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Contact: Garith Krause
Merced Irrigation District
(209) 722-5761
garithk@mercedid.org

State Municipal Utilities Association Chief Says Publicly-Owned Utilities Have Valuable, Secure Place in State

Castle Audience Updated on Merced ID Electric Services' Fight for Customer 'Freedom of Choice' in Competitive Market

ATWATER, Calif. – Having a competitive, publicly-owned local electric utility is a unique and valuable resource for the citizens of eastern Merced County, a spokesman representing public utilities throughout California told a Castle Airport Aviation and Development Center audience Wednesday.

Jerry Jordan, Executive Director of the California Municipal Utilities Association, said Merced Irrigation District Electric Services is one of 30 publicly-owned utilities in California. These utilities provide up to 30 percent of the electricity consumed in the state.

“Public utilities can meet the unique needs of local communities,” Jordan said. “The only way all the resources stay within the community is with a publicly-owned system.”

Public utilities are locally regulated, not regulated by the state, Jordan said, so they can set priorities based on community needs.

“Public Utilities are allowed to remain integrated utilities, providing electric generation, transmission and distribution. And they can continue setting rates based on the cost of their services on a non-profit basis,” Jordan said.

Jordan’s CMUA has been educating California about the benefits of consumer-owned water, electric and gas utilities for 66 years. The public utility proponent was the featured speaker at Merced Irrigation District’s third annual Electric Partners Forum at Castle’s Aviation Challenge.

All electric consumers benefit from a competitive market, said Garith Krause, MID Assistant General Manager, Finance and Electric Services.

“One of the unique places in the United States in right here in eastern Merced County where we’ve got full head-to-head competition in electric distribution,” said Krause. Distribution is one portion of the electric bill, the other portions are charges for electric transmission and generation.

Thanks to MID Electric Services, more and more consumers in eastern Merced County have a choice in who delivers their electric power, Krause said. This is a unique opportunity that isn't available in other areas of the country.

Krause also updated the approximately 50 business people, community members and others in attendance at the forum about the District's ongoing fight to preserve eastern Merced County's "freedom of choice" to select a competitive electric provider.

He warned that a recent PG&E proposal for a "distribution bypass charge" would be anti-competitive and hurt local consumers by limiting their freedom to choose MID Electric Services in the future as their power provider.

MID Electric Services staff members said they're excited about the progress and momentum of distribution system construction and the way new customers have been connecting and signing up for service.

Scores of new customers have been energized this past summer through freshly built underground connections. Approximately 85,000 feet of state-of-the-art underground electric circuits have been installed so far. This is most of the 100,000 feet of electric distribution system scheduled for completion in 1999, primarily in the city of Merced.

These new distribution circuits tap into MID's regional power transmission loop, finished earlier this year.

The District is on pace to double power deliveries in 1999 to its expanding customer base. Merced Irrigation District has been delivering electricity to customers for more than three years with a rock-solid reliability record, said Krause. To date, customers have saved more than \$8 million on their electric bills.