DIRECT TESTIMONY OF
GREGORY N. ROBERTS
ON BEHALF OF GEORGIA POWER COMPANY
GPSC DOCKET NO. 31958

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. Gregory N. Roberts, Director, Pricing and Rates, Georgia Power Company ("Georgia Power" or the "Company"), 241 Ralph McGill Boulevard, Atlanta, Georgia 30308.

Q. MR. ROBERTS, PLEASE SUMMARIZE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. I hold a Bachelor of Mechanical Engineering Degree from the Georgia Institute of Technology and a Master of Business Administration Degree from Georgia State University. I have been employed for the past twenty-eight years by Georgia Power and the Southern Company system in a variety of engineering and management capacities in regulated and competitive markets. I was named Director, Pricing and Rates in December 2006. I have previously testified before this Georgia Public Service Commission ("the Commission") in Docket Nos. 23549, 25060 and 28945.

My responsibilities include managing the pricing and rate research activities of the Company and administering the Company's rates, rules and regulations. I am also responsible for administering the Georgia Territorial Electric Service Act of 1973, as it applies to Georgia Power.

I direct the Company's efforts toward the development and implementation of new tariffs to meet the needs of our customers. Additionally, I direct the Company's continuous

efforts to review and monitor existing tariffs to ensure that the present applicability, structure and format of the tariffs are effective.

Q. BRIEFLY SUMMARIZE THE PURPOSE OF YOUR TESTIMONY.

A. My testimony addresses five subject areas: (1) a discussion of the Company's proposed Alternate Rate Plan and the tariffs which support this plan; (2) application of the proposed increase; (3) other new tariffs; (4) proposed changes to existing tariffs; and (5) proposed wording changes to the rules and regulations, tariffs and riders.

Q. HOW HAS GEORGIA POWER FILED ITS CHANGES TO TARIFFS?

A. The Company has filed tariffs in three parts – current rates, current rates with tracked changes for proposed rates, and proposed rates. Copies of new and revised tariffs are contained in MFR F–1 found in Appendix Volume-1, Exhibit 1 of this filing.

Q. WHAT IS THE TEST PERIOD FOR THE COMPANY'S FILING?

A. The Company filed all MFRs on a split test year basis, in compliance with the Commission's order in Docket Number 25060. The Company also filed calendar year data.

1. GEORGIA POWER'S ALTERNATE RATE PLAN

Q. IS THE COMPANY INTRODUCING AN ALTERNATE RATE PLAN IN THIS PROCEEDING?

A. Yes. Georgia Power is introducing a series of new tariffs and modifications to existing tariffs that work together to stabilize customer prices and Company earnings. In their

prefiled testimony, Mr. Garrett, Ms. Daiss and Mr. Morris describe the need for changes in the current accounting order approach utilized by the Company and the Commission since 1996. The intent of these proposed new tariffs and tariff modifications in the Alternate Rate Plan is to enhance the current accounting order to better fit the current economic climate. The new tariffs are designed to complement the Company's proposed enhancements to the Environmental Compliance Cost Recovery ("ECCR"), Demand Side Management ("DSM") and Municipal Franchise Fee ("MFF") tariffs, as described in more detail below.

Q. WHAT NEW RATE MECHANISMS ARE BEING FILED IN THIS DOCKET TO IMPLEMENT THIS ALTERNATE RATE PLAN?

A. The new tariffs are the Adjustable Cost Recovery ("ACR-1") tariff and the Certified Capacity Cost Recovery ("CCCR-1") tariff. The ACR-1 tariff provides a mechanism to keep the Company's earnings within the return on equity ("ROE") band authorized by the Commission. The CCCR-1 tariff will allow Commission certified capacity additions to be recovered in rates upon their completion. These tariffs, along with the existing ECCR, DSM, and MFF tariffs, work together to make future rate increases or decreases less extreme for customers.

Additionally, although it is not part of this proceeding, the Nuclear Construction Cost Recovery ("NCCR") tariff, will complement the Alternate Rate Plan and will work in conjunction with the other new tariffs to support the Alternate Rate Plan. Based on the Georgia Nuclear Financing Act (the "Act,") the NCCR tariff will reset annually based on Commission-approved projected construction costs and a retrospective true up of actual construction costs. As cost recovery for nuclear construction financing costs is set by the Act, the Company will make a separate compliance filing of the NCCR tariff in November 2010. The NCCR will have an effective date of January 1, 2011. Taking into consideration the knowledge that the NCCR tariff, which does not yet exist, will be

effective at the same time as the rates resulting from this case, the Company has noted the applicability of the tariff in the appropriate tariffs filed in this case.

These tariffs are briefly summarized on Exhibit __ (GNR-1) and are described in further detail below.

Q. WHICH TEST PERIOD SHOULD THE COMMISSION RELY UPON IN CONSIDERING THE COMPANY'S PROPOSED ALTERNATE RATE PLAN?

A. The Alternate Rate Plan should be considered on a calendar year basis to accommodate the annual planned adjustments described above. The proposed rate increases described in my testimony are based on calendar year data.

Q. PLEASE DESCRIBE THE ACR-1 TARIFF.

A. The Company has developed the ACR-1 tariff to implement the Alternate Rate Plan described in Ms. Daiss' and Mr. Morris' testimony. The tariff includes both a forward adjustment based on projected earnings for the next calendar year and a mid-year adjustment based on actual results for the prior calendar year. The forward adjustment is designed to be effective each January, if needed, based on annual projected year earnings. When the Company's projected earnings are above the Commission-authorized ROE band, the ACR-1 tariff would reduce base rates, and when the Company's projected earnings are below the ROE band, the tariff will increase base rates. In either situation, if the ROE in the coming year is projected to be outside the Commission-approved band, the ACR forward adjustment would apply to adjust rates such that earnings move back to the mid-point of the ROE band.

The mid-year adjustment would be effective each July, if necessary. If actual earnings from the previous year were above the allowed ROE band the ACR-1 tariff would refund to customers two-thirds of the difference between actual earnings and the top of the

allowed ROE band. If actual earnings were below the allowed ROE band, the ACR-1 tariff would adjust to charge customers two-thirds of the difference between actual earnings and the bottom of the allowed ROE band. Both adjustments, forward and mid-year, would only apply if projected returns or prior year actual returns were outside the allowed bands.

The ACR-1 adjustments would be applied on an equal percentage basis to all standard base tariffs. In the Marginally Priced rate group the ACR-1 tariff will apply to the CBL portion of Real Time Pricing ("RTP") bills. A copy of the proposed ACR-1 tariff is included as Exhibit __ (GNR-2) in my prefiled testimony.

Q. WHEN WILL THE ACR-1 TARIFF GO INTO EFFECT?

A. The ACR-1 tariff, if it is needed, will go into effect January 1, 2012. Beginning in 2012, and in subsequent years, base rate adjustments, if needed, will be implemented using the ACR-1 tariff in combination with the other cost recovery tariffs described below.

Q. PLEASE DESCRIBE THE CCCR-1 TARIFF.

A. The concept of a certified capacity cost recovery tariff was mentioned in the Company's Integrated Resource Plan ("IRP") Main Document in Docket No. 31081, and the costs to be recovered by that tariff are described further in the testimony of Ms. Daiss and Mr. Morris in this proceeding. The tariff would apply on an equal percentage basis to all traditional base tariffs to recover the cost of new certified generation coming online and newly certified capacity power purchase agreements ("PPA"). The associated transmission facility costs to connect certified capacity to the grid, including network improvements, would also be collected using CCCR-1. The tariff would begin collecting the capacity costs one month after a new unit comes online or after a PPA goes into effect.

For the Marginally Priced rate group, the CCCR tariff will apply to the Customer Base Line ("CBL") portion of RTP bills and 65 percent of the base rate bill calculations for bills rendered on the revised Fixed Pricing Alternative ("FPA-4") (formerly FPA-3 Part 1). FPA-4 is a rate for customers exiting RTP. The 65 percent figure is based on the average CBL percentage of all RTP loads converted to the former FPA-3 tariff and appropriately apportions embedded and marginal load. The Company believes it is also appropriate to apply this allocation to FPA bills in the same manner for the CCCR, ECCR and DSM tariffs, and has done so.

A copy of the proposed CCCR-1 tariff is included as Exhibit __ (GNR-3) in my prefiled testimony.

Q. IS THE COMPANY PROPOSING TO CONTINUE THE ECCR TARIFF AS PART OF ITS ALTERNATE RATE PLAN?

A. Yes. The Company is updating the prices in the ECCR-2. The tariff recovers capital and operation and maintenance expenses associated with any government mandated environmental costs. Under the Company's Alternate Rate Plan, the ECCR will be updated in January each year and will apply on an equal percentage basis to all standard base tariffs. It will apply to the CBL portion of RTP bills and 65 percent of FPA-4 base bill calculations. The ECCR tariff is included as Exhibit __ (GNR-4) in my prefiled testimony.

Q. IS THE COMPANY PROPOSING TO CONTINUE THE DSM TARIFFS AS PART OF ITS ALTERNATE RATE PLAN?

A. Yes. The Company is proposing an adjustment in the amount collected from the DSM-R tariff to reflect the changes made to the DSM residential programs as proposed in the

Docket No. 31082 filing, the 2010 Application for Certification of Demand Side Management Programs. Further, the Company proposes to change the DSM-R tariff from a cent per kWh application to a percent of base revenue application. Finally, DSM-R would apply to all residential customers regardless of tariff. Currently, it only applies to customers in the Domestic tariff group.

We are also proposing one new demand side management tariff, the Demand Side Management Commercial ("DSM-C") tariff, in this proceeding to recover commercial program costs and the additional sums as filed in Docket No. 31082. The DSM-C tariff will be applied on an equal percentage basis to commercial customers on standard base tariffs. It will be applied to the CBL portion of RTP bills and 65 percent of FPA-4 bills.

In addition, the Company is proposing language to allow an annual adjustment to the price of each DSM tariff based on approved and certified program costs. Projected additional sum amounts and projected program costs would be adjusted annually based on actual participation levels.

Q. WILL THE EXISTING FRANCHISE FEE TARIFF BE INCLUDED IN THE ALTERNATE RATE PLAN?

A. Yes. As part of the Alternate Rate Plan, the Company is proposing to update the franchise fee tariff each November as part of an annual compliance filing. The update would reflect the split between revenues from inside city limits and outside city limits based on the most recent twelve months of actual data. The changes would take effect in January of each year. The Company is also proposing to rename this tariff the Municipal Franchise Fee tariff to more appropriately reflect the costs recovered by the tariff.

2. PROPOSED APPLICATION OF THE INCREASE

Q. WHAT PROCESS DID THE COMPANY USE TO APPLY THE PROPOSED RATE INCREASE TO SPECIFIC TARIFFS?

A. The Company's proposed rate increase is applied on an equal percentage basis before fuel costs. Base charges and rate steps were increased by approximately the same percentage within each tariff. The Company also made minor changes to some rate steps in order to balance to the requested base rate increase among all of the tariffs.

Q. WHAT IS THE IMPACT OF THE COMPANY'S PROPOSED INCREASE WHEN APPLIED TO THE CALENDAR YEAR 2011 AS PROPOSED IN THE ALTERNATE RATE PLAN?

A. On an after fuel basis the overall increase is 8.2 percent. Individual tariff groups will increase as follows: Domestic by 10.1 percent; Small Business by 10.3 percent; Medium Business by 8.8 percent; Large Business by 7.7 percent; Agricultural by 8.1 percent; Government/Institution by 7.3 percent; Outdoor Lighting by 10.7 percent; and Marginally Priced by 4.7 percent. The differences in percent increases are due to the differences in the ratio of fuel costs to the total bill for each group. Consistent with existing policy, the increase in the Marginally Priced group is applied to the CBL portion of the RTP tariff. Exhibit __ (GNR-5) shows these calendar year tariff group increases for the Alternate Rate Plan as well as the increases resulting from the split test year filing. Ms. Daiss and Mr. Morris discuss such increases in detail in their prefiled testimony.

3. OTHER NEW TARIFFS

Q. IS THE COMPANY INTRODUCING OTHER NEW TARIFFS?

A. Yes. Georgia Power is introducing a Time of Use Plug-in Electric Vehicle ("TOU-PEV-1") tariff, a Traffic Control Metered ("TC-M-1") tariff and a new tariff related to the existing Fixed Pricing Alternative ("FPA") tariff. The new Time of Use Revenue Neutral ("TOU-RN") tariff, which relates to the FPA tariff, is discussed in Part 4 of my testimony.

These new tariffs are included in MFR F-1 found in Appendix Volume-1, Exhibit 1.

Q. PLEASE DESCRIBE THE TOU-PEV-1 TARIFF.

A. While the market for electric vehicles has been developing gradually, Georgia Power believes that potential exists for further electric vehicle deployment and the Company wants to encourage the development of this market. To that end, the Company is proposing a simple time of use tariff using a rate design that benefits residential customers with electric vehicles. The TOU-PEV-1 tariff provides the opportunity for customers to save money by charging their electric vehicles during low cost hours using a "super" off-peak period from 11 PM to 7AM each day.

Q. PLEASE DESCRIBE THE PROPOSED TC-M-1 TARIFF.

A. Although the Company has previously not metered usage in the existing Municipal Traffic Control tariff, the deployment of SmartMeters makes a metered traffic control tariff feasible. The new TC-M-1 tariff will include metered usage for customers who desire to have actual metered data used for billing.

4. OTHER PROPOSED CHANGES TO EXISTING TARIFFS

Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO THE OUTAGE COMPONENT OF THE RTP TARIFF.

A. The outage, or reliability capacity component of RTP was designed to send a price signal associated with peaking generation capacity costs during peak hours. It was expected that this component would appear in the RTP price approximately 50 hours per year on average. Since RTP's inception in 1992, this component has rarely appeared in RTP prices and has not been included in actual RTP prices at all since 2000.

The Company is proposing to change the calculation of this component to reflect the original intent of the tariff. The reliability capacity component will be calculated to reflect similar logic to that used to calculate the transmission component. The reliability capacity portion of the RTP price signal will be based on a percentage of actual system load in an hour in relation to the peak load forecast for the system during the year. Using this methodology, the Company expects that this component will appear in the RTP price approximately 50 hours per year on average. The cost of this component will continue to be based on the market value of capacity in the near term and the economic carrying cost of a combustion turbine in the long term.

Q. HOW WILL THIS CHANGE AFFECT RTP PRICES?

A. Revenue from the RTP reliability capacity component is part of the total revenue forecast. However, since the reliability component has not been reflected in the actual RTP price, the Company has not sent correct price signals to RTP customers during peak time periods. The Company has estimated the calendar year impact of this revision at $10.5 million over the 50 hours the 2011 reliability component would be included in the RTP price. If the revised methodology is not approved, then the forecasted base revenue contribution from RTP should be lowered by $10.5 million for the test year. This would have the effect of raising the revenue requirement allocated to embedded rates by $10.5 million.

Q. IS THIS THE ONLY CHANGE THE COMPANY IS PROPOSING RELATED TO RTP?

A. No. As discussed in the testimony of Ms. Daiss and Mr. Morris, the Company is also proposing to change its accounting methodology for crediting the Fuel Cost Recovery ("FCR") account from RTP usage. At present RTP credits the fuel account at current FCR rates. The Company is proposing to use an average hourly marginal replacement fuel cost to credit the fuel account. This average hourly marginal fuel cost will be based on all Georgia Power generating units running in each hour plus power pool purchases or deliveries in each hour.

Q. WILL THIS CHANGE AFFECT THE RTP PRICES?

A. No. The RTP prices to customers will not change. This accounting change only affects the allocation of revenues between the fuel and base components.

Q. WILL THIS CHANGE HAVE AN IMPACT ON BASE RATES?

A. Yes. This accounting methodology change will lessen the proposed base rate increase. For calendar year 2011, this change will result in an increased base revenue contribution from RTP of $45 million; therefore, it has the effect of lowering the overall revenue requirement increase by the same amount.

Q. HAS THE COMPANY PROPOSED CHANGES IN THE DEMAND PLUS ENERGY CREDIT ("DPEC") RIDER

A. Yes. Georgia Power is proposing to modify the DPEC energy credit to equal the three-year, forecasted average of the top 50 hourly marginal cost hours, excluding capacity costs, minus the lost annual average Georgia Power industrial revenue.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE FPA TARIFF?

A. Yes. The Company is proposing to move customers on FPA-3 Parts 2 through 5 to a new TOU-RN tariff. The remaining FPA-3 Part 1 customers will be served on the proposed FPA-4.

The intent of this proposal is to differentiate FPA-3 Part 1 customers who were previously served on an RTP tariff in the Marginally Priced Rate Group from customers on FPA Parts 2 through 5. Customers on Parts 2 through 5 were previously served on the now closed TOU-4 tariff, closed Savannah Electric tariffs or placed on FPA in connection with rate treatment of certain manufacturing customers in the 2004 Docket 18300 rate order. All existing FPA-3 Part 2 through 5 customers who are moved to TOU-RN would move at their existing rates prior to the application of the rate increase. The appropriate increase would then be applied to TOU-RN.

Q. PLEASE EXPLAIN THE INTENT OF THE APPLICABILITY CLAUSE IN THE PROPOSED TOU-RN-1 TARIFF.

A. The applicability clause of the proposed TOU-RN-1 tariff allows the Company to offer a Commercial or Industrial customer the TOU-RN-1 tariff when a then-existing tariff is discontinued based on a Commission order. Such new TOU-RN offers will be calculated on a revenue neutral basis to the discontinued tariff. Additionally, customers uninterested in TOU-RN-1 would also be able to switch to any other tariff for which they are eligible.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE LOW INCOME SENIOR CITIZENS DISCOUNT?

A. Yes. Consistent with the requirements in the Georgia Nuclear Financing Act, the Company is proposing a change in the income threshold for this discount so that it applies to senior citizens who are at or less than 200 percent of the federal poverty household income level.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE OUTDOOR LIGHTING TARIFFS?

A. Yes, the Company is updating and simplifying the language in the lighting tariffs – Energy for Outdoor Lighting Service ("EOL"), Outdoor Lighting Service Governmental ("OLG") and Outdoor Lighting Service Non-Governmental ("OLNG"). The language defining customer-owned systems will be the same in each tariff. In the OLG and OLNG tariffs the energy charges for usage by customer-owned Systems will be as specified in the EOL tariff. The excess trenching charge in the OLG tariff has been updated to $2.49 per foot to reflect current costs. In the EOL tariff, specific monthly kWh usage levels by wattage level have also been added to make the tariff more informative for customers. Also the tables in Section A in the OLNG tariff have been simplified and reformatted to distinguish between "Utility Type" and "Non-Utility Type" fixtures.

Q. IS THE COMPANY PROPOSING ANY CHANGES IN THE MUNICIPAL TRAFFIC CONTROL SERVICE ("TC-17") TARIFF?

A. Yes, the Company is proposing to rename this tariff the Municipal Traffic Control Unmetered Service ("TC-U-18") tariff to properly reflect the fact that this is unmetered service. Georgia Power is also proposing to add language to better define the applicability of the TC-U tariff and eliminate the Company relamping option since this service is no longer needed. Along with the introduction of the new TC-M-1 tariff, the Traffic Control Metered Service tariff previously discussed, the Company feels the proposed traffic control changes are appropriate.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE TIME OF USE SUPPLIER CHOICE ("TOU-SC-2") TARIFF?

A. Yes. The Company is proposing TOU-SC-2 to encourage economic development. Under TOU-SC-2, customers on the Flat Price Option of the tariff can move to any other tariff for which they qualify after the end of the initial period.

5. PROPOSED WORDING CHANGES TO RULES AND REGULATIONS, TARIFFS AND RIDERS

Q. HAS THE COMPANY PROPOSED ANY CHANGES TO ITS RULES AND REGULATIONS?

A. Yes. The Company has made changes in each section of the Rules and Regulations to improve readability, clarity, and to incorporate current business practices. All these changes are included in the redline versions of the Rules and Regulations included in MFR F-1 in this filing.

Q. PLEASE PROVIDE EXAMPLES AND EXPLAIN SOME OF THESE CHANGES.

A. Many of the changes are minor, such as the change in A(1). This provision of the Rules and Regulations outlines the manner in which customers may apply for service. We've updated this provision to include applying for service through the Company's website. There are also more material changes, such as that found in A(5). This provision addresses back-up power provided by the Company to self-generating customers. This provision is outdated, and we've updated it to include the appropriate tariff to price such power, which is a Real Time Pricing tariff or the Backup Rider, as well as to reflect the operational realities of providing service to such customers.

We've also clarified the Company's practices in an effort to make the Rules and Regulations more transparent to our customers. For example, in C(9), we've clarified the definition of temporary service. In the interests of both customers and the Company, we have added clarifying language for revenue protection. Also, in F(2) we've clarified that customers who terminate or violate their service contracts with the Company may necessitate entering into new contracts with the Company, which may in turn necessitate new revenue analysis, deposits and so forth. This language does not expand the Company's existing rights, but it does better inform customers of the effect of terminating contracts with the Company.

In F(3) we have modified the language to expand the situations, beyond just cut-at-pole, where we would collect a non-pay reconnect fee of $120 as opposed to the regular non-pay reconnect fee of $50. Our costs associated with both the disconnection and reconnection are higher in these beyond the meter situations. Having a mechanism for recovering these costs ensures that costs are not spread to other customers.

Q. HAS GEORGIA POWER PROPOSED OTHER UPDATES OR LANGUAGE CHANGES TO THE TARIFFS?

A. Yes, the Company has made minor changes to tariff language to clarify and simplify wording. Examples of these modifications include the policy for making adjustments in CBL levels and adding language in the appropriate tariffs for proposed new tariffs and riders that will apply. The MFF tariff has also been updated to apply more current Commission-mandated allocations between inside and outside city limits locations, and to note that it may be updated annually as discussed in the testimony of Ms. Daiss and Mr. Morris. The Company is proposing to change the term "Base Charge" to "Basic Service Charge" in each tariff.

Q. HAS GEORGIA POWER DISCONTINUED ANY TARIFFS?

A. Yes. The Company has removed the Daily Energy Credit rider ("DEC-1"), the Daily Energy Credit Day Ahead rider ("DEC-DA-1"), and the Optional Interruptible ("OI-8") rates. No customers are currently served under these tariffs. The Company would also like to remove the FlatBill Select Pilot ("FBS-2") and the Critical Peak Pricing Residential Pilot ("CPP-R-1") tariffs. The Company is canceling the CPP-R-1 pilot, but will use its findings from this pilot to expand the TOU-REO rate. Further, the Company is proposing to move the three customers on the Time of Use Multiple Account Management ("TOU-MAM") to the new TOU-RN tariff or any other tariff they qualify for and choose for themselves.

Q. WHAT OTHER INFORMATION WOULD YOU LIKE TO PROVIDE THE COMMISSION?

A. We believe that it is appropriate to inform the Commission of the progress of the Time of Use Residential Energy Only ("TOU-REO") tariff, especially since customers on this tariff are now able to utilize TOU-FCR rates.

The Company currently offers the TOU-REO-4 tariff to residential customers. This tariff allows customers the option to lower their costs by shifting usage to off-peak hours. This program has been marketed to Georgia Power's customers with new SmartMeters through the Nights and Weekends program. Georgia Power redesigned the time of use tariff with updated prices and a simplified rate structure in Docket 25060. The revised tariff continues to provide customers the opportunity to save money by reducing on-peak consumption and shifting usage to lower cost periods. At present, almost 7500 customers are enrolled on the TOU-REO tariff. TOU-REO will be available to all of our residential customers in January 2011.

An important component of the continued success of TOU rates is customer education. The Company's promotions will continue to focus on how customers can save money and energy by reducing usage during on-peak periods or shifting loads from on-peak time periods to off-peak periods. The Company believes customers should have the opportunity to receive price signals and save money by reducing usage during higher cost hours. While not all customers choose to respond to these price signals, those who do can reduce their energy costs.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

GNR – 1
Alternate Rate Plan Exhibit

Recovery Tariff	Description	Compliance Filing	Effective Date
Environmental Compliance Cost Recovery (ECCR) Tariff	• Recovers GPSC approved capital and O&M costs associated with any government environmental mandates	November	January billing period
Certified Capacity Cost Recovery (CCCR) Tariff	• Recovers GPSC certified generation and associated transmission costs • Recovers GPSC certified PPAs	One month prior to commercial operation date	Billing period one month after commercial operation date
Adjustable Cost Recovery (ACR) Tariff	• Provides a mechanism to adjust on a forward looking basis, if necessary, amounts collected under traditional base rate tariffs such that earnings move back to the midpoint of the ROE band if projected earnings are outside of the GPSC authorized ROE band • Maintains earnings through sharing above and below the band on a backward looking basis	• Forward looking compliance filing in November • Backward looking compliance filing in April	• GPSC approved adjustment effective January billing period • GPSC approved adjustment effective July billing period
Demand Side Management (DSM) Tariff	• Recovers all GPSC approved and certified DSM program costs with approved additional sums trued up based on participation levels	November	January billing period
Municipal Franchise Fee (MFF) Tariff	• Recovers GPSC approved municipal franchise fees for inside and outside city limits service	November	January billing period

ELECTRIC SERVICE TARIFF:

Adjustable Cost Recovery: "ACR-1"

GEORGIA POWER
A SOUTHERN COMPANY

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1 of 1	With Bills Rendered for the Billing Month of XXXX, 201X	Original	10.25

EXPLANATORY STATEMENT

The purpose of the Adjustable Cost Recovery (ACR) tariff is to lessen the impact of retail rate proceedings by permitting the Company, through the operation of an approved tariff, to adjust its revenues annually so that they remain within the earnings band allowed by the Georgia Public Service Commission.

APPLICABILITY:

This schedule is applicable to and becomes a part of each retail rate schedule in which reference is made to the ACR tariff as defined pursuant to the Georgia Public Service Commission's Final Order in Docket No. 31958 on December XX, 2010.

RATE:

All bills rendered subject to the ACR Tariff shall be respectively increased in an amount equal to X.XXXX% of their base bill calculations which exclude Real Time Pricing (RTP) incremental usage revenue.

ACR Basis

Forward Adjustment

- Activated with January billing of each year if projected earnings are outside of allowed band
- Based on annual projected year filing in November
- ACR applied to base rates to adjust to the mid-point of the earnings band when:
  - Earnings are projected to be above the top end of the allowed band.
  - Earnings are projected to fall below the bottom end of the allowed band.

Mid-year Adjustment

- Activated with July billing of each year if actual earnings are outside of allowed band
- Based on Annual Surveillance Report [for previous year] filed in March
- If earnings were above the maximum allowed return then refund to customers 2/3 of the difference between actual return and maximum allowed return
- If earnings were below the minimum allowed return then adjust the ACR to collect from customers 2/3 of the difference between minimum allowed return and the actual return

GENERAL TERMS & CONDITIONS:

The adjustment calculated under this tariff is subject to change in such an amount as may be approved and/or amended by the Georgia Public Service Commission under the provisions of applicable riders and other schedules.

Service hereunder is subject to the Rules and Regulations for Electric Service on file with the Georgia Public Service Commission.

ELECTRIC SERVICE TARIFF:

CERTIFIED CAPACITY COST RECOVERY SCHEDULE: "CCCR-1"

GEORGIA POWER
A SOUTHERN COMPANY

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1 of 1	With Bills Rendered for the Billing Month of XXXX, 201X	Original	10.10

EXPLANATORY STATEMENT:

The purpose of the CCCR is to allow costs for new Commission-certified capacity additions (including the capacity portion of purchased power agreements) and associated transmission costs to be recovered in rates in the billing period one month after commercial operation date of a new unit or after a purchased power agreement goes into effect.

APPLICABILITY:

This schedule is applicable to and becomes a part of each retail rate schedule in which reference is made to the Certified Capacity Cost Recovery Schedule (CCCR), as defined pursuant to the Commission's Final Order in Docket No. 31958 on December XX, 2010.

RATE:

All bills rendered subject to the CCCR Schedule shall be respectively increased in an amount equal to X.XXXX% of their base bill calculations which exclude Real Time Pricing (RTP) incremental usage revenue. CCCR shall apply to 65% of the base bill calculations for bills rendered on the Fixed Pricing Alternative (FPA-4) tariff (formerly FPA-3, Part 1).

GENERAL TERMS & CONDITIONS:

The adjustment calculated under this tariff is subject to change in such an amount as may be approved and/or amended by the Georgia Public Service Commission.

Service hereunder is subject to the Rules and Regulations for Electric Service on file with the Georgia Public Service Commission.

ELECTRIC SERVICE TARIFF:

ENVIRONMENTAL COMPLIANCE COST RECOVERY SCHEDULE: "ECCR-2"

GEORGIA POWER
A SOUTHERN COMPANY

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1 of 1	With Bills Rendered for the Billing Month of January, 2011	Original	10.00

EXPLANATORY NOTE:

The purpose of the Environmental Compliance Cost Recovery Schedule (ECCR) is to recover capital costs and operating and maintenance costs associated with government mandated environmental costs. The ECCR will be updated each November via filings with the Georgia Public Service Commission, with rates effective the following January.

APPLICABILITY:

This schedule is applicable to and becomes a part of each retail rate schedule in which reference is made to the ECCR Schedule.

RATE:

All bills rendered subject to the ECCR Schedule shall be respectively increased in an amount equal to 9.7803% of their base bill calculations which exclude Real Time Pricing (RTP) incremental usage revenue. ECCR shall apply to 65% of the base bill calculations for bills rendered on the Fixed Pricing Alternative (FPA-4) tariff (formerly FPA-3, Part 1).

GENERAL TERMS & CONDITIONS:

The adjustment calculated under this tariff is subject to change in such an amount as may be approved and/or amended by the Georgia Public Service Commission.

Service hereunder is subject to the Rules and Regulations for Electric Service on file with the Georgia Public Service Commission.

GNR – 5

Split Test Year Compared to Alternate Rate Plan Exhibit
Effective Annual Increase in Total Bill
Including Base Increase, DSM, ECCR, and MFF Fees

Rate Group	Split Test Year Method	Proposed Alternate Rate Plan
Domestic	13.2%	10.1%
Small Business	13.9%	10.3%
Medium Business	11.8%	8.8%
Large Business	10.4%	7.7%
Agricultural	10.8%	8.1%
Government/Institution	9.8%	7.3%
Outdoor Lighting	14.3%	10.7%
Marginally Priced	6.3%	4.7%
Total All Rate Groups	11.0%	8.2%