

Consumer advocates step up criticism of surcharges ComEd wants

By Lorene Yue
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(Crain's) — Consumer advocates are stepping up their criticism of two surcharges Commonwealth Edison Co. wants to include on customer bills.

At a Wednesday-morning press conference, members of AARP Illinois, the Citizens Utility Board, the Illinois attorney general's office and the Oak Brook Condo Assn. voiced their dissatisfaction with ComEd's desire to seek state approval for two fees: a system modernization project adjustment rider and storm expense adjustment rider.

"They call them riders, but in my book it's called unreasonable," said Evelyn Gooden, president of AARP Illinois. "You're already paying for that on your bill. They want to double charge you."

The surcharges are part of a rate increase package the utility submitted last year to the Illinois Commerce Commission. ComEd, a division of Chicago-based Exelon Corp., is asking for permission to raise its service delivery charge by 7.7% — or about \$6 for an average customer with a monthly bill of \$75 — to cover roughly \$360 million for what the company has broadly classified as "poles and wires."

The two surcharges would be in addition to the delivery service charge increase.

ComEd has proposed a system modernization surcharge over a five-year period that would start at 16 cents a month in 2009 and scale up to \$2.40 a month by 2013, to help pay upfront for the cost of implementing new technology such as an automatic metering system that would notify the utility of any individual power outages.

The storm expense adjustment rider would allow ComEd to recover the cost of restoring power after a storm much more quickly than it does now, Bob McDonald, ComEd's chief financial officer, said during a Wednesday-afternoon press briefing.

The concept of surcharges still doesn't sit well with ComEd critics who worry that consumers are fronting the expenses when the utility should be carrying the load.

"The (surcharge rider) is ill-defined and open-ended," said Karen Lusson, senior assistant attorney general. "We are very concerned about that. It could have ratepayers financing projects before they are in service."

ComEd countered that it doesn't expect to have free rein on surcharge fees.

"I think the commission will put limits around these riders and we will (work within those parameters)," Anne Pramaggiore, a ComEd executive vice-president, said on the company's press briefing call.

Opponents of ComEd's surcharge requests are asking consumers to attend public hearings scheduled for 5:30 p.m. April 9 at 160 N. LaSalle St. in Chicago and 7 p.m. on April 10 at 201 E. Jefferson in Joliet.
