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## Georgia Public Service Commission

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**For Immediate release**

**NEWS RELEASE**

**40-07**

### **PSC Approves Settlement in Georgia Power Rate Case, Cuts Company's Rate Request**

ATLANTA, December 18, 2007 – A majority of the Georgia Public Service Commission (Commission) on a 3 to 2 vote today approved a settlement in the Georgia Power Company (Company) rate case. The settlement cuts the company's original rate increase request by over \$675 million. The settlement means the average Georgia Power residential monthly bill will rise by \$5.24 in 2008 but rates will remain the same through 2010. The Commission Public Interest Advocacy Staff, the Company, the Governor's Office of Consumer Affairs (which represents residential and small businesses) and other parties had signed the agreement.

The Company had requested an increase of \$406 million in 2008 with additional increases of \$597 million for 2009 and \$638 million for 2010. Under the Company's proposal, by 2010, the typical household would have paid \$10.29 more per month.

The approved settlement will increase Georgia Power base rates \$99.7 million annually and establish an environmental recovery tariff that would allow the Company to collect another \$222 million per year to recover costs of environmental controls required by state and federal regulations.

Other terms of the settlement include:

- Sets the Company's rate of return at 11.25%. If the Company earns in excess of 12.25%, one-third of the excess earnings will be credited to the Environmental Recovery Costs with the remaining two-thirds used for rate reductions for all customer classes.
- A pilot program initially involving about 1,000 Georgia Power residential customers that will allow Georgia Power residential customers to save money and control their energy costs through Critical Peak Pricing (CPP). CPP is a Time-of-Use (TOU) rate design with a "floating" critical peak period.
- The pilot program is a first for Georgia residential customers. Industrial and large commercial customers in Georgia have benefited from real-time pricing since the mid 1980's.

The Company filed its rate request with the Commission on June 29, 2007. The Commission held three rounds of hearings in October and November of this year. Any new rates from this settlement will take effect on January 1, 2008.

You can find more information on this issue on the Commission web site, [www.psc.state.ga.us](http://www.psc.state.ga.us) under Docket Number 25060-U by clicking on Major Rate Cases.

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