

AmerenCILCO hiking energy rates again

Commerce Commission OKs energy bid for residential service

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BY STEVE TARTER

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PEORIA - Another rate increase is looming for AmerenCILCO customers.

The Illinois Commerce Commission on Thursday approved the purchase of a portion of energy to be delivered to residential and small commercial customers of Ameren Illinois beginning in June.

"Bids reflect the rising cost of electricity," said ICC spokeswoman Beth Bosch.

While it isn't clear just how much the price hike will be for consumers, Bosch said the increase was likely to be small since only 10 percent of the company's electricity was affected by the sale.

The ICC decision complies with a 2007 state law directing utilities to get competitive bids for power purchases to fill expiring contracts from the state's 2006 procurement process. That law also created the Illinois Power Agency, which will purchase power on behalf of residential and small commercial customers beginning in 2009.

The power purchase approved by the ICC includes a supply for approximately 10 percent of Ameren's expected customer load that must be delivered beginning in June, said Bosch. Another 20 percent of the expected energy load will be hedged through contracts with Ameren Energy Marketing Company, she said.

The remainder of the power will come from contracts remaining in effect from the state's 2006 procurement process. The state transitioned to market rates after a nine-year rate freeze that expired in 2006.

"The rate will reflect a minor increase in the price of the electricity commodity only. It has nothing to do with power distribution," said AmerenCILCO spokesman Neal Johnson, who said the utility didn't know yet what the impact of the power purchase would be on customers.

"We expect to have something on that by the weekend," he said.

The Citizens Utility Board, an Illinois consumer watchdog group based in Chicago, said the bidding process was part of a transition plan until the Illinois Power Agency takes over next year.

"Unfortunately, we're still paying the price for the reverse auction of last year," said CUB Executive Director David Kolata.

"The continued price increases show that we need to do a lot more as a state to lower our electrical use through demand-response and energy-efficiency programs."

Steve Tarter can be reached at 686-3260 or starter@pjstar.com.



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