



## MEDIA RELEASE

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### **Reduced Georgia Power Rate Hike Still Too High**

**ATLANTA** – On November 19, Georgia Power reached a settlement with Public Service Commission staff to reduce its rate increase request from \$1.1 billion to \$844 million. Georgia Watch is strongly opposed to the settlement, as it would still raise monthly electric bills for the average residential ratepayer by more than \$10 per month in 2011, and increase incrementally to over \$15 per month by 2013.

“It’s simply the wrong time for a big rate increase. Under the current settlement, electric bills would go up more than \$170 per year. In the worst economy since the Great Depression, Georgia families and businesses simply can’t afford it,” said Clare McGuire, Director of the Georgia Watch Consumer Energy Program.

In addition to the rate increase, PSC staff is recommending an allowed profit margin for the electric company of 11.15 percent, down from its current allowed rate of 11.25 percent. Georgia Power originally requested nearly 11.95 percent.

The company’s initial request would have also allowed the company to offset up to two-thirds of its annual losses by increasing its rates without having to file a formal rate case with the PSC. While the current proposed settlement does not allow for the automatic two-thirds loss offset first requested, Georgia Power would only be required to file an abbreviated 90-day proceeding with the Commission should its profit margin dip below a pre-approved profit range.

“Although the allowed profit margin has been slightly reduced, we don’t see why Georgia Power should be entitled to earn a profit margin in excess of 11 percent – a margin far greater than most businesses are currently earning,” said McGuire.

The five-member PSC will hold a final vote December 21.

***Founded in 2002, Georgia Watch is a nonprofit, nonpartisan 501-(c)(3) watchdog group focusing on consumer education and research in the areas of health care, insurance, identity theft, consumer energy issues and personal finance. For more information, call Georgia Watch at 404-525-1085, or visit us at [www.georgiawatch.org](http://www.georgiawatch.org).***