



Pennsylvania v. Brezhnev.... Remember the “Brezhnev Doctrine”—once you’re part of the bloc, there’s no changing? Pennsylvania utility regulators now defend their state’s crumbling electric restructuring program, saying, among other things, it has to work because there’s no way back to traditional regulation. Initially strong and often cited in past years as **the wave of the future**, PA retail competition has withered away; now big rate hikes are on the horizon with artificial caps expiring in ’08 and ’09. Speaking of **rate hikes**, some lawmakers in **Illinois** think they’ve found an answer after recently expired caps opened the door to rate increases exceeding 50 percent. Their solution: finance ratepayer refunds with a new tax on generating companies, which *of course* won’t raise electricity prices. **Investor-owned utilities** helped drive the restructuring bandwagon in the ’90s; now **Michigan** “IOUs” want repeal, and they blame provider-switching by big users for higher costs to residential customers.