



STATE OF ALABAMA

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JEREMY H. ODEN
Associate Commissioner

For Immediate Release
July 2, 2013

Montgomery – The Public Service Commission voted on Mobile Gas Service Company’s RSE mechanism at today’s monthly meeting; bringing relief to customers throughout Mobile and surrounding areas. With much of the focus on the company’s allowed ROE (return on equity), commissioners and staff recommended and agreed to reduce the allowed return range by over 300 basis points, thus reducing rates charged to customers and the amount of profits earned by the company. Other measures included in the RSE tariff include annual meetings regarding cost allocations, increased involvement from the Attorney General’s office, and mechanisms to increase the rate at which outdated cast iron pipe is replaced.

Following the announcement of the RSE mechanism, Commissioner Jeremy H. Oden went on to say, “Today we have lowered rates for customers, brought the company back inline nationally, and have reduced allowed profits.” There has previously been discussion on the format in which these conclusions were reached. Commissioner Oden commented, “This process works. We saved the state and rate payers hundreds of thousands, if not millions, as well as expediting the time frame for relief to customers. RSE is a mechanism that has worked and will continue to work, but it needed modernized to better fit today’s market and rate environment.”