

# NEWS

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## **Alabama Public Service Commission Announces \$16.8 Million Rate Reduction for Alabama Gas Corporation's Customers**

Montgomery – The Alabama Public Service Commission announced today two separate rate reductions for Alabama Gas Corporation's (Alagasco) customers totaling approximately \$16.8 million. The reductions will take place in two parts, one effective for March 2010 billings and one effective for April 2010 billings.

Commissioner Jan Cook responded, "This winter has been especially brutal and I hope this reduction will bring some relief to the hundreds of thousands of Alabamians who are served by Alagasco."

On March 1, 2010, Alagasco filed for a gas cost reduction to reflect lower forecasted gas costs through the end of the Company's rate year, which is September 30, 2010. This gas cost reduction is Alagasco's fifth since October 2008 and will apply to all sales customers. This rate decrease became effective March 1, 2010.

On March 2, 2010, Alagasco filed for an RSE reduction to bring the Company's earnings within the Commission's allowed return on equity range. This reduction will become effective April 1, 2010.

"We needed some good news after a cold, expensive winter," said President Lucy Baxley, "Gas customers can look forward to not only warmer temperatures this spring, but lower gas rates."

Commissioner Susan Parker commented that, "The continued decline in gas prices is good for all consumers. Hopefully, the market will stay stable for a long time and bring even more decreases as the year progresses."

As a result of the two rate reductions, the average residential customer will pay \$29 less for gas during the period March 1 through September 30, 2010. When compared to rates in effect prior to the five consecutive gas cost decreases that began November 1, 2008, the average residential customer will pay \$153 less during the period March 1 through September 30, 2010. Individual bill impacts will vary based on customer usage. Those customers who use more gas will experience higher annual savings.