



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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CONTACT: Jim Chilsen
(o) 312-263-4282, (c) 312-513-1784

STATEMENT FROM CUB ON AMEREN'S \$57.6 MILLION ELECTRIC RATE HIKE

Ameren's Illinois' \$57.6 million formula rate hike just adds to consumers' pain in an already difficult year. In addition to this electric delivery rate hike, in 2021 consumers have endured significant increases in gas and electricity supply rates as well as a \$76 million gas delivery rate hike. Ameren customers deserve a break. While the work of improving the electricity rate-setting system is an ongoing process, we are pleased the newly passed Climate & Equitable Jobs Act (CEJA) takes a key step forward by replacing the flawed formula rate system. It gives state regulators more authority, provides for greater transparency, allows for broader public participation, and places a greater emphasis on customer priorities like affordability, reliability and sustainability. We will be working with all stakeholders to maximize the potential consumer benefits CEJA was meant to deliver. – CUB Executive Director David Kolata.

Background:

-On Monday, Dec. 13, the Illinois Commerce Commission (ICC) by a vote of 4-1 granted Ameren a \$57,609,000 "formula" rate hike. The delivery increase takes effect on Jan. 1, 2022.

-The rate case began in April of this year, when Ameren announced it had requested to increase the utility's delivery rates by \$64,092,000. This original hike would have increased the average residential customer's monthly bill by about \$2.75.

-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 didn't support the smart-grid legislation, citing too few consumer protections. This past year, CUB and other consumer and environmental advocates helped pass the Climate & Equitable Jobs Act (CEJA). CEJA is set to replace the formula rate-setting system beginning in 2024 with a system that gives the ICC more authority and puts more emphasis on sustainability, reliability and 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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