

Hoover power struggle in court

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LAS VEGAS SUN

1-18-9

Two small power companies in Pahrump and Overton have taken another swipe at the federal government for raising their power bills to pay for, among other things, a multimillion-dollar tourist stop at Hoover Dam.

Valley Electric Association and Overton Power Co. filed their second federal lawsuit Tuesday alleging the price of power at Hoover Dam is excessive and arbitrarily set.

Three years ago, the Western Area Power Administration approved a 43 percent rate increase based, the lawsuit alleges, on questionable accounting practices and a \$120 million debt for a visitor center and parking garage.

"All we're after is accountability," Overton General Manager Alma Whipple said today.

As a result, residents living in Pahrump, Moapa Valley and Lincoln County have seen their power bills increase. For the next 50 years, from \$20 to \$63 of each resident's annual power bill will go to pay for the visitor center, according to the power companies.

In contrast, Las Vegas residents will pay just 84 cents per year. The difference is that Las Vegas gets a smaller percentage of its total power from Hoover Dam.

The power companies want a federal judge to stop the government from what essentially amounts to overcharging and order the money be repaid. U.S. Department of Energy officials and the Federal Energy Regulatory Commission are named in the suit.

Any reimbursement must be approved by Congress and probably paid for through another rate increase, said Overton Special Projects Manager Kent Bloomfield.

"If we can hold the line on the rates or reduce the rates, that's what we're after, not the refund," Bloomfield said.

This is the second time Overton Power and Valley Electric have gone to court about rate increases. In 1992, the companies filed a similar lawsuit because of a 48 percent increase.

A federal judge declined to pass judgment on the case, saying there were no standards for the court to compare the rate increases against.

Overton Power and Valley Electric appealed the decision to the 9th U.S. Circuit Court of Appeals. The case will be argued Feb. 13 and the outcome will affect how the power companies pursue this most recent lawsuit.

Power company officials' persistent outrage about the increases was the main reason Hoover Dam has been called a national boondoggle.

The ballooning costs of the visitor center and parking garage were held up by politicians as illustrating the ills of government spending. Sens. Harry Reid and Richard Bryan, both D-Nev., last year called for congressional hearings to find, and if possible, punish those responsible.