

**MIRS Capitol Capsule**  
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**Choice Coalition Comes Out Swinging**

The chair of a committee considering electric industry reforms claims his legislative changes would allow consumers to still pick a utility, but the head of the Customer Choice Coalition (CCC) said today, "This legislation would literally kill electric choice (and) customers would see rates go up immediately."

The 29 groups making up CCC — from Dow Corning to the Midwest Car Wash Association — contend that Rep. Frank **ACCAVITTI**'s (D-Eastpointe) proposal would "raise rates for residential customers by \$350 million."

Two former Public Service Commission (MPSC) members are at the head of the line in attacking the package. Former MPSC Chair Eric **SCHNEIDEWIND** told *MIRS*, "Residential customers would see the biggest rate increases in the history of the state."

Plus, he said the utilities would automatically get their rate increases without a public review. Now they request a hike and there is a public hearing before any relief is granted.

"This reverses 50 years of precedent," argued former MPSC member Robert **NELSON**. "The most onerous thing is that it sells out customers (and) it gives utilities everything they want."

The House Energy and Technology Committee began two weeks of testimony last week. Accavitti told *MIRS* last week that consumer choice is preserved. The legislation would give customers a small window to choose a provider, after which their choice would be locked in to prevent customers from flopping from one utility to the next.

Schneidewind said consumers can make a choice but then they are stuck for life with that choice and cannot change utilities to avoid rate increases.

The former MPSC chair objected to the process known as "pancaking" under which the utilities can file a rate increase, start to collect the increase and then, if the MPSC rules against the hike, within 90 days the utility can file another request, have it approved and on and on.

"Intervenors (such as the Attorney General) would almost be powerless," Schneidewind argued.

The coalition also opposes another provision that supposedly allows the utilities to pass along to its customers the initial costs of new plant construction. Nelson said, "The customer pays for it ahead of time. All the risk is transferred (from stockholders) to the customer."

"These bills are nothing more than a Christmas present for utilities at the expense of Michigan electric customers," said CCC Executive Director Barry **CARGILL**.