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MEDIA ADVISORY

Georgia Power Fuel Cost Hearings Set to Begin February 22

Atlanta, February 15, 2010 — The Georgia Public Service Commission (Commission) will hold public hearings on the Georgia Power Company (Company) request to increase its rates to recover the cost of fuel it uses to generate electricity. The Company's December 15, 2009 filing in Docket Number 28945 seeks to recover an additional \$470 million in fuel costs. The Company request would increase monthly rates for Georgia Power customers about \$6.98.

The Commission will hear from the public, the Company and other interested parties beginning at 10 a.m. on Monday February 22, 2010 and continuing on Tuesday February 23, 2010. The hearing will take place in Room 110 at 244 Washington Street, S.W. Atlanta, Georgia. Public witnesses are invited to speak and will be heard at the beginning of each day's testimony.

By law, the Commission must issue a decision in this case within 90 days of the Company's filing. The Commission is scheduled to decide this issue at a March 11, 2010 Special Administrative Session. The Company's proposal includes two parts: 1. Part A which collects projected fuel costs through May 2011 at a cost of \$3.9 billion; and 2. Part B which collects the cost of fuel that has already been used to generate electricity but has not yet been recovered from customers at a cost of \$642 million to be collected through May 2012.

Here are some facts about the Georgia Power fuel cost recovery rate case:

- A request for an increase in the fuel cost is not the same as a request for an increase in base rates. 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.
- The Company is proposing seasonal fuel rates which would collect a higher rate during the summer and a lower rate during the winter.
- An Interim Fuel Rider which would allow the Company to adjust fuel rates by a maximum of 10 percent to limit fuel cost under recovery.
- The last time the Company requested a fuel cost rate increase was in February 2008. In that case, Georgia Power sought an annual increase of \$222 million in revenues. Ultimately, the Commission accepted a staff recommendation to approve a stipulation with the Company that reduced the Company's request by \$7 million.

More information on this issue can be found on the Commission website, www.psc.state.ga.us, under Docket Number 28945.