

ComEd rate hike hits rough road with Quinn opposition

By: Steve Daniels May 09, 2011

(Crain's) — Gov. Pat Quinn came out Monday in opposition to legislation pushed by Commonwealth Edison Co. to hike electric rates automatically each year per a formula.

The governor's position makes the going significantly harder for ComEd, which has been negotiating specifics of the bill behind the scenes with state legislators and consumer groups. Now the Chicago-based utility faces having to obtain veto-proof majorities in the House and Senate.

"We'd veto that bill," Mr. Quinn said Monday at a Thompson Center press conference. "We hope the company comes to that realization real quick."

The governor, who was joined by representatives of Illinois Attorney General Lisa Madigan's office and several consumer groups, said he'd told House Speaker Michael Madigan and Senate President John Cullerton of his view on the bill.

Mr. Quinn — who in March vetoed legislation that would have obligated natural-gas ratepayers to cover the costs of two multibillion-dollar coal-to-gas plants on the South Side of Chicago and Downstate — said he favors a more comprehensive approach to the state's energy policy than the lobbyist-fueled, project-by-project bills that have come up in recent months in Springfield.

(Read Crain's premium content: "[After vetoing earlier energy measures, Gov. Quinn pushes a new deal.](#)")

The governor floated a proposal that would promote greater investments in wind power and energy efficiency, and would set forth a new process for developers of "clean coal" and other big-ticket power and gas plants to obtain approval by the Illinois Commerce Commission, which regulates utilities.

Observers believe there's little chance for significant changes in the state's energy policies without an agreement with clout-heavy ComEd. The utility has proposed \$2.6 billion in investment in underground cable and "smart meters" over 10 years that it says would improve reliability of the local power grid if it can raise rates by 2% to 3% annually.

"ComEd continues to engage in dialogue around a forward-looking energy policy for the state of Illinois," the company said in a statement. "As lead proponent of (the bill), ComEd has outlined the substantive benefits to Illinois consumers contained in the bill in the form of improved reliability, improved customer service, jobs, business expansion and future economic development."

Ms. Madigan, along with consumer groups, opposes the measure, saying it would do away with important consumer protections.

Mr. Quinn said investments in the grid are needed, but they can't be financed solely by consumers. "The

company has to bear a large part of the investment,” he said.

And he expressed opposition to ComEd's proposal to relegate the Illinois Commerce Commission to an after-the-fact review of rate hikes rather than the 11-month, before-the-fact process that's been in place for decades.

“This is the No. 1 consumer issue right now in the state of Illinois,” he said.

Invoking his populist background as a consumer advocate and his role in helping launch consumer watchdog group Citizens Utility Board, Mr. Quinn said of ComEd, “They are big — they are a behemoth — but they're not the people of Illinois.”

At the same time, he said he was open to negotiations with ComEd on a “comprehensive energy bill.”

“We have a good line of communication with them,” he said.
