the band would be split between ratepayers and the company, with all ratepayers receiving 2/3 and the Company 1/3.
- As long as earnings remain within the band, the Company may not seek a new rate case.
- An increase in the Senior Citizen discount to \$10.50 per month from the current \$7.50.

Georgia Power had filed a rate hike request seeking an additional \$103 million in revenues over the next five years that would have increased residential rates by 1.2% per year on average.

The Commission decision follows extensive hearings on the rate case this fall. The new rates will take effect January 2, 2002.

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