



Posted on Mon, Oct. 05, 2009

Local residents criticize Ameren for rate increase request

News-Democrat

Ameren Illinois executives on Monday night faced nearly two dozen skeptical ratepayers who questioned the utility's request for \$226 million in gas and electric rate increases.

Bob Engelke, a retiree, criticized the timing of Ameren's rate increase request, which is taking place during a recession that has led to the slashing of jobs and worker pay.

"Why is everything dumped on the poor and the middle-class people?" said Engelke, of Livingston. "I'd like to see the executives (of Ameren) start taking pay cuts."

Mary Schwaegel, 92, of Collinsville, sat among the audience of nearly two dozen ratepayers who showed up at the state office complex in Collinsville for the hearing sponsored by the Illinois Commerce Commission.

Schwaegel nodded approvingly at Engelke's words regarding the proposed rate increase.

"I'm just like everybody else," she said. "I'm retired. I'm against it."

The commission, after a detailed hearing process, is expected to make its decision in May, 2010.

Craig Nelson, Ameren's vice-president for regulatory affairs, acknowledged the belt-tightening taking place in the homes of the utility's customers.

Nelson said Ameren is doing likewise by holding off on purchases of trucks and tools and other essentials.

Nelson defended the proposed rate increases as an effort "to recover the actual cost to operate and provide reliable service."

Ameren's rate hike proposal would affect more than 1.1 million ratepayers in central and Southern Illinois, and would include customers of AmerenCIPS-Metro East, Ameren IP and Ameren CILCO.

Nearly \$181 million of the proposed increase would come from hikes in electric rates, while another \$45 million would derive from natural gas increases.

Ameren filed its petition less than a year after the commission approved a a \$162 million rate increase.

The Citizens Utility Board and Lisa Madigan, the Illinois attorney general, last week released a report showing that Ameren is one of the least efficient electric utilities in the nation. The report's authors estimated the company wasted more than \$158 million of its revenue in 2008.

Consultant Steve Fenrick, of Madison, Wis., that even as Ameren pushed for a rate hike in 2008, its electric utilities spent \$158.5 million beyond what even an average utility would be expected to spend. That put Ameren in the bottom-third of the 115 utilities studied nationwide.

The Monday night hearing was the second of four planned by the commission to gather public testimony on Ameren's proposal to increase rates charged for the delivery of natural gas and electricity to customers.

The first hearing occurred Sept. 29 in Springfield. The next two hearings are set for 7 p.m. Oct. 27, in the Pekin City Council Chambers, Pekin; and 6 p.m., Nov. 2, at the Decatur Public Library, 130 N. Franklin St., Decatur.

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