Petition aims to block some NV Energy rate increases

By Cy Ryan, Las Vegas Sun

CARSON CITY — The state Bureau of Consumer Protection wants the rules changed to head off some future rate hikes by NV Energy, which announced last week its profits nearly doubled in 2012.

The bureau petitioned the state Public Utilities Commission on Monday to require the utility to reveal if it made excessive profits when filing for more revenue due to lost sales.

“We are asking the commission to require NV Energy to make a showing as to whether they are earning more than authorized,” said Dan Jacobsen, technical staff manager for the consumer bureau.

NV Energy was granted an application by the PUC last year to impose a near $10 million rate surcharge to make up for revenue lost by conservation measures by customers. NV Energy, which serves 2.4 million customers in Northern and Southern Nevada, maintains that the law entitles it to make up for such reduced revenue.

Karl Walquist of NV Energy said he has not seen the newly filed petition and would not comment. But he added the company files a quarterly public report listing the finances of the utility.

In its latest announcement, NV Energy reported it earned a net income of $322 million, up from $163.4 million from 2011.

Jacobsen said, “Consumers should not be required to provide lost sales compensation if the company is earning more than the commission authorized at the most recent rate case.”

The utility said a rate increase of $158.6 million effective in January 2012 was a factor in the improved earnings. And the unusually hot weather in Southern Nevada aided the earnings and cash flow last year.

Michael Saunders, senior deputy attorney general who drafted the petition for the consumer bureau, said the quarterly information released by NV Energy does not reveal if the company earned a profit that exceeded the rate approved by the PUC.

He asked the PUC to enact a rule to require the power companies to submit this profit data when they seek to impose a surcharge for lost sales.

NV Energy has also introduced a bill in the state Senate to extend from three years to five years the time when it is required to file a general rate increase. The consumer bureau has opposed the measure arguing it would allow the companies to possibly keep excess profits longer.

Chairman Kelvin Atkinson of the Senate Commerce, Labor and Energy Committee said Monday that bill, SB93, has been put on hold at the request of NV Energy. A hearing scheduled for last week was canceled.

Atkinson, D-North Las Vegas, said the company informed him it wanted to “work out some of the difference” with opponents.

In light of the announcement of higher earnings by NV Energy, Atkinson said, “I don’t think it (the bill) will be considered anymore.”

Lake Tahoe clarity increases 6.4 feet

By Kathryn Reed

For the second year in a row the water in Lake Tahoe is clearer than the preceding year.

As noted last year by the UC Davis scientists who take the measurements, the lake's clarity has been stable for the last decade. Still, the last time the white dinner plate looking Secchi dish could be seen more than 70 feet below the surface was in 2007.

The Secchi disc is ready to be used to test Tahoe's clarity. Photo/LTN

The 2012 reading of 75.3 feet is a 6.4-foot improvement from 2011. The disc is dropped over the side of a boat and eyeballed by the scientists on deck. Twenty-two readings are taken throughout the year to come up with the average clarity figure. In 2012, 107 feet was the best reading and 57 feet the worst.

"We are very excited about the results from 2012, especially within the context of the long-term record for annual and winter clarity," John Reuter, associate director of the UC Davis Tahoe Environmental Research Center, said in a statement. "It is particularly encouraging to see clarity improve during wet years when the amount of fine sediments and nutrients going into the lake is high."

In the world of science a trend is established at about the five-year mark, according to Kristi Boosman with the Tahoe Regional Planning Agency.

A concerted effort has been under way since 1997, when then President Bill Clinton visited Lake Tahoe for the first environmental summit, to restore the lake's clarity. That summit led to the environmental improvement program being created and the Lake Tahoe Restoration Act providing money for the program. In the past 15 years more than $1 billion has been spent on various projects in the basin with the primary focus of reducing sediment that clouds the waters of Tahoe.

While monitoring is in place at many of the projects to test what is reaching the lake, it is not possible at this time to point to one thing that is responsible for the improvements.

Researchers say they need more data on stormwater to make more definitive conclusions about why the numbers are changing. Another troubling thing to scientists is the summer clarity numbers continue to decline and they don't know why.

The Secchi disc has been used since 1968, when the apparatus could be seen to an average depth of 102.4 feet.

Lake Tahoe clarity readings

- 2012: 75.3 feet
- 2011: 68.9 feet
- 2010: 64.4 feet
- 2009: 68.1 feet
- 2008: 69.6 feet
- 2007: 70.1 feet
- 2006: 67.7 feet
- 2005: 72.4 feet
- 2004: 73.6 feet
- 2003: 71 feet
- 2002: 78 feet
- 2001: 73.6 feet
- 2000: 67.3 feet

— Source: *UC Davis*

Ski report: Bring sunscreen

The sun is out and the mountains are calling.

Here is the Feb. 27 ski report.

— *Curtis Fong*

Snippets about Lake Tahoe

• State Sen. Ted Gaines and Assemblyman Frank Bigelow, who represent the South and West shores in the Legislature, will be hosting a community coffee March 1 from 9-10:30am at Riva Grill, 900 Ski Run Blvd., South Lake Tahoe.

• Mark Estee, owner and chef of Campo in Reno, is a semifinalist for Best Chef from James Beard.

• Tahoe City Transit Center was named the Overall Winner of the 2012 Western Red Cedar Architectural Design Awards.

• Lake Tahoe Community College’s Friends of Ally Club and Counseling Department are hosting a forum March 1 at 7pm about the impact of LGBTQ identity on career choice, career development and career success. For more info, click on the flyer.

Loop road financial study focuses on one route

Updated Feb. 28 10:50am

By Kathryn Reed

If Highway 50 were to go behind Harrah’s Lake Tahoe and MontBleu casinos, would this be a good financial decision?

Yes, according to the study done by Economic & Planning Systems Inc., a Sacramento-based land economics-consulting firm hired by the Tahoe Transportation District.

The report says retail sales could increase by $16 million to $25 million per year if the loop road were built. What year that would happen is not known.

“A complete street has much slower traffic and is easier to cross, so when people shop they want to cross back and forth. It slows the rate of traffic,” David Zehnder, managing principal of the consulting firm, told *Lake Tahoe News*. “And with a more friendly streetscape you provide a new dynamic that is more favorable in attracting spending.”

A delivery truck needs all five lanes of Highway 50 to get to Embassy Suites South Lake Tahoe. Photo/Kathryn Reed

The loop road project spearheaded by the Tahoe Transportation District, a sister agency of the Tahoe Regional Planning Agency, proposes turning Highway 50 from about the eastern end of Pioneer Trail in South Lake Tahoe into a city street until Lake Parkway in Stateline. The highway would go around the casinos on the mountain side.

Would another realignment of the highway provide greater financial reward for the area? Would sprucing up the area without a highway realignment bring added revenues?

Those answers are unknown.

The consultants, who were paid $39,963, only studied one version. (The taxpayer dollars came from the Federal Highway Administration and Southern Nevada Public Lands Management Act.)

Also unknown is what happens to businesses along the current highway that have delivery trucks that don’t have another way to access the property if the road were narrowed.

“We are looking at various options for deliveries, however, have not made any decisions as of today,” Bill Cottrill with Embassy Suites told *Lake Tahoe News*.

The financial study was done despite the fact that no preferred alternative has been picked, though the forces driving the proposal want the mountain-only alternative; and that the environmental study has not begun; and that the city of South Lake Tahoe has yet to host its workshop. (That is set for March 12, 6pm, Lake Tahoe Airport.)

Even though the full report has not been released, the executive summary of the financial analysis is out. It says, "It should be noted that this economic analysis has not been scoped to address the potential relocation of any specific businesses that may be required to accommodate the right-of-way for the roadway realignment. It should also be noted that, although other potential alignments have been evaluated as part of current and past planning efforts, this analysis is predicated on a 'mountain-side' alternative under which the roadway realignment generally occurs along the southern portion of the existing commercial district behind the existing Village Shopping Center along Montreal Avenue/Lake Parkway."

Officials say the full document could be released any day. But it's not known if it will be out by Friday when the business coalition put together to analyze the study meets for the first time. (The meeting is March 1, 11:30am. Here is the finance meeting agenda, which includes the executive summary. Future meetings of this group are tentatively set for March 6 and March 20.)

South Lake Tahoe City Manager Nancy Kerry would not comment until she has read the full report.

Douglas County Manager Steve Mokrohisky told *Lake Tahoe News*, "A revitalized downtown in the South Shore is critical to creating a vibrant and accessible community for local residents and visitors, as well as reversing the environmental and economic decline in the Tahoe basin. The study is an important step in identifying the need for and quantifying the impact of revitalizing our downtown area through use of the complete streets model, including $16 million-$25 million in increased retail sales annually. The challenge in front of all of us that care about the future of the community, environment and economy in the South Shore is to pursue reasonable solutions that move us forward."

Zehnder claims people will stop at the Heavenly Village and Village Center more often because a reduced speed limit will get them to notice the area and signage in the back will let those going by know what's in the buildings.

What isn't known, because the study isn't out, is if it addresses the financial impact to the properties that aren't developed and how the casinos may be impacted. It's possible the vacant lots zoned commercial would become more valuable if the highway were to go in front of those locations.

Caesars Entertainment, parent company of Harrah's and Harveys, owns the parcel behind Harrah's up to Lake Parkway. A lot listed as undevelopable is owned by the casino giant on the south side of Lake Parkway in Stateline.

Edgewood Companies owns a large swath of vacant land that abuts Van Sickle Bi-State Park, goes behind MontBleu and links up with Lake Parkway at Highway 50.

Randy Lane, who created the hole on the north side of Highway 50 on the California side of the state line, owns a parcel on Montreal Road before it becomes Lake Parkway, between Fern Road and Heavenly Village Way. He owns another plot adjacent to that one just going up the mountain. He also owns vacant commercial land adjacent to Van Sickle Bi-State Park at the end of Heavenly Village Way. (This would be to the right of the park if facing the entrance.)

A company called Tahoe I Nv Lic, with a post office box in Carson City, bought commercial acreage from Falcon Capital, the company run by Lane, which is on Lake Parkway in

California at the state line.

Tahoe Tails – Adoptable Pets in South Lake Tahoe

Bear is a full-figured, lovable guy who would be at home in just about any household. He’s very friendly and would like to go for lots of walks to lose his extra pounds.

Bear has been at the shelter for just a few days, along with six other dogs who have been transferred up to Tahoe from a shelter in the Central Valley in the hopes of changing their luck. Most are small dogs, Chihuahua, pug, and Maltese mixes, but the shelter also has several other medium size dogs that are waiting for their new homes.

Bear is neutered, microchipped, and vaccinated. Come see him and the other dogs and cats at the El Dorado County Animal Services shelter in Meyers.

Go online to see photos and description of all pets at the shelter.

Call (530) 573.7925 for directions, hours, and other information on adopting a pet.

For spay-neuter assistance for South Tahoe residents, go online.

— Karen Kuentz

Opinion: California’s pension system started out modest

By Steven Malanga

When California’s government employee pension system was established in 1932, it was a model of restraint. Private-sector pensions were still rare then, but California lawmakers had a particular reason for wanting a public-sector pension system: Without one, unproductive older workers had an incentive to stay on the job and just “go through the motions” to get a paycheck, as a 1929 state commission put it. Pensions would encourage those workers to retire. The commission cautioned, however, against setting a retirement age so low that it would “encourage or permit the granting of any retirement allowance to an able-bodied person in middle life.”

Accordingly, California set its initial retirement age for state workers (and, beginning in 1939, for local government employees) at 65, at a time when the average 20-year-old entering the workforce could expect to live for another 46 years, until age 66. The system’s first pensions were modest, though far from miserly. An employee’s pension equaled 1.43 percent of his average salary over his last five years on the job, multiplied by the total number of years he had worked. That formula typically provided longtime workers with pensions equal to half or more of their final salaries.

The pensions were funded by three sources: contributions from employers (that is, state and local governments); contributions from employees (though some governments opted to cover that expense); and money that the pension fund would gain by investing those contributions. With the 1929 stock market crash in mind, California opted for a cautious investment approach.

“An unsound system,” the 1929 commission warned, would be “worse than none.” The employees’ contributions were fixed, so if investment returns weren’t sufficient to fund the promised pensions, the employers’ contributions would have to increase to make up the difference.

In the decades since, that cautious approach has been virtually abandoned as public employee unions have taken control of the system. The retirement age has been lowered, benefits have been increased and investments have become far riskier.

The major changes began in the late ’60s, during a time of rapidly growing public-sector union power. In 1968, the Legislature added one of the most expensive of all retirement perks – annual cost-of-living adjustments – to CalPERS pensions. Other enhancements followed, including, in 1970, a far more generous pension formula that would allow an employee who worked for 40 years to retire at 60 and collect an annual pension equal to 80 percent of his salary. If he kept working for another five years, his pension fattened to 90 percent. In 1983, public safety workers got an even better pension formula, and the age at which they could start collecting was dropped to 55.

Not surprisingly, the costs of the enlarged pensions weighed heavily on California's budget. In 1991, with the nation mired in a recession and the state in a fiscal crisis, the Legislature closed the existing pension system to new workers, for whom it created a second tier. This less-expensive plan no longer required workers to make pension contributions, and it lowered the value of the pension to 1.25 percent of final average salary for every year worked; further, a worker couldn't begin to receive the pension until age 65.

But that economy lasted only until 1999, when the fund's board concocted an astonishing proposal that would take all the post-1991 state employees and retroactively put them in the older, more expensive pension system. The initiative went further, lowering the retirement age for all state workers and sweetening the pension formula for police and firefighters even more.

CalPERS wrote the legislation for these changes and then persuaded lawmakers to pass it. In pushing for the change, though, the pension fund downplayed the risks involved. A brochure about the proposal that CalPERS handed to legislators read like a pitch letter, not a serious fiscal analysis. It didn't mention that state law protected government pensions, so that taxpayers would be on the hook for any shortfall in pension funding. In essence, the CalPERS position was that government workers should carry zero risk, sharing the bounty when the fund's investments did well but losing nothing if investments went south.

During that period, many local governments tried to keep pace with the state, allowing earlier retirements, raising the percent of income paid upon retirement and decreasing contributions from employees.

The retirement system’s projections that it could afford all these changes relied on an 8 percent return on the money it held, which proved impossible, in part because of the economic downturn and in part because of bad investment decisions. That has left governments on the hook to meet the shortfalls. CalPERS has delayed much of the reckoning by shifting costs down the line, but that only means government budgets are likely to be enslaved to pension debt for decades to come.

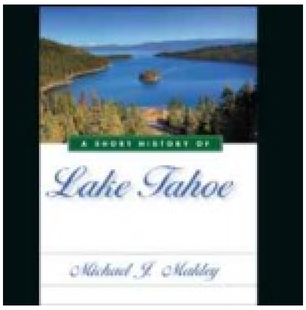
Already, local governments are taking a huge hit. Glendale, for example, has seen its annual pension bill rocket from $1.3 million in 2003 to $13.7 million in 2007. San Jose’s tab almost doubled, from $73 million in 2001 to $122 million in 2007, and then rose even faster over the next three years, hitting a jaw-dropping $245 million in 2010. San Bernardino’s annual pension obligations rose from $5 million in 2000 to about $26 million last year. The state budget took a massive hit too: Its pension costs lurching from $611 million in 2001 to $3.5 billion in 2010.

In August, California did pass modest pension reforms, which apply mostly to workers hired starting this year. But Gov. Jerry Brown’s proposal to reshape the board of CalPERS in a way that would have made it more responsive to taxpayer concerns did not make it into the reform legislation.

CalPERS’ advocacy for higher benefits and its poor investment performance in recent years have locked in long-term debt in California and driven up costs, problems for which there are no easy solutions. As former Schwarzenegger administration economic advisor David Crane, a Democrat, has said of the fund's managers and board: "They are desperate to keep truths hidden."

Steven Malanga is senior editor of the Manhattan Institute's City Journal, from which this article is adapted. This column first appeared in the Los Angeles Times.

Author to talk about Lake Tahoe book



Michael Makley will be talking about his book "The Tahoe Story: History of a National Treasure" on Feb. 28 from 6:30-8pm at the Nevada State Museum, 600 N. Carson St., Carson City.

He will also be signing books.

The book is about the general history of Lake Tahoe, with a segment about the controversy between climbers and the Washoe Tribe over Cave Rock.

Makley co-authored "Cave Rock: Climbers, Courts and a Washoe Sacred Place" with his son, Matthew Makley.

Dogs to race through snow in Truckee

On March 10, Snowfest returns to Tahoe Donner with the ninth annual I-Did-A-Run event.

Due to construction at the Lodge Restaurant & Pub, this year the event will take place at Tahoe Donner Downhill Ski Area.

Dogs of all shapes and sizes will compete in this timed dog pull race. The event pits dog against dog and clock while pulling covered wagon sleds over a snow-covered course. Prizes are awarded for various divisions as well as the overall winner.

Sign up is from noon to 1pm and the field is limited to 40 dogs.

For more information about the I-Did-A-Run email Ali Kovach at ekovach@tahoedonner.com or call (530) 587.9424.

California bill would require ski resorts to report injuries, deaths

By Joel Grover, NBC-4

A bill that would for the first time require California ski areas to report all deaths and injuries to the state has been introduced in the state Senate.

California's 24 ski areas are largely unregulated, making the Golden State the only major ski state with no ski safety law. Previous attempts to enact legislation have failed, but in the wake of an NBC4 I-Team investigation exposing multiple dangers across the state, one lawmaker is trying again.

"When there are injuries or deaths, that should be a matter of public record," said state Sen. Bill Monning, of Carmel, who sponsored the Ski Safety Bill.

In early February, the NBC4 I-Team revealed that there are numerous injuries and deaths at California ski areas that are not required to be reported to the state or made public, including an accident involving 9-year-old Keely Proctor of Redlands.

Two years ago, Proctor fell 32 feet from a chairlift at Snow Valley that didn't have safety bars. Keely had six surgeries in five days that saved her life.

"We could've lost her," Keely's mother Terri Proctor told NBC4.

The California Ski and Snowboard Safety Organization, a group advocating ski area safety, said there are hundreds of unreported accidents a year on the state's ski slopes.

Monning's bill would also require ski areas to prepare an annual safety plan to prevent accidents and lessen hazards on the slopes. Resorts would have to post that safety plan on their websites.

“It’s really a question of transparency and the public’s right to know. People are spending a lot of money to enjoy the resorts,” Monning said.

The Ski Safety Bill will be heard in committee within 30 days. If it passes both houses of the legislature, it will land on Gov. Jerry Brown’s desk in September. But that doesn’t assure its success.

Similar ski safety bills have passed the legislature twice in the past four years, but then were vetoed by governors, first by Arnold Schwarzenegger then by Jerry Brown.