

## **Chicago Tribune**

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### **Letter to the Editor: Let ComEd's Regulators Do their Jobs**

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Chicago — Atty. Gen. Lisa Madigan's call for the rejection of Commonwealth Edison's competitive bidding proposal hinges on a fundamental misunderstanding of ComEd's business and its proposal ("Electricity rates that are fair and lawful," Voice of the people, Sept. 25).

As an attorney who has represented many utilities including ComEd, I can tell you that this issue need not be confusing or complicated.

Here are some basic facts: ComEd today is in the business of delivering power that other companies generate and sell.

Under the 1997 Restructuring Act, ComEd sold or transferred its power-generating plants to others, with the approval of the State of Illinois.

The Restructuring Act also required ComEd to reduce the rates it charged to residential customers by 20 percent and to freeze rates for others customers until the end of 2006, saving Illinois citizens billions.

ComEd's current energy supply contracts expire at the end of 2006.

So ComEd has to enter into new arrangements for buying power to keep the lights on in our homes.

As it owns no power plants, ComEd must go to the energy wholesale market to buy power.

The wholesale energy market is competitive and ComEd believes it can best exploit this competitiveness to the advantage of its customers by holding a reverse-auction in which wholesale suppliers will bid for ComEd's business.

The electric supplier willing to sell at the lowest cost to ComEd wins. ComEd has asked the Illinois Commerce Commission to hear the evidence and decide whether its proposal has merit.

So what is the problem? The attorney general argues that ComEd's proposal should not be considered because it will result in consumers being charged higher rates. The attorney general, however, ignores the fact that under ComEd's proposal, ComEd will simply recover the cost it paid for the power without a penny of profit. Moreover an administrative law judge and the ICC have already ruled that ComEd's proposal can be considered, and it should be.

How then, if not through a competitive process, is ComEd supposed to procure this power for its customers? The attorney general never says, in the Tribune or anywhere else.

Madigan is too smart a lawyer to suggest it directly (because she knows it's a non-starter legally), but her implied suggestion in the column, and elsewhere, is this: Exelon Generation, a sister-company to ComEd, should supply ComEd with below-market power sales. Aside from the legal challenges that action would face from ComEd's competitors and others, it will not promote a healthy, open and competitive marketplace, which in the long run will benefit ComEd's customers.

What this argument is really about is rates. No one, least of all politicians in an election season, enjoy rate increases.

But the predilection of many state leaders to throw any roadblock, tell any tale, manufacture any argument, to avoid any rate increase, regardless of the merits, does not ultimately serve the citizens of Illinois.

Yes, on Jan. 1, 2007, rates will go up. The fact of the matter is that the rates residential customers pay will go up because they haven't gone up since 1995.

Any reasonable person can understand that a nine-year freeze, following a 20 percent residential rate cut, probably will involve some increases.

The agency that should decide what the rates should be is the one established by law to do that—the ICC.