



CUBFacts_{Energy}

Your Guide to Ameren's 2008 Rate-hike Request

How big is Ameren's rate hike request?

Ameren recently asked the Illinois Commerce Commission (ICC) for a \$247 million electric and natural gas rate hike. This rate increase hits the delivery charge, which takes up about one-third of a bill and covers the cost of actually delivering the gas and electricity to consumers. Last year the company failed in its attempt to increase the same rates by \$200 million, with the ICC granting the company half of what it sought. Of the \$247 million rate hike request, \$180 million is for electricity and \$67 million is for natural gas delivery charges.

How will the proposed rate hike affect consumers?

Ameren's \$180 million electric rate-hike request is split between the company's three subsidiaries. AmerenCILCO's delivery charge would increase by 9 percent; the charge for AmerenCIPS would increase by 16 percent; and AmerenIP's charge would rise by 41 percent. These increases would only affect the "delivery" portion of consumers bills. The cost of the actual gas or electricity consumers use is covered under a separate charge.

The same is true for Ameren's \$67 million rate-hike request for natural gas. AmerenCIPS customers would see a 23 percent rate hike and AmerenIP a 45 percent increase in the delivery charge. AmerenCILCO is asking for a slight decrease.

Does Ameren need a big rate hike from consumers?

No. Ameren argues that its rates are "insufficient." However, last year's rate hike should have given the company all the money it needs to provide safe and reliable service, as well as a healthy return to investors. In fact, Ameren's profits have soared to record levels in recent years. Ameren recently got its hand slapped by the governor and the general assembly for pushing a power-pricing plan that led to huge electric bills. Now, as Ameren campaigns for yet another rate hike, CUB has seen no evidence that the company needs it. CUB is fighting the increase to make sure that consumers don't pay a nickel more than they should on their gas and electric bills.

What can consumers do?

Call 1-800-524-0795 to be connected to the ICC to voice your opinion against the rate hikes. You can also sign the petition below and send it to CUB. We will make sure it gets to the ICC. Another way to join the fight is by visiting www.CitizensUtilityBoard.org and signing up for the CUB Action Network, which allows you to send messages to your elected officials about important utility issues.

To ICC Commissioners,

I oppose Ameren's proposed \$247 million increase in gas and electric rates. My gas and electric bills are too high already. I cannot afford to pay more.

Ameren's profits have soared to record levels in recent years—the company does not need or deserve a big rate hike from consumers.

Please stand up for consumers and reject this unfair rate hike.

Sincerely,

Name

Address

City

State

Zip