



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

For Immediate Release
January 25, 2017

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STATEMENT BY CUB EXECUTIVE DIRECTOR DAVID KOLATA: PROPOSED ORDER IN AMEREN CASE A STEP FORWARD FOR ENERGY EFFICIENCY

The Citizens Utility Board (CUB) is pleased that an Illinois Commerce Commission (ICC) judge has rejected an Ameren Illinois proposal to increase its customer charge by 9 percent. Anytime an electric utility proposes increasing fixed costs, like the customer charge, it is an attack on energy efficiency. That's because customers are forced to pay that same fixed charge month after month, no matter how energy efficient they are. High fixed charges kill the incentive to be efficient, but the ICC judge's proposed order is a step forward for energy efficiency. We thank the administrative law judge for rejecting Ameren's plan.

Background:

*In August of 2016, Ameren Illinois proposed (Docket No. 16-0387) a change in rate design for its delivery charges. The company wanted to increase its fixed charges from about 36 percent to 40 percent of the bill. That would have decreased some per-kilowatt-hour delivery costs, but increased the customer charge about 9 percent.

*Illinois Attorney General Lisa Madigan, the Environmental Defense Fund, and CUB opposed the plan, saying it was a disincentive for energy efficiency. Consumer advocates proposed dropping the percentage of fixed costs to 28 percent or lower.

*On January 24, 2017, Administrative Law Judge Jan Von Qualen rejected Ameren Illinois' proposal. In her proposed order, Von Qualen followed an ICC staff recommendation that the percentage of fixed costs be reduced to about 30 percent.

*The full ICC will consider the proposed order and is expected to issue a final order in the case by early March.

CUB is Illinois' leading nonprofit utility watchdog organization. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has saved consumers more than \$10 billion by helping to block rate hikes and secure refunds over the years. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit CUB's award-winning website, www.CitizensUtilityBoard.org.

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