

For Immediate Release November 1, 2018 ICC CONTACT: Victoria Crawford Office: (217) 557-5819 Victoria.Crawford@Illinois.gov

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ICC Sets New Electric and Gas Rates for Ameren

Chicago, IL...On Thursday, November 1, 2018, the Illinois Commerce Commission (ICC) issued agreed orders approving approximately \$71.6 million in additional revenue for Ameren Illinois Company (AIC) for the delivery of electric service, and approximately \$31.7 million increase in additional revenue for the delivery of gas. A residential customer who uses about 750 kW hours per month would see the delivery charge for electric service increase by approximately \$4.00 a month. A residential customer who uses about 80 therms per month would see the delivery charge on their gas bill increase by approximately \$3.50 a month. The impact on an individual customer's bill will vary depending on the type of customer and energy usage.

The new rates will only have an impact on the distribution side of the utility bill. The costs for the supply of both natural gas and electricity are separate and not affected by these ICC orders.

Electric Delivery Rate

The Commission's electric order (Docket 18-0807) is the result of a thorough review of the formula rate filing the company made on April 16, 2018, for the delivery of electric service. The Commission granted approval of an agreed draft order filed on October 5, 2018, by all participants in the proceeding, including AIC, Staff of the Commission, the Office of the Illinois Attorney General (AG), the Citizens Utility Board (CUB) and the Illinois Competitive Energy Association (ICEA).

The review involved two main components: 1) a reconciliation of Ameren's actual 2017 revenue requirements; and 2) a determination of the new revenue requirement that includes the company's projected 2018, plant additions. The stipulated agreement made adjustments to AIC's proposed costs for cash working capital, company, and lobbying expenses.

Electric distribution rates, for companies like Ameren Illinois, are set annually pursuant to the Energy Infrastructure Modernization Act (EIMA). In 2011, EIMA established a prescribed formula rate procedure for Ameren Illinois to recover actual, prudently incurred costs for the delivery of electricity to customers.

Natural Gas Delivery Rate

The Commission's gas order (Docket 18-0463) is the result of a stipulated agreement reached between all active parties in the proceeding, including AIC, the Staff of the Commission, the Illinois Industrial Energy Consumers (IIEC), the Federal Executive Agencies (FEA), CUB and AG. The agreement produced a revenue requirement, rate increase and rate design for the delivery of gas by Ameren Illinois Company.

Ameren originally requested an increase of \$48.5 million or a 12.10% increase on January 31, 2018, but adjustments made to plant costs, pension costs, depreciation expenses and AMI deployment costs among others reduced the amount to \$31.7 million, a 7.9% increase.

Both agreed orders have the new tax rates from the federal Tax Cuts and Jobs Act of 2017 fully reflected in the new rates. The new gas rates will take effect in November 2018, and the new electric rates take effect in January 2019.

Ameren Illinois Company is a combination gas and electric public utility whose service area is located in central and southern Illinois. AIC provides electric delivery service to approximately 1.2 million customers and gas delivery service to approximately 816,000 natural gas customers. The Company's complex delivery system includes approximately 18,200 miles of natural gas transmission and distribution mains and 12 underground natural gas storage fields with a total capacity of approximately 25 billion cubic feet.

More information regarding the rate cases may be found in the fact sheet that follows or by visiting docket no. 18-0807 and docket no. 18-0463 on the ICC website.

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About the Illinois Commerce Commission

The Illinois Commerce Commission (ICC) is a quasi-judicial body made up of five Commissioners. Through its Public Utility Program, the Commission oversees the provision of adequate, reliable, efficient and safe utility services at the least possible cost to Illinois citizens served by electric, natural gas, telecommunications, water and sewer public utility companies. Through its Transportation Regulatory Program, the Commission oversees public safety and consumer protection programs with regard to intrastate commercial motor carriers of general freight, household goods movers, relocation towers, safety towers, personal property warehouses and repossession agencies. The Commission's Rail Safety Program also inspects and regulates the general safety of railroad tracks, facilities and equipment in the state.

To learn more about the Commission, its offices and bureaus, click <u>here</u>. If you are a consumer who needs help resolving a utility dispute call 800-524-0795 or file an online complaint <u>here</u>. For a complaint related to transportation, call 217-782-6448.

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Commission Order Facts:

Ameren Illinois Electric Delivery Rate Docket 18-0807

- Serves approximately 1.2 million electric customers across Central and Southern Illinois
- Total rate increase approved is \$71.6 million annually, a 7.17% increase
- A residential customer who uses about 750 kW hour per month would see the delivery charge for electric service increase by approximately \$4.00 a month*
- The new electric rates take effect in January 2019.

Ameren Illinois Natural Gas Delivery Rate Docket 18-0463

- Serves approximately 816,000 natural gas customers across Central and Southern Illinois
- Total rate increase approved is \$31.7 million, a 7. 9% increase
- A residential customer who uses approximately 80 therms per month would see the delivery charge on their gas bill increase by approximately \$3.50 a month*
- Proposed rate increase was \$48.5 million annually, a 12.10% increase
- The new gas rates take effect in November 2018.

^{*}Actual bill impacts will vary depending on monthly usage, season and customer class

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