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## Opposition unites against Ameren rate hike request

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By TONY REID - H&R Staff Writer | Posted: Wednesday, September 30, 2009 11:30 pm | 1 Comment

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DECATUR - A powerful coalition opposing Ameren's bid to hike electricity and gas delivery rates for its Illinois utilities claims the companies are among the most wasteful in the nation.

The Citizens Utility Board, a consumer watchdog group, backed by the Illinois Attorney General's Office, released details from an expert study that analyzed how the utilities, AmerenIP, AmerenCIPS and AmerenCILCO, spend money. The study alleges the utilities spent more than \$158 million beyond what an average utility should spend and were, in effect, wasting money and didn't deserve the increase they seek.

On Wednesday, representatives from CUB and the attorney general's office were joined by state Rep. Bob Flider, D-Mount Zion, and representatives of AARP in calling for state regulators to make "deep cuts" in the proposed \$226 million rate increase.

Flider, speaking at a news conference hosted by the Decatur-Macon County Senior Center, went further and asked for existing rate levels to be rolled back. "Personally, I am calling on the Illinois Commerce Commission (the rate regulators) to reduce rates from their present levels. I think that is justifiable," he said.

Commissioners are due to rule on the current rate case in April. Ameren said Wednesday that it will soon offer a formal response to the charges of being wasteful, once its experts have had a chance to wade through some 2,000 pages of testimony filed by its critics.

But Ameren said its own rate case paperwork for the three utilities, which had to be delivered on a semitruck, already contains meticulous proof that its request for more money is justified.

"Our delivery service rate cases are sound and accurately reflect the true cost of providing safe and reliable service to our customers," Ameren spokesman Leigh Morris said.

"And I would also point out that the Illinois utilities have cut \$20 million out of this year's budget □ and we're cutting about \$48 million out of next year's budget."

The utilities' detractors, however, continued to accuse them of being greedy and wasteful. The econometric study of the utilities' finances was done by Wisconsin-based consultant Steve Fenrick, billed as a leading expert on utility economics. He concluded that overspending had put the Illinois utilities in the poorest performing bottom third of similar companies nationwide.

Other studies initiated by the utility board allege another \$47 million in potential savings was found and accused the companies of seeking unrealistically high profit levels.

"Ameren has misused our money, and now, at the worst possible time for a rate hike, wants consumers to foot the bill for its bad decisions," said David Kolata, the Citizens Utility Board executive director. "A company this wasteful shouldn't expect a pay raise."

Ameren's utility foes hope the public will jump on board and add its weight to the campaign to cripple the rate hikes. Flider, backed by the consumer group and the attorney general's office, already has championed new laws that allow consumers to make face-to-face presentations at Illinois Commerce Commission meetings. Flider urged families to use the opportunity.

"We need to send a message that Ameren's rate hike request should be rejected," he said. "Ameren has been earning record profits while consumers struggle to get by."

Ameren's latest request for a delivery rate increase also was accused of poor timing. The utilities received a \$162 million electric and gas rate increase in 2008 while parent company Ameren Corp. made a \$622 million profit, according to the utility board.

Scott Musser, associate state director for AARP Illinois, said consumers, especially those on fixed incomes, couldn't afford to pay more. "Older adults, our membership, spend nearly 20 percent of their income on their utility bills," he said. "Now is not the time for Ameren utilities to seek rate increases."

Janice Dale, chief of the public utilities bureau with the attorney general's office, said independent accountants were combing through the mountain of rate case paperwork and not liking what they found. "We remain highly skeptical about Ameren's requests," she said.

Opponents are not ruling out legal action if the Illinois Commerce Commission rules in Ameren's favor.

The Illinois Commerce Commission has a comment hot line, 1-800-524-0795. More information also is available at [www.StopAmeren.com](http://www.StopAmeren.com), where there is a list of commerce commission public hearings. Flider's office also is circulating petitions.

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