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For Immediate Release

15-12

From the Offices of Commissioners Chuck Eaton and Stan Wise NEWS RELEASE

Customers of Georgia Power Company to Receive \$567 million in Annual Fuel Rate Reductions

Fiscal planning by PSC pays off fuel cost balance that neared \$1 billion

Atlanta, March 30, 2012 - Georgia Power Company today filed fuel rate decreases with the Georgia Public Service Commission (Commission) that will reduce rates by \$567 million annually or a monthly reduction of approximately 6 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.

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. According to Friday's filing by Georgia Power, the current balance is to be completely paid off by March 31, 2012.

"Since my service began in 2007, my priority has been to pay down this balance," said Commissioner Chuck Eaton. "I am proud to say we didn't kick the can down the road and push our burdens onto future generations," he added.

Commissioner Eaton credits the Commission's conservative fiscal policies for paying down the balance. The Commission not only established amortization schedules for collecting the under-recovered fuel balance over a reasonable time frame, but in March 2010, when the markets were highly volatile, the Commission created an interim fuel recovery rider to ensure the balance did not grow larger between fuel cost cases.

"Paying down the fuel balance not only saves interest costs for consumers, it also helps maintain

the utility's credit rating, which avoids higher borrowing costs for consumers in the future," said Commissioner Stan Wise.

The Commission will conduct a hearing in early June and any new reductions will begin July 1, 2012. For more information, use the Docket Search function on the Commission website, www.psc.state.ga.us , and enter Docket Number 35277.

Commissioner Eaton is serving his first term on the Commission, having been elected in December of 2006. He was one of only two statewide Republican candidates in the entire country to defeat an incumbent during that election year. He served as Commission Chairman in 2008.

Commissioner Wise is a past President of the National Association of Regulatory Utility Commissioners (NARUC) and currently is a member of the NARUC Board of Directors. He is serving in his third term on the Georgia Public Service Commission and previously served as Commission Chairman in 1997, 1999, 2006 and 2011. Commissioner Wise's full biography is available on the Commission web site at <http://www.psc.state.ga.us/pscinfo/bios/wise.asp>

His full biography is at <http://www.psc.state.ga.us/pscinfo/bios/eaton.asp?tab=Tab2>

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