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## Ameren gas bills expected to rise 20 to 30 percent

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Bills for Ameren natural gas customers likely will rise 20 to 30 percent this year compared to the previous heating season, the utility giant announced Thursday.

Higher worldwide demand for energy has driven up the market prices of both petroleum and natural gas, which will mean higher 2008-09 heating season costs for natural gas customers in Illinois, according to a news release.

For example, if you paid a \$100 gas charge last January, you could be paying \$120 to \$130 for that charge this January, Ameren spokesman Leigh Morris said.

"That's what we're projecting," Morris said.

Jim Chilsen, spokesman for the Citizens Utility Board, which advocates on behalf of consumers, said it's time for federal monitoring of gas producers and marketers.

"From the system point of view, the natural gas market is broken and it needs fixing," he said. "I think that's pretty obvious based on the constant roller coaster Illinois natural gas consumers are forced to ride."

Meanwhile, Ameren's request for a \$207 million electric rate increase is pending before the Illinois Commerce Commission, which is expected to make a final decision by the end of September. The commission's administrative law judges are recommending approval for about \$164 million of the request.

Scott Glaeser, vice president of Ameren Gas Supply and System Control division, said natural gas prices fluctuate from month to month, but he anticipates customers will pay significantly more than last winter.

"At this time, it appears the price of natural gas for Ameren Illinois Utilities residential customers will be 15 cents to 25 cents higher per term this heating season than last year. This represents an increase of about 20 to 30 percent over last year's heating season," Glaeser said in a news release.

Morris explained that the cost of natural gas only accounts for about two-thirds of a customer bill; the other one-third includes delivery service and taxes.

"That's not changing because of the price of gas," Morris said. "This is only on the price of gas. We don't make a profit on that. We can't. We are required to sell the natural gas and only recover our cost to purchase it."

The Ameren Illinois Utilities are energy delivery companies. As such, they must purchase natural gas from producers for delivery to their customers. The wholesale price paid to producers is not regulated, but rises and falls based upon market conditions caused by supply and demand.

When asked whether Ameren had considered eating the cost of the increase instead of passing it along to consumers, Morris responded: "The Ameren Illinois Utilities lost \$10 million last year. We couldn't afford to eat the cost. We have to recover what we've paid for it."

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