

Sunday, June 5, 2005

Deregulation Shorts Out

Power giants give politicians in Michigan \$1.5 million

Utilities, legislators say money enhances access, not influence; watchdogs are wary.

By Charlie Cain and Mark Hornbeck / The Detroit News

Michigan's giant utilities shelled out more than \$1.5 million to state officials in the middle of a major upheaval in the state's electric industry.

Campaign finance records show the [DTE Energy Co.](#) political action

committee gave \$884,000 to lawmakers, the governor and attorney general during the last three elections, while Consumers Energy gave nearly \$700,000.

By comparison, alternative electric suppliers who are trying to muscle into the previously exclusive domain of the big two donated \$128,000. The industry was partially deregulated by state law in 2001 and lawmakers continually look at revising the act, usually at the request of Edison.

The former monopoly utilities that control 90 percent of the state's utility market are trying to limit competitors from luring away their customers, and they need help from public officials to keep them whole.

"Utilities are always at the top of the list in terms of contributions to both sides. That translates to a significant voice," said David Svanda, former public service commissioner who now is a private consultant. Utility officials say they aren't necessarily expecting favorable treatment in the Legislature for their contributions.

"Obviously, you're paying for access," said Anthony Earley Jr., chairman and CEO of DTE Energy Co. "We get involved in the campaign stage in trying to elect responsible, smart public officials who are willing to discuss the issues."

Rich Robinson, executive director of the nonpartisan Michigan Campaign Finance Network watchdog group, said utilities expect something more for the money they give.

"Utilities don't give money away for selfless reasons. They have one meaningful measure -- the bottom line. They spend a ton of money to advance their interests," Robinson said.

The utility political action committees gave over the last three cycles \$77,930 to the six sponsors of a package of bills Detroit Edison pushed last year that would have redrawn electric restructuring in its favor.

The bills languished, but much of it what they sought to accomplish

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was done by order of the Public Service Commission, which some say was really the target of Edison's efforts.

Of 25 lawmakers who were the top beneficiaries of electric company donations, 20 were current or past members of legislative energy or regulatory reform committees that deal with laws directly affecting the utilities. They received \$265,365 from the utility committees.

"The fact that the money continues to flow to candidates year after year after year shows the utilities think they're getting their money's worth," said John Chamberlin, president of Common Cause in Michigan, a nonpartisan clean-government group. "We should be concerned when money like this is spent for other than the public interest. It shows why we should have tighter controls on political giving."

Ken Bradstreet, former chairman of the House Energy & Technology Committee who now does consulting for Wolverine Power Co., said the \$14,320 he got from utilities and alternative providers did not sway him.

"Their clout is sizeable, they contribute generously to both caucuses, they're very generous with legislators," Bradstreet said. "I never looked to see who was giving me money. I couldn't be objective if I did."

Apart from campaign contributions, Consumers Energy spent \$347,108 on state lobbying in 2003-04, while DTE spent \$340,498 -- including \$469 on three meals attended by Senate Technology & Energy Chairman Bruce Patterson.

The International Brotherhood of Electrical Workers, whose position on deregulation usually mirrors that of the companies that employ thousands of members, gave \$315,000 to lawmakers in the last three election cycles, another \$81,500 to legislative PACs, \$37,000 to Gov. Jennifer Granholm and \$342,000 to the state Democratic Party.

"DTE Energy is the largest employer of our members, and we understand if the company is not healthy, our people feel the trickle-down effect," said Bob Eckhout, president of IBEW Local 17 in Detroit.

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