

Georgia Power Company Certified Demand-Side Management Programs First Quarter 2011 Status Report

In accordance with the Resolution of Outstanding Issues, signed June 30, 2010, included in the Supplemental Order of Docket No. 31082 for DSM Implementation Monitoring, Georgia Power Company (“Georgia Power” or the “Company”) provides this first quarterly report for activity through March 31, 2011.

REPORTING FORMAT

The report begins with an overview of each of the certified demand-side management (“DSM”) programs with marketing and training activities that have taken place during this first quarter. The overviews are followed by a graph displaying first quarter program results segmented by customer class. Following the graph is a table of program specific results for current quarter, year-to-date and program-to-date performance as measured by participant level, energy savings, demand savings¹ and cost.

GENERAL INFORMATION

As part of Georgia Power Company’s Application for Certification of its Demand Side Management Plan, five residential and two commercial energy efficiency programs were certified by the Georgia Public Service Commission (“Commission”) as DSM resources. These seven certified DSM resources are expected to achieve approximately 104 GWH, 203 GWH and 290 GWH of energy reduction for the years 2011, 2012 and 2013 respectively. The ten year program plans have an expected annual 2,822 GWH reduction by 2020.

The guidance for the report development was provided in the Resolution of Outstanding Issues (“Resolution”), dated June 30, 2010, and approved by the Commission on September 10, 2010. Specific guidance given in the Resolution states:

Quarterly progress reports will include participation levels, program costs and program marketing information. The semi-annual report will be more detailed and will include participation levels, program costs and energy and demand savings information. The first semi-annual report will be completed and filed no later than August 15, 2011, for the six month period ending on June 30, 2011. The first quarterly report will be filed no later than May 15, 2011, for the quarter ending on March 31, 2011. (Page 3 of the Resolution)

As Georgia Power has developed its program implementation tracking tool and Commission report structure, it was decided to provide the semi-annual report data as identified in the Resolution for all quarterly reports to the Commission.

To assure infrastructure was in place for accepting and processing applications for rebate payments, the initial implementation of the two new commercial programs and the modified residential existing programs was a soft customer offering starting January 1, 2011 with the expectation that activity levels will be low in first quarter and increasing in second quarter with the majority of the program participation occurring in the second half of the year. For the other four residential programs with

¹ Power Credit kW reductions are savings at the meter; all other kW reductions are based on approved filing data which represents kW savings at the generator.

previous pilot programs in place, the transition from pilot to full implementation was a continuation of activity already in place with the exception of expanding the refrigerator recycling program statewide.

As part of this year's program implementation, the Company delivered state wide education/training for the energy efficiency programs at 14 Region offices to 324 Company employees.

This quarterly report shows activities associated with program implementation for all certified DSM programs (the new certified seven plus Power Credit, a load management program previously certified by the Commission).

2010 CERTIFIED ENERGY EFFICIENCY PROGRAMS

Residential Programs

Residential Lighting & Appliance: The Residential Lighting and Appliance program promotes the purchase and installation of energy efficient products and equipment by Georgia Power residential customers. The program focuses on increasing customer awareness of the benefits of energy efficient technologies through customer education, retail partnerships and sales training, and promotional distribution of compact fluorescent lamps ("CFLs"). The program also builds on the tools and trade ally networks of both Georgia Power and the federal ENERGY STAR program.

Major activities and accomplishments during this reporting period include:

- Conducted on-going training (see reference in General Information);
- Conducted 198 retail site visits, merchandising and labeling ENERGY STAR qualified lighting and appliances and speaking with sales associates as well as customers about the Georgia Power Lighting and Appliance program;
- Conducted 127 lighting associate trainings;
- Conducted 27 appliance associate trainings;
- Conducted 206 lighting customer trainings;
- Conducted 31 appliance customer trainings;
- Held 11 in-store events at Home Depot stores to promote the Lighting and Appliance program, features and benefits of ENERGY STAR products as well as other energy efficient products; and
- Submitted more than 57,000 pledges to the EPA's "Change The World" campaign.

Residential High Efficiency New Homes: The Residential High Efficiency New Homes program focuses on a whole-building approach to improving the energy efficiency of new homes. The program promotes the installation of energy efficient measures in new home construction to improve the performance of participating homes to at least 15 percent above the existing residential energy code. As such, the financial incentives for qualifying new homes are applied for and paid to the home building contractor to offset the cost of a formal inspection by a certified Home Energy Rating System ("HERS") rater and to assist with the incremental cost of installing the efficiency measures.

The housing construction slowdown continues. Industry experts predict a flat growth trend through 2011. This market is affecting all aspects of new construction including the construction of high efficiency new homes.

Major activities and accomplishments during this reporting period include:

- Conducted on-going training (see reference in General Information);
- Columbus Area Realtor Training for High Efficiency New Homes - 25 real estate professional attended 4 hour class on the building science of energy efficient construction;
- Continuing to promote program and energy efficient construction through Home Builders Association publications and websites;
- Continuing to promote program with national/production builders with face to face meetings; and
- Sponsorship of South Georgia Home and Garden Show in Valdosta - approximately 2,000 attendees.

Residential Existing Homes (Home Energy Improvement): The residential existing home program (Home Energy Improvement) promotes a comprehensive, whole-building approach to improving the energy efficiency and comfort of existing homes and includes multiple participation paths to appeal to a wide range of residential customers. The program incorporates program elements of the proposed federal Home Star Energy Efficiency Retrofit Program and provides financial incentives for implementing eligible energy efficiency measures. In addition to the financial incentives offered, the program includes customer education and awareness campaigns, and contractor partnerships and training.

Major activities and accomplishments during this reporting period include:

- Conducted on-going training (see reference in General Information);
- Continued developing program marketing material and campaigns;
- Hosted six contractor informational meetings throughout state;
- More than 50 contractors in various stages of being Building Performance Institute (“BPI”) certified and participating in whole house energy reduction option of the program serving the majority of state;
- Shared a customer awareness booth with the City of Atlanta’s SHINE program at the 2011 Dogwood Festival’s Eco-village;
- Program promotion created for March-May billing envelope;
- Sponsored 2011 Old Decatur Home Fair speakers forum; and
- Continued program and marketing support for City of Atlanta SHINE.

Residential Refrigerator Recycling Program: The Residential Refrigerator Recycling program aims to eliminate inefficient or extraneous refrigerators in an environmentally safe manner and produce cost-effective long-term energy and peak demand savings in the residential sector. The program focuses on increasing customer awareness of the economic and environmental costs associated with running inefficient, older appliances in a household, and provides eligible customers with free refrigerator and freezer pick-up services in addition to a cash incentive.

Major activities and accomplishments during this reporting period include:

- Conducted on-going training (see reference in General Information); and
- Developed marketing activities which included:
 - January marketing - Promotion on the back of Electric Living (informational bill insert), on hold messaging on the Customer Care Center’s Voice Response Unit (VRU), web site, and truck wrap;
 - February marketing - : Promotion through internal channels only - VRU on hold messaging, web site, and truck wrap; and

- March marketing - Promotion on the back of Electric Living, VRU on hold messaging, web site, and truck wrap.

Residential Water Heating: The Residential Water Heating program promotes energy efficient residential water heating practices, including the identification and installation of energy conservation measures in existing water heating systems, and customer education on the benefits of installing high efficiency water heating equipment. The program provides Georgia Power customers with the opportunity to have a professional audit conducted on their water heating system to identify energy savings opportunities. To maximize participation and promote energy efficient water heating, the program includes customer education, awareness campaigns and information on financial incentives for water heating equipment available through Georgia Power's Home Energy Improvement Program.

Major activities and accomplishments during this reporting period include:

- Conducted on-going training (see reference in General Information); and
- Created an inventory management protocol for storing and ordering blankets that leverages supply chain management and Georgia Power storerooms.

Commercial Programs

Commercial Custom Incentive Program: The Commercial Custom Incentive program provides a platform for comprehensive energy efficiency projects in facilities that go beyond single measures and common efficiency practices. The program does not define a specific list of eligible measures but bases participation on the verifiable energy savings resulting from the measures implemented. The initial program offering focuses on commercial facility lighting efficiency improvements and provides incentives based on the achievement of watts reduced with caps of \$5,000 for tax paying customers and \$10,000 for non-tax paying customers. Caps are differentiated due to the opportunity of tax paying customers being eligible for additional state and federal tax incentives.

Commercial Prescriptive Incentive Program: The Commercial Prescriptive Incentive program promotes the purchase of eligible high-efficiency equipment installed at qualifying customer facilities. Rebates offered through this program serve to reduce the incremental cost to upgrade to high-efficiency equipment over standard efficiency options for Georgia Power's customers. The program includes equipment with easily calculated savings, provides straightforward and easy participation for customers. All Georgia Power commercial customers are eligible to participate.

These programs are being marketed as a single Commercial program with the customer having the option of choosing the Custom or Prescriptive track for achieving energy savings and the corresponding incentives associated with those savings.

Major activities and accomplishments during this reporting period include:

- Conducted on-going training (see reference in General Information);
- Continued developing program marketing campaign for small business customers;
- Hosted four customer training sessions with a combined total of 210 customers in attendance; and
- Hosted five trade ally training sessions with a combined total of 155 attendees.

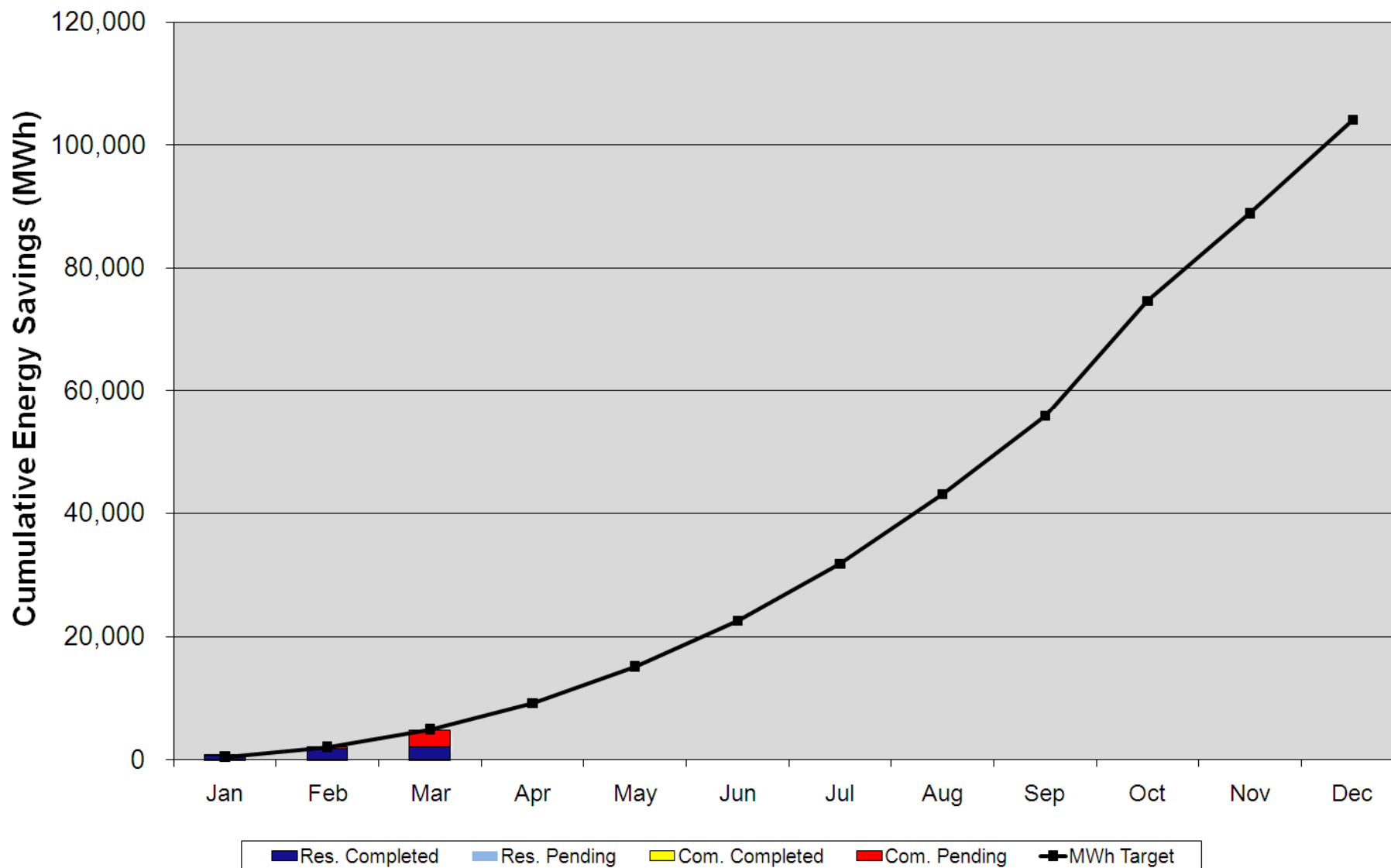
Power Credit Program (Certified prior to 2010)

Georgia Power is in the process of converting its communication system from the low radio frequency single directional communication device to a higher radio frequency communication device that may be compatible with the AMI system. This conversion is anticipated to take approximately three years and during this conversion the potential demand reduction from Power Credit will have varying levels of availability.

Major activities and accomplishments during this reporting period include:

- Due to the forthcoming change in communication technology for Power Credit equipment, the program is not actively being promoted; and
- A small number of residual enrollments did occur as shown in the results section of this report.

2010 Certified DSM Programs



Georgia Power Company Certified DSM Programs

Program	Current Quarter						Year-To-Date						Program-To-Date					
	Program Impacts			Program Costs			Program Impacts			Program Costs			Program Impacts			Program Costs		
	Participants	Energy Savings (kWh)	Demand Savings (kW)	Incentive Costs	Non-Incentive Costs	Total Costs	Participants	Energy Savings (kWh)	Demand Savings (kW)	Incentive Costs	Non-Incentive Costs	Total Costs	Participants	Energy Savings (kWh)	Demand Savings (kW)	Incentive Costs	Non-Incentive Costs	Total Costs
Residential Lighting & Appliances (1)	6,990	370,470	210	\$ -	\$ 68,158	\$ 68,158	6,990	370,470	210	\$ -	\$ 68,158	\$ 68,158	6,990	370,470	210	\$ -	\$ 68,158	\$ 68,158
Residential Refrigerator/Freezer Recycling	1,011	1,113,111	162	\$ 44,340	\$ 69,247	\$ 113,587	1,011	1,113,111	162	\$ 44,340	\$ 69,247	\$ 113,587	1,011	1,113,111	162	\$ 44,340	\$ 69,247	\$ 113,587
Residential High Efficiency New Homes	492	473,547	201	\$ 113,850	\$ 59,310	\$ 173,160	492	473,547	201	\$ 113,850	\$ 59,310	\$ 173,160	492	473,547	201	\$ 113,850	\$ 59,310	\$ 173,160
Residential Home Energy Improvement	257	153,608	18	\$ 55,708	\$ 219,322	\$ 275,030	257	153,608	18	\$ 55,708	\$ 219,322	\$ 275,030	257	153,608	18	\$ 55,708	\$ 219,322	\$ 275,030
Residential Water Heating	186	101,184	19	\$ -	\$ 148	\$ 148	186	101,184	19	\$ -	\$ 148	\$ 148	186	101,184	19	\$ -	\$ 148	\$ 148
Residential Power Credit	395	-	774	\$ 6,260	\$ 81,000	\$ 87,260	395	-	774	\$ 6,260	\$ 81,000	\$ 87,260	56,445	-	114,044	\$ 1,585,981	\$ 15,195,813	\$ 16,781,794
Residential Portfolio Total	9,331	2,211,920	1,384	\$ 220,158	\$ 497,185	\$ 717,343	9,331	2,211,920	1,384	\$ 220,158	\$ 497,185	\$ 717,343	65,381.0	2,211,920.0	114,654	\$ 1,799,879	\$ 15,611,998	\$ 17,411,877
Commercial Custom Incentive	-	-	-	\$ -	\$ 47,868	\$ 47,868	-	-	-	\$ -	\$ 47,868	\$ 47,868	-	-	-	\$ -	\$ 47,868	\$ 47,868
* Pending custom jobs (2)	14	1,459,648	584	-	-	-	14	1,459,648	584	-	-	-	14	1,459,648	584	-	-	-
Commercial Prescriptive Incentive	-	-	-	\$ -	\$ 92,183	\$ 92,183	-	-	-	\$ -	\$ 92,183	\$ 92,183	-	-	-	\$ -	\$ 92,183	\$ 92,183
* Pending prescriptive jobs (2)	32	1,308,799	985	-	-	-	32	1,308,799	985	-	-	-	32	1,308,799	985	-	-	-
Commercial Portfolio Total	-	-	-	\$ -	\$ 140,051	\$ 140,051	-	-	-	\$ -	\$ 140,051	\$ 140,051	-	-	-	\$ -	\$ 140,051	\$ 140,051
* Pending commercial jobs total (2)	46	2,768,446	1,569	-	-	-	46	2,768,446	1,569	-	-	-	46	2,768,446	1,569	-	-	-
Certified DSM Program Totals	9,331	2,211,920	1,384	\$ 220,158	\$ 637,236	\$ 857,394	9,331	2,211,920	1,384	\$ 220,158	\$ 637,236	\$ 857,394	65,381.0	2,211,920.0	114,653.7	\$ 1,799,879	\$ 15,752,049	\$ 17,551,928

(1) CFLs only
(2) Pending represents applications received and in the process of being paid
(3) Power Credit kW savings at the meter, all other kW savings are based on approved filing data which represents kW at the generator.