

[Print This Article](#)

dwyatt@mantecabulletin.com

\$140M back into local pockets

SSJID ready to make its case to acquire PG&E system

South San Joaquin Irrigation District wants to put more than \$140 million back into the pockets of residents, farmers, businessmen, and government agencies in Manteca, Ripon, and Escalon over the next 10 years.

The SSJID game plan to accomplish that goal is to purchase the PG&E retail electrical system that now provides power within the boundaries of the district's 72,000 acres.

"It (lower electrical rates) is critical in this community that is now struggling with a sluggish economy," noted SSJID General Manager Jeff Shields Tuesday after the district's governing board established a hearing on Thursday, Sept. 3, at 9 a.m. on its plan to seek approval from the San Joaquin Local Agency Formation Commission to enter the retail power business.

The application will delineate how the district has positioned itself to reduce power rates across the board by 15 percent. That represents an initial \$11.6 million annual savings throughout the district in 2011. It also will outline the district's healthy financial status which includes \$61 million in undistributed reserves as well as touch on the experience it has gained in more than 50 years of flawless generation and delivery of wholesale electricity from its Tri-Dam Project on the Stanislaus River.

The LAFCO application also will outline how the district plans to provide electrical service plus listing how it meets the requirements required by law to take the step of adding retail power service to its repertoire of agricultural water, treated municipal water, and power generation services.

The SSJID move comes at the same time PG&E is moving forward with yet another series of rate increases of 10 percent in the coming year. PG&E is also operating with a protected profit margin of 11.45 percent as the acceptable return on its equity as authorized by the California Public Utilities Commission and Federal Energy Regulatory Commission.

City of Manteca would come out \$399,000 ahead with SSJID vs. PG&E

"We are uniquely positioned among (California) water district as we have the resources to do this," Shields said.

The SSJID's plan also calls for improving the financial situation of the cities it serves plus substantially expand assistance programs to help people reduce their monthly energy bills.

Currently PG&E provides Manteca with a 2 percent franchise fee on its total electrical sales within the city limits that accounted for \$495,000 in general fund receipts for the

city in the fiscal year that ended June 30. The SSJID is committing to give the city a 2.5 percent franchise fee. If SSJID and not PG&E was the retail provider in Manteca last fiscal year, it would have meant \$99,000 more or a total of \$594,000. That is roughly the salary and benefits of a public safety employee for one year.

The city also would benefit from the 15 percent reduction in electrical bills. With electrical costs to run the city pushing \$2 million a year, that would mean a \$300,000 in annual savings. The bottom line is the City of Manteca would be \$399,000 better off financially every year with SSJID as compared to PG&E.

Similar savings would be experienced by Manteca Unified School District, the City of Ripon, City of Escalon. Ripon Unified School District, and Escalon Unified School District.

Even the SSJID would be money ahead. By supplying its own power to run the various district irrigation pumps, the district would save \$40,000 a year.

In addition, SSJID is working with Manteca to potentially eliminate much of its expensive power load for the wastewater treatment plant. Unlike PG&E that caps solar plants at a million megawatts, SSJID would have no problem with a Manteca system that could wipe out the \$1.2 million annual power bill to run the wastewater treatment plant.

PG&E commits 2.85 percent of its revenue to energy savings and assistance program. SSJID's plan is to provide 4 percent.

SSJID intends to pay competitive wages for all of the retail power workers they will need to run the system. They have had a half century of working with the International Brotherhood of Electrical Workers through Tri-Dam.

Forward thinking since the time the district was formed a century ago coupled with prudent financial management has allowed it to not only have an adequate supply of water for current and future needs but to offer the lowest agricultural water rates in the state. The district hasn't had a rate increase in over 20 years.

The district also stepped forward to get the cities of Manteca, Tracy, Lathrop, and Escalon to work together to build a state-of-the-art water treatment facility that is helping supply the municipalities with clean water and reduce reliance on dropping underground aquifers that are more and more susceptible to salt water intrusion.

The Sept. 3 meeting takes place at the district headquarters, 11001 E. Highway 120.

<http://www.mantecabulletin.com/news/article/6082>