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Derek Melot: Lawmakers prepare to raise rates

While voters snooze, pols poised to boost utility bills

How would you feel if the Legislature and Gov. Jennifer Granholm decided to pass legislation raising the price of gasoline in the state at the request of ExxonMobil?

Now that I have your attention, let's talk about gas - natural gas, and coal and uranium and the electricity Michigan generates from these sources.

Sometime soon, the Legislature is expected to pass some version of legislation to reduce competition in the electric markets. Granholm is expected to sign it. And it's also expected that the average residential user buying power from Consumers Energy or DTE will see their monthly bills rise. One Senate analysis put the increase between 20 percent and 30 percent.

Would you be upset if lawmakers made gas go up 30 percent to, say, \$5.20 per gallon? If so, why not be concerned with legislation that would raise your electric bill from, say, \$125 per month to \$160?

Worse, the legislation will weaken what oversight the state now has of the huge utilities and perhaps inject a new level of politics into how you get your blender or Wii to operate.

Lansing attorney Bill Long once served on the Public Service Commission, the state agency detailed to oversee private utilities such as Consumers and DTE. He points out that the House-approved version of the energy package directed that the chair of the PSC "shall report directly to the governor."

Long didn't know what that meant, and could find no one in the Legislature to take ownership of the phrase or explain its meaning to him.

What Long does know is the PSC was supposed to be set above routine politics. Its three members are granted six-year terms to stretch beyond the term of a governor. And a single political party can claim no more than two PSC members at a time.

So, exactly why would it be good for Michigan to have a utility regulator reporting "directly" to the governor?

Of course, that phrase may not survive the secret conference committee hashing out a final energy package. What is expected to survive the secret sessions are provisions to aid Consumers and DTE.

These utilities, which pay their top execs \$8 million and \$6 million respectively, have pushed an electric law rewrite for months. Despite slackening demand for electricity, these giants want the legal authority to charge their customers now for power plants that may be built in the future.

The supposed "gain" for Michigan here is a legal requirement for renewable power.

But the state can impose a renewable standard without making any changes to electric competition or public oversight. The only reason these issues are linked is because the big utilities demand it.

If these bills become law in any form near what's been discussed, Michigan residents can expect to pay hundreds of dollars more each year for the same amount of power they're using right now.

Of course, these bills don't have to become law; the public does not have to accept them.

Then again, the utilities spend lots of time and money telling legislators what to do, while voters say and do absolutely nothing. Should it surprise if the pols get confused over exactly who they're supposed to heed?

What do you think? Write Derek Melot, Lansing State Journal, 120 E. Lenawee St., Lansing, MI 48919. For past columns, visit www.lsj.com/columnists.
