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September 18, 2006

MADIGAN AND DEVINE ASK APPELLATE COURT TO REVERSE ICC DECISION TO APPROVE ELECTRICITY AUCTION

Auction Prices Approved by ICC Last Week Will Raise Electric Rates 22% at ComEd; 40% at AmerenCIPS and AmerenIP; and 56% for Ameren CILCO

Chicago - Attorney General Lisa Madigan and Cook County State's Attorney Richard A. Devine today filed a brief in the Illinois Appellate Court as part of their ongoing efforts to stop the electric rate increases that were announced on Friday by Commonwealth Edison ("ComEd") and Ameren. Electric rates are expected to skyrocket in 2007 as a result of the electricity auction that ComEd and Ameren held in early September.

"The high electricity prices produced by the auction are unacceptable - these rates are 25% higher than the rates that small customers are currently paying in surrounding states," Madigan said. "This is a terrible time for an increase in electric rates - consumers have already been hit with price increases for other essentials like gasoline, telephone services, natural gas and heating oil."

The Attorney General and State's Attorney are appealing the Illinois Commerce Commission's ("ICC") decision to approve the auction. In the brief filed today, Madigan and Devine argue that the ICC lacks legal authority to approve the market-based rates produced by the auction because competition has not yet developed in Illinois' retail electric markets. "The ICC lacks the authority under Illinois law to approve the electric power auction for residential customers. These customers should not be subjected to unnecessary price increases," said Cook County State's Attorney Richard A. Devine.

"It's unfair to impose high 'market' rates on utility customers who don't have any competitive choices," said Madigan. "Ameren CILCO customers cannot choose to avoid the 56% rate hike by buying electricity from another company that charges less."

Madigan and Devine's brief argues that until competition develops, the ICC is required to set regulated rates to ensure that utilities provide least-cost service to their captive customers: "In the absence of competition, regulatory safeguards are necessary to force utilities to minimize costs" the brief argues.

"The auction approved by the ICC is fundamentally unfair because it does not include any incentives for ComEd and Ameren to minimize costs to their customers," Madigan said. "The utilities have a duty to shop for the best deal

possible from low cost electricity generators. The auction process allows the utilities to avoid that duty at a significant cost to consumers."

-30-

[Return to September 2006 Press Releases](#)