

2/10/97

10-R-97

A RESOLUTION

In Support of the Principal Issues
to be Resolved in Restructuring the Electric
Utility Industry in Illinois

WHEREAS, the Electric Utility Industry is undergoing significant restructuring at the Federal and State level; and

WHEREAS, the State of Illinois has joined with other states to study the impact of deregulation and industry restructuring; and

WHEREAS, Governor James Edgar of Illinois had appointed a Technical Advisory Group (TAG) composed of individuals and groups interested and experts knowledgeable in the electric utility area; and

WHEREAS, TAG set forth a set of principal issues which they believed needed to be resolved in restructuring the electric utility industry in Illinois and reforming its regulation; and

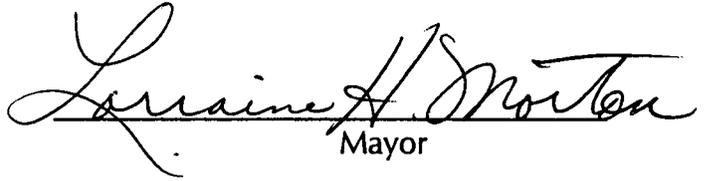
WHEREAS, the Evanston Energy Sub-Committee and the Evanston Energy Commission has reviewed the TAG recommendations and agree with slight modification the principal issue set forth therein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: That the TAG principles set forth in Appendix A are agreed to in principle by the City of Evanston.

SECTION 2: That the Illinois legislature is encouraged to move forward with due diligence to address this critical issue for the citizens of the State of Illinois.

SECTION 3: That this Resolution shall be in full force and effect from and after the date of its passage and approval in the manner required by law.



Mayor

ATTEST:



City Clerk

Adopted: February 10, 1997

APPENDIX A
Areas of Agreement with the Technical Advisory Group

1. Retail direct access can and should be allowed. It is a question of when, not whether.
2. All participants have a compelling interest in maintenance of safe and reliable electric service and a utility infrastructure that is capable of providing it.
3. There must be a speedy transition period and transition mechanisms to enable electric utilities to move from the current (and Historic) method of regulation to a system that is largely market and competition driven.
4. Evanston does not support legislatively-imposed stranded cost recovery mechanisms.
5. If there are regulatorily-imposed stranded cost recovery mechanisms, utilities should mitigate their potential stranded costs.
6. Restructuring and regulatory reform must be accomplished in a way that results, ultimately, in all customers, whether aggregated or not, having the opportunity to benefit from the competitive market. Further, if there is a transition period during which customers become eligible to choose direct access at varying points in time, other benefits should be provided to those customers not yet allowed direct access during that period.
7. Aggregation of customer loads, particularly by smaller customers, to access the competitive market must be allowed. Local units of government must be given the option to become aggregators.
8. Electric utilities must provide non-discriminatory transmission and delivery service to all suppliers and customers at a price based on the cost of service.
9. All electric power suppliers and non-utility suppliers must follow the technical and operation rules, policies, procedures, and practices needed to maintain the integrity of the integrated transmission and distribution system.
10. A method must be developed to fund universal service and other social policy objectives that is competitively neutral and spreads the burden among all market participants.
11. Taxes applicable to Illinois electric utilities-including at a minimum the Public Utilities Revenue Tax-must be modified or replaced with competitively neutral taxes applicable to all market participants that maintain(or increase) the states' and local government's revenues from this source.

