

Ameren looks to raise electricity, gas rates



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SPRINGFIELD, Ill. -

Customers of the Ameren Illinois Utilities would be faced with higher power and heating bills sometime next year if state regulators go along with the company's \$226 million rate hike request, which was filed Friday.

Ameren asked the Illinois Commerce Commission for permission to increase the rates it charges for delivering electricity and natural gas.

The size of the increases would vary, depending on whether a customer receives service from AmerenCIPS, AmerenIP or AmerenCILCO. If approved, the higher rates would not take effect until about a year from now. The ICC typically spends about 11 months deliberating on rate cases.

Ameren plans to tell its customers how the proposed rate hike would alter their utility bills. The information will be in August bills, online at IllinoisRateFacts.com and at these telephone numbers: (888) 789-2466 for AmerenCIPS customers, (888) 672-5252 for AmerenCILCO customers and (800) 755-5000 for AmerenIP customers.

"We want customers to understand how it's going to affect them, based on their current usage," company spokeswoman Victoria Busch said.

According to Ameren, here is a breakdown of the impact of the proposed rate hikes. The figures the company used for consumption of electricity and natural gas are "representative" of a customer who doesn't have an electric-heated home, Busch said, adding that energy consumption can vary widely among customers.

- Electricity: AmerenCIPS residential customers who use 10,000 kilowatt-hours of electricity a year would pay \$59 more annually, though AmerenCIPS customers in the Metro East area near St. Louis would pay \$65 more. AmerenCILCO customers would pay \$64 more a year. AmerenIP customers would pay \$97 more a year.
- Natural gas: AmerenCIPS residential customers who use 785 therms of natural gas annually would pay \$60 more a year. AmerenCILCO customers would pay \$38 more a year. AmerenIP customers would pay \$55 more a year.

Ameren says it needs the delivery-rate increases so it can continue providing safe, reliable service to customers.

"We recognize that any rate increase will be cause for concern," Ameren Illinois President and chief executive

officer Scott Cisel said in a news release. "However, be assured that our proposed rate increases are necessary to provide the essential financial resources to meet our obligations to our customers."

"We have strived to minimize the financial impact of the delivery service rate increases on our customers by significantly reducing our own operating costs without sacrificing our commitment to reliability and safety," Cisel added.

A spokesman for a utility-watchdog group was skeptical. Jim Chilsen of the Citizens Utility Board promised his organization would fight any Ameren rate hike.

"It's a slap in the face to consumers who already are struggling to pay bills in an economic downturn," he said. "This wins the prize for bad timing."

Chilsen added the "ink is barely dry" on Ameren's previous request to boost delivery rates — a case filed with state regulators in fall 2007 and concluded in September 2008 when the ICC approved an overall \$162 million increase.

Ameren's announcement Friday about a proposed delivery-rate hike comes less than a month after the company said electricity bills would drop for customers, starting this month, because of a plunge in the wholesale price of electricity. The "typical" residential customer will save about \$100 in a year, the company said.

But that involves only the price of electricity, not its delivery. Ameren customers' utility bills include two main pieces, one dealing with the price of electricity or natural gas and the other dealing with the price of delivery.

Ameren, like the state's other large investor-owned utility, Chicago-based Commonwealth Edison, makes its profits from the delivery rate. The costs of the commodities — electricity and natural gas — get passed along to customers without any price markup.

The Ameren Illinois Utilities — AmerenCIPS, AmerenCILCO and AmerenIP — provide electricity to about 1.2 million customers throughout the southern two-thirds of the state. They serve more than 800,000 natural gas customers in the same areas.

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