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Critics vow to fight Ameren rate hike

Illinois Commerce Commission approves change unanimously

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SPRINGFIELD — Minutes after the Illinois Commerce Commission unanimously approved an overall \$162 million rate hike for the Ameren Illinois utilities on Wednesday, critics of the decision already were talking about fighting it in court.

The new rates, which take effect next Wednesday, will be "devastating for large parts of central and southern Illinois," said David Kolata, executive director of the Citizens Utility Board, a utility watchdog group.

Kolata said CUB would ask the ICC to reconsider the rate case, and if that request is rejected, the battle will move into a courtroom.

In a prepared statement, Attorney General Lisa Madigan said she was disappointed with the ICC's action and would "consider the legal options available to fight for Illinois consumers."

"Unfortunately, this decision is yet another example of the Illinois Commerce Commission approving higher rates for utilities and giving consumers the short end of the stick," she said.

The commission's action will affect Ameren Illinois customers in different ways, depending on which company serves them and how much electricity and natural gas they use.

In general, AmerenIP customers will see the largest rate increases. Delivery rates will go up by a lesser amount for AmerenCIPS customers, while AmerenCILCO customers will see a small decrease.

Ameren spokesman Leigh Morris said the company's Web site at www.ameren.com will provide a "cost estimator" to help customers figure out what the new rates mean for them. The online tool should be ready by next Wednesday.

The commission's 5-0 vote capped an 11-month process that began when the Ameren Illinois companies filed paperwork asking for a \$247 million delivery rate increase. The Ameren Illinois companies provide electricity and natural gas for much of downstate Illinois.

Ameren later lowered its request to \$207 million. Three administrative law judges, who spent months reviewing testimony and evidence in the rate case, recommended the ICC grant Ameren an overall \$163.6 million increase.

The five-member commission ultimately approved a hike that will generate about \$162 million a year in extra revenue for the Ameren Illinois utilities.

Ameren Illinois has said it needs the rate hikes to ensure the safe and steady delivery of electricity and natural gas.

"Our job is to provide reliable service to our customers," Craig Nelson, Ameren Illinois' vice president for regulatory affairs, said after the commission vote. "We have to operate our company, maintain our facilities, keep investing in our electric and gas delivery systems."

The ICC also adopted rates of returns for the electricity and natural gas sides of AmerenCIPS, AmerenIP and AmerenCILCO. The rates range from 8.01 percent for AmerenCILCO gas to 8.7 percent for AmerenIP electric.

ICC Chairman Charles Box acknowledged consumers' worries about higher energy costs, but he defended his panel's decision.

"We can't just say from an emotional point of view (we) shouldn't have a rate increase. We can't just say no. We have to follow the law," he said. "Our job, and the law, is to analyze each individual company and those numbers and balance the interests of the ratepayers and the company and try to come up with a fair conclusion."

A couple of lawmakers said they were unhappy with the ICC decision and that the panel must change the way it handles such cases.

"They didn't do their job," said Rep. John Bradley, D-Marion.

Rep. Bob Flider, D-Mount Zion, said the discussion at Wednesday's meeting was hard to follow.

"You really couldn't tell what was happening," he said.

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