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CONSUMER ADVOCATES URGE LEGISLATORS TO UPHOLD VETO OF AMEREN ILLINOIS' 'RIGHT OF FIRST REFUSAL' LEGISLATION

Measure would have given Ameren monopoly over transmission projects, threatened higher power bills

Consumer advocates on Tuesday urged the Illinois General Assembly to uphold a gubernatorial veto of Ameren Illinois' controversial "Right of First Refusal" legislation that would needlessly raise costs for the utility's electricity customers.

The Citizens Utility Board (CUB) and AARP Illinois said they were concerned that Ameren would launch a campaign to gain the three-fifths majority needed in both chambers to override the veto in the fall Veto Session (Oct. 24-26, Nov. 7-9).

In August, Gov. J.B. Pritzker issued an amendatory veto, rejecting Amendment 4 of House Bill 3445, which passed in the final days of the legislative session. The proposal would have given Ameren the "Right of First Refusal" on transmission projects in its territory. That means the utility would have a monopoly over these projects, thus eliminating the competitive bidding process and potentially making them more expensive.

Customers pay for these transmission projects through their electric bills, so Ameren's proposal would have exposed customers to higher costs, at a time when they already face a record \$481 million electric rate-hike request before the Illinois Commerce Commission (ICC). Many Ameren customers also face the utility's proposed \$148 million gas hike.

"On behalf of AARP Illinois' 1.7 million members and all Illinoisans 50-plus, we urge the legislature to do the right thing for Ameren Illinois' ratepayers and vote 'NO' on any attempt to override the Governor's veto," said Philippe Largent, State Director of AARP Illinois. "Illinois ratepayers already have some of the highest electric rates in the country and they are bracing for new increases with the Ameren proposal currently under consideration by the ICC. Without competition, there is no incentive for monopolies like Ameren to put ratepayers first, and reduce the cost of building transmission lines."

"Ameren's 'Right of First Refusal' proposal would be bad news for electric customers," said Bryan McDaniel, CUB's Director of Governmental Affairs. "Building new transmission is important, but those projects need to be cost-efficient, and that's why a competitive bidding process is necessary. Giving Ameren a monopoly would be another way of giving them a rate hike."

The amendment was introduced in the final days of Illinois' spring legislative session in late May. The bill passed the Senate 41-9 and the House 63-32 before Gov. Pritzker issued the amendatory veto in August.

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The Citizens Utility Board (CUB) is Illinois' leading nonprofit utility watchdog group. 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 \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit CUB's award-winning website, www.CitizensUtilityBoard.org.