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News Release

PSC Approves Stipulated Agreement on Georgia Power Fuel Cost Recovery Allowance Request

ATLANTA, August 19, 2003— The Georgia Public Service Commission (Commission) today approved a stipulated agreement on the Georgia Power Company (Company) request for an increase in the Company's Fuel Cost Recovery Allowance. The Commission vote was 3-2 with Commissioners Robert B. Baker and Angela Speir voting no. The approved agreement allows the Company to recover \$157 million in under-collected fuel costs over an 18-month period beginning October 1, 2003. The agreement also provides for a seasonal fuel cost recovery rate that will lower residential customers' average bills from October through May while increasing the average bill from June through September. The average annual monthly increase for residential customers will be about 73 cents per month. Under Georgia Power's original proposal, residential customers would have paid \$18.96 more per year.

The approved agreement also lowers the interest rate or carrying costs on any under or over recovery of fuel costs from the current 13 percent to one point five (1.5) percent beginning September 1, 2003 that will save customers 44 cents per month.

Under Georgia law, the Company is allowed to recover dollar for dollar its costs for fuel used in the generation of electricity.

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