

[Print this Page](#)[«--back to story](#)

Residents voice opinions, concerns over rising rates

By Jenny Lancour

POSTED: October 9, 2008

ESCANABA - Rising electric rates in Escanaba were the hot topic of discussion during the Electrical Advisory Committee (EAC) meeting Wednesday. About three dozen people attended with many expressing concerns about the anticipated increase in power prices.

Small business owners and representatives from large industries in Escanaba urged the EAC to make the right decision, especially in light of so many of their other costs, like transportation, going up.

Electric customers were informed last week that power rates could increase substantially - as much as 45 percent - due to a potential \$1 million fee the American Transmission Co. (ATC) may ask the city to pay for installation and maintenance of transmission lines.

On top of that, the city may have to purchase more expensive coal this year due to a mine closure.

Because of a mine bankruptcy earlier this year, the city was forced to find another source of coal which was more expensive. Rather than increase electric rates by the 13 percent needed to pay for the alternate coal, the city opted to use money from its electric fund to make up the cost difference.

The city can't afford to dip into the electric fund to offset the pending rate hike, City Manager Jim O'Toole said in a special televised address to the public. At that time, he encouraged the public to get involved in the decision-making process.

Several people responded to that request at Wednesday's EAC meeting.

Dave Barton, vice president of purchasing for Engineered Machined Products (EMP), the city's largest power consumer, told committee members that some employees have been laid off and not called back to work at EMP because of rising costs, like transportation. He urged the EAC to choose the most economical power source.

"We ask that you give serious consideration to buying power elsewhere," Barton said.

Because of Escanaba's aging 50-year-old power plant and the rising cost of coal to fuel the facility, the city has been seriously looking at alternative energy supply options for several years. Buying power from an outside supplier has been determined to be the least expensive route for the city.

At Wednesday's meeting, the EAC made recommendations for city council to pursue a second round of proposals to purchase power and sell the plant. (See related story.)

Local businessman Jeff McCall said he's concerned how electric rates will affect the city's growth.

Rod Stende, general manager at Elmer's County Market, estimated the electric rate hike would cost the business \$100,000 more.

"We'll need to make cuts," he said, adding that increases in minimum wage, fuel, stock and supplies have already risen. "Everywhere you turn, there's an increase."

Stende requested the EAC "look at dollars and cents" and how its decision will affect the local economy.

Brad Mantela, owner of Dobber's Pasties, said he echoes the concerns expressed already from big and small businesses.

"With these increases we're talking about, I'm going to have to cut two part-time employees," Mantela said.

Lil Zorza, owner of a downtown business, requested the EAC not raise electric rates because she can't make ends meet now. "I'm between a rock and a hard place and I don't know where to go," she said.

John Anthony, president of Andex, said Escanaba is a wonderful place to live but not the easiest place to

do business. The company's annual electric costs are already a quarter of a million dollars. A 45 percent increase would increase Andex's yearly electric bill by \$112,500, a substantial increase, he said.

"I ask that our power rates be competitive," Anthony said. He suggested short-term rates stay where they're at and for the EAC to do what it can for long-term rates. He also thanked committee members for their efforts and wished them good luck with their decision.

On behalf of the downtown businesses, Downtown Development Authority Director Roger Good urged the EAC to keep in mind these businesses and how they'll be affected by electric rate hikes.

[Subscribe to Daily Press](#)