

**Customer Choice
Coalition Member
Organizations**

Association of Businesses
Advocating Tariff Equity (ABATE)

Associated Petroleum
Industries - Michigan

Auto Dealers of Michigan LLC

Business & Institutional Furniture
Manufacturers Association

Competitive Power Ventures/New
Covert

Dow Corning Corporation

Energy Michigan

Great Lakes Petroleum Retailers &
Applied Trade Association

LS Power

Metropolitan Hospital

Michigan Association of
Broadcasters Service Corporation

Michigan Association of
Convenience Stores

Michigan Association of
Intermediate School Administrators

Michigan Association of
Non-Public Schools

Michigan Association of School
Administrators

Michigan Association of School
Boards

Michigan Grocers Association

Michigan Interfaith Power & Light

Michigan Petroleum Association

Michigan Press Association

Michigan Restaurant Association

Michigan Retailers Association

Michigan School Business Officials

Michigan School Energy
Cooperative

Midwest Car Wash Association

Middle Cities Education
Association

National Federation of
Independent Business

Small Business Association of
Michigan

Spartan Stores



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Opposition grows to Accavitti plan that would raise electric rates, kill choice and competition

Opposition is growing to legislation that would take away choice from Michigan's electric customers and raise rates for residential customers by \$350 million.

Groups representing electric customers, including senior citizens, schools and business, along with independent energy companies joined former Michigan Public Service Commission members in expressing strong opposition to House Bills 5520-24, being pushed this week by Rep. Frank Accavitti, D-Eastpointe, who chairs the House Energy and Technology Committee.

“Electric choice has held down electric rates and encouraged construction of new power plants to try to meet Michigan's needs,” said Eric Schneidewind, former chairman of the Michigan Public Service Commission. “These bills will kill competition, remonopolize our electric systems, and lead to higher rates for electric customers in Michigan.”

William Knox, AARP's associate state director for government affairs, said the bills will lead to electric utility rate increases of \$350 million for residential customers, and “trap residential ratepayers in a hell of rate increases” by preventing customers from changing electric providers. Knox also noted that the bills will require customers to begin paying for power plants while they are still in construction, recalling the “nightmare of the 1980s, which saw horrendous multi-billion dollar cost overruns in new power plants ultimately paid for by customers.”

Ray Telman, executive director of the Middle Cities Education Association and administrator of the Michigan School Electric Cooperative, said that Michigan's schools have saved millions of dollars thanks to electric competition, and those dollars are showing up in classrooms.

Mary Dechow, director of corporate communications and public affairs for Spartan Stores, said being able to choose from several electric providers is vital to her company. “We are saving hundreds of thousands of dollars each year by being able to shop for electricity,” Dechow said. “We are not afraid to change providers. These bills would force us to make a one-time choice about our electric company – and that is no choice at all. These bills damage Michigan's business climate.”

Former Michigan Public Service Commission member Robert Nelson, who served on the commission as it implemented the Customer Choice & Electric Reliability Act of 2000 (Public Act 141), said he saw no reason for the state to hand over its electric system to monopoly control. “Electric competition has been a win for customers and utilities up to now. Make no mistake about it. These bills will hurt

customers and raise rates in our state. They make Michigan's utilities winners – and their customers the losers.”

The move to kill competition comes as independent electric marketers are considering providing new alternatives to state residential customers in Michigan. Tanya Paslawski of Direct Energy and Morley Silver of Universal Energy Corporation said their firms see plans by the two major utilities to raise residential rates this summer as an opportunity for them to offer relief by providing new choices to those customers. “Our companies are prepared to come to Michigan and offer service. But we cannot do so if these bills pass,” said Paslawski.

Silver delivered 6,000 petitions signed by residential customers who said they oppose ending electric choice. A poll conducted last year showed 77 percent of Michigan residents opposed ending electric choice for residential customers.

Barry Cargill, executive director of the Customer Choice Coalition, noted three independent power companies are moving toward building new generation in Michigan today. “Michigan's utilities say they need guaranteed profits to build a new plant. That's nonsense. We know that free enterprise works. These bills will put the cost of building new plants – including cost overruns -- on the backs of customers. These bills will hurt true private sector investment in Michigan.

“These bills are nothing more than a Christmas present for utilities – at the expense of Michigan electric customers,” Cargill added. “There is no reason for these bills to be jammed through the House during December. We hope the Legislature has learned that haste makes waste when it comes to controversial issues.”

The Customer Choice Coalition is Michigan's only organization bringing together residential, commercial and industrial customers and suppliers of power. Its members include the Small Business Association of Michigan, ABATE (the Association of Businesses Advocating Tariff Equity, representing major manufacturers in Michigan), school energy buyers, Energy Michigan and independent power producers. For more information, visit www.customerchoicecoalition.org.