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ATTORNEY GENERAL RAOUL URGES ICC TO RETURN HUNDREDS OF MILLIONS OF DOLLARS IN EXCESS TAX MONEY TO CONSUMERS

Chicago — Attorney General Kwame Raoul filed two requests with the Illinois Commerce Commission (ICC) to rehear and reconsider its decisions in the ComEd and Ameren Illinois formula rate cases that allow the companies to hold onto hundreds of millions of dollars in consumer refunds for a period of more than 35 years.

The Attorney General's office is recommending ComEd return $385 million in excess tax dollars and Ameren return $158 million in excess tax dollars to consumers over a five-year period rather than the proposed 38- and 35-year periods, respectively. The Attorney General's recommendation to the ICC would result in an additional $62 million rate reduction for ComEd consumers and $20 million for Ameren consumers each year for the next five years.

"Consumers paid public utility rates to ComEd and Ameren reflecting the higher federal tax rate, and now that the federal tax rate has lowered, fairness dictates that consumers should get that money back," Raoul said. "Allowing an unreasonable refund period of close to 40 years nearly guarantees many customers will never get their fair share of the refunds."

The federal Tax Cuts and Jobs Act (TJCA), which went into effect Jan. 1, 2018, reduced the federal corporate income tax rate from 35 percent to 21 percent. As a result of the lower federal tax rates, ComEd and Ameren now have millions of dollars in excess tax money they collected from consumers. Those dollars should now be returned in a timely manner to the consumers who paid the higher tax rates to ComEd and Ameren.

In December 2019, the Attorney General's office asked the ICC to lower the refund periods to a more reasonable five-year period for ComEd and Ameren to return rate payer money to consumers. The ICC rejected the Attorney General's recommendation to shorten the refund period and reduce rates by $62 million for ComEd customers and $20 million for Ameren customers.