Not-so-little ComEd plays Chicken Little

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We've heard the story of Chicken Little, who convinced her friends that the sky was falling and created such hysteria that she nearly led them into the jaws of a sly fox.

Now, there's an Illinois version of that classic fable, and while the chicken — ComEd — isn't so little, the fox — Exelon — is just as sly.

ComEd is owned by Exelon, which raked in a record $1.9 billion last year. Both companies are pushing proposals that, taken together, would increase your electricity bills by nearly 40 percent— just for starters – if a state-mandated rate freeze expires as planned after 2006.

In a quest to capture nearly $1 billion in rate hikes and make its parent company happy, ComEd is employing a potent combination of political muscle and misinformation in Illinois. This Chicken Little is on steroids.

It's no coincidence that former Citizens Utility Board head Martin Cohen, the first consumer advocate ever to be appointed chairman of the Illinois Commerce Commission (ICC), also became the first ICC nominee of any kind ever rejected in our state's history. ComEd lobbied for his ouster because it wants to rig the game at the ICC in favor of its controversial proposal to buy power through an auction system beginning in 2007.

ComEd's proposal would lead to higher bills almost immediately while eliminating the power of state regulators to prevent unlimited rate hikes in the future. Rather than talk turkey and confess to these facts, ComEd prefers to play Chicken Little and tell tall tales. ComEd claims that without an auction system, Illinois will sink into a California-like energy quagmire with widespread power outages and a bankrupt utility. These scare tactics are being administered through a multimillion dollar ad campaign financed by ComEd under the name of a front-group known as "CORE."

The truth is that the state has plenty of power to keep the lights on, and all that talk of ComEd bankruptcy ignores the fact that Exelon's profits have soared to record highs under the current regulatory system. Moreover, analysts predict that the company will

make more money in the future even if ComEd power rates stay frozen through 2010. And, of course, Exelon recently agreed to cut rates by $120 million in Pennsylvania and freeze those rates through the end of the decade.

Consumer groups have said all along that ComEd can have its auction, or any other power-buying system it wants, as long as Illinois regulators retain the authority needed to assure fair rates. Unfortunately, ComEd's auction is just another way to lift reasonable regulations that have allowed it to earn a healthy profit while protecting consumers.

So join the fight. Go to www.StopComEdRateHike.org, a Web site launched by a pro-consumer coalition of CUB and other groups to fight ComEd's disinformation campaign. The site shows you how to e-mail your state representatives to let them know you oppose the company's plan for unlimited rate hikes. It also offers a toll-free telephone number, (800) 719-3020, that can connect you to your state legislators.

It won't be easy beating the power company, but CUB and the consumers of Illinois have a long history of stopping ComEd rate hikes. We did it over and over in the 1980s and 90s, and we can do it again. Remember how Chicken Little ends? The chicken gets a good dose of the truth and the fox is chased away.

Help us do the same with ComEd and Exelon.

Citizens Utility Board Executive Director David Kolata writes a consumer news column the last Wednesday of each month. To reach CUB, call (800) 669-5556 or via e-mail at info@CitizensUtilityBoard.org.