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Outstate Missouri  
Mike Cleary  
573.681.7137

### **AmerenUE Files for Rate Adjustment to Reflect Increases In Wholesale Natural Gas Prices**

October 17, 2005

AmerenUE customers would pay more for natural gas this winter, but the increase would be significantly less than recent government projections under a new Purchased Gas Adjustment (PGA) the company has filed with the Missouri Public Service Commission (MPSC). The PGA, which accounts for about three-quarters of an average residential customer's total bill, excluding taxes, is comprised of the wholesale cost of natural gas from the company's suppliers. Subject to MPSC review and approval, the new PGA would become effective Nov. 1 for AmerenUE's 120,000 Missouri natural gas customers.

Under the new adjustment, an average residential customer would pay from \$17 to \$38 more per month than last winter, assuming normal weather—a 12 to 30 percent increase. AmerenUE officials caution that if this winter is colder than normal, the increase would be greater due to higher usage. The estimates vary due to differences in supplier costs and customer usage in the four different geographic regions of Missouri where AmerenUE provides natural gas service.

In contrast to AmerenUE's projected increases, the most recent forecast by the U.S. Energy Information Administration (EIA) predicts an average increase in natural gas prices over last winter of 61 percent for the Midwest.

AmerenUE's new PGA charges would also apply to commercial and industrial customers, but their usages vary much more widely than for residential customers, making it impractical to give averages.

AmerenUE purchases natural gas from wholesale suppliers located in various U.S. natural gas production areas. The wholesale price is not regulated, and rises or falls based on market conditions caused by supply and demand. AmerenUE passes the cost of natural gas on to customers, dollar for dollar, through the PGA, without any "markup" in price.

For AmerenUE natural gas customers in central and eastern Missouri, the increase over last winter would average \$21.86 per month, or 17.7 percent, during the peak winter heating season of November through March. For customers in Rolla, Salem and Owensville, the increase would average \$16.88, or 12.3 percent, per month. Customers in the southeast Missouri counties of Cape Girardeau, Scott and most of Stoddard would pay an average of \$37.80, or 29.6 percent, more per month. And customers in the southeast Missouri counties of Butler and Bollinger, and the Stoddard County community of Advance, would pay an average of \$24.13, or 23.7 percent, more per month.

These amounts vary, because supplier costs, transportation and storage costs, and average customer usage differ among these different geographical areas—which are not interconnected. An adjustment to reflect any under-collection or over-collection of actual costs incurred by AmerenUE in previous periods also causes these amounts to vary among the different regions.

"The main reason for the most recent spike in natural gas prices is the impact of Hurricanes Katrina and Rita, which disrupted natural gas production in the Gulf of Mexico and along the Gulf Coast, where 25 percent of the natural gas in the U.S. is produced," says Scott Glaeser, vice president, Gas Supply and System Control, for AmerenEnergy Fuels and Services.

Glaeser says the longer-term reason for high natural gas prices is that gas production in the U.S. has stagnated or even declined, while demand for natural gas continues to increase.

"There are new natural gas resources available, but many promising areas for natural gas exploration are presently off-limits due to federal policies or environmental restrictions," Glaeser adds.

Ameren takes significant steps to minimize the impact of wholesale price volatility in the natural gas market, including:

- Using financial "hedging" instruments and negotiating both long and short term natural gas supply contracts to mitigate price volatility.
- Purchasing natural gas when prices are lower and storing the gas in underground storage fields, which then provide almost half of the natural gas required during the winter heating season.
- Diversifying interstate pipeline suppliers and accessing multiple production areas to minimize the impact of supply disruptions from any particular area such as the Gulf of Mexico.

"While the cost of natural gas for AmerenUE customers is not expected to rise as much as the U.S. Energy Information Administration is predicting for the Midwest, it is still a cause for concern and we urge our customers to be prepared," says Richard Mark, AmerenUE senior vice president, Missouri Energy Delivery.

"Take steps now to weatherize your home and make sure your furnace is working efficiently," Mark says. "You can also minimize the impact of higher natural gas prices by signing up for our Budget Billing program, which spreads your payments out throughout the year."

One of the easiest ways customers can conserve energy is by setting their thermostats a little lower. For each degree a thermostat is lowered, you can save two to three percent on heating costs.

For customers who want to upgrade their natural gas equipment, AmerenUE's Missouri Energy Efficient Natural Gas Equipment Rebate Program offers rebates for a portion of the cost of new Energy Star® qualified natural gas furnaces and certain other energy-saving products. Applications for this pilot program will be accepted until April 1, 2006, subject to remaining funds.

Information about the rebate program, Budget Billing, sources of energy assistance and energy-saving tips are available under "Natural Gas Center" on the Ameren Web site: [www.ameren.com](http://www.ameren.com).

AmerenUE is a subsidiary of St. Louis-based Ameren Corporation. The Ameren companies serve 2.3 million electric customers and 900,000 natural gas customers in a 64,000-square-mile area of Missouri and Illinois.

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## Ameren Offers Gas Customers Weatherization Tips for Winter Weather

October 5, 2005

AmerenCILCO, AmerenCIPS, AmerenIP, and AmerenUE are advising natural gas customers that weatherization and other energy efficiency measures will again be important this winter.

The value of gas is determined in a free market, where supply and demand set current and future gas prices. Ameren companies pass on these natural gas prices dollar-for-dollar through the PGA (purchased gas adjustment) rate to the customer without any markup.

For customers who want to ease the impact of typically higher winter bills, Ameren companies offer the budget plans that "average out" a customer's monthly bills to minimize the effect of higher prices or higher seasonal usage. For information, customers can call AmerenCILCO at 888-672-5252; AmerenCIPS at 888- 789-2477; AmerenIP at 800-755-5000 and AmerenUE at 800-552-7583, or customers can visit the Ameren Web site ([www.ameren.com](http://www.ameren.com)).

Ameren companies also work with customers to set up a payment plan or provide referrals for energy assistance. The Dollar More program offered through AmerenCIPS, AmerenCILCO and AmerenUE and the AmerenIP Warm Neighbors program allow customers and employees to help the needy stay warm. Visit the Ameren Web site for full information.

Ameren encourages conservation through its Web site, where consumers can obtain a copy of the "Cut Your Home Utilities Bill" poster. This poster provides room- by-room tips for reducing energy costs.

Ameren residential energy experts say lifestyle, family size, the number of appliances, quality of home construction and degree of weatherization are the key factors that affect winter energy bills. The easiest, least expensive and perhaps most immediate action a resident can take is to weatherize a home for comfort and efficiency.

The energy experts offer these suggestions for home weatherization:

- Have your furnace checked for safety and efficiency before the start of the heating season. Changing furnace filters regularly also helps. Filters should be changed more frequently if there are pets in the home. Using a humidifier can help residents feel comfortable at lower thermostat settings. Residents should consider replacing old, inefficient furnaces, water heaters and other natural gas appliances with newer high-efficiency models.
  - The installation of storm windows and caulking are the best ways to reduce the infiltration of cold air. Caulking is economical and easy to use.
- Generally, one tube of caulking is enough to weatherize at least one average size window. The most durable caulking contains silicone.
- For doors, try weather stripping to keep cold air from entering the home. Weather stripping materials include metal, vinyl, rubber and foam. Metal with vinyl backing is recommended because of its durability and flexibility.
  - Set the thermostat a little lower. For each degree it is lowered, you can save 2 percent to 3 percent on heating costs. For maximum efficiency, experts generally recommend a setting of

68 degrees during the day and 60 degrees overnight (but don't set the thermostat too low, or pipes in exterior walls could freeze). Programmable thermostats can help reduce heating costs by allowing better control of the settings.

- On sunny days, open blinds or draperies on the sunny side of your house to let in solar heat. Be sure to close them again at night, to help keep heat from escaping.
- Use ceiling fans – especially in homes with high ceilings – to push warm air down and keep it from being wasted near the ceiling. Fans should be set to run counterclockwise during the heating season.
- Adding insulation to attics and walls can be a significant energy-saver if your home was built many years ago when efficiency standards were lower. Either blown or blanket insulation holds heat so a furnace doesn't have to operate as long.
- An insulating blanket on water heaters reduces energy waste from the unit. Wraparound hot water pipe insulation retards heat loss as water travels through cooler or unheated areas of the house. Water heater life will be extended and efficiency improved by periodically draining the tank to eliminate the buildup of sediment.
- Close off areas of your home that are infrequently used. Close registers in those areas.
- Be sure the damper is closed when you're not using the fireplace. Glass doors for fireplaces save energy and heat by keeping cold air from coming down the flue and preventing warm air from being sucked out of the house. Without glass doors, as much as 26 percent of the heated air can be drawn up the flue. With assets of more than \$17 billion, Ameren, through its subsidiaries, serves 2.3 million electric and more than 900,000 natural gas customers in a 64,000- square-mile area of Illinois and Missouri.

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Illinois

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### Rising Wholesale Prices Necessitate Increase In Natural Gas Rate

September 23, 2005

Significant increases in the wholesale price of natural gas mean that Ameren's Illinois natural gas customers will pay more for natural gas beginning on Oct. 1.

The impact of Hurricane Katrina on natural gas production in the Gulf of Mexico has aggravated an already critical balance between supply and demand in the U.S.

In addition, record high crude oil prices also have contributed to higher natural gas prices. It is anticipated the average Ameren Illinois residential customer will pay \$15 to \$30 more each month assuming normal winter temperatures. The increase for customers will be higher if temperatures are colder than normal.

Ameren's Illinois utilities purchase natural gas from wholesale suppliers located in various U.S. natural gas production areas. The wholesale price is not regulated, but rises and falls based upon market conditions caused by supply and demand. The Ameren utilities pass the cost of natural gas on to customers, dollar for dollar, through the purchased gas adjustment (PGA) rate. About three-fourths of a residential customer's bill is the actual cost of natural gas from these suppliers recovered through the PGA, without any markup in price.

Ameren's Illinois utilities do not profit from the PGA. Listed as the "Gas Charge" or "PGA" on individual customer bills, the PGA is recomputed each month and may go up or down depending on the wholesale price of natural gas. The PGA is a matter of public record and is available on the Ameren Web site ([www.ameren.com](http://www.ameren.com)).

Effective Oct. 1, the AmerenIP PGA rate will go from 77.26 cents to 96.87 cents per therm; the AmerenCILCO PGA will go from 88.12 cents to 95.54 cents per therm; the AmerenCIPS PGA will rise from 92.67 cents to 105.42 cents per therm; and the AmerenCIPS/Metro East (the Alton-East St. Louis area) PGA will go from 78.63 to 106.57 cents per therm.

The PGA rate is reviewed and approved by the Illinois Commerce Commission to ensure proper cost recovery and that Ameren management was prudent in the purchasing of natural gas.

"Natural gas prices have increased dramatically this past summer, driven by record high prices for crude oil and Hurricane Katrina, which disrupted natural gas production in the Gulf of Mexico and Louisiana. This region produces more than 25 percent of the natural gas in the U.S.," says Scott Glaeser, vice president of Gas Supply and System Control for Ameren.

"Furthermore, wholesale natural gas prices also were impacted by this summer's exceptionally hot weather, which increased the demand for natural gas used by natural gas-fired electric power plants.

"Meanwhile, U.S. natural gas production has stagnated or even declined. Many promising areas for natural gas exploration are presently off-limits due to federal policies or environmental regulations," Glaeser says.

Nonetheless, Ameren takes significant steps to dampen the impact of wholesale gas price volatility on its natural gas customers, including:

- Utilizing sophisticated financial hedging strategies and negotiating both long- and short-term natural gas supply contracts.

- Purchasing natural gas at the lower prices and injecting the natural gas in extensive underground storage fields, which provide almost half of the natural gas required during the winter heating season.
- Diversifying interstate pipeline suppliers and accessing multiple production areas to bring natural gas to Illinois.

"Ameren has secured adequate supplies of natural gas to meet customer needs, but the cost for natural gas will be significantly higher than during the last heating season," says President of Ameren Illinois Energy Delivery Scott Cisel. "We are concerned about the impact higher prices will have on our customers and we are very willing to work with them to help them manage in establishing special payment arrangements. We also encourage our customers to use energy wisely and to conserve when possible.

"We specifically are asking our customers to seriously consider Budget Billing because it will level out their monthly payments, especially when considering the financial impact of high winter heating bills," Cisel adds.

By enrolling now, customers can begin leveling out their monthly payments. No additional deposit is required for Budget Billing. The plan allows customers to pay an average monthly bill amount based on the last 12 months of usage. The program is open to electric-only, natural gas-only and combination electric and natural gas customers. Customers can enroll in the program or drop out at any time.

To better manage rising natural gas costs, customers also can take steps to conserve energy. Examples of conservation steps include:

- Plug air leaks, apply caulk and install weather stripping.
- Use storm windows or plastic window covering.
- Turn down thermostats (every degree you turn down your thermostat will reduce consumption by 2-3 percent).
- Regularly change furnace filters.
- The water heater is the second largest user of natural gas in the home.

Turning a water heater to the lowest setting (usually 120 degrees F) and placing an insulated jacket over that water heater can save on energy bills.

Additional conservation suggestions are available on Ameren's Web site ([www.ameren.com](http://www.ameren.com)).

Ameren customers having difficulty paying their bills should call the Ameren company listed on their bills. Company representatives will work with customers on payment arrangements and refer eligible customers to agencies that may be able to help with energy assistance. Ameren's Dollar More and Warm Neighbors Programs are the region's largest privately managed energy assistance programs aimed at helping individuals and families in need of assistance pay their energy costs. In addition, the federal Low Income Heating Energy Assistance Program is available to eligible customers.

For information on how to contact LIHEAP or other sources of help, or for tips on how to manage energy bills and rates, customers should go to Ameren's Web site ([www.ameren.com](http://www.ameren.com)).

Ameren, through its subsidiaries, serves 2.3 million electric and more than 900,000 natural gas customers in a 64,000-square-mile area of Illinois and Missouri.

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## Ameren Encourages Customers to Move to Budget Billing to Counter High Gas Bills

September 19, 2005

Ameren utility company officials are encouraging residential natural gas customers across Illinois and Missouri who face a major increase in wholesale natural gas prices to sign up for Budget Billing to eliminate billing surprises by spreading energy costs evenly over several months.

While Ameren employs several measures to dampen price volatility, rising natural gas costs could still end up costing the average Ameren customer from \$15 to \$30 more each month during a normal winter. Colder than normal weather will increase the total bill even more due to higher consumption.

Customers pay what Ameren companies pay for the natural gas supplies purchased from gas producers---not a penny more. Approximately three-fourths of a residential customer's bill is the cost of natural gas from Ameren utility companies' suppliers, while only a quarter of the billing amount goes to pay for the operation and construction of gas distribution systems.

To dampen price volatility and ensure reliable supply for customers, Ameren uses a range of financial tools, negotiates long- and short-term gas supply contracts, diversifies interstate pipeline transportation, and uses extensive underground storage resources.

"Despite these efforts, natural gas prices continue to rise--driven by record high prices for crude oil, an extremely active hurricane season which has threatened offshore gas production platforms and a very hot summer when gas has been used to generate electricity," says Scott Glaeser, vice president, Gas Supply and System Control, AmerenEnergy Fuels and Services. "In addition, we've had stagnant or declining gas production. Many promising areas for exploration of new gas supplies in the U.S. are off-limits due to federal policies or environmental regulations."

"While Ameren has adequate supplies of gas with firm contracts established, we must pass on to customers higher prices on the gas we supply. We are encouraging customers to seriously consider Budget Billing because we are concerned about the financial impact of high winter heating bills -- especially if there is a cold winter," Glaeser adds.

By signing up now, customers can avoid paying high bills immediately. No additional deposit is required for Budget Billing. The plan allows customers to pay an average monthly bill amount based on the last 12 months of usage. The program is open to electric only, gas only and combination electric and gas customers. Customers can enroll in the program or request program removal at any time.

To better manage rising gas costs, customers can also take steps to conserve energy---by plugging air leaks, caulking and weather stripping and by sealing doors and windows and turning down thermostats (every degree you turn down your thermostat will reduce consumption by 10 percent). Regularly changing furnace filters and replacing inefficient furnaces can also save energy. And while heating accounts for the largest portion of residential natural gas usage, the water heater is the second largest user. Turning a water heater to the lowest setting (usually 120 degrees F) and placing an insulated jacket over that water heater can save on energy bills.

Ameren customers who are having difficulty paying their bills should call the Ameren company

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listed on their bills. Company representatives will work with customers on payment arrangements and refer eligible customers to agencies that may be able to help with energy assistance. Ameren's Dollar More and Warm Neighbors Programs are the region's largest privately managed energy assistance programs aimed at helping needy individuals and families cover their energy costs. In addition, the federal Low Income Heating Energy Assistance Program is available to eligible customers. With the passage of the Federal Energy Policy Act, this program's funding has been increased.

For information on how to contact LIHEAP or other sources of help or for tips on how to manage energy bills and rates, customers should go to Ameren's Web site at [www.ameren.com](http://www.ameren.com).

With assets of more than \$17 billion, Ameren, through its subsidiaries, serves 2.3 million electric and more than 900,000 natural gas customers in a 64,000- square-mile area of Illinois and Missouri.

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**For Immediate Release**

## **AmerenUE Files for Rate Adjustment to Reflect Increases in Wholesale Natural Gas Costs**

ST. LOUIS, MO., Aug. 17, 2005—AmerenUE has filed a request with the Missouri Public Service Commission (PSC) for an increase in the Purchased Gas Adjustment (PGA) to reflect increases in the cost of natural gas from the company's suppliers.

For residential and most other customers, the increase would amount to 10 cents per Ccf (hundred cubic feet) compared to the current PGA. Subject to PSC review and approval, the new PGA would become effective Sept. 1 for AmerenUE's 114,000 Missouri gas customers.

During the upcoming heating season, the new PGA would result in an average increase of about \$10 per month in a residential customer's natural gas bill, excluding taxes, although the actual amount would vary based on individual usage. AmerenUE officials caution that the estimate is based on normal seasonal usage, and does not reflect the impact of weather changes. If this winter turns out to be colder than normal, customer bills would be higher due to higher usage.

AmerenUE does not produce natural gas, but purchases it from wholesale suppliers for distribution to customers. Wholesale costs from the company's suppliers are not regulated, and go up or down based on market conditions caused by supply and demand. Upon PSC review and approval, AmerenUE passes these costs on to customers, dollar for dollar, through the PGA, without "markup."

For residential customers, the PGA accounts for about two-thirds of an average bill, excluding taxes. The remainder of the bill is regulated by the PSC, and reflects the costs of constructing, operating and maintaining the distribution system that delivers gas to customers.

AmerenUE is required to file a PGA adjustment to be effective in November of each year. Although up to three additional filings are permitted during a calendar year, the company's current PGA has been in effect since Nov. 1, 2004.

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Scott Glaeser, vice president, Gas Supply and System Control, AmerenEnergy Fuels and Services, says nationwide natural gas prices are significantly higher than they were just last year, reflecting a continued imbalance between supply and demand across the United States and Canada.

“Natural gas prices have increased significantly this summer, driven by record high prices for crude oil—which are near \$67 per barrel—and the extremely active hurricane season which has threatened offshore gas production platforms in the Gulf of Mexico,” Glaeser says. “In addition, the U.S. has endured a hot summer this year. This has driven up the demand for natural gas used for electric power generation, while, at the same time, the production of gas in the U.S. has stagnated or declined. Many promising areas for exploration to find new natural gas resources are currently off-limits due to federal policies or environmental regulations.”

Glaeser says AmerenUE uses several strategies to help minimize volatility in wholesale natural gas prices. Those strategies include:

- Using financial “hedging” instruments and negotiating long and short-term gas supply contracts to dampen price volatility;
- Using gas storage for price hedging and operational flexibility, as well as to help ensure an adequate supply during the high-demand winter months;
- Diversifying, to the extent possible, the company’s interstate pipeline transportation and leased storage resources, creating competition among suppliers.

AmerenUE provides services and information to customers to help them manage their bills and control energy costs. One of the most popular programs—Budget Billing—enables customers to avoid big seasonal changes in their monthly energy bills by spreading those costs evenly throughout the year.

Information on this and other programs, along with energy conservation tips, is available on the Ameren Web site ([www.ameren.com](http://www.ameren.com)). Information is also available by calling 800-552-7583.

AmerenUE is a subsidiary of St. Louis-based Ameren Corporation. The Ameren companies serve 2.3 million electric customers and 900,000 natural gas customers in a 64,000-square-mile area of Missouri and Illinois.

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