Illinois Commerce Commission approves new electric distribution rates for Ameren Illinois


The new rates were calculated from an overall increase in annual revenue of approximately $106 million, which resulted in an increase in electric delivery rates of 11.44 percent. Ameren initially proposed an increase of more than $110 million, but adjustments were made by the Commission to the company’s advertising expense, employee recognition expense, and cash working capital.

The Commission decision involved a thorough review of Ameren Illinois’ expenditures on capital projects completed in 2015. Electric distribution rates, for companies like Ameren Illinois, are set annually according 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.

The Commission Order follows a thorough review during the past eight months of the company’s formula rate case filing in April 2015. The review involves two major components: 1) a reconciliation of Ameren’s actual 2014 revenue requirement; and 2) a determination of the new revenue requirement that includes the company’s 2015 projected plant additions. The net effect of both components will be reflected in the rates to be charged in 2016.

The Order reflects an overall rate of return of 7.65 percent and a return on equity of 9.14 percent.

Ameren filed its initial formula rate petition in accordance with EIMA in January 2012 and today’s Commission action is the fifth adjustment to Ameren Illinois rates under the formula rate mechanism. For a complete history of adjustments, go to http://www.icc.illinois.gov/electricity/iccreports/ and click “Rate Case History Report.”

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Bureau of External Affairs, which provides educational information on utility issues for consumers, governmental entities and communities and through its Consumer Services Division, resolves customer/utility disputes and develops rules on utility service and consumer protection; the Public Utilities Bureau, which focuses on financial and operational analysis, policy development, public safety and enforcement activities related to electric, natural gas, water, sewer and telecommunications companies; and the Transportation Bureau, which includes trucking insurance and registration, railroad safety, relocation towing, safety towing and household goods moving company enforcement activities. The ICC’s five commissioners are appointed by the Governor and approved by the Illinois State Senate for five-year terms.