

House to weigh rate relief

By Kate Clements

Thursday July 26, 2007

SPRINGFIELD – Legislation to ease the shock of this year's dramatic electricity rate hikes is poised for passage in the House today, despite some complaints that it doesn't go far enough.

"This is nowhere near where it should have been," said state Rep. David Reis, R-Willow Hill.

The House electric utility oversight committee approved SB 1592 on a 5-3 vote Wednesday evening.

The measure would provide \$1 billion in rate relief over four years, evenly split between Ameren and Commonwealth Edison service territories, and would create a new state agency to reform the power procurement process.

"I think it's a very good, very positive resolution," said the bill's sponsor, state Rep. George Scully, D-Flossmoor.

Citizens Utility Board Executive Director David Kolata agreed.

"We think that, all things considered, this is a reasonable deal for consumers," he said. "We've said all along that to solve our rate crisis, we need to do two things: We need to have significant rate relief for consumers, and we need to end the reverse auction that caused this mess in the first place and replace it with a plan for buying energy that's fair for consumers. We think that this proposed settlement meets both of those conditions."

But Carol Alexander of Georgetown was not impressed with the deal.

"I think it's horrible for consumers," she said.

Alexander, who lives on a fixed income and uses electricity to heat her 850-square-foot home, said her first bill under the new rates was \$659. Her bill for the same period a year earlier was just over \$200.

According to Ameren, the average electric space heat customer will get about \$400 back over the course of this calendar year. Some will get less and some will get more, because the bill credits are based on usage.

"Big deal; my first bill was \$659," Alexander said on Wednesday. "I'll have to sell the house or do something if that's all they're going to do, because \$400 is nothing."

But utility executives said the rebates and bill credits would go a long way toward moving customers to market rates after a decade-long state-ordered rate freeze.

According to Ameren's Michael Moehn, the rate hike for the company's Illinois residential customers totaled \$375 million in 2007, and the utility's customers would be getting \$213 million back by the end of the year.

Ameren said 80 percent of its residential electric customers in Illinois would see this year's rate hikes cut by at least 40 percent, and every customer would get at least \$100 worth of rebates or bill credits in 2007.

Find this article at:

http://www.news-gazette.com/news/2007/07/26/house_to_weigh_rate_relief

Comments