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Sparks fly in bid for electricity contracts for Manteca, Ripon and Escalon**By John Holland**jholland@modbee.com*last updated: December 28, 2009 01:50:44 PM*

MANTECA -- The issue of who should provide electricity in this area has turned into a battle for the hearts and minds of its residents.

The South San Joaquin Irrigation District has mounted a \$450,000 public relations campaign to build support for its bid to acquire the Pacific Gas & Electric Co. system in and around Manteca, Ripon and Escalon.

PG&E, which objects to selling the 38,000-customer system, is fighting back with a campaign of its own.

SSJID officials said they need to counter the giant utility's charges that they have undervalued the system and lack the skill to run it.

"It's a public information campaign, and frankly, I think we would be irresponsible if we didn't do this at this time," communications coordinator Troylene Sayler said.

The campaign includes newspaper and radio advertising, billboards, mailers and a Web site. They tell residents that the acquisition could reduce power bills by 15 percent.

PG&E contends that a PR campaign is an improper use of a public agency's money.

"This is money that is supposed to be reinvested in the community, and it isn't doing that on a billboard," said Brian Regnart, executive director of Citizens to Stop the Power Grab.

This group, funded in part by PG&E, formed in 2006 to oppose an earlier attempt by the district to take over the system.

It was rejected that year by the San Joaquin Local Agency Formation Commission, which rules on the boundaries and functions of public entities in the county.

The district board in September voted to try again with LAFCO, which could hear the matter as early as spring.

Should the district win there, it still would have to get PG&E to agree to the sale, or try to force it via eminent domain, with a judge deciding the price.

Experts hired by SSJID put a \$61 million price tag on the wires, substations and other parts of the system. PG&E's consultants came up with a \$448 million estimate.

"This is a stark example of why SSJID's plan poses serious risks for the communities of Manteca, Ripon and Escalon," PG&E spokeswoman Nicole Liebelt said.

The district long has been in the wholesale power business, generating at hydroelectric plants it owns along the Stanislaus River with the Oakdale Irrigation District.

SSJID former PG&E supplier

Until last year, PG&E bought this power and sold it to its retail customers around Northern California. SSJID now sells



Bills will reflect all prices and fees, including transmission cost, power pole - poles - electrical tower - towers - electricity - electric - power lines - line - MID - TID - OID - Modesto Bee - Adrian Mendoza 8/14/97

the output to Shell Energy, a global energy marketer.

District officials said they could save residents money by becoming a retail power provider in the Manteca- Ripon-Escalon area.

This is possible, their Web site says, because they do not have to make the profits that PG&E requires for its shareholders.

"SSJID doesn't have any fancy San Francisco offices or corporate jets to pay for with ratepayer money," the Web site adds.

Jeff Shields, the district's general manager, said the PR campaign is funded by power sales, rather than income from farmers who use the agency's water.

He also said such a campaign is legal for a public agency because it does not involve an election.

Shields criticized PG&E for spending \$3 million on a proposed state initiative that aims to keep public agencies from getting into retail electricity.

The measure, which could be on the June ballot, would require a two-thirds vote of the affected residents before an agency could start or expand a power system.

The district's PR campaign urges residents to contact LAFCO members, place pro-takeover signs on their property, and talk up the benefits of public power with friends and neighbors.

"We do need their support at LAFCO, and we learned that the last time," Shields said.

SSJID supporters have said most of the opposition has come from PG&E workers. Regnart, the sole employee of the anti-takeover group, said it is made up of a wide range of concerned people.

"Some people are happy with PG&E," he said. "They feel it's a good company that has served them for a long time. Others feel that a government agency taking over a private business is something they don't want in their town."

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