

# **Committee on Resources**

## **Subcommittee on Water & Power**

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### **Witness Statement**

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**Testimony of King County Councilmember Rob McKenna  
before the  
U.S. House of Representatives Committee on Resources  
Subcommittee on Water and Power**

**April 6, 2000  
Room 1324 Longworth H.O.B.**

Good afternoon, Chairman Doolittle and distinguished Members of the Subcommittee. Thank you for the opportunity to testify on the Bonneville Power Administration's ("BPA's") subscription process. I am Rob McKenna, a member of the Metropolitan King County Council. King County is the most populous county in Washington state with over 1.7 million residents (about 30 percent of the state's population) and is one of the 20 largest counties in the United States. Seattle, Bellevue and Redmond are among our 39 cities.

In King County, we are fortunate to be served by two outstanding electric utilities – Puget Sound Energy (an investor-owned utility) and Seattle City Light (a municipal utility). The 130,000 residents of my district are all served by Puget Sound Energy. The national trade magazine Electric Light & Power recently ranked Puget among the nation's top 10 utilities in its "Industry Report on Top 100 Operating Performance," citing Puget as one of the country's most efficiently operated utilities.

Over the last 18 months, my colleagues on the King County Council and I have been watching and commenting on the development of BPA's current subscription plan. In October 1998, we adopted a resolution outlining our concerns with and objections to the proposal. The resolution is attached to the copies of my testimony that I have submitted today for the record.

Today, approximately 330,700 King County residential households (about two-thirds of the total) are served by Puget Sound Energy. The King County Council strongly believes that it is crucial for all families in King County to receive an equitable share of the region's federal power benefits. Whether they receive an equitable share should not depend on whether the wires running into their homes are owned by Seattle City Light or by Puget Sound Energy.

That's simple fairness. And that is what Congress clearly intended when it wrote and adopted the 1980 Northwest Power Act. Unfortunately, however, that is not what will result from Bonneville's current subscription plan.

Under that plan, households outside of Seattle in north, south and east King County will not receive a fair share of federal power benefits, even while our friends and neighbors in Seattle continue to receive those benefits every month when they pay their electric bill. This pattern will be repeated over and over again

around the Pacific Northwest, as customers of municipal utilities and public utility districts receive benefits that are denied to their neighbors who are served by investor-owned utilities.

The inevitable, absurd result of this arbitrary and unfair allocation of federal power benefits will be to encourage government takeovers of investor-owned utilities—even highly efficient utilities like Puget Sound Energy--just so the IOUs' customers can get their equitable share of Federal power benefits.

Even while BPA's plan fails to provide adequate federal power benefits to Pacific Northwest residential and small farm customers of investor-owned utilities, it will produce a surplus of expensive litigation. Nothing productive will come of the plan for the families I represent—nor will the Seattle families represented by some of my county council colleagues see any increased benefits.

BPA should revise its plan and substantially increase benefits for the residential and small farm customers of investor-owned utilities who comprise 60 percent of our region's households. It is possible for BPA to do this and still offer low rates for municipal utilities, PUDs and rural cooperatives if it would just hold its cash reserves to reasonable levels.

In addition, BPA must not be permitted to lock in its current, inequitable subscription plan for many years to come by issuing subscription contracts longer than five years.

BPA is a federal agency and must be responsive to the Pacific Northwest's Congressional Delegation and this Subcommittee. On behalf of all the families I represent, I urge you to take whatever steps are necessary to cause BPA to revise its current plan so that benefits of federal hydropower are equitably allocated among all residential and small farm customers of the region.

Thank you very much.

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