ICC Authorizes a Decrease in Electric Distribution Rates for Ameren Illinois

CHICAGO—The Illinois Commerce Commission today authorized new lower electric distribution rates for Ameren Illinois (Docket No. 16-0262) for 2017.

The new rates will generate approximately $14.488 million less, or 1.41 percent, in annual revenue for the company compared to the rates approved in the 2015 formula rate case (Docket No. 15-0305). Ameren originally proposed a decrease in annual revenues of $14.371 million, but the Commission made adjustments to the company’s advertising expense and cash working capital.

The Commission decision is the result of a thorough review of Ameren Illinois’ expenditures on capital projects completed in 2016. According to the Energy Infrastructure Modernization Act (EIMA), electric distribution rates for companies like Ameren Illinois are set annually. In 2011, EIMA established a prescribed formula rate procedure for Ameren Illinois to recover actual, prudently incurred costs for delivery of electricity to customers.

The Commission Order follows a review during the past eight months of the company’s formula rate case filing in April 2016. That review involved two major components: 1) a reconciliation of Ameren’s actual 2015 revenue requirement, and 2) a determination of the new revenue requirements that included the company’s 2016 projected plant additions. The net effect of both components will be reflected in the lower rates to be charged in 2017.

The Order reflects an overall rate of return of 7.282 percent and a return on equity of 8.64 percent.

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

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**About the Illinois Commerce Commission**

The Illinois Commerce Commission’s mission is to pursue an appropriate balance between the interests of consumers and existing and emerging service providers to ensure the provision of adequate, efficient, reliable, safe and least-cost public utility services. The Commission consists of three bureaus: The 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.

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