

Election 2010: Representative candidates discuss water issues

Should politicians force a utility company to operate at a loss?

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The Copco I Dam spans the Klamath River outside Hornbrook, Calif. The removal of this and three other hydroelectric dams on the Klamath is a contentious aspect of the Klamath Basin Restoration Agreement.

Steve Kandra, a Klamath Basin farmer and supporter of the water and dam agreements, asked state representative candidates the following question:

Q: Federal energy draft studies have shown that once PacifiCorp meets all compliance standards for the four dams under relicensing requirements, they would run at a projected deficit of \$29 million per year. Should local politicians force a utility company to operate at a loss?

Bill Garrard called the issue slightly overblown, saying the Public Utilities Commission would not allow a company like PacifiCorp to operate at such a deficit.

He was not overly concerned about the company's projected shortfall, he said, because rate hikes coming with it would be spread among Oregon PacifiCorp customers.

"PacifiCorp is a very large company, and everything they've done through all of this dam removal issue has benefitted them to the count of hundreds of millions of dollars," he said. "When they don't make money and the PUC allows them to raise rates, then all PacifiCorp customers across the state have to pay for that."

The Klamath Basin Restoration Agreement stipulates a \$20 million cap on yearly expenses from Pacific Power, with excess deficits as a result of dam removal incurred by ratepayers.

Garrard said those payers would effectively be charged twice for the cost of dam removal, having to help cover the power company's shortfall while also paying for the replacement power.

He said many stakeholders in the water argument have voiced displeasure at being left out of PacifiCorp dam removal negotiations. As a state representative, Garrard said, it is his job to heed the will of those constituents.

His challenger, **Karl Scronce**, strongly disagreed.

"I think that it's crazy to expect a public utility to operate one aspect of its work at a complete loss," he said.

Scronce said he favors the KBRA as representing the will of a private company, working to draft a solution that will represent the best interests of the company, the stakeholders and Klamath Basin residents.

"I don't think that state laws should keep small or large businesses from operating as they see fit," he said.

He believed some regulation on PacifiCorp's ultimate decision was needed, and that came from the Public Utilities Commission.

Despite the dam removal project's divisiveness, he said, he feels PacifiCorp is acting legally in efforts to modify its own property, and that intervening based on a public mandate — as Garrard claimed was necessary — amounted to an encroachment on private ownership rights.

Side Bars

How will you bring both sides together?

The two candidates were asked how they would bring the opposing sides together after a decision on the KBRA.

Garrard accused PacifiCorp of driving a wedge between various stakeholders — farmers, ranchers and others — who make a living from the land.

He called the KBRA the biggest issue the Klamath community has faced in recent years, and said the aftermath could potentially drive community members further apart.

Bringing all stakeholders to the negotiating table would be the only effective measure to mitigate that rift and its repercussions on future water rights negotiations, he said.

Scronce said he did not believe there was any way to bring all the sides in the issue together.

Ideological reasons, such as distrust of the government, would keep some stakeholders out of the negotiating process.

He believes that is their right, but added that it would be important for the next state representative to keep communication lines open.

Candidates weigh in on adjudication process

The candidates also weighed in on adjudication, the process by which an administrative law judge defines who gets how much water.

The process has been in place for a century, working with the multiple claimants who use water from the Upper Klamath Lake.

Scronce said adjudication addresses only water rights issues, whereas the Klamath Basin Restoration Agreement seeks to address larger long-term environmental issues and their impacts on area farms and livestock.

For that reason, he said, he favored the ongoing negotiation process.

“If two people can settle and agree on a position and it fits within Oregon water laws, let’s do it,” Scronce said.

But Garrard said the Klamath Basin Restoration Agreement would effectively overturn water adjudication laws by granting priority rights to junior water users over senior users.

He said that when coupled with public resentment over exclusion from the negotiating process, the KBRA would do too much damage to existing water laws to be considered viable.

“I just don’t believe that’s fair, especially when people haven’t gotten a chance to express their feelings on the subject,” he said.

PacifiCorp’s response

Toby Freeman, regional community manager for PacifiCorp, took issue with incumbent state Rep. Bill Garrard’s assertion that the company has divided Klamath Basin stakeholders by keeping them out of the dam removal negotiating process.

“Complex business issues like this are often discussed behind closed doors,” he said. “Moving forward, there’s going to be ample public dialogue about the future of the Klamath Basin.”

Freeman said the company has been examining all aspects of the proposed dam removal since negotiations started in 2008. The company’s goal, he said, has been to determine what action would place the smallest burden on PacifiCorp ratepayers.

“We’ve got customers on all sides of the issues,” he said. “We try and respect that. We stay very focused on how to achieve the lowest cost through relicensing.”

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