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## **RATE REDUCTIONS FOR POWER AND GAS ANNOUNCED BY THE ALABAMA PUBLIC SERVICE COMMISSION**

MONTGOMERY – Today, the Alabama Public Service Commission voted to extend a fuel cost discount for Alabama Power Company customers. The discount will continue in effect for the period of January 2011 through March 2011. The Commission also voted to reduce the Company's fuel cost billing factor for the period of April 2011 through December 2011. The combined effect of these adjustments will save Alabama Power Company customers approximately \$60 million during the 2011 calendar year, as opposed to rates that were otherwise scheduled to go into effect January 1, 2011. Importantly, the Company's fuel cost will continue to be billed at the currently discounted rate during the January through March 2011 heating season.

"This is a modest but much appreciated early Christmas present for many hard working Alabamians. As we head into the cold winter months, it's important that the Commission do all it can to keep power and gas rates as low as possible," PSC President Lucy Baxley said.

In addition, the Commission reported on filings from Alabama Gas Corporation and Mobile Gas Service Corporation that will result in net rate decreases of approximately 8.7% and 5.5% respectively. The lower rates for both companies reflect operating and gas cost reductions.

Compared to rates in effect one year ago, the average Alagasco residential customer will pay approximately \$121 less per year. Results for individual customers will vary according to usage.

Also, the average Mobile Gas residential customer will pay approximately \$45 less this year than one year ago. Results for individual customers will vary according to usage.

"Households and businesses in Alabama need all the help they can get during this recession," Dunn said. "We're going to do everything we can to keep the utilities' rates as low as possible and their service as reliable as possible."

"Today, many Alabamians are struggling and every penny counts. I'm glad the Commission was able to announce some good news about power and gas rates that directly affect the bottom line for most Alabamians. Pennies can add up to real savings, and my goal is to continue looking for ways to pass on savings to Alabama families and small businesses," Commissioner Twinkle Andress Cavanaugh said.

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