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## Citizens dispute Ameren's proposed rate increase

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Dave Kolata is determined to stop Ameren.

The utility giant has requested a rate increase of \$226 million, but Kolata, the executive director of the Citizen's Utility Board, has teamed with the AARP in the "Stop Ameren" campaign, designed to mobilize consumers and prevent the increase.

Ameren submitted the increase request in June 2009. Kolata said the company was granted a \$162 million rate increase in September 2008 and allegedly mismanaged consumers' money.

Despite making more than \$600 million in profits last year, Ameren wants to raise consumers' gas and electric bills in a harsh economic climate, Kolata said.

The board published a comparative study done by third-party Power System Engineering, Inc. The study compared the operating efficiency of AmerenCILCO, AmerenIP and AmerenCIPS to 115 other utility companies across the nation.

The study was done in two categories: distribution and customer care expenses, and administrative and general expenses. It found all three Ameren subsidiaries ranked in the bottom quartile in both categories.

"We certainly think that instead of spending more of consumer's money, they should spend the money they currently have from consumers more wisely," Kolata said.

Ameren spokesman Leigh Morris said the company has an obligation to provide its 1.2 million electric and 840,000 gas customers with safe, reliable and efficient services, and the cost to do that has increased.

"We're dealing with the same challenges everyone is dealing with," Morris said. "We certainly recognize how difficult it is."

Ameren cut \$28 million out of its 2009 budget and will cut \$48 million out of its 2010 budget, Morris said. The company delayed construction projects and vehicle purchases to curb costs, he said.

"We're not cutting fat; we're cutting at muscle," Morris said.

Morris also said the company submitted benchmarking tests to the Illinois Commerce Commission similar to the study published by the Citizens Utility Board.

Morris said the results are available to the public and convey Ameren's rates are reasonable.

Illinoisratefacts.com also allows Ameren customers to type in their account number to see exactly how the proposed rate increase would affect them, he said.

"I don't know of any other utility in the U.S. that's doing that," Morris said. "We believe in openness, transparency ... we have nothing to hide, and that includes the impact of the rates and why we need to do this."

Jim Chilsen, director of communications for the board, said Ameren's benchmarking test was skewed to favor its request.

In the test, Ameren did not account for variables — such as urban and rural consumer base — in the companies it compared itself to and was selective, Chilsen said.



Edyta Blaszczyk

Photo Illustration

"Our benchmarking analysis did much more to control for all the different variables," he said.

Kolata said the board is doing everything it can to prevent the rate increase, but it needs the public's help.

"I think we've proven in the past that while Ameren may have the electricity, the people ultimately have the power," he said, adding the board, with public support, won a \$1 billion statewide refund from Ameren in 2007.


The Illinois Commerce Commission will weigh testimonies from both sides and make a decision on the request in April, Kolata said.

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