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Ameren contributions help fuel campaigns; is it support or persuasion?

Customers are urged to voice opinions to ICC, politicians

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As the Illinois Commerce Commission investigates Ameren's recent rate increase proposal, some people are looking at the utility's contributions to political campaigns and questioning whether it is really needed.

"If they weren't giving to all those politicians, they'd have money -- because we're talking about big money," said Madison County Board member Helen Hawkins, D-Granite City.

Ameren customer Brad Van Hoose said he feels like Ameren is "forcing good people out of their homes," and that the company's campaign contributions "seem to cloud judgment" for lawmakers.

"They call them contributions. I consider them bribes," Van Hoose said. "As a consumer and a voter in the state of Illinois, I feel completely sold out and betrayed by my legislators."

The Illinois Campaign for Political Reform has reported Ameren's contributions to state politicians to be among the highest in the utility industry, which pumped about \$1.3 million into political campaigns in Illinois between Jan. 1, 2003, and June 30, 2005. During that time period, Ameren and its subsidiaries gave \$504,200, ranking second to Exelon and its subsidiaries' \$535,400 contribution total.

From Jan. 1, 2005, to Dec. 31, 2007, Ameren donated \$811,593.76 to political campaigns, according to the State Board of Elections.

Neal Johnson, Ameren spokesman, said Illinois customers should be concerned with figures for the company's Illinois distribution companies, IP, CILCO and CIPS, which have made "conservative" contributions.

The three Illinois subsidiaries contributed \$63,511 from 2005 to 2007. Ameren IL PAC, a state political committee to which Ameren employees donate money, contributed \$123,320.

Johnson said Ameren gives money to campaigns to support legislators, not persuade them. He said the Ameren IL PAC committee decides which politicians to support.

"We're trying to support the legislators who are out there who will allow balance and are approachable," Johnson said.

Of the metro-east legislators who received Ameren contributions, state Sen. Frank Watson, R-Greenville, received the most: \$34,750.

State Sen. James Clayborne, D-East St. Louis, was second, receiving \$20,250 from Ameren from 2005 to 2007. As chairman of the Senate environment and energy committee, Clayborne was assigned to lead negotiations with Ameren and other power companies to provide a rate relief package to the hardest hit consumers.

Watson and Clayborne could not be reached for comment.

If approved by the Illinois Commerce Commission, the proposed 25 percent increase would add \$247 million in new revenue to Ameren's current annual revenue of about \$3.3 billion, said Craig Nelson, vice president regulatory affairs and financial services. He said it will affect about one-third of customers' bills, the 36 cents per dollar that goes toward delivery.

Nelson said the company needs the extra money to enhance service reliability and performance, and pay for the increasing cost of materials, such as pole transformers, gas pipes, overhead wires and diesel fuel. He said the money could also help boost the company's bond status from "junk" to "investment grade," and give its investors a fair return rate.

David Kolata, Citizens Utility Board executive director, said Ameren's campaign donations reflect a weakness in their argument for rate increases.

"The consumers that we talk to are quite upset by the fact that Ameren makes such big political donations while at the same time seeking rate increases," Kolata said.

Some metro-east politicians said that very weakness is part of why they no longer accept Ameren money.

State Rep. Tom Holbrook, D-Bellefonte, said he made a personal decision not to accept Ameren contributions since a 10-year rate freeze expired.

Electric delivery service rates jumped January 2007 after lawmakers allowed the 10-year freeze on prices to expire.

Ameren predicted its customers would see an average increase of roughly 50 percent, but some reported their bills doubled, or even tripled.

Holbrook said he is opposed to the current rate increase proposal, and he will be presenting letters and more than 1,000 petitions from his constituents to the ICC in April.

Sen. Bill Haine, D-Alton, said he stopped taking Ameren money, even returning about \$5,000 to \$6,000, out of consideration for his constituents.

"The uproar by the citizens certainly meant more than any possible contribution you could give," Haine said. "To avoid any further discontent, I gave my money back."

Haine said although he no longer takes money from Ameren, campaign contributions, whether they be from a corporation, a union or an individual, are part of the campaign process.

"You need money to run," he said. "If they (contributors) believe that a legislator is competent and fair, they want that legislator to continue in office. If they believe that a legislator is incompetent or unfair, then they don't give them any money. That's America."

Hawkins said although campaign contributions from large corporations have "been going on since politicians were politicians," they are still a problem, especially when they are as sizable as Ameren's.

"The message should be to try to make it without campaign funds from the power companies," Hawkins said. "That may sound like something that is just not going to happen, but I think that's what gets their (politicians) hands tied."

In the meantime, Hawkins said her constituents are suffering, and finding themselves choosing between keeping their homes warm and feeding their family or sending their kids to college.

"It's getting to the point where every dime means something," she said. "When you raise (rates) on them, they've got to give up something. I hear that from my constituents and maybe someday, somebody's going to listen."

With 1.2 million electric customers and 825,000 gas customers in Illinois, Ameren wants the increases approved by October for its three Illinois subsidiaries -- IP, CIPS and CILCO. The ICC is scheduled to make a decision in October.

The Citizens Utility Board has encouraged customers to contact their local representatives and the ICC to voice their opinions about Ameren's proposal.

"We think that the public input is important here -- it's essential," Kolata said. "We stand a shot here, but we certainly need to keep the pressure up because Ameren is going to pull out all the stops to force through their rate increase."

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