

Colorado River board seeks to buy \$23 million power system

By Keith Rogers
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The state Colorado River Commission took steps Friday toward buying a \$23 million electrical power transmission system centered at Hoover Dam and operated by the federal Western Area Power Administration.

The actions, all approved unanimously by the five members of the commission board, involve retaining a lobbyist and government consultant to smooth the acquisition process between the state and the federal agency.

The acquisition targets the administration's transmission lines and substations that deliver power from the hydroelectric generating facility at the dam to the commission's 12 utility and industrial customers.

Both state and federal governments must endorse the plan before the purchase can proceed through a bond measure.

If approved, the commission's ownership of the lines and facilities could lead to a minor decrease in rates to its customers and their ratepayers, according to Director Thomas Cahill.

"It will give us an opportunity to operate the system better," he said, following the commission's monthly meeting Friday.

The actions were spurred by the commission's utility and industrial customers who were shouldering power-rate increases from the federal agency. The customers include Nevada Power Co., companies in the Basic Man-

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agement Inc. complex near Henderson, and rural power distributors in Southern Nevada.

If the transmission lines and substations are purchased by the commission, "it could save our customers \$2 million a year," said Nevada Power spokesman Rob McCoy.

Commission Chairwoman Karen Galatz said she hopes the eventual purchase of the lines and substations will make delivering electricity more efficient for customers. At the same time, she said, the system can be tailored to make it more responsible to local needs.

The benefit, she said, is that the commission will have more control over local distribution.

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Cahill said Nevada Power could end up improving and maintaining the lines and substations under a contract with the commission. Parts of the system are deteriorating with age and need revamping.

The rate increases, which amounted to 573 percent during the past five years, reflected the federal agency's improvements to its regional transmission systems, particularly those in Arizona near Phoenix and Tucson, said mechanical engineer David Luttrell, the lobbyist whose retainer and expense allotments were approved by the commission Friday.

He said the cost of the Arizona improvements alone total \$132 million, much of which has been passed on to the commission in Southern Nevada.

In 1988, for example, the commission paid the agency 16½ cents per kilowatt per month. That rate increased to 63 cents in 1989 and 68 cents in 1990. "And now they're proposing to increase

that to \$1.11," Luttrell noted.

"The whole problem is Western is an unregulated utility," he said.

Luttrell said the average consumer in Las Vegas will not notice any impact in rates if the commission succeeds in the \$23 million deal.

He said he is "gearing up for federal legislation to force the

sale. We are going to take the hard steps," he said, noting the Western Area Power Administration adamantly opposes the plan. "They refuse to meet with us," he said.

Attempts to reach Western Area Power Administration Manager Tom Hine were unsuccessful Friday because telephone service was snarled by heavy rains.