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City to fight street lighting rate proposal

By Mike Monson

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AmerenIP seeks 41% hike; other communities may get involved

CHAMPAIGN – The city of Champaign and possibly other area cities will focus on fighting a proposed 41 percent increase in street lighting costs in the pending AmerenIP rate case.

Deputy City Attorney Trisha Crowley said the recommendation to focus on street lighting costs comes from the city's consultant on electric issues, R.W. Beck. Crowley says she believes that the general public interest will be well represented in the rate case by the Illinois attorney general's office, the Citizens Utility Board and the staff of the Illinois Commerce Commission.

"Nobody else cares about street lighting expenses except cities," she said. "We know no one else will bring up the issue unless we do."

Street lighting costs make up about half, or \$300,000, of the city's overall electric bill.

She said one of the city's objections is that AmerenIP is seeking a 46 percent increase in its street light fixture rental charge, to \$11.08 per fixture, while its related companies are seeking less. AmerenCIPS is asking for a rental rate of \$3.72 per fixture and \$7.81 per fixture for AmerenCILCO.

Ameren on Nov. 2 filed a case with the Illinois Commerce Commission seeking significant increases in its gas and electric delivery service rates. Delivery service, generally about 30 percent of the overall bill, covers a utility's cost for delivering gas or electricity.

AmerenIP is asking for a 13.6 percent overall increase for electricity and 11.2 percent increase for natural gas. However, for the first year, the overall electric increase would be capped at 8.5 percent.

Ameren in 2006 asked for a \$202 million increase in electric delivery service charges for its three companies. The commerce commission approved \$96 million in November 2006.

This time around, Ameren is asking for \$247 million in increases in electric and natural gas delivery service charges.

Champaign has intervened in the electric delivery service case. Crowley said the city probably won't provide expert testimony about the proposed increase, except on the street light issue.

"We may provide general testimony as to hardships this will put on ordinary people," she said.

The city council Tuesday night approved bills establishing automatic intervention by the city in utility rate cases as a general council policy. The council also authorized City Manager Steve Carter to reach agreements to share the cost of intervening with other cities. Champaign is discussing intervention with Urbana, Normal, Bloomington, Peoria and Decatur.

The council also approved amending the budget to spend up to \$79,000 to pay for intervening in the case.

If those other cities agree to share costs, Champaign's cost could drop as low as \$15,500.

The commerce commission will hold a public hearing about the proposed rate increases on Feb. 28 at 7 p.m. at the Champaign City Building, 102 N. Neil St. The commission will also accept comments via telephone, at 800-524-0795, or through its Web site, www.icc.illinois.gov.

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