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## Ameren seeks 'small' rate hike; revenue down 35 percent in Illinois

BY MIKE FITZGERALD  
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Ameren's 1.2 million Illinois customers may face another rate increase next year -- slumping corporate profits have led the utility giant to seek more money, its top executive has announced.

Ameren CEO Gary Rainwater made the announcement during a conference call with media and analysts Tuesday, five months after state regulators approved a \$162 million increase for the corporation's delivery costs.

Rainwater, chairman of Ameren Illinois' corporate parent, did not specify when Ameren will file a rate increase request or how much it wants.

"I can assure that it's going to be a small amount," spokesman Leigh Morris said.

If the rate request were approved by the Illinois Commerce Commission, it would not take effect until next year, "So it would have no impact on delivery service rates in 2009," Morris said.

Jim Chilsen, spokesman for the Citizens Utility Board in Chicago, predicted his group would challenge the rate hike proposal once it is filed. It has routinely opposed such proposals in the past.

"We find Ameren's comments disturbing and disappointing," Chilsen said. "We don't believe they deserve that rate hike.... We're going to fight it."

Chilsen noted that Ameren Illinois received its last rate increase in September. "And now, with the ink barely dry on that increase, Ameren's coming back to the table for more," he said.

But utility spokesmen say the tough economy has made it difficult for Ameren Illinois to make money off its core business of delivering electricity and natural gas to its customers.

Ameren Illinois' earnings for 2008 were \$51 million, versus \$77 million for the year before -- a decline of nearly 35 percent. Ameren blamed the earnings drop on milder weather and higher expenses for bad debts, plus higher storm-related expenses -- a cost the utility must pay for out of its own pocket, Morris said.

"We cover the entire cost of service restoration due to damage caused by acts of nature," he said. "It's covered entirely and solely by our operating revenue."

Chilsen, of the utility board, expressed no sympathy for Ameren Illinois' woes, especially in light of the current economy's rough impact on ratepayers.

"I'm sure Ameren would get an earful from its customers on how times are tough," he said. "This couldn't come at a worse time."

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