



EYE ON THE INDUSTRY

**Monthly Notes on Issues
Affecting Wisconsin Consumers**

Auctioned off....Illinois electricity consumers pay the price for the politically manipulated transition to market-based rates. The 1997 Legislature mandated a 20-percent rate cut and a nine-year freeze; now—surprise—the state’s first auction to supply utilities with post-freeze wholesale power spells **rate hikes** as high as 55 percent and calls to keep the freeze in place. At press time, a special session to clean up (or complicate) the mess is being considered. **The right to choose a power provider** “has still not evolved into the **ability to choose,**” according to **Virginia** state regulators. An annual progress report says implementation of a 1999 restructuring law has led to an alternative provider serving 1,300 VA residents and 19 small businesses, with legislated rate caps set to expire 1-1-11. **Merger fever chills** as Chicago’s **Exelon** walks away from a \$17 billion acquisition of New Jersey’s **Public Service Enterprise Group** and its two million electricity and gas consumers. In 19 months of talks, the companies were unable to strike an agreement with New Jersey regulators on market power issues. Exelon is now rumored to be eyeing Ohio’s **FirstEnergy** as a new target.