



Filed under **Energy**, **Updated**

Illinois AG opposes ComEd automatic rate hikes

By Julie Wernau

Posted Feb. 11 at 6:17 p.m.

Attorney General Lisa Madigan said today that she is “strenuously opposed” to state legislation introduced this week that would determine utility rates by formula, joining a strong opposition group that includes AARP Illinois, Citizens Utility Board and the Natural Resources Defense Council.

Commonwealth Edison — which is behind the bill — and other state utilities would be able to lock in profit margins above 10 percent under the proposal. The legislation also proposes that rate hikes for consumers, which typically undergo an 11-month regulatory review, could be decided in as little as 45 days.

“We have some serious concerns about the proposal in its current form and are strenuously opposed to it. It will seriously harm consumers. We expect this to be a hard fought issue,” Madigan’s office said in a statement.

ComEd is pitching the regulatory changes as a better, more streamlined process that would allow utilities to reliably plan

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12227.70	+137.67 2772.96	+27.33 1322.27
Chicago's best performers		% Change
First Midwest Bancorp, Inc.		+7.03%
United Stationers Inc.		+6.27%
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Chicago's worst performers		% Change
Potash Corp./Saskatchewan (USA)		-2.37%
CF Industries Holdings, Inc.		-1.46%
McDonald's Corporation		-1.04%
Chicago's most active		Volume
JPMorgan Chase & Co.		14,623,091
United Continental Holdings Inc		5,602,820
Potash Corp./Saskatchewan (USA)		5,334,722

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for capital investments aimed at modernizing the electrical grid.

ComEd has estimated that the bill, if passed, would mean an annual 2.2 percent rate hike for consumers. From 1999 to 2009, ComEd rates have gone up more than 30 percent. As part of the legislation, according to ComEd, the utility would agree to invest \$2.6 billion over the next 10 years to modernize the grid, an outlay above the utility's usual capital costs. The company would also guarantee the creation of more than 2,000 full-time (or equivalent) jobs.

"The introduction of the legislation is the beginning of an important dialogue with all residents and stakeholders, including the Attorney General, about the future of Illinois' energy infrastructure and the role it plays in meeting our customers' needs in the digital age, and in promoting economic development," ComEd said in a statement.

The utility said the proposal will benefit consumers in terms of outages and the efficiencies that come with a more automated grid, and also give the state increase tax revenue, create jobs and make Illinois economically competitive against other states.

Anne Pramaggiore, ComEd president and chief operating officer, has said that the legislation still allows the ICC to open a docket to review ComEd's investments, a process that could last up to nine months.

Nancy Nelson, senior advocacy manager for AARP Illinois, said ComEd is using a "pay up and shut up philosophy" that would "leave millions of residential and business consumers without a voice and at the mercy of utility companies."

"It's bad enough that ComEd seeks to hit consumers' pocketbooks at a time when many are still under the crunch of the recession," she said. "Now ComEd wants to effectively render consumers and the ICC mute."

ComEd proposed bringing forward a similar bill last May, but lawmakers rejected the proposal. This year, the utility attempted to allay the concerns of consumer advocates before submitting the bill, but CUB and others have said consumer protections aren't nearly strong enough to gain their support.

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24 comments:

1.



kate
Feb. 11 at

What is going on with ComEd? My bill jumped 30% from December to January. Would these rates inflate the prices even higher?
7:00 pm

2.



Masada
Feb. 11 at

I want the legislature to guarantee that my business has a 10% profit every year. This is BS. Let the investors take the risks, don't pass it off on the consumer.
7:04 pm

3.



Frank
Feb. 11 at

Let's see, my December bill was about \$150, the January bill was over \$400 and now the bill that I just got is over \$300. Of course, the CEO is making one heck of a salary. Enough of the crap about you have to pay good money to get good people. Fight it Lisa, CUB and the rest of the customers that are having to pay these horribly high rates. By the way, I just came off of a five year wage freeze, how dare do they think they get to pound us with an automatic 2% rate hike every year.

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4.



Amy
Feb. 11 at

7:13 pm
And how about the 17 percent raise given to John Rowe, the CEO of ComEd's parent company? And, by the way, when you add 17 percent to a real big salary in the millions it adds up FAST! What a crock and a rip off for consumers.

5.



nrb
Feb. 11 at

7:13 pm
Raising rates to upgrade the infrastructure is NOT "creating jobs." It is taking money from one group and giving it to another. The CEO of Com Ed apparently sees himself as a corporate Robin Hood, except those he's stealing from are not rich.

6.



IINOYEB2
Feb. 11 at

7:44 pm
Shouldn't the stockholders and investors pay for upgrading "their company"? I know if I want to upgrade my business, the state doesn't help me, I have to dig deep into my own pocket and pay for them myself.

As for 'creating jobs', complete BS.

Didn't the execs of ConEd just get a huge raise last week? Their raise was more than my entire salary for the year.

All the utilities need regular and thorough review for each and every raise. The ICC should also approve raises to executives.

7.



George
Feb. 11 at

SORRY THE STATE JUST TOOK ALL THE EXTRA MONEY I HAD SO IF YOU WANT ONE OF THE KIDS
OR A PLANT PLEASE GO TO HELL

8.



Mary Ann
Feb. 11 at

All of the utility companies are greedy. I live in Florida and they are just as bad or worse. There is no middle class anymore either you are rich or poor. The CEOs are laughing all the way to the bank to see how they will invest their outrageous raises and bonuses. We get what "paddy shot at." Isn't fair.

9.



Mary Ann
Feb. 11 at

The Feds say there hasn't been any inflation for the year 2010. We seniors have not received a COLA since 2009. Now they say we will not receive a COLA for this year 2011. How do they figure that?? Grocery purchases are out of sight along with the pumping of gas for our automobiles. Government says to tighten our belts!!! Why should we if Congress doesn't? What is good for the goose is good for the gander.

Sad!!!!!!

10.



old vet
Feb. 11 at

there is an old saying , "what is white or tan and sleeps four" a com-ed truck !!! maybe if there is no work because of weather then they should send the employees home instead of paying them to sleep in the truck ! last year we had six of their trucks sitting in a resort parking lot out here in the chain of lakes area , and they sat there all day doing nothing ! when i finally asked them what they were doing there not working,

the answer was, "we are waiting for parts" no one ever showed up all day with the "parts" ! wish i could have slept on the job and got paid !! but then i was'nt union!

11.



blitherer
Feb. 11 at

Madigan is just holding out for a bigger bribe.

9:20 pm

12.



Perry Mason
Feb. 11 at

The company would also guarantee the creation of more than 2,000 full-time (or equivalent) jobs.

9:30 pm

Sorry, but 4,000 20 a week jobs is NOT equal to 2000 full time jobs. another crock!

13.



iupco
Feb. 11 at

Where does Madigan stand on the passed legislation awaiting Quinn's signature that will force the utilities to buy synthetic gas from two proposed gassification plants that will cost US in higher gas costs. We don't have any alternative to peoples gas, north shore gas. Will she stop quinn from signing this corporate welfare bill?

9:51 pm

14.



HarryK
Feb. 11 at

"Will she stop quinn from signing this corporate welfare bill?"

10:13 pm

Thats a ridiculous question. She has no authority to stop a governor from signing any passed legislation.

"Shouldn't the stockholders and investors pay for upgrading "their company"?"

You're absolutely right and this is something I've thought about often. Big businesses have changed the way they do things. There was a time this was how it worked. The investment was made anticipating future profits resulting from the upgrades or expansion.

Now big business doesn't want to wait for the return on investment. They increase prices to cover the cost of upgrades or expansion so profits rise immediately. The immediate profit increase is seen as good management so executives are able to get huge salary increases and bonuses.

15.



srdib
Feb. 11 at

thank god for lisa madigan and cub looking out for us.

11:03 pm

16.



bob
Feb. 12 at

I haven't heard Lisa madigan the pride and joy of that slippery michiel madigan who runs Illinois as AG before, I could think of some other nick names for that women and they would not be published
Lisa's daddy's awaiting a bigger kick back from Peco before they can get a increase in rate

7:26 a.m.

17.



John
Feb. 12 at

And which lackey of a legislator introduced this bill?

8:29 a.m.

18.



enarseUnfardy
Feb. 12 at

opaopa

9:55 a.m.

19.



cellunlock
Feb. 12 at

Need to unlock your cellphone remotely via imei?
10:03 a.m.

cheap unlocking codes

20.



waterdoc
Feb. 12 at

If the stockholders want to see more profits, then they should start by looking at how much they pay their ceo and board. This is corporate welfare at its' best.
11:53 a.m.

21.



I Heart Schadenfreude
Feb. 12 at

Everyone loves them some free markets, until the market raises prices. Then all of a sudden, they find regulation nirvana. John Galt must be spinning in his grave. He'd find a way to pay the higher prices, or go off the grid.
12:03 pm

22.



Webelgs Mom
Feb. 12 at

Rates are out of control. You would think with companies now competing for your electricity dollars that ComEd wouldn't be in a money grab.
7:26 pm

23.



TiredofIllinois
Feb. 16 at

Wow you people have no idea what you're talking about. First of all 14 years ago ComEd rolled back their
9:45 pm

distribution rates and held them for 10 years. They've only had one rate increase in almost 15 years. You see ComEd only receives money for the delivery of electricity. What they bring in doesn't fluctuate. The cost of electricity does. It was idiots like Lisa Madigan who pushed to deregulate the cost of actual electricity. We had it better when ComEd could buy the actual electricity from their parent company Exelon. Now when you see your rates fluctuate it's because the cost of the actual electricity has risen; and is most likely not coming from Illinois power plants but some other state. Now ComEd wants to raise their delivery rates for a second time in almost 15 years to invest in the grid because the entire country is moving forward on smart grid. Read about it, if you can read. Lisa Madigan is sending us backwards...again! Illinois and its politics are so backwards. Maybe Lisa dated someone from ComEd and they broke her heart so now she's after the company! Haha Why is she AG of Illinois anyway? Oh that's right, Daddy got her the job! Of course I'm sure you people don't care about the truth. Most of you probably pay \$2 for a bottle of water. The same it costs to run your entire house on electricity for 12hours. Or your \$100 a month phone bill! More than it costs for a months worth of electricity! I hate this state! I can't wait to get out of here...

24.



Dawn
Feb. 18 at

You guys ARE aware that electricity is deregulated in IL, right? Just like when Ma Bell was deregulated and we no longer HAD to use just one provider! Shop for your electricity prices just like you shop for everything else. It's what I did. Here's the place I used to find a better rate: <http://bit.ly/gOSTjW>

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