

Opinion: Electric ratepayers are being used

By Dave McClure

Liberty Utilities, owned by Canadian utility giant Algonquin Power, is on a mission to raise our rates for electricity to feed their insatiable appetite for more profits. Look out California Lake Tahoe residents, businesses, and homeowners as the foreign corporation spins their message that rate increases are necessary for “safe and reliable service.”

Don't be taken in by their siren's song.

Remember the last general rate case in which Liberty claimed only a modest 4.6 percent increase beginning January 2013? We wrote that it was deceptive because the 4.6 percent accounted for only \$3.75 million of their approved \$12.5 million. The rest of the increase (\$8.7 million) was temporarily offset by a refund of over-collected wholesale power costs. That refund will end next year resulting in a huge rate increase.

On top of that rate increase Liberty has applied to the California Public Utilities Commission (CPUC) to retroactively collect more than \$2 million from vegetation management expenses from 2012. And there are other projects Liberty will be asking for “rate relief” or increased rates to add to their profits.

The largest of these is an unnecessary \$50 million boondoggle called “the 625/650 line upgrade.”

Liberty admits this project will cost ratepayers about \$7.5 million more per year. Where can you invest money today for a 10 percent after tax (yes, we pay their taxes) guaranteed by state government regulators?

If it could get worse, it does. This monstrous project is not technically justified, and the North Tahoe Citizen Action Alliance has hired an expert utility engineer with 25 years experience with Southern California Edison to bring technical honesty to this CPUC proceeding.

Liberty carried this project forward from Sierra Pacific Power Company (SPP) based on a technical report from 18 years ago. At the time SPP owned the Nevada and California service territory and conceived this loop upgrade to better serve their customers in Truckee and Incline Village.

Liberty is putting the entire cost of SPP's project on the backs of Liberty ratepayers. In addition, one leg of the loop is in the Lake Tahoe Basin (from Tahoe City to Kings Beach) calls for the largest tree removal (25,000 trees) and road building project in the Tahoe basin's history.

The independent expert has shown their technical studies are obsolete, deeply flawed, and carefully edited to try and prove their case. For several years Liberty has been delaying – holding hostage – a necessary but relatively inexpensive upgrade in an “all or nothing” strategy. We have suggested a staged alternative that may preclude any need for environmental damage to the Lake Tahoe Basin. Liberty is not cooperating with our data requests, because they just want fast track approval from the CPUC.

It's time to fight for justice, honesty, and technical reality. It's time to tell the foreign owners to end their campaign of misinformation and stop pillaging the Tahoe Basin. We are not their sheep. Never in the modern history of Lake Tahoe has there been so egregious an attack on our outstanding national resource, and on all of Liberty's 49,000 California ratepayers, for a project with a clearly false technical basis – only corporate spin, fear, and “we know what is best and we'll take care of you” rhetoric.

We need Tahoe residents to send this message to Liberty Utilities, to the Tahoe Regional Planning Agency prior to their approval, and to the California Public Utilities Commission.

Dave McClure is president of North Tahoe Citizen Action Alliance.