

Monsanto Takes On Utilities In Disclosure Fight

John Miller, Associated Press

BOISE, Idaho (AP) — Monsanto Co. is picking a fight with Idaho's utilities, arguing they should be forced to disclose more information about costs of future power plants or transmission lines so customers will be better armed to oppose unnecessary rate hikes.

The St. Louis-based Roundup herbicide maker, which uses massive amounts of electricity at its Soda Springs phosphate plant, convinced lawmakers Thursday to schedule hearings on a bill requiring utilities to reveal their best guess on how potential large expenditures, stretching up to 20 years from now, will impact rates.

Monsanto, coming off a heated fight with its utility Rocky Mountain Power over rate hikes last year, argued utilities are unnecessarily investing in infrastructure because they can reap 10 percent returns, all covered by ratepayers.

It accused Rocky Mountain's owner, billionaire investor Warren Buffett's Berkshire Hathaway, of plowing profits back into transmission lines, not all of which are needed, because few other opportunities exist that offer such lucrative returns.

"We're in need of the ability to shine a flashlight into the future and say, 'Here's what the cost is going to be,' " said Trent Clark, Monsanto's lobbyist. "It'll give customers a better opportunity to ask the question, 'Do we really need this resource?'"

Rocky Mountain Power contends it already makes all of its plans available to the public, except for a limited amount of commercially sensitive information.

"Before customers are asked to pay for any investment, the prudence and usefulness of that investment is thoroughly and rigorously reviewed by the public utility commission, and the customers and customers' representatives who participate in that process," said spokeswoman Maria O'Mara.

In one sign of the fight's bitterness, Rocky Mountain Power's representatives in Idaho recently turned Clark in to the secretary of state's office for not disclosing his lobbying activities. He didn't pay a \$10 registration fee before he started pushing Thursday's bill.

"We're looking seriously at the imposition of a fine," Secretary of State Ben Yursa told The Associated Press, adding any penalty will likely be less than the \$50 per day maximum, but enough to underscore the importance of following the rules.

Clark, who's since registered, said he's providing information to Yursa, to show his activities with legislators were only limited.

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Idaho Power, which would also be subject to reporting requirements under Monsanto's bill, argued the Idaho Public Utilities Commission has sufficient avenues to require utilities to publicize estimates for big projects.

Those include the so-called "Certificate of Public Convenience and Necessity" that utilities usually must apply for about two years before building a new power plant. Those certificates don't guarantee all expenses will be passed on to customers, but they let regulators tell the utility if the project is really needed — and give the public a chance to speak, said Idaho Power lobbyist Jeff Malmen.

"Before you can do anything that actually impacts a customer, you have to hold a full-blown hearing," said Malmen, suggesting Monsanto aims to stir up a public outcry because it's unhappy with recent electricity increases, including \$34 million hike, phased in over two years, that was part of a deal reached with Rocky Mountain last year.

Peter Richardson, the Boise-based attorney for the Industrial Customers of Idaho Power group, supports Monsanto's bill, saying new participation opportunities for customers who must eventually pony up for regulated utilities' investments are a good thing.

For one, he said, utilities don't have to get those certificates for some large investments, like Idaho Power's addition of millions worth of pollution-control equipment at its coal-fired power plant in Wyoming.

"More disclosure is better," Richardson said.

The Public Utilities Commission isn't taking sides. Still, the regulator says requiring utilities to forecast the impact of future investments on customers' rates could pose significant challenges. Utilities already must update their long-term, 20-year plans every two years, but the needs they outline in these documents can shift rapidly, sometimes requiring changes even between the biennial filings as economic conditions change.

"Accurately predicting the expense to a specific customer class that far out would be very difficult," commission spokesman Gene Fadness told the AP. "It would be like predicting the price of natural gas in 20 years. You can predict that, but would it be accurate?"

Federal estimates for 2010 put Idaho's electricity rates at the cheapest in the nation, at 6.54 cents a kilowatt hour for all customer classes.

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