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## Firm delivers favorable electricity report

(<http://www.pioneerlocal.com/hinsdale/news/227787,hi-electricity-012507-s1.article>)

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By Eric Martin | STAFF WRITER

Not only would service be materially improved and rates potentially be lowered, but starting a municipal utility also could be a value of tens to hundreds of million dollars to Hinsdale over 25 years, a consultant studying the proposal said Tuesday.

The comment came after Latham & Associates President Robert Latham delivered his company's proposal to the Village Board Tuesday. The board tapped his firm to study the feasibility of forming a municipal power utility while trustees consider whether to hold a referendum on the proposal.

After the report, Village President Michael Woerner expressed readiness to ask residents whether they want a municipal electric provider to replace ComEd service.

"The numbers are more favorable than what I ever imagined," Woerner said, before also expressing confidence in the consultant's numbers.

He said the board is not yet ready to ask the other two ballot questions required to implement the proposal, including whether to issue bonds for startup.

ComEd has faced pressure from Hinsdale after 2005 had 3.8 times more outages in the village than in the rest of the Chicago area system, according to the village Web site. ComEd representatives have said that projects have improved those numbers in 2006.

Latham said reinvestment over the last 30 and 40 years in the subtransmission system has gone to more distant suburbs. Similarly, the local distribution system in Hinsdale saw 70 percent of its investment during the 1950s through the 1970s, according to the study.

Latham estimated that if the village were to take over ComEd equipment in Hinsdale through condemnation, it would have to invest \$6.9 million, while it would cost \$23 million to replace the entire system with modern technology, according to report's estimates.

At the lower of those two numbers, that would be a value to the village of an estimated \$117 million over 25 years.

"The \$117 million we're estimating is basically the amount of money available for village purposes, either for reducing rates or investing in reliability, system upgrades or potentially village improvements," Latham said.

If the village invests \$40 million for subtransmission improvements and to bury its above-ground power lines, the value is \$82 million. The estimates were based on electrical rates paid by residents and by larger nonresidential properties, which may not use ComEd.

Although the projections show an electrical utility operating at a loss in the first year, with those additional investments, in the fifth year the village starts saving money.

The village will hold an informational meeting on the proposal at 7 p.m. today (Thursday) at Memorial Hall, 19 E. Chicago Ave.

The Village Board will vote Feb. 6 on whether to put the proposal on the ballot.