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## Rate shock in reverse

(<http://www.southtownstar.com/business/1607793,060509kolata.article>)

June 5, 2009

**By David Kolata**

A different kind of "rate shock" hit June 1 - ComEd rates went down.

That's right. The cost for the actual electricity we use just decreased by an average of about 9 percent, saving customers about \$96 a year.

The rate cut is the culmination of a lot of hard work from fed-up Illinois consumers, consumer groups like the Citizens Utility Board, Illinois Attorney General Lisa Madigan, House Speaker Michael Madigan and Gov. Pat Quinn. In 2007, they led the fight to slay ComEd's "reverse-auction" power-pricing system, which increased bills by an average of 26 percent.

In the end, Illinois consumers got \$1 billion in refunds, and the state created the Illinois Power Agency, the cornerstone of an electricity-pricing system that's unique in the nation.

The IPA, which will manage a yearly competitive bidding process among power producers, recently made its first electricity buy, resulting in the June 1 decrease. Of course, ComEd already is plotting a new rate hike on delivery charges, so we have a long way to go in our campaign for fair electric rates. However, this is a good second step on the journey.

The first step was dumping the old system, which helped ComEd's parent, Exelon, rake in \$2.9 billion in profits in 2007 by selling power to its very own subsidiary. Talk about a conflict of interest!

Utility officials who created the "reverse auction" say the economic downturn decreased wholesale power costs and helped the IPA secure lower prices. True, that helped, and we'll never know what prices the auction would have secured. But we do know what happened with New Jersey's auction, which was the model for ComEd's plan.

Power prices in the Garden State either stayed flat or increased slightly. So even though the market price of electricity has dropped, New Jersey customers won't see any savings.

Illinois customers could have been in the same boat if not for the good work of the IPA and its executive director, Mark Pruitt. The auction was designed to win exorbitant prices for Exelon and the other big energy suppliers. But the IPA's mission is to use the collective buying power of millions of Illinois residents to obtain the lowest possible prices.

Of course, the fight for affordable electricity prices is far from over. At the top of the IPA's to-do list must be energy-efficiency and "demand response," or conservation, programs to help secure lower prices. We're far beyond the days when such programs were considered "nice" but unnecessary.

Also, don't forget ComEd's assault on another part of our bill. Just last year, state regulators granted it an exorbitant \$270 million increase on what it charges to cover the costs of delivering electricity to our homes, plus a profit.

CUB is appealing that rate hike, but ComEd is expected to seek another "delivery" increase later this year. If approved, that hike could wipe out the savings from lower power prices.

No, June isn't the end of our ComEd problems. We've got big fights ahead to keep rates in check. But now, at least we have a power-pricing system that gives us a fighting chance.

*Citizens Utility Board executive director David Kolata writes a column each month. To reach CUB, e-mail*