



## ComEd defends rate hike proposal

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As the Illinois Commerce Commission gears up next week for public hearings on a ComEd delivery rate increase proposal, consumer advocates and utility officials took swipes at each other Wednesday.

The Illinois attorney general's office, the Citizens Utility Board and AARP blasted ComEd for seeking about \$361 million in additional revenue by hiking the delivery rate and seeking other money from special riders, or extra fees attached to monthly electric bills.

The riders would be for a modernization project and for faster recover of expenses from storm damage and outages.

"Most seniors are on a fixed income and are struggling to decide whether they can get their food, their prescriptions and even gas," said Illinois AARP President Evelyn Gooden during an interview.

"They cannot afford to have another increase in their electric bill. Maybe for some of our members, this won't make much of an impact. But for many of our members, this would," she said.

ComEd said just like any other business its expenses have increased and profits have declined due to consumer rebates and settlements. Also, ComEd must expand and modernize its network to keep up with the growing suburbs, especially in Kendall County, and to provide better service to other long-time customers, it said.

"The costs to our company are completely justified and we have opened our books for review," said Anne Pramaggiore, ComEd executive vice president of customer operations, regulatory and external affairs.

ComEd filed for the delivery rate increase last year. The 11-month process could have the commission rule by September.

If approved, the cost of delivering electricity to a home would go up roughly \$6 a month for an average \$75 per month bill.

In addition, Pramaggiore said the modernization rider, which would include "smart switches" to immediately correct outages, would add 16 cents a month in 2009. It then would steadily increase to \$2.40 a month in 2013.

The cost of the storm recovery rider isn't known because "there's no way to forecast the weather," said ComEd chief financial officer Bob McDonald.

ComEd typically spends about \$27 million annually on storm-related costs, which is recovered from customers over several years in other rate hikes. But the rider would narrow that recovery time much faster.

If the coming year has more damaging storms, customers could find an extra fee attached to their monthly bill. But if the year turns out with fewer storms, credits could be provided, McDonald said.

The consumer advocates said ComEd was seeking "backdoor" revenue with the riders because they have less oversight. ComEd countered the commission would attach parameters to each rider.

A public hearing on this case is at 5:30 p.m. Wednesday at the commission headquarters, in the Michael Bilandic Building, eighth floor, 160 N. LaSalle St., Chicago.

Another hearing will be at 7 p.m. Thursday at Joliet High Central, Little Theater, 201 E. Jefferson, Joliet.

In addition to this case, ComEd said in mid-March it has to pay more for the electricity itself. That cost is passed on to consumers without mark-up. So consumers likely will pay 2.5 percent more, or about \$2 more a month based on a \$75 monthly bill. Businesses likely will see an increase of roughly 3 percent to 5 percent.