



## STATE OF ALABAMA

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TWINKLE ANDRESS CAVANAUGH  
COMMISSIONER

**For Immediate Release**

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### **CAVANAUGH VOTES FOR FIRST REDUCTION FOR ALABAMA POWER CUSTOMERS IN ALMOST 25 YEARS**

**Montgomery** – Alabama Public Service Commission President Twinkle Andress Cavanaugh voted today to implement the largest reduction in allowed rate of return for Alabama Power Company in almost 25 years.

Cavanaugh said at the point of adjustment, customers could expect to see a savings of between \$30 and \$110 on their power bills each year based upon a number of factors, including amount of electricity used, weather trends, rate classification and others. She estimated that most consumers who continue using the same amount of electricity would realize an average savings closer to the mid-point.

“While Alabama Power Company felt their current rate structure was justifiable, our job as commissioners is to do what’s fair for all, and our hearings showed that consumers deserve some relief in the bills they pay,” Cavanaugh said.

The Commission adjusted the RSE formula to reflect a weighted rate of return on equity with a range of 5.75% to 6.21% with a reset point of 5.98%. The weighted numbers represent a range of 10.27% to 11.09% with an adjusting point of 10.68% when compared to the newly allowed capital structure of Mobile Gas Company.

The reduction occurred following a series of public rate review hearings conducted across the state, during which commissioners heard almost 24 hours of testimony from dozens of consumers, various interest groups, business owners, utility stakeholders, the Alabama Attorney General’s Consumer Division and others. The changes voted on today will go into effect in January.

Cavanaugh noted that convening formal hearings would have required participants to hire legal counsel in order to participate in the process, and many of those who took part in the open, public process would have had their voices silenced.

“In addition to testimony from Alabama Power officials, the commission heard from groups as diverse as the Tea Party, labor unions, public policy think tanks, and even environmental groups supporting Obama’s War on Coal with whom I vehemently disagree,” Cavanaugh said. “Anyone who looks with an unbiased eye will agree that this has been the most open and transparent process in the history of the Alabama Public Service Commission.”

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