



CUB fights utility rate hike

By Scott Fitzgerald, The Southern | Posted: Thursday, October 1, 2009 1:00 am

MARION - Citizens Utility Board officials are asking for public support against a proposed \$226 million Ameren rate hike filed in June with the Illinois Commerce Commission.

The hike comes on the heels of a \$162 million electric and natural gas delivery rate hike that the utility company was granted in 2008.

"We are not Ameren's personal ATM machine. We urge state regulators to make deep cuts in the Ameren proposal," said Patrick Deignan, a CUB spokesman, during a Wednesday morning news conference at Williamson County Regional Airport.

Ameren, meanwhile, said the rate increase is necessary to recover costs and continue safe and reliable service to its customers.

Joining Deignan at the news conference was AARP Representative Amy Paschedag of Edwardsville.

"In the midst of a very tough economy, Ameren is once again asking the state to help them balance their corporate checkbook on the backs of struggling families and older adults," said Bob Gallo, AARP Illinois State Director, in a public statement.

CUB and the Illinois attorney general's office filed an answer with the ICC on Monday in response to Ameren's proposed rate hike. Their answer included a statistical analysis that measured Ameren's efficiency compared to 115 electric utilities nationwide, Deignan said.

CUB officials are basing their numbers on a utility economics study researched and written by Steve Fenrick of Madison, Wis., who is described in a CUB news release as "a top expert on utility economics."

Using his model for all utility companies analyzed, CUB officials said Ameren spent \$158.5 million in 2008 beyond what an average utility would be expected to spend.

"A company this wasteful does not deserve a pay raise," Deignan said, noting money was spent on both the operations and management facets of the utility company.

Deignan said Ameren's rate request, if approved, would boost an annual residential utility customer's bill in Southern Illinois by approximately \$120.

Ameren's response

Ameren spokeswoman Victoria Busch said if the rate proposal is approved by the ICC, it would go into effect and be reflected on customer bills beginning in May.

"We do believe our rate case is sound in providing safe and reliable service to our customers," Busch said, noting the rate request covers costs accrued from 2006 to 2008.

"It's really about recovering costs. We have over 2,000 pages of testimony," Busch said.

She said the utility company has made efforts to help customers reduce their energy bills with public energy information campaigns centered on energy efficiency tips. She suggested customers also use a rate calculator provided by Ameren on their Web site to calculate what their increases would be with the rate proposal. The increased usage fees for each customer are also included on their August bills, she said.

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