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## Mich. lawmakers sharpen BWL's edge

The Legislature and Gov. Jennifer Granholm have "succeeded" in pushing up electric rates across Michigan.

One bit of good news to come out of the passage of this bad deal, though, is for the customers of Lansing's Board of Water & Light. They escape most of the impact of this mistake - another selling point for the Lansing area.

Under the state's legislation, residential customers of Consumers Energy and Detroit Edison can expect bills to rise 8 percent to 12 percent.

This was necessary, argue the governor and lawmakers, to get the utilities on board with a requirement for generating more renewable power at home. They also argue this will create savings in the future as Michigan creates electricity here to feed its growing power needs, rather than buying it at higher rates from other places.

Were it truly so.

The reality is that the energy package was a pet project of the two huge utilities. They and their unions lobbied Republicans and Democrats alike. And Granholm went along, apparently because she thought it was the only way to get higher standards for renewable power.

Back in March, though, Attorney General Mike Cox made this point while announcing his opposition to a version of the energy package: "Surprisingly, the sweeping changes are proposed even though Michigan has experienced the lowest commercial and industrial rate increases in the region since PA 141 was enacted. At the same time, the two largest beneficiaries of the proposed legislative changes, Consumers Energy and DTE, are experiencing substantial profits. Consumers expects a 50 percent increase in profits this year, while DTE's profits soared by 80 percent last quarter."

Michigan's electric needs are not soaring. And Consumers and DTE are not hurting.

Nevertheless, the utilities "convinced" the Legislature and Granholm to restrict competition against them and require ratepayers to guarantee the costs of new multi-billion-dollar power plants - and even certain cost overruns on them.

Among those wanting this policy change were two CEOs: David Joos of Consumers (\$8 million in personal compensation) and Anthony Earley of DTE (\$5.5 million in personal compensation).

While the final landscape is not yet clear, BWL says it still will offer residential electric rates 20 percent to 29 percent cheaper than Consumers.

With the quality of leadership in state politics and term limits, it's unlikely that lawmakers will ever regret this decision.

Ratepayers who are not lucky enough to have a municipal utility will.