

2011-2012 GRAND JURY

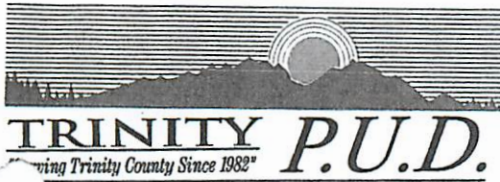
SDR-2011-2012-001

REPORT

Trinity PUD Report

Let There Be Light

**TPUD BOD
RESPONSE**



RECEIVED
JUN 20 2012
TRINITY COUNTY
SUPERIOR COURT

June 19, 2012

Trinity County Grand Jury
P.O. Box 1258
Weaverville, CA 96093

Re: Response to April 9, 2012 Grand Jury Report
SRD2011/2012 – Trinity PUD *"Let There Be Light"*

Trinity Public Utility District's (TPUD) Board of Directors (BOD) thanks the Grand Jury for the time and energy they put into their report. TPUD's BOD will respond as requested to Findings/Recommendations 1, 2, 3, 4, 5, 6a, 6b, 7e.

Finding/Recommendation 1:

Finding:

LAFCO Resolution No. 07-01, which establishes the sphere of influence and authorized powers for the TPUD, limits its activity to "provide power, light, and heat." Communications (i.e. internet) is not one of the authorities granted. The public needs to be aware of the limited scope of activities that the TPUD can be involved in without first expanding the authority granted to it by LAFCO and the Public Utilities Commission.

Recommendation:

TPUD should document, disclose, and publicize its activities each year.

Response:

TPUD has investigated the cost and feasibility of providing internet service to customers. The Grand Jury is correct that communications services are not within the authorized powers granted to the TPUD. Trinity County Board of Supervisors developed a committee that is currently pursuing projects to increase high-speed internet availability within the County. At this time the County's Board of Supervisors is better positioned to bring internet service to Trinity County residents that are underserved.

Finding/Recommendation 2:

Finding:

All electricity customers within the County are not currently receiving the benefit of low cost Federal power as provided for in the Trinity River Act of 1955.

Recommendation:

The TPUD should create a Community Choice Aggregation for the non-served portions of Trinity County and contract with PG&E to wheel TPUD power to those customers that live outside TPUD service territory, but within TPUD's Sphere of Influence, thus increasing the benefits more broadly.

Response:

Although TPUD is not legally authorized to form Community Choice Aggregation (CCA) Districts under LAFCO Resolution No. 07-01 that established the Sphere of Influence and authorized powers for the District, TPUD's BOD has directed the General Manager to assist the County with CCA formation efforts. TPUD's General Manager is participating on a committee that is investigating the feasibility of forming a CCA District that could bring lower cost power to residents of Trinity County that cannot economically be served by TPUD.

Finding/Recommendation 3:

Finding:

Those Trinity County residents off the grid neither receive benefits from their right of use of preferential power nor from the compensation for damages paid by other CVP water and power customers.

Recommendation:

TPUD should devote most, if not all future US Bureau of Reclamation payments towards expanding service to the underserved areas and those currently off the grid until such time as all residences of Trinity County that can be served are being served.

Response:

The annual payment from the Central Valley Project water and power customers of the Bureau of Reclamation is currently close to \$700,000. TPUD uses this revenue to keep rates lower than they would be if TPUD did not receive this revenue. TPUD is very interested in serving more Trinity County residents; therefore providing electric service to off-grid residents is an issue that the TPUD's BOD is currently discussing. However, if this \$700,000 were diverted to provide power to off-grid residents, it would result in the need for a rate increase of approximately 7% for all TPUD customers.

Finding/Recommendation 4:

Finding:

TPUD accepted four parcels of unimproved land from Trinity County as partial payment for funds advanced to support the Trinity Hospital. Ownership of the unimproved land is not germane to providing TPUD customers with light, power, or heat.

Recommendation:

TPUD should sell the parcels, thus placing them on the tax roll, and return the funds to TPUD customers.

Response:

TPUD is engaged in an active effort to maximize the value of these properties for Trinity County residents and TPUD customers.

Finding/Recommendation 5:

Finding:

TPUD's completion of the Direct Connect to WAPA decreased the California Independent System Operator charges by as much as a million dollars a year and eliminated TPUD customer's reliance on PG&E's sometimes unreliable service.

Recommendation:

TPUD should, without delay, enter into a stand-by agreement with PG&E that would provide TPUD with the immediate ability to utilize PG&E power during an extended outage.

Response:

A permanent connection to PG&E's transmission system and a Standby Agreement would not be cost justifiable. TPUD has the ability now to make connection to PG&E's transmission line in the event of a severe extended outage.

Finding/Recommendation 6:

Finding:

The extent of the benefit being realized by TPUD customers and the additional benefits that could be utilized from their use of Preferential Power is not well known.

Recommendation 6a:

TPUD should provide an annual benefits statement to each customer along with their bill.

Recommendation 6b:

TPUD should publicize an accounting of the total realized and unrealized benefits each year.

Response 6a and 6b:

A detailed individual benefits statement would be difficult and costly to produce for each individual customer. TPUD is working on a website that will allow the District to improve customer communication and increase customer knowledge of the benefits that the District provides.

Finding/Recommendation 7:

Finding:

Through the good efforts of those that formed and served the TPUD throughout the years Trinity County residents are making beneficial use of approximately one third of the Preferential Power made available by the Trinity River Act of 1955. If TPUD were to act on all the above recommendations, that beneficial use might go up as high as 50%. At the current rate of growth, it will take decades to reach the level of commitment made in the Trinity River Act of 1955.

Recommendation 7e:

TPUD should assess the feasibility of installing charging stations in key locations around the County to encourage the use of electric vehicles. This bold move could make Trinity County the place to visit for curious tourists with electric/hybrid cars throughout the County.

Response 7e:

It is the hope of TPUD that our economy will expand to use much more of our current First Preference allocation. TPUD sees a bright future for electric vehicles in Trinity County. The cost advantage of using TPUD's low-cost, renewable energy for fuel would dramatically benefit our customers. TPUD would like to see the adoption of electric vehicles on a scale that would justify the installation of charging stations. Unfortunately, electric vehicles have not yet been adopted on a scale that would justify TPUD installing public charging stations. TPUD will continue to monitor the electric vehicle market and be ready to make investments when the time is right.

If you would like to discuss the TPUD responses, please feel free to contact the General Manager, Paul Hauser at 623-4564 to set up a meeting.

Sincerely,

A handwritten signature in cursive script, reading "Richard L. Morris".

Richard L. Morris, President
Trinity P.U.D. Board of Directors

RLM/klp