



PUBLIC SERVICE COMMISSION

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PRESIDENT**

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CAVANAUGH ANNOUNCES PUBLIC SERVICE COMMISSION APPROVAL OF HISTORIC RATE AND REVENUE REDUCTIONS AFFECTING MOBILE GAS

Montgomery – Alabama Public Service Commission President Twinkle Andress Cavanaugh on Tuesday announced that the regulatory panel approved historic rate and revenue reductions affecting Mobile Gas Company and its customers.

In an unprecedented move, the Commission voted to lower the rate of return Mobile Gas Company is allowed to earn by 280 basis points, which represents the largest one-time decrease in an allowed return by a regulated utility in recent history.

The return for Mobile Gas Company, which has been in place since 2002, was reduced from 13.35% - 13.85% to the lower range of 10.45% - 10.95%.

This reduction in allowed earnings will result in an approximate \$2.7 million in annual savings to Mobile Gas company customers, which equates to approximately \$31 in savings per customer during each year of the four-year agreement.

Cavanaugh, who was adamant about holding open and transparent public meetings on the matter, said she was proud that Mobile Gas Company customers will receive relief during these difficult economic times.

“This is a victory for the consumers in Mobile,” Cavanaugh said. “I promised to review all utility rates regulated by the PSC in order to keep utility rates down and, in return, continue to recruit and grow jobs in Alabama. It all boils down to families and today we lowered rates for Mobile Gas Customers and helped them keep more of their hard earned money.”

She offered her special thanks to Public Service Commissioner Jeremy Oden who “worked hard over the past seven months and helped us implement these historic reductions.”

Cavanaugh said past agreements between the PSC and Mobile Gas Company did not include a mechanism to address uncertain economic conditions like those experienced in the United States throughout the last five years. The new agreement contains a provision that will safeguard consumers by ensuring open and transparent hearings can be held when necessary.

“One of the things we ensured during this thorough public hearing process is the rate payers’ right to have the rate of return examined when the economy is experiencing extreme volatility and changes,” Cavanaugh said.

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