



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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STATEMENT BY CUB EXECUTIVE DIRECTOR DAVID KOLATA ON AMEREN'S \$64 MILLION RATE-HIKE REQUEST

This is an awful time for a rate hike, as Illinois families struggle to pay their utility bills amid the COVID-19 public health crisis. Our legal team will dive into Ameren's rate-hike filing, and we will challenge every penny of wasteful spending. At the same time our policy team in Springfield will continue to fight for the Clean Energy Jobs Act (CEJA)—and Ameren's \$64 million rate-hike request just underscores the urgency of passing that pro-consumer legislation in 2021.

At the same time Ameren pushes for an increase, the company has launched a misinformation campaign to defeat CEJA, in no small part because the legislation would bar the company from fast-tracked rate hikes—also called "formula rate" increases—like the one it is now proposing. Ameren has enjoyed \$170 million in rate hikes over the last decade, but CEJA would replace formula rates with a system that emphasizes customer affordability and utility accountability. By implementing the strongest utility accountability standards in Illinois history, CEJA would adhere to Gov. J.B. Pritzker's call for energy legislation that puts consumers and climate above utility profits.

BACKGROUND

-On Thursday, April 15, Ameren announced it was requesting that the Illinois Commerce Commission (ICC) increase the utility's delivery rates by \$64,092,000. The ICC will rule on the case in December.

-The rate hike reportedly would increase the average residential customer's monthly bill by about \$2.75 beginning Jan. 1, 2022.

-The increase affects delivery charges—what all customers pay to have electricity delivered to their homes. Those charges take up about a third to a half of the bill.

-Ameren's delivery rates are set according to the state's 2011 "Energy Infrastructure and Modernization Act," or the "smart-grid bill." That law uses a formula to determine Ameren's rates annually to cover the costs of system upgrades.

-CUB did not support the smart-grid legislation, citing too few consumer protections. The group is now focused on reducing the company's rates as much as possible and pushing for the Clean Energy Jobs Act (CEJA). CEJA would replace formula rates with a system that emphasizes utility accountability and customer affordability.

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 website, www.CitizensUtilityBoard.org.

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