

### Action Stops State's Electric Utilities from Imposing Billions in Rate Hikes Following Summer of Major Service Disruptions

CHICAGO – September 12, 2011. Governor Pat Quinn today was joined by Attorney General Lisa Madigan and advocates from across the state to fulfill his pledge to protect Illinois consumers from massive electric rate hikes. The Governor today vetoed Senate Bill 1652, which would have allowed Illinois' utility companies to impose billions of dollars in automatic rate hikes every year for the next decade, while eroding more than a century of consumer protections.

"More than 1.5 million people and businesses have had to deal with power outages and services disruptions this summer," Governor Quinn said. "Now these same utilities are trying to change the rules to guarantee themselves annual rate increases and eliminate accountability. I will not support a bill that contains sweetheart deals for big utilities, which could leave struggling consumers to pick up the tab for costs such as lobbying fees and executive bonuses. We can ensure innovation and investment in our electric grid, and create new jobs, without compromising core safeguards for Illinois consumers."

The legislation would strike more than 100 years of Illinois consumer protection law and weaken the oversight ability of the Illinois Commerce Commission to reign in excessive rate hikes that will heavily burden consumers and disproportionately harm seniors, minorities and low-income households. Without adequate oversight and effective performance metrics, Illinois ratepayers will be forced to pay billions in rate hikes, while potentially receiving the same subpar service they have for many years.

"This bill would have been devastating for Illinois consumers," Attorney General Madigan said. "At a time when people are already struggling to pay their bills, the utilities want to make an end run around the regulatory process and stick consumers with huge annual rate increases for unproven technology—all so they can guarantee their profits for the next decade. That's not a proposal I can support."

Senate Bill 1652 also gives unprecedented advantages to Illinois utilities that have less-than-stellar records for providing reliable service. Recent storms in the Chicago area exposed significant service shortcomings when more than 1.5 million people suffered through

## Governor Quinn Vetoes Senate Bill 1652

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lengthy and widespread outages. Local businesses and consumers who depend on regular, predictable electricity suffered enormously.

The stated purpose of the bill is to allow the implementation of Smart Grid technology, which the Governor and many advocates support in concept as part of an overall strategy to make Illinois a leader in the clean energy economy. But Senate Bill 1652 puts too heavy of a burden on consumers at a time when they aren't getting the service quality they are already paying for each month. In addition to locking-in extremely high profits in exchange for lower risk by the utility, the measure also includes provisions that have nothing to do with improving service and could stick ratepayers with the cost of executive bonuses and lobbying fees.

Today's action was supported by AARP, the Citizens Utility Board, Citizen Action/Illinois, the Environmental Law and Policy Center, and many business and consumer groups. Along with the state's other leading consumer advocates, Governor Quinn and Attorney General Madigan are urging consumers to contact their legislators and convince them to uphold the veto.

The Governor also announced his support for reforms proposed by the Illinois Commerce Commission that move Illinois towards the goal of modernizing the electric grid, reforming the regulatory system and protecting rate payers. House Amendment # 3 to House Bill 14 represents a good faith effort toward modernizing the grid, reforming our regulatory system, and protecting Illinois' ratepayers.

For more information on how to get involved in stopping rate hikes, visit [www.SayNoToRateHikes.org](http://www.SayNoToRateHikes.org)

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