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News Release

PSC Approves Agreement on New Fuel Cost Rates for Georgia Power and Savannah Electric

Atlanta, June 15, 2006 – The Georgia Public Service Commission (Commission) today unanimously approved new rates for Georgia Power and Savannah Electric and Power Companies to allow these utilities to pay for forecasted fuel prices for the year beginning July 1, 2006 as well as recover fuel costs that have been under collected since approval of fuel rates in the past year. These cases are filed under Docket Number 22403-U. The Commission approved a stipulation or agreement signed by the Commission staff, Consumers' Utility Counsel, the Georgia Industrial Group and the Georgia Textile Manufacturers Association.

Savannah Electric customers will see no change in their total electric rates while Georgia Power customers will see their average bills increase by about \$5 a month or \$60 a year. The increase for Georgia Power customers is about \$4 a month lower than originally proposed by the Company. These numbers are based on an average monthly residential usage of 1200 kilowatt hours. The agreement reduces the Companies forecasted fuel costs by \$200 million. In addition, the stipulation requires Georgia Power to file new fuel cost recovery rates every six months beginning September 30, 2006.

As part of the stipulation, the Commission also approves the Companies' request for approval of several items pertaining to the upcoming merger of Georgia Power and Savannah Electric in Docket Number 22202-U. As part of the agreement, Georgia Power must submit an accounting to the Commission by January 31, 2007 of all one-time costs associated with the merger. As a result of the merger, Savannah customers avoided a potential \$10 per month increase in their bills.

Georgia law allows electric utilities to recover their fuel costs, prudently incurred, on a dollar for dollar basis. The utilities are not allowed to make a profit on their fuel costs.

For more information, you can access the Docket Search on the Commission web site, www.psc.state.ga.us.

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