

Electricity supplier to Calif. side of basin changing hands

By Kathryn Reed

In a few months, electric customers on the California side of the Lake Tahoe Basin will no longer be writing monthly checks to Sierra Pacific Power. Instead, it will be to CalPeco – short for California Pacific Electric Company.

California Pacific Electric Company is a newly formed company jointly owned by Algonquin Power Income Fund and Emera Inc.

All that is holding up the \$123 million transaction is the Nevada Public Utility Commission. That entity meets in December.

On a 4-1 vote this month the South Lake Tahoe City Council agreed to swap names on the franchise agreement to reflect who will be supplying power to the area.

The California PUC approved the sale Oct. 14.

Representatives from NV Energy and CalPeco addressed the council last week to talk about what the 46,000 customers throughout the basin and from Portola to Markleeville can expect in the future.

The idea is nothing changes in terms of delivery of electricity. The new company will actually be buying its power from NV Energy for at least the first five years. CalPeco would like to develop alternative energy sources.

All Sierra Pacific employees have been offered jobs. More jobs will be available when CalPeco opens a service center in South Tahoe. California rebates often not available to Sierra

Pacific costumers because their power came from Nevada should be a non-issue with CalPeco being a California utility.

Christopher Hilten with NV Energy and Bob Dodds with CalPeco said customers would not be burdened with a rate increase because of the sale.

"I don't buy it," was resident Tom Davis' reaction.

Councilman Bruce Grego was thinking the same thing, as he was the lone vote against transferring title of the franchise, which expires in 2018.

"I believe we will see a rate increase because it's a little company that will buy power from Sierra Pacific. I think staff should do more review," Grego said.

Although the state PUC is the overseer of all rate increases, hikes are not allowed based on an acquisition like this. Utilities may ask for an increase every three years.