

MIRS Capitol Capsule

August 11, 2008

Advocates Urge Gov To Oppose Deskewing

Several of the state's advocacy groups today urged the Governor to oppose the new energy legislation, which allows for the deskewing of the rate system, a move, they say, will hurt lower-income families in the face of soaring energy costs.

The current "skewed" energy system means that Michigan industries pay significantly higher utility rates than consumers, which they contend amounts to a consumer subsidy. Deskewing the system would lead to Michigan residential customers paying higher rates than they do now and industry paying lower rates.

The Senate Fiscal Agency estimates that residents could see a 25 to 28 percent increase in energy costs if the Democratic [HB 5524](#) is passed in its current format.

The bill aims to restructure the state's utilities market, including a significant increase in mandatory renewable energy benchmarks for the future.

The Michigan Catholic Conference and the Michigan League for Human Services, joined by several other state advocacy groups, urged Gov. Jennifer [GRANHOLM](#), the 148 Legislature members and the Michigan Public Service Commission to exempt residential users that qualify for the "eligible low-income customer rate" from the deskewing rate hike.

"[HB 5524](#) and the renewable energy package will immediately raise electric rates for every Michigan family, putting further strain on the poor, the elderly, and those on fixed incomes. When everywhere we turn the cost of living is increasing -- from fuel for vehicles to food for our tables -- many Michigan families will simply be unable to afford these energy cost increases. This will place at-risk children in Michigan families in even greater peril," the group's wrote in their letter to Granholm and the Legislature.