

RESOLUTION NO. 8788-R4

A RESOLUTION REGARDING
ILLINOIS POWER COMPANY RATE INCREASE

WHEREAS, the rates for electrical service in Urbana and other communities served by the Illinois Power Company have increased radically this summer; and

WHEREAS, such increases have created significant hardships, particularly upon those with limited budgets or fixed incomes; and

WHEREAS, increases in the costs of electrical service also adversely affect many businesses and industries, having a detrimental effect on their competitive position and in some cases their ability to survive, as well as escalating the prices charged to consumers for goods and services; and

WHEREAS, even more dramatic rate increases are projected as the actual costs associated with the Clinton Nuclear Power Plant are put into the rate base; and

WHEREAS, serious issues have been raised about various aspects of the construction of the Clinton Nuclear Power Plant and questions raised about the propriety of rate payers bearing all the expense; and

WHEREAS, groups and agencies such as Citizens Against Illinois Power, the Citizens Utility Board and the State of Illinois Office of Public Counsel are all involved in addressing these concerns.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

1. That the Urbana City Council supports all reasonable efforts to deal with the concerns that Urbana citizens and Citizens Against Illinois Power have expressed regarding Illinois Power rate increases, and supports:

- A. Illinois Commerce Commission's recommendation that Illinois Power rebate to its users the \$20,000,000 that Illinois Power has offered to rebate.
- B. Is in total agreement that Illinois Power follow through with their rebate proposal.

2. That the Illinois Commerce Commission be requested to take the following steps to address those concerns:

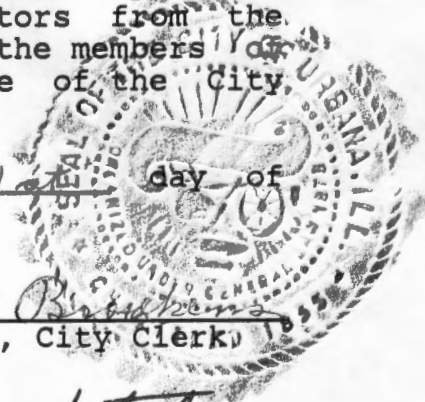
- A. Carefully scrutinize all future requests for rate adjustments and hold increases to the absolute minimum in view of other prior and anticipated adjustments; and
- B. Carefully consider audit information and oppose any costs for the Clinton Nuclear Plant arising from the construction of excess capacity and imprudent management; and
- C. Reduce the allowed rate of return to a level that reasonably reflects the state of the economy and the security of investing in a regulated utility.

3. That the Governor and State Legislature take the following steps to assist efforts to deal more effectively with the issues and options that have been identified as a result of citizen concerns:

- A. Significantly increase State financial support to State agencies that are advocates for the interests of utility rate payers, and the ICC; and
- B. Study and enact laws to make it more feasible for a municipality to acquire a utility service.

4. That the City Clerk be directed to send copies of this resolution to the Governor, State Legislators from the Urbana-Champaign area, Illinois Power Company, and the members of the Illinois Commerce Commission so they are aware of the City Council's strong interest in this matter.

PASSED by the City Council this 21st day of September, 1987.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 30th day of September, 1987.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor