



Citizens Utility Board

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CUB PETITION DRIVE URGES FERC TO ORDER REFUNDS FOR CENTRAL, SOUTHERN IL

In light of a Federal Energy Regulatory Commission (FERC) order to reform an electricity auction that led to a 30 percent price spike in Central and Southern Illinois, the Citizens Utility Board (CUB) is urging residents burdened by the high prices to urge FERC to also order refunds.

Illinois residents can visit www.StopIllinoisRateHikes.org to sign a petition asking FERC to order refunds for the outrageous prices that occurred as a result of the flawed power auction last spring.

The Midcontinent Independent System Operator (MISO)—the power grid operator in Central and Southern Illinois and 14 other states—holds a yearly auction to determine “capacity” costs (fees that are included in the price Ameren Illinois customers pay for electricity) for the next 12 months. In last spring’s auction, Illinois’ capacity cost was more than 40 times higher than the other 14 states. At the time, experts said the spike threatened customers with \$130 in higher costs over the next year.

While Ameren Illinois’ supply prices increased by 30 percent, the company is not allowed under Illinois law to profit off the supply portion of electric bills. The regulated utility simply passes the costs onto consumers with no markup. However, big generators like Exelon and Dynegy, which produce and sell electricity, made large profits.

Illinois Attorney General Lisa Madigan, CUB and thousands of concerned CUB Action Network members urged FERC to investigate and reform the market. In a positive development on New Year’s Eve, FERC ruled that certain auction rules were “not just and reasonable” and ordered changes to auction rules to prevent dangerous price spikes in the next auction, scheduled for April. Federal regulators are continuing their investigation and considering the possibility of refunds.

“We are pleased with FERC’s decision to improve the capacity auction to ensure fairer prices for Illinois consumers in the future,” CUB Executive Director David Kolata said. “Now, we need to finish the job by providing refunds to customers hit by the high prices.”

CUB is Illinois’ leading nonprofit utility watchdog. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, it has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB’s Consumer Hotline, 1-800-669-5556, or visit its award-winning website, www.CitizensUtilityBoard.org.

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