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## **PSC Targets Job Creation and Community Redevelopment**

Montgomery – The Alabama Public Service Commission, today, voted to approve several rate measures aimed at helping revitalize local economies. During the last month, the Commission has been working with Alabama Power Company to design economic development incentives that could be offered to many commercial and industrial customers. The primary focus of the incentive package is to assist with the State's economic recovery by encouraging investments that drive business growth and job creation.

"I have often said that the PSC was an unused tool in the state's economic development and job creation efforts, and our actions today finally put that tool to good use," PSC Commissioner Twinkle Andress Cavanaugh said. "As someone who owned and operated a small business most of my life, I understand that every incentive and every penny saved on the bottom line helps create jobs and make expansion that much easier."

For small commercial businesses, the Commission approved Alabama Power's proposal to broaden the terms of its small business rate (Rate LPS – Light and Power Service - Small). As a result, approximately 8,000 more customers could qualify and benefit under Rate LPS. Taking this into consideration, Alabama Power has estimated that the combined annual benefit to newly qualified customers could total nearly \$2,500,000 but that individual customer benefits will vary. Ultimately, whether a given customer would benefit depends on that customer's actual electricity usage.

Examples of customers that might now qualify for Rate LPS include small churches, investment type businesses, realty offices, small retail shops, small city buildings, some board of education accounts, volunteer fire departments, etc. The additional customers who appear to qualify for the expanded Rate LPS will be notified by Alabama Power.

Commissioner Terry Dunn said, "Expanding the number of businesses that can qualify for the small-business rate, while not an incentive program itself, is certainly in keeping with what this effort is all about: namely, trying to encourage job growth and boost our state's economy."

For small and medium size commercial customers, the Commission accepted Alabama Power's proposal to provide a one-year 15% incentive for any new account established at a location (existing building or space) that has been unoccupied for at least 6 months. Such new account must represent new electric usage and cannot include moving from one location to another (switching locations). The 15% discount will be applicable to the customer's total electric usage and will be applied to the portion of a customer's bill that is not fuel or tax related. This economic incentive will be offered through December 31, 2012.

"The community redevelopment incentive is well-designed," Dunn said. "Owners of small- and medium-size businesses have probably been hesitant to go forward with needed expansions, due to the economy. A significant discount on energy costs could be just what is needed to make the business case for such a move."

For business customers who meet the Alabama Department of Revenue criteria for receiving Capital Investment Tax Credits, the Commission approved Alabama Power's proposal to provide a two-year discount on their base bill. Qualifying customers will receive a 10 percent discount in year one and a 5 percent discount in year two. The discount will not apply to fuel-related charges or taxes. In order to qualify, the customer must satisfy certain capital investment and job creation thresholds, and add new electric usage of at least 1,000 KVA. The discounts will apply only to additional electric usage and will be offered through December 31, 2013.

"Lower electric bills combined with tax credits is a formula for business development and job growth. For new or expanding industries, it's a deal too good to pass up," said President Lucy Baxley.

These economic development incentives are intended to assist with the State's economic recovery and promote job creation and business expansion. For specific details on any of the above incentive programs, please contact Alabama Power's Business Call Center at 1-888-430-5787.

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