

## Ameren outlines electric rate rebates

By *TONY REID - H&R Staff Writer*

DECATUR - Ameren Corp. spelled out how much cash customers will receive and when they should get it during a Tuesday news conference about the \$1 billion electric rate relief package the company agreed on with leading lawmakers.

The legislation must still be approved by the Illinois House and Senate - a vote is expected within the next week or so - and checks would start flowing within two weeks of Gov. Rod Blagojevich signing it into law. The minimum any residential customer receives in 2007 will be \$100 in cash and credits. About \$80 will arrive in a check, due to be delivered before mid-September; the rest will show up in monthly credits on the bill.

Ameren says that \$100 will go to about 40 percent of its customer base and be followed by other credits stretching through 2009. The credits are designed to offset price jumps in the deregulated Illinois power market after a 10-year rate freeze ended Jan. 1.

"Now, \$100 may not seem like a lot of money," said Scott A. Cisel, president and chief executive officer for Ameren utilities AmerenIP, AmerenCIPS and AmerenCILCO. "But for 40 percent of our residential customers, the annual increase in their electric bills is \$150, so they are getting back more than half the increase that took place in 2007."

About 20 percent of Ameren customers will get a rebate of \$130, based on their electric usage. That breaks down to about \$88 in the initial check and the rest spread into monthly credits for the rest of the year. Cisel said these customers were people who have higher usage but don't use electric heat. They had been facing a jump in their annual electric bills of \$250.

The biggest rebates go to all-electric homes where many families were hit with annual increases of more than \$700. Their total rebate works out at \$400, with \$320 back in the initial check and the rest in credits. For higher-use customers looking at annual bill hikes of \$1,400, they will get rebates of more than \$700. And the highest-cost residential customers, just 1 percent of the total customer base, will qualify for rebates of \$1,000 or more.

Overall, before the relief package, Cisel said 48 percent of customers were facing annual rises in their electric bills of 30 percent to 40 percent. With the relief package, 45 percent of customers were looking at annual increases of 10 percent to 20 percent, and there would be no customers hit with rises of more than 50 percent.

"This demonstrates the significant rate relief that our residential customers will experience in 2007 after the credits are applied," he said.

Small businesses and nonprofit organizations also qualify for help. They will get credits that limit their annual price hikes to 40 percent for 2007, and they can apply to Ameren utilities for assistance grants ranging up to \$5,000.

Cisel said millions of dollars in funds also have been set aside for the elderly and low-income families. Grants to assist them and pay for projects such as weatherization and supplying low-energy light bulbs have been allocated more than \$40 million in funding over the next four years.

The law enshrining the \$1 billion relief package also calls for the creation of a new Illinois Power Agency which, by 2009, will be buying power on behalf of Ameren's utilities, with the hope of securing cheaper prices. In the meantime, Cisel says Ameren's utilities will be "redesigning" their electric rates to try to give consumers a break by smoothing out the seasonal price spikes between winter and summer bills.

The detailed news about the contents of the relief package was welcomed Tuesday by the Citizens Utility Board, a consumer watchdog group, but Executive Director David Kolata wants more information. He said he understands the deal between Ameren and lawmakers also involves some five-year agreements on buying base load power to cover the period while the new Illinois Power Agency is being created.

"If the prices on those contracts are good, then the overall value of this deal is much greater than \$1 billion, or conversely, it could be lower," said Kolata. "But, so far, I'm not sure if we're going to find out."

Overall, however, he welcomed the relief package as offering significant rate relief and a future energy purchase plan that was good for consumers.

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