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FOR IMMEDIATE RELEASE

**From the Office of Commissioner Angela Speir
NEWS RELEASE**

Georgia Power Rates Set Too High

Atlanta, December 18, 2007 — In a 3 to 2 decision, the Georgia Public Service Commission (Commission) voted today to increase Georgia Power Company's (Company) rates by \$323 million per year. "Unfortunately," Commissioner Angela Elizabeth Speir (who voted against the increase) said, "the Commission set rates today that are much higher than they should be."

Today, a majority of the Commission voted to approve a proposed settlement that will increase rates by \$323 million. These higher rates will remain in effect through 2010. This settlement would increase the average residential customer's bill by about \$5.23 a month. However, the Commission's Public Interest Advocacy Staff had filed testimony in the case that the Company's current rates should not be increased at all. Instead, the Staff had testified that the rates should be reduced \$20 million per year.

"The biggest single factor in this unnecessary rate increase is excess profit," said Speir. "The Company is entitled to a reasonable return on its investment, no more and no less. In today's decision, the Commission approved a return on equity (ROE) of 11.25% for the Company, and that is simply too high."

"During the hearings on the rate case," Speir continued, "the Public Interest Advocacy Staff testified that an ROE of 10.25% would allow the Company to earn a reasonable return. Currently, the average ROE's being awarded to electric utilities nationwide are 10.0% to 10.25%, and Georgia Power is a lower risk company than the average electric utility. The difference between an ROE of 10.25% and 11.25% is \$100 million for each of the 3 years of the settlement order – that is \$300 million! It is simply unreasonable to ask ratepayers to give the Company an extra \$300 million more than is necessary for the Company to earn a reasonable return."

"Another problem I have with the settlement order – and this one may be small from the standpoint of the Company's revenue requirement, but it is very big from the standpoint of the affected customers – is that while it raises the average residential bill by over \$5.00 per month (the estimate is \$5.23 at 1000 kWh), it does nothing to raise the senior citizen low-income discount. Any increase in rates should have been matched by an increase in the senior citizen low-income discount."

Commissioner Speir is serving her first six-year term on the Commission. In 2002, she became the first woman elected to the Commission and in 2005 was the first woman to serve as Commission Chairman.

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