

September 12, 2011

To the Honorable Members of the  
Illinois Senate,  
97<sup>th</sup> General Assembly:

I commend the General Assembly for their important work on this legislation and I pledge to continue working with lawmakers in the coming months.

For more than 100 years, our State has regulated electric utilities to protect consumers from higher energy bills and unfair utility costs. When the citizens of Illinois pay their utility bills, they do so with the expectation that the payments are used for reliable, dependable and affordable service. I share their expectation and cannot support a measure that places the profits of electric utilities ahead of the people of Illinois.

Senate Bill 1652 represents a drastic departure from a long tradition of Illinois laws protecting consumers against high energy bills. In particular, this bill grants unprecedented advantages to Illinois utilities that have a less than stellar record for providing reliable service. Recent storms in the Chicago area exposed significant service shortcomings and more than 1.5 million people suffered through lengthy and widespread outages. Local businesses and consumers who depend on regular, predictable electricity suffered enormously. These interruptions impose a profound hardship on the State's economy and are simply unacceptable.

More troubling is that while customers suffer service interruptions and higher rates, these same utilities have been in Springfield advocating for a bill that erodes meaningful consumer protections. These utilities have been trying to dramatically change the rules to guarantee annual rate increases, while eliminating accountability for, literally, leaving people in the dark.

The bill before me strips away vital oversight and allows these utilities to benefit from unnecessary costs, higher corporate profits, and inherently flawed performance standards. For example, Senate Bill 1652 ties utility profits to the number of outages they can avoid each year; however, the bill also excludes the nine worst storms from this calculation. By doing so, this bill rewards unacceptable service.

Senate Bill 1652 would also establish a formula rate that allows vast profits for the electric utilities without effective performance metrics. Illinois ratepayers will be forced to pay billions

in rate hikes, while receiving the same subpar service they have for many years. I will not support a measure that contains sweetheart deals for big utilities, which could leave struggling consumers to pick up the tab for costs such as lobbying fees and executive bonuses.

I support regulatory reforms that ensure necessary, innovative investments in our electric grid. However, I will not compromise core safeguards for Illinois consumers. Our State can encourage substantial investments in our electric grid that will create lasting jobs, promote environmentally-friendly policies, and make Illinois a leader in the clean energy economy, while maintaining our place as a leader in consumer protection.

In the coming weeks, I look forward to supporting a bill that achieves these goals. I encourage members of the General Assembly to consider the plan put forth by the Illinois Commerce Commission, filed as House Amendment #3 to House Bill 14. This bill represents a good faith effort toward modernizing the grid, reforming our regulatory system, and protecting the ratepayers of our State.

Therefore, pursuant to Article IV, Section 9(b) of the Illinois Constitution of 1970, I return Senate Bill 1652 to the Illinois Senate, entitled "AN ACT concerning public utilities." with the foregoing objections, vetoed in its entirety.

Sincerely,

PAT QUINN

Governor