



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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STATEMENT BY CUB EXECUTIVE DIRECTOR DAVID KOLATA ALERTING AMEREN ILLINOIS CUSTOMERS TO PROPOSED GAS RATE HIKE

Ameren Illinois has proposed a \$46.6 million natural gas rate hike. CUB is reviewing the increase, and we will fight every nickel the company can't justify. While we continue to analyze the proposed increase, we are pleased that Ameren is taking into consideration the change in the corporate tax rate and has committed to spending on energy efficiency programs. However, we are concerned that Ameren is asking for a high 10.3 percent Return on Equity (ROE), or profit rate for shareholders.

Background:

*On Jan. 31, Ameren requested a \$46.6 million natural gas rate hike. If the Illinois Commerce Commission (ICC) approves this increase, Ameren reportedly estimates that the typical customer using 745 therms annually would pay on average about 24 cents per month more on the delivery part of their bill.

*The ICC will consider this rate-hike proposal over an 11-month case. Any rate hike would take effect in January 2019.

*The filing takes into consideration the decrease in the federal corporate income tax rate, from 35 percent to 21 percent, which had the effect of reducing the rate request by \$24 million. (It would have been \$24 million more if not for the tax rate reduction.)

*The company is requesting a 10.3 percent Return on Equity (ROE), or profit rate for shareholders. Ameren's current ROE is 9.6 percent.

*Ameren has committed to spending \$21 million over the next four years on low- and moderate-income energy efficiency programs.

*This increase would impact delivery rates, which take up about a third to a half of gas bills. That's what Ameren charges customers to cover the costs of delivering gas to homes—plus a profit.

Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, the nonprofit utility watchdog group has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more details, call CUB's Consumer Hotline, 1-800-669-5556, or visit CUB's award-winning website, www.CitizensUtilityBoard.org.

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