

Opinion: Liberty Utilities ratepayer rip-off scheme

By Roger Patching

You are about to be ripped-off big time by your local electric company, Liberty Utilities (LU). But, if you act now, we might be able to stop it. We're going to try to simplify what LU wants to hide in technical smoke and mirrors. The rip-off amounts to more than \$50 million distributed among only 49,000 ratepayers.

First of all, newly created LU is not your standard utility like PG&E or SMUD. It is wholly owned by a Canadian holding company (Algonquin Power and Utility Company) that raises investor funds (Wall Street) to buy energy projects, particularly lucrative renewables. Their primary concern is not to serve as a publically regulated utility, but to produce big profits for investors through the manipulation, most recently, of vulnerable little utility monopolies it acquires.

The way it works isn't complicated. The subsidiary company (LU), at the behest of its parent (Algonquin), tries to sell the regulatory California Public Utility Commission (CPUC) the notion that it needs an "upgrade" when it doesn't. If approved, LU's owner issues stock on the promise of high growth and/or LU borrows the project money from its parent (Algonquin). The project costs and financing are passed to the ratepayers. It has little to do with building to meet energy demands, but rather for enhancing the parent's balance sheet.

And since the engineering doesn't exist to justify expansion, the sales pitch is by corporate attorneys using fabricated figures instead of actual science. We, and other nonprofits, led by the North Tahoe Citizen Action Alliance (NTCAA) have challenged the false claims. The worry, however, is that LU's

scheme might succeed with the CPUC unless more of you get involved. The unnecessary "upgrade" has to do with North Tahoe/Truckee.

The issue and their sales pitch: Power runs in a loop between Truckee and North Tahoe. Imagine a clock with Truckee at 12, Northstar at 2, Kings Beach at 5, Tahoe City at 7, and Squaw/Alpine at 9. The power runs in a circle both ways so that even with a break somewhere in the line power would still be delivered in either direction. Most of the loop operates at 60kV. And with residential growth the capacity could be increased with new lines. Sound simple? It's meant to. This idea was introduced by Sierra Pacific Power (SPP) in 1996 when it projected 54 percent growth in 15 years. It didn't happen! While Truckee grew there was essentially no growth on the loop. Ignoring this historical fact, the same plan to rebuild the entire loop is now being pitched as needed to serve Northstar/Squaw resorts as well as Martis Valley developments. The wise approach would be to take less expensive steps that upgrade the weakest part of the system first.

But no, LU and its parent don't want a simple and incremental project. That's not how they make money. They want to enlarge the entire loop line to 120kV at a cost of over \$50,000,000. Especially egregious and unnecessary to rebuild now is the 625 line between Kings Beach and Tahoe City – which would cost half of the \$50 million. Contrary to the well-honed narrative by LU, this line is already heavy duty and won't need to be updated for decades, if ever. Its current capacity already grossly exceeds what is needed for the North Shore. Moreover, increased building is not anticipated along this line because it falls in the basin under TRPA's jurisdiction, unlike Martis and the ski resorts.

This is the scheme we are fighting. Remember, when LU was part of SPP with 1.1 million ratepayers, any such infrastructure costs would be borne by all of them. Algonquin bought a tiny inexpensive portion (renamed LU) whose 49,000 ratepayers will

now bear this cost. And most of them are absentee vacation homeowners in the basin who don't follow local affairs and are easy to frighten with fear tactics of mid-winter power outages. Environmentally, the unnecessary rebuilding of the North Shore's 625 line will also cause the removal of over 25,000 trees – the largest forest removal and road-building project in the basin in modern history.

Want more information, both general and technically detailed, proving that we don't need such a project? In spite of massive stonewalling by LU regarding data requests, we've got it. Learn more and whom to contact to halt this project by going online.

Lastly, while we volunteer our time, our efforts to protect your property, quality of life, and pocketbooks are not accomplished without funding – like for the brilliant utility consultant who worked on this project. Contributions to us, NTCAA, and others are needed and appreciated. They can be done via our websites and U.S. mail.

Roger Patching is president/CEO of Friends of Lake Tahoe.