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CONSUMERS DIRECTED ON RATE INCREASE

The Public Service Commission on Tuesday said that if Consumers Energy decides to raise residential electric rates it has to apply a specific rate design that would set the increase at an average \$3.76 a month at households.

A spokesperson for the Customers Choice Coalition called the decision another reason why the state needs to change the 2008 utility law that sets a cap on the number of customers that can go to other utilities.

With the increase that will likely go into effect on July 22, Dave Waymire of the coalition said Consumers Energy rates will have gone up by some 20 percent since the 2008 law was passed.

The total increase Consumers can self-implement on that date totals \$150 million, the PSC said.

Last January, Consumers filed for an increase that would total \$178 million. It then revised its total rate increase to \$150 million.

In its statement the PSC said it will read the record to cut the time for the self-implemented rates can stay in effect and issue its final order in the case by January 20, 2011.

Mr. Waymire said if the current 10 percent limit on individuals and companies choosing other utilities was boosted to 25 percent the state's two largest utilities, DTE and Consumers, "could no longer raise rates with impunity."

If state taxes had gone up by 20 percent in two years, businesses and residents would have a fit, Mr. Waymire said, but for some people electric rates are higher than their electric rates.

In another case, the PSC directed Indiana Michigan Power Company to use rates it proposed to implement a \$44.3 million rate increase. The increase will raise the average household rate in St. Joseph by \$8.65 and in Three Rivers by \$9.02.