Electric Rates Rising While Utility Companies Earn Record Profits

As energy prices continue to eat larger and larger shares of low-income family budgets, ComEd and Ameren have announced huge electric rate increase that are expected to start in January, 2007. Under a 1997 state law, electric rates are frozen through the end of the 2006 and are expected to skyrocket in 2007 unless the legislature or the courts act to block the rate hikes.

In anticipation of rate increase, the Citizen Utility Board (CUB) conducted independent studies of Com/Ed and Ameren. Earlier this year, CUB’s Executive Director David Kolata said, “ComEd/Exelon is earning profits unheard of in the history of the utility industry and will continue to post huge profits without another nickel from consumers.” CUB is supporting legislation to freeze electric rates in Illinois for another three years.

According to Ameren news releases and financial statements, their profits are also very high. For the year of 2005 Ameren announced in a February 14th, 2006 news release that they had achieved record earnings of $628 million, up 18 percent from the prior year. And according to their own investor reports, Ameren’s profits have more than doubled since passage of the 1997 restructuring law.

According to a CUB analysis conducted by Ed Bodmer in February of 2006, Ameren investors have seen the value of their stock increase 346 percent more than the increase in the value of the S&P 500 since passage of the 1997 restructuring law.

Lt. Governor Patrick Quinn has also become involved in this issue calling on consumers to send tea bags along with their electric bill payments to show their outrage over Ameren’s rate hike.

“Back in 1773, the men and women who started this country dumped tea in Boston Harbor to let King George III know what they thought about his arrogant unfairness,” Quinn said at news conference outside Ameren Corp. headquarters in St. Louis on September 19th, 2006. “Today, I’m encouraging Ameren customers to follow that historic example of citizen action and mail tea bags with their electric bill payments to protest Ameren’s arrogant unfairness.”

Quinn also urged the General Assembly to pass a three-year extension of Illinois’ electric rate freeze during the November veto session. “During the nine-year rate freeze, Ameren’s profits have doubled,” Quinn said. “This company is already making record profits. Now they want to make obscene profits.”

ICAA staff will be watching this story as it develops, and will keep the membership informed of any possible action or position we may take.
Pathways to Excellence Training and Self Assessment

ICAA will be sponsoring two rounds of the Pathways to Excellence Training and Self Assessment. Six agencies have declared their commitment to participate in the training and self assessment. The first round will involve East Central Illinois Community Action Agency and Madison County Community Development. They will go through the training and begin the self assessment before the end of the year. The second round of agencies, including Community Action Partnership of Lake County, Rockford Human Services Department, Peoria Citizens Committee for Economic Opportunity, Inc. and Two Rivers Regional Planning Commission will undergo the process next year. The Association is covering the cost of the training including the registering fee for the agencies at $1,000 per agency.

The training for the first round will be held October 18 and 19 in Springfield at the Association. The Pathways Training is different from other types of training in that it is designed to teach agency staff how to complete the self assessment for the National Community Action Partnership Excellence Award. In order to be considered for the award, agencies must go through the self assessment.

Beyond the opportunity to receive national recognition, the training provides agencies a comprehensive picture of what a vibrant, excellent organization should look like. Once the agencies complete their self assessment, they will submit their results to the National Community Action Partnership. NCAP will send a review team to verify information and they will provide a report to the agency with recommendations on how to improve their organization based on the results of the self assessment.

CSBG, Community Action Report

ICAA in partnership with the Department of Commerce and Economic Opportunity is developing a statewide report on community action activity. This is the first time in many years that such a publication has been developed. While the report will attempt to capture all or most of the activity of community action, the significance of the Community Service Block Grant as the main source of funding for the network will be emphasized. The report will be a polished document that will be provided to policymakers and will include a section on return on investment (dollars leveraged) and achievements by local agencies and entities supported by the discretionary funding—the Association, Development Corporation and Illinois Ventures. In addition, the report will provide more detail on each community action agency and will be formatted so that agencies can share this information locally and with state and federal representatives. The report will be based on fiscal year 2005 data.

Public Board Manual

ICAA would like to extend appreciation to the membership for their assistance in reviewing the draft of the ICAA public board manual. In particular, Gina Strafford of DuPage County Division of Human Services, Sharmin Doering of Sangamon County Department of Community Resources, George Davis of Rockford Human Services Department, Mary Olson from Dekalb County Community Services Department, and Darlene Kloeppel from Champaign Regional Planning Commission. The manual and revised power point presentation will be completed and published in time for the ICAA Winter Conference in December.

FCD Specialist Training Dates for 2006 Fall Session

Registration is underway for the Fall 2006 FCD Specialist Training. This session will be the roll-out of the blended curriculum – 8 days in the Classroom and 4 units on-line, utilizing the University of Illinois – Springfield on-line website. The dates for the training are: October 30 – November 2 and December 4-7. Thanks to a grant from the Illinois Department of Human Services, we are offering a tuition reduction – the cost of the training is $290, plus a $50 technology fee.

CEDA is hosting the training at their Head Start center in Orland Park. Watch your inbox for registration forms and hotel information. Class size is limited to 25 participants. Got questions? Call Christine at 217/789-0125.