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Not Sharing the BPA Benefits

In January I wrote about payments made by public utilities of the Bonneville Power Administration (BPA) to send on to private utilities such as Puget Sound Energy. I likened it to reverse Robin Hood, where relatively poor counties such as Klickitat send money to Bellevue so Microsoft millionaires can have rates cheaper than here—roughly one-half cent per kilowatt-hour (kWh), or \$64 each year from the average KPUD customer.

I also mentioned public power disagreed with this practice so vehemently we had taken the BPA to court and were waiting for the court to rule.

The ruling is in. The court agreed with public power.

The BPA has suspended payments to the private investor-owned (IOU) companies while they sort out what this all means. In the meantime, the IOUs have started a media blitz including full-page newspaper ads crying about how unfair this is. I guess the IOUs spend more money than we do when they think something is unfair.

We have been saying how unfair it is for quite some time now. Public power has been saying the payments have grown excessively. The original intent was to equalize rates between public power customers of the BPA with the private power companies next door, such as Clark Public Utilities with Portland General Electric across the river or Snohomish PUD and Puget Sound Energy near Seattle.

Somehow the original concept of more equal rates was lost.

Things went awry when the rates of the publics were raised to such a level that they were higher than their neighbors'. Like any government-sponsored giveaway, the people receiving the money do not really care where the money comes from. They just don't want it to stop. In this case, the money comes directly from you.

Ultimately, there will be a compromise. There always is. We in public power contend there should be no payments. The law creating the payments assured us your costs would not increase. The same law promised the IOUs a stream of payments. Nobody ever said legislation has to make sense. A reasonable compromise would set payments at levels that equalize the rates, lower than what the IOUs have become used to, and higher than us publics would like to see.

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