

Former Michigan Public Service Commissioners oppose major sections of energy remonopolization bills

Seven former members of the Michigan Public Service Commission, including Democrats, Republicans and Independents who served from the 1970s to 2007, have announced their opposition to major parts of the energy package now before the Senate.

“We believe these bills have serious flaws and would create unnecessarily high rates for Michigan ratepayers without providing for proper levels of electric development in our state,” said the seven commissioners, including three former chairs of the commission and those appointed as Democrats, Republicans and Independents.

Among the key issues the seven singled out:

1. Restriction of competition to 10 percent of electric load while significantly raising residential electric rates.
2. File and use rates, which allow utilities to raise rates before final orders are issued is contrary to the will of Michigan voters.
3. Limitations on the MPSC’s ability to limit cost overruns
4. Provisions that overturn recent Michigan Public Service Commission orders with legislative votes. The legislation provides a \$60 million rate hike to Consumers Energy that has previously been denied by the Michigan Public Service Commission.
5. A requirement that the chairman of the MPSC to report directly to the governor, compromising the commission’s independence.

“It seems as if the legislation seeks to remonopolize while largely deregulating our two major utilities. If we want to remonopolize, we should add more, not less, government oversight of these two huge corporations,” said Ron Russell, who was appointed as a Democratic member of the commission by Gov. James Blanchard and served from 1988 to 1995. “I am particularly concerned about killing choice at a time when our two major utilities are seeking massive rate hikes that will have a devastating impact on seniors and low-income families.”

“Michigan electric customers, large and small, deserve better than this package,” said Robert Nelson, a former Director of Policy for the Public Service Commission as well who was appointed by Gov. John Engler as an Independent member of the commission and served from 1999 to 2005. “We can best protect ratepayers by encouraging more competition, not less, among companies who want to provide for Michigan’s electric future.”

“Michigan’s hybrid electric plan has proven to be one of the best in the nation, opening the system to market forces where appropriate while providing government regulation when necessary. The changes proposed in this package would be a step backward,” said Laura Chappelle, a Republican former chair of the commission, who served from 2001 to 2007 after appointment by Gov. John Engler.

Others who signed the letter expressing their concerns about the legislation in a letter to lawmakers, Gov. Jennifer Granholm and Attorney General Mike Cox were:

- Eric Schneidewind, former chair of the commission, who was appointed as a Republican by Gov. William G. Milliken and served from 1979 until 1985.
- Bill Long, former chair of the commission, who was appointed by Gov. Blanchard, and served as an Independent from 1985 to 1991.
- Dave Svanda, appointed as a Republican by Gov. Engler who served from 1995 to 2003.
- John O’Donnell, appointed as a Republican by Gov. Engler who served from 1991 to 1995.

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