CITIZENS UTILITY BOARD
Fighting for Illinois Consumers

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IN TWO CASES BEFORE STATE REGULATORS, CUB CHALLENGES AMEREN RATE HIKE, PLUS $300 MILLION+ IN QUESTIONABLE SPENDING IN UTILITY'S GRID PLAN

The Citizens Utility Board (CUB) on Thursday alerted Ameren Illinois electricity customers to two cases before the Illinois Commerce Commission (ICC) in which the watchdog is challenging a proposed rate hike from the utility as well as more than $300 million in questionable spending in the company's proposed plan for upgrading the grid.

"Both of these cases will impact future Ameren electric bills, so we urge electricity customers in central and southern Illinois to let state regulators know that real people are impacted by these cases and Ameren shouldn't get a blank check," CUB Executive Director Sarah Moskowitz said.

Ameren customers can visit **CUBActionCenter.com** to sign petitions urging state regulators to hold the electric utility accountable. Below are summaries of both cases:

Ameren Reconciliation Rate-hike Request (Docket 26-0214)
The ICC approved higher rates for Ameren in a multi-year rate plan (through 2027), but a provision in state law–which CUB opposes–allows the electric utility to recover extra expenses in yearly "reconciliation" cases, if it goes over-budget on capital and operations and management expenditures. Consumer advocates can challenge the utility's proposals in these reconciliation cases before the ICC.

In the 2026 reconciliation case, Ameren wants to take another $65.3 million from consumers. CUB is challenging the increase, and in expert testimony it found at least $14.8 million in overcharges in Ameren's proposal. "We will always challenge wasteful spending in these reconciliation cases," Moskowitz said. "But we support ending this reconciliation benefit for electric utilities. Ameren must manage its budget responsibly–when it doesn't, the burden shouldn't fall on customers."

Ameren Four-year Grid Plan (Docket 26-0051)
In January, Ameren filed a $2.8 billion, four-year plan for upgrading its local distribution system. After the grid plan is approved this year, Ameren in 2027 will propose to the ICC a four-year rate plan to pay for the grid work.

These cases are important, because under regulatory law, utilities earn a return on their capital investments–and they always propose bloated plans to increase their profits. The Climate and Equitable Jobs Act (CEJA), landmark energy legislation passed in 2021, strengthens oversight of Ameren by requiring the utility to prove that its grid plan advances the state's clean energy goals while remaining affordable and beneficial to customers.

In 2023 the ICC rejected Ameren's first proposed grid plan for, among other things, failing to prove affordability. Ameren's amended plan was approved, **after consumer advocates helped cut the utility's proposed spending and the accompanying rate hike.** In the current case, expert testimony filed by CUB called for cutting more than $300 million in wasteful or questionable spending.

"Ameren's proposed grid plan is excessively costly to customers," Moskowitz said. "It's never okay to overspend with other people's money. We urge state regulators to protect customers and hold this monopoly accountable."

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Expert testimony filed by CUB argued that Ameren overstated future electricity demand and the watchdog group urged the ICC to make substantial cuts in Ameren spending in the name of affordability.

In future grid plans, CUB argued, Ameren should be required to demonstrate for certain investments above $1 million that it looked at a number of alternatives to expensive capital projects, including "demand response" programs that can lower peak demand, technology that can reduce the impact of outages, and accelerated maintenance versus rebuilding parts of the network.

Highlights of CUB's proposed cost reductions:

- Ameren proposed an additional $125 million in capital spending to meet new reliability metrics. But the utility didn't consider alternatives: For example, vegetation management can cost-effectively promote reliability–but Ameren can't earn a return on that type of spending because it is considered operations and management and not capital spending.
- Ameren overstated the number of customers who will be added to its system over the next four years. Given that Ameren's load forecast is set to decline in future years, CUB recommended a $78.4 million spending reduction to better match the likely customer additions in years to come.
- Ameren wants customers to cover a $44.1 million Proactive Economic Development ("PED") initiative, which is a fund for infrastructure "that has no identified purpose or confirmed customer need," according to CUB's testimony. CUB rejects that spending, saying Ameren customers "should not bear the risk of stranded assets resulting from 'build it and they will come' investment strategies."
- Ameren proposed a budget increase for a category of expenses covering reliability projects under $100,000. Actual expenditures for this project during 2024 and 2025 were significantly lower than forecasted, and Ameren offered no reason to believe this time will be different, CUB argued. The watchdog recommended a $59.2 million reduction in spending.
- Ameren's grid plan would require customers to bear the $20.3 million financial burden of an unprofitable hydrogen generation pilot project. Without firm cost estimates or proof that this project could have broad benefit, it is not a prudent use of customer money, CUB argued.
- Ameren's plan also overstated how many poles it will replace over the four years, since the utility has a history of falling significantly short of its work forecasts. CUB recommended a $14.7 million reduction in spending.

ICC judges will issue a proposed order in the case in October. A final order is due around November/December. This case will decide the grid plan only. How Ameren charges customers for the upgrades will be decided in a multi-year rate plan Ameren will propose in 2027.

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For more than 40 years the Citizens Utility Board (CUB) has been 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 website, ***www.CitizensUtilityBoard.org.***