



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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CUB STATEMENT ON AMEREN IL'S \$76 MILLION GAS RATE HIKE

While CUB and other consumer advocates helped to shrink Ameren Illinois' natural gas rate hike by more than 25 percent, eliminating \$26 million from the amount the company had sought, any increase in gas bills is still dreary news for consumers who are struggling through a pandemic in the middle of the winter heating season. The ruling inflates the profit rate for shareholders, which results in unreasonably high rates. We are reviewing the order for any opportunity to challenge the ruling.

Background:

*On Wednesday, Jan. 13, the Illinois Commerce Commission (ICC) granted Ameren Illinois a \$76.129 million natural gas rate hike, an increase of about 17.7 percent on the company's delivery rates. This comes after an 11-month rate case. The company originally requested a \$102.031 million increase in February 2020.

*The company received a 9.67 percent Return on Equity (ROE), or profit rate for shareholders. CUB argued that the gas utility, at best, should get an ROE of about 9.3 percent. The consumer group partnered with Illinois Industrial Energy Consumers (IIEC) to present two witnesses and argue for the overall rate hike to be reduced by at least \$36.2 million (about \$21 million of that was attributable to CUB's recommended ROE).

*This increase impacts delivery rates, which take up about a third to a half of gas bills. Delivery charges cover the costs of delivering gas to homes—plus a profit.

*The rate hike is expected to take effect this month.

*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 block rate hikes, secure refunds, and fight for clean, low-cost energy. 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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