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## Power rate to increase 2% in June

### ComEd says rise is due to higher electricity prices

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Electricity rates for Commonwealth Edison residential customers, which shot up after prices were set by an auction in 2006, will go up another 2 percent, an increase resulting from higher market prices for power, the utility said Wednesday.

Some contracts for power set by the auction, for about 20 percent of the supply, are about to expire. To meet that demand ComEd had requested sealed bids from power generators for the year beginning in June, and those bids account for the coming increase.

The average bill will rise slightly less than \$2 a month. A spokesman for the Illinois Commerce Commission, which approved the rate increase, said it would have been much higher if the entire electricity purchase had been rebid.

ComEd has yet another rate increase pending before the ICC. It wants to raise bills roughly 8 percent to replace aging infrastructure and extend service in fast-growing parts of the state. The ICC is not expected to rule on that request until September, and regulators routinely refuse to give utilities all the increase they request.

Illinois embarked on an odyssey for electricity several years ago. As part of deregulation, power generators bid through an auction system to supply power to the state. In ComEd's case, electricity rates rose 22 percent and, simultaneously, transmission charges rose 2 percent, at the beginning of last year.

The reviled auction system led to negotiations in which ComEd negotiated with the state to provide \$1 billion in rate relief to customers and the auction system was quickly retired.

Instead, a new state agency will negotiate with generators in the hope of getting the best price possible. Beginning in 2009 the Illinois Power Agency will procure electricity for the state.

The state required ComEd to carry out its own procurement until the agency is up and running.

Gov. [Rod Blagojevich](#) is charged with appointing the director of the agency, who will negotiate with



power generators including [Exelon Corp.](#), ComEd's corporate parent. The governor has yet to make the appointment, however. A spokeswoman said state officials have been interviewing candidates.

ComEd said that in 2006, before the new rates went into effect, the average household electric bill was \$60 a month. It is now \$75 a month and will rise to just under \$77 by mid-year under the increase announced Wednesday.

Bills this year and last year were temporarily reduced by the monthly credit. Consumers got a \$60 credit in October and \$7-a-month credits for November and December. Now consumers are getting a \$4.50-a-month credit. Most of the credit disappears at the end of this year, sending bills back up to an average of \$77.

ComEd said that prices for other commodities have risen, and that is the case with power.

"Just like gasoline and natural gas, electricity prices continue to rise due to global supply and demand dynamics," said Anne Pramaggiore, an executive vice president at ComEd.

David Kolata, executive director of the Citizens Utility Board, said his organization is still studying the new rate increase and has reached no conclusions about the bids made by power generators.

Electricity accounts for about two-thirds of the average residential customer's bill, with the rest accounted for by delivery charges, taxes and other costs.

The increase also applies to small businesses that still buy power from ComEd. Most firms now buy their electricity from other suppliers.

[Ameren Corp.](#), which provides electricity to much of central and southern Illinois, is to announce its prices shortly.

The winning bidders include American Electric Power Service Corp., which acted as an agent for out of state power companies, [Consolidated Edison](#) Energy Inc., Constellation Energy Commodities Group Inc., Edison Mission Marketing & Trading Inc., [J.P. Morgan](#) Ventures Energy Corp., [Morgan Stanley](#) Capital Group Inc., [Sempra Energy](#) Trading LLC, and Exelon Generation Co. LLC.

Exelon Generation is a corporate affiliate of ComEd.

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