

[print](#) | [close](#)

Ameren Illinois utilities post a loss

By **Jeffrey Tomich**

ST. LOUIS POST-DISPATCH

Saturday, Aug. 02 2008

Ameren Corp. on Friday said its Illinois electric and natural-gas utilities lost money in the second quarter as costs and bad debt expenses rose and electricity sales declined because of milder spring weather.

The Illinois utilities — AmerenIP, CIPS and Cilco — lost \$10 million from April to June compared with a \$20 million profit for the same period a year ago, the company said. The loss in Illinois comes as St. Louis-based Ameren awaits an order next month from state regulators on a proposed \$207 million annual increase in electric rates.

"Simply put, these results are not sustainable," Ameren Corp. Chief Executive Gary L. Rainwater told analysts and investors during a conference call.

Investors apparently agreed. Ameren shares fell \$1.90, or 4.6 percent, Friday to \$39.19 on the New York Stock Exchange — the stock's biggest one-day drop in more than five years.

Overall, Ameren Corp.'s second-quarter profit rose 44 percent to \$206 million, or 98 cents per share, from \$143 million, or 69 cents, in the same period a year ago. Most of the increase was from accounting gains on diesel hedges in coal transportation contracts, the company said. Excluding one-time gains and losses, earnings were little changed at \$142 million, or 67 cents a share.

David Kolata, executive director of the Citizens Utility Board, a Chicago-based consumer group, said the higher profits from Ameren's non-regulated generation business and other areas more than offset the loss in Illinois.

"It's all going into the same pot," Kolata said. "The bottom line is that Ameren is doing very well financially. And at a time when the economy is struggling, consumers are having to deal with the mortgage crisis and higher food prices it's the worst possible time for an electric-rate increase."

In Missouri, where AmerenUE is seeking a \$251 million increase in electric rates, profit rose 13 percent to \$77 million compared with the second quarter of 2007, when the utility's Callaway nuclear plant was shut for refueling and maintenance.

The Missouri PSC is expected to rule on AmerenUE's proposed rate increase by early 2009.

jtomich@post-dispatch.com | 314-340-8320

If you enjoy reading about interesting news, you might like the 3 O'Clock Stir from STLtoday.com. Sign up and you'll receive an email with unique stories of the day, every Monday-Friday, at no charge.

Sign up at <http://newsletters.stltoday.com>
