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**ATTORNEY GENERAL MADIGAN ALLEGES AMEREN PROMOTED
ALL-ELECTRIC DISCOUNT AS IT PREPARED FOR PROGRAM'S END**

*Lawsuit Asks for Civil Penalties / Results Will Assist in On-going Efforts to Bring Rate Relief to
Over-burdened Electric Customers.*

Carbondale - Attorney General Lisa Madigan filed a lawsuit late Tuesday afternoon in the Jackson County Circuit Court against two Illinois electric companies, citing the companies continued offers of an all-electric discount program to consumers even after the companies knew of and planned for the program's elimination, which was slated for and took effect January 2, 2007. The lawsuit names Illinois Power Company, doing business as AmerenIP, and Central Illinois Public Service Company, doing business as AmerenCIPS, and alleged violations of the Consumer Fraud and Deceptive Business Practices Act.

The lawsuit is the result of Attorney General Madigan's investigation into Ameren's communications with customers about the all-electric discount available to those whose homes used only electricity as a power source, rather than a combination of gas and electric. Madigan began the investigation in March based on complaints from consumers in 31 counties who alleged that they were enticed into signing up for the discount program only to find out that the companies planned to eliminate it on January 2 – the same time the companies raised overall electric rates. After January, all-electric discount customers experienced hardship with increased electricity rates *and* the elimination of the all-electric discounts, reportedly resulting in huge increases in monthly electricity bills from 55 percent to 350 percent.

"AmerenIP and AmerenCIPS took unfair advantage of their customers," said Attorney General Madigan. "Many of these families invested in all-electric power or installed new electric appliances as part of home construction or remodeling because they were looking at the long-term savings that the all-electric discount program would provide. Now their investment means nothing but additional hardship and incredible additional expense – and AmerenIP and AmerenCIPS knew that the discount would not last beyond January 2, 2007."

AmerenIP and AmerenCIPS have planned for quite some time to eliminate the all-electric discount program, however customers complained that the companies never told them that they had filed tariffs to eliminate the all-electric discount plan as early as February 28, 2005. When

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customers needed to make important decisions regarding whether to utilize gas power or choose all-electric power, Ameren gave them information on the prices of gas power versus the price of electricity.

In many cases, the all-electric rate was cheaper and consumers chose electricity as their sole power source. In December 2006, less than a month prior to the end of the discount program, these two companies were still offering the plan, signing up approximately 444 in that month alone.

The lawsuit also alleges that AmerenIP and AmerenCIPS represented to consumers, in the media and in billing statements that the typical all-electric customer could expect about a \$2 per day increase over the next year. Instead, consumers have reported to the Attorney General's Consumer Fraud Bureau that they have experienced increases far in excess of \$2 per day.

Madigan's lawsuit asks the court to enter an order prohibiting AmerenIP and AmerenCIPS from misrepresenting the effect of their tariffs in the future, and awarding a civil penalty of \$50,000 and additional penalties for each violation committed with the intent to defraud and \$10,000 for each instance where a violation was committed against a person 65 years of age or older.

With the filing of this lawsuit, Madigan's office continues a long effort to protect Illinois electricity consumers from unfair and unnecessary rate increases. As part of this effort, Madigan filed a complaint in March with the Federal Energy Regulatory Commission (FERC), alleging that electricity suppliers engaged in price manipulation in an auction that the Ameren Companies and Commonwealth Edison Company held in September 2006. Additionally, in an April 11, 2007, letter to the Illinois General Assembly, Madigan urged the legislature to "...enact rate relief legislation that will ensure the lowest possible rate for consumers." Madigan also supports freezing rates at 2006 levels to provide immediate relief.

"My office will continue this fight on every level to obtain real, long-term electric rate relief for Illinoisans," said Madigan.