



**CALENDAR
OF EVENTS**

***Holiday Awards
Party***

December 14, 2005
A great time to bring prospective members.

***January Potluck
with Tom Lando***

January 11, 2006
Chico Women's Club
592 East Third Street

Candidate Forums
April

***Wine Tasting
Fundraiser***

April 23, 2006
Lakeside Pavilion at California Park

Annual Meeting
May 9, 2006

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Dear Friends,

The Special Election is over, and the League worked hard to educate voters about the intent, content, and potential impacts of the propositions. Working with Linda MacMichael, Voters Service director, Charley Turner spoke to Chico Business and Professional Women and led a League-sponsored forum on the measures. Our intrepid Jim Gregg made at least ten presentations to organizations in and beyond Butte County. We sincerely thank our Voters Service volunteers for maintaining this important service. In spring we will hold candidate forums for the Board of Supervisors. If you want to help, contact Linda MacMichael.

Natural Resources continue to be busy putting together sessions on the north state environment, and Social Policy is planning educational forums on California's health care crisis and possible remedies. Check our website lwvbuttecounty.org for a calendar of events or call me at 343-1117.

We are excited that, through the efforts of Sharon Wallace, the Chico Heritage Association is now sharing our office at 635 Flume Street. This old and respected organization has done much to preserve the history and integrity of our community and thus is a perfect partner for the League. Our efforts to create a visible and stable base for our or-

ganization through a storefront facility are beginning to pay off, and we hope you consider supporting it through a tax-deductible contribution to the Education Fund. Checks can be sent to Lucy Sperlin at 18 Yale Way, Chico 95926. When we finalize our lease in January, we will have an open house, so you can all tour our new digs. They're not beautiful, but having all our files at a single site and a place to hold meetings is already improving our operation.

As you see from the wonderful article on Mary Watters, we are coming up to our Mita Markland award party. This is a great time to socialize with fellow Leaguers, introduce new and potential members to our organization, and celebrate the mainstays of our Butte County League of Women Voters. It is difficult to do justice to the contributions Mary has made and continues to make in the life of Butte County, but we hope you will join us to thank her and commit to carrying on the work of the League. Let's let Mary know how much we love and appreciate her!

Your League is changing as our members' lives and the needs of the community change. We need your ideas and whatever time you can commit to issues that interest you. Call me or e-mail me at cburr@csuchico.edu and we'll brainstorm. Happy holidays!

-Carol Burr, President

LEAGUE LEADERS

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 893-5751

Appointed Director
 Lenette Dornon

LEAGUE HONORS MARY WATTERS

This year's Mita Markland Award will honor Mary Watters. If anyone personifies the mission of the League of Women Voters of Butte County, Mary is that person.

The annual Mita Markland Award was established to recognize outstanding service and leadership and to remind others of what they can accomplish for the League and for the community. Mary scores on both requirements.

That's not surprising since Mary grew up with the League. Her mother was an active League member in Illinois and Minnesota. Mary has followed in her footsteps. Since joining our League 37 years ago, she has led numerous committees and studies. She served as League president for four years and also has been membership chair, and observers chair. Mary represented the League on Chico's Charter Review Committee and on Chico's General Plan Task Force. At present she observes the County Board of Supervisors' meetings twice a month.



Until she retired 15 years ago, Mary taught fifth grade in J. Partridge School and kindergarten in Parkview School. For seven years she served on the board of directors for the Chico Housing Project (CHP). She was a founding member of Peppermint Palace, a local children's theater; she worked with Head Start for several years and also worked with Roger Lederer on a National Science Foundation grant. Her community service doesn't end there. She has been a member of the Butte Environmental Council (BEC), Big Chico Creek Watershed Alliance, Blue Room, Chico Community Shelter Partnership, Chico Museum, and the Science Fair. The community work she is most proud of is her role in founding the Chico Nursery School Co-op.

Mary often hosts lunches to discuss community issues and to help herself and others understand them. It goes without saying that Mary is well known in the community.

As one of her League admirers says, "Though Mary may have inherited her League sympathies from her mother, she is truly dedicated to League ideals." And she has instilled those ideals in her friends, children, and grandchildren.

It is time to honor Mary for her leadership in the League and the community. Please join us at our annual Holiday Party on December 14, 7 p.m., at the home of Kristin Cooper-Carter, 600 Parkwood Drive, Chico, as we celebrate our friend, colleague, and newest Mita Markland Award winner--Mary Watters.

-Marilee Meuter, Ramona Flynn, and Anne Nordhus

CHIRA- California Health Insurance Reliability Act/SB840

This important bill would provide total health care for ALL Californian citizens. In 2004 the Lewin Group analyzed the cost and economic impact of this bill and found that "this carefully developed plan realizes an overall saving of \$8 billion in the first year through streamlining administration, bulk purchasing of prescription drugs and durable medical equipment and providing primary and preventive care along with the use of universal information technology and cost control tools." Affordable premiums for individuals and businesses would be according to family income and employer wages paid.

Here in our county the Butte County Health Care Coalition has been involved with the development of CHIRA for the past several years. Their organization is composed of individuals and groups who believe that quality health care is "a right, not a privilege based on wealth." On December 5th at 7:30 p.m. in the Methodist church on 5th and Flume Streets the Coalition is having an informational/social to share the status of Sheila Kuehl's SB 840. The state League of Women Voters is supporting this effort for health care change and December 5th would be a good opportunity to learn more about it. If you are concerned and interested in the issue of health care, please plan to attend. Bring a friend!

In February our League will be hosting a lunch and learn to discuss the health care changes inherent in the SB 840. Hopefully, Sheila Kuehl or someone from her office will be our guest speaker. Plan to bring any questions you might have to this luncheon. We'll let you you know when and where.

-Linda Lunsford, *Social Policy*

Monitoring Groundwater Levels

500,000 + acre feet of Colorado River water that normally supplies California was cut off from California in 2003. An acre-foot is one acre of water one foot deep. It is enough water to supply 2 families of 4 for about a year. To give you an idea of how much water 500,000 acre feet is, in 2004 Butte County used about 70,000 acre feet of groundwater. So, the amount cut back to the State would be enough water to supply the groundwater needs of 7 counties the size of Butte County.

The State of California and Butte County recognize the need to better manage surface water and groundwater. For the last couple of years the State and County have been working on a groundwater management plan to do just that, part of that plan is the Basin Management Objectives Ordinance. This ordinance, passed by the Butte County Board of Supervisors is currently being implemented. The idea is to monitor groundwater levels in Butte County and establish levels that can sustain both quantity and high quality water long into our futures.

To keep up with the increasing demand for water we need to better understand the relationship between the surface water (streams) and groundwater (aquifers). Questions like, "How are they connected?" and "How much groundwater can we take before we critically damage the system?" need to be answered.

Understanding the link between surface water and groundwater is crucial if we are going to make

good long-term decisions that result in a sustainable economy and environment. We can physically monitor "see" surface water but we also need to know how the subsurface water "groundwater" migrates.

Modern technology helps us to do just that. Through geophysical methods we can see the subsurface geology and use this information to understand better how our surface water and groundwater are connected. The next Voter article will look at how geophysical methods can be used with existing geologic data to understand and protect our aquifers.

-Bruce Smith, *Natural Resource Committee*

Your LWV dues for 2006 are now due!

To those who have already paid their 2006 membership dues, thank you! To those who have not yet paid, please help us by returning your dues promptly. We want you to continue to receive Voter newsletters and the National Voter magazine. We must inform the National League of our updated membership list by January.

If you are a new member or have paid your dues since May 1st you are paid up for 2006. The dues are \$50 per person, and \$75 for a family membership.

If you need additional information, contact Jan Cooley Dilg.

Mail dues to:
League of Women Voters of Butte County
P.O. Box 965
Chico, Ca. 95927



League of Women Voters of California Education Fund Energy Update Study

September 2005

Introduction

FOLLOWING THE DEREGULATION of California's electric system that resulted from passage of Assembly Bill 1890 in 1996, the League of Women Voters of California's (LWVC) interest in the topic of energy grew steadily. Since 1997, League committees have explored the implications of that legislation, and energy was chosen as a League Issue for Emphasis in 2001. During the 2001-2003 biennium, League committee members became aware of the profound impact of the effort to introduce competition into what had been a regulated monopoly system, one in which exclusive service areas were granted and a single company provided generation, transmission and distribution of power for each area. At their recommendation, delegates to the 2003 LWVC convention called for a study to update our existing state Energy position.

The LWVC's existing Energy position was last revised in 1980. It strongly supports conservation, efficiency and renewable sources of energy. But the public policy problems associated with a new electric system having both state regulation and a free market—a hybrid system—are different in kind and in magnitude from those addressed before.

Major shifts in regulatory roles and jurisdictions have come about, with new and greater demands placed on the system infrastructure. Generating electricity is now a competitive business. The state's three major investor-owned utilities were required to sell most of their generating units to out-of-state utilities and merchant generators. Policy makers are

grappling with the complexities of managing the resulting system. Hence the urgency of updating our position.

During its work, the study committee has developed valuable contacts with the energy policy community. These have become well-established and influential; the League is clearly recognized as a voice for the public. Committee members have participated in workshops and provided consultation to agencies on public participation issues. Early in 2005, the LWVC presented two successful public workshops, titled "Keeping the Lights On," in Los Angeles and San Francisco, in conjunction with the California Energy Update Study Guide • League of Women Voters of California Education Fund Page.

Commission and the California Public Utilities Commission, and the co-sponsorship of the Commonwealth Club of California and Town Hall Los Angeles. Panelists represented consumers and their advocates; merchant generators; utilities, both public and investor-owned; regulators; and legislators. Reports on the events were uniformly favorable and appreciative of the workshops' educational value. And the experience further strengthened the LWVC's position as a major public representative in the energy community. These and other public meetings fed valuable content into the update study as the committee learned what issues were important, and heard varying The rapid developments in the electric system issue have demanded extraordinarily intense research and information gathering over these years, which could not have been accomplished without Jane's example and leadership.

Members of the writing committee for this Study Guide are: Jane Turnbull, chair, Jane Bergen, Jane Bahr, Suzanne Phinney, Mignon Marks, Charlotte Pirch, Monica Semples and Ellen Yeoman. We are proud of the outcome of our work, but change continues. New problems and challenges are arising every day, and more work awaits us to keep abreast of the issues. The authors of the Study Guide extend their thanks to other League members who offered support and comments in its preparation. Inevitably this list must be incomplete, but we would like to mention the following: Jo Anne Aplet, George Bunyard, Ann Coombs, Rico Cuneo, Elizabeth Eels, Stanley Gold, Lyn Harris Hicks, Nancy Hobbs, Jean Holmes, Liz Kruidenier, Lois Ledger, Rita Norton, Judy Peck, Phyllis Stanley and Leslie Stewart. We also gratefully acknowledge the financial support of Pacific Gas and Electric Company and the Wells Fargo Foundation which made this publication possible.

-The Energy Study Committee

What We Pay For—Anatomy of an Electric Bill

THROUGH THEIR ELECTRIC BILLS, Californians pay for the immediate cost of providing electric service, naturally enough. But they also pay a number of other charges, many related to the tumultuous times following deregulation of the state's electric industry. To understand just what goes into an electric bill it may be useful to start at the beginning.

California customers receive electricity from three types of businesses:

- . ESPs (energy service providers; essentially non-state-regulated private companies that own generating units under Federal Energy Regulatory Commission oversight)

- . Publicly owned utilities such as municipal utilities and rural electric cooperatives

- . IOUs (investor-owned utilities)

About 15 percent of all the power delivered in the state is provided by ESPs, mostly to large customers under what are known as direct-access contracts. Another 25 percent is provided by the publicly owned utilities, and the rest, about 60 percent, by the IOUs. The principal IOUs in the state are Pacific Gas & Electric (PG&E), Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E). Together they serve 16 million customers. IOUs headquartered outside California serve small numbers of customers in the far north of the state and around the Lake Tahoe Basin. The rates of the IOUs, unlike those of the other entities, are regulated by the California Public Utilities Commission (CPUC). Besides the cost of generating electricity, costs are involved in moving it to customers. High-voltage transmission lines carry the power to substations which step down the high voltages (too high for any but the biggest users); from there, lower-voltage distribution lines move it on toward individual customers. Although the IOUs own and maintain their own transmission lines, the total complex network of such lines, generally referred to as the grid, is managed day-to-day by the California Independent System Operator (CAISO), a not-for-profit corporation established by the legislature for this purpose. Technical staff members at CAISO are responsible for ensuring that whenever a light switch is flipped or an appliance turned on, a sufficient flow of electrons will be available—an awesome technical challenge.

- . Basic electric charges

Additional charges originally intended to support the industry as a whole. Besides the basic charges, charges are levied by the state for support and development of the industry itself. They reflect shifts and changes in direction in state energy policy over the years, and include:

- . Nuclear Decommissioning: A mandated charge that collects money to restore the sites of nuclear power plants after they are removed from service.

- . Public Goods Charge (alternately shown as Public Benefits Charge or Public Purpose Programs). A charge that funds several state-mandated programs—for assistance to low-income customers, for energy efficiency, for new renewable resources and for research and development of more efficient and cost-effective energy sources. Other charges arise out of the 1996 deregulation of the industry. They do not apply to publicly owned utilities or irrigation districts (some of which also generate electricity), such as Sacramento Municipal Utility District, Los Angeles Department of Water & Power, City of Palo Alto Utilities or Turlock Irrigation District. They are:

- . Competition Transition Charges (CTC): Part of the original deregulation arrangement. Utilities were allowed to charge rates above the CPUC-approved market price in order to recover what are termed “stranded costs”—continuing obligations for past investment in power plants and power-purchase contracts which would not be recovered in a competitive environment. At the same time a retail rate freeze was imposed on the IOUs to protect residential and small commercial customers. When electricity prices skyrocketed in 2001 and rates were frozen, the utilities whose rates were frozen were unable to collect the CTC. Some bills now show a negative CTC; the intention is to carry these amounts forward and collect them later.

- . Trust Transfer Amount (TTA): Another part of the deregulation arrangement. Bonds were issued to refinance part of the IOUs’ investments in electric generation facilities and purchased power contracts. This was done to permit a 10 percent rate reduction to residential and small commercial customers as a sweetener in the deregulation legislation. For some

customers, those using more than 130 percent of baseline quantity, this reduction expired in 2001. The TTA belongs to a public trust, with the IOUs collecting it on behalf of the trust. (Over 10 years this charge will actually amount to more than customers received from the 10percent reduction. In effect the rate-payers have been funding their own rate reduction.)

- . Department of Water Resources (DWR) Bond Charge: A charge to recover the cost of bonds issued to finance a portion of the high-priced power purchased under long-term contracts by DWR during the height of the electricity shortage of 2000-2001. DWR bond revenues are collected on behalf of DWR and do not belong to the utility. Some charges result

from the financial difficulties the IOUs experienced during the electricity shortage of 2000-2001. They are peculiar to specific companies:

- . Energy Cost Recovery Amount (PG&E only): The charge approved by the CPUC to enable PG&E to emerge from bankruptcy.
- . Historic Procurement Charge (HPC) (Southern California Edison only): A charge levied to allow SCE to recover its past under-collections.
- . Customers of San Diego Gas & Electric have no comparable charge. At the peak of the 2000-2001 crisis, rates of SDG&E customers were no longer frozen because they had finished paying off their CTC charges. Although rates were predicted to go down after the rate freeze ended, in San Diego they went up. It would be a useful exercise to look at your household or business bill to see what part of your electricity cost is from basic charges, what part from additional charges.

Tiered electricity pricing

In California, as in most states, utilities record the number of kWh each customer uses per month and charge an hourly rate for this usage. The hourly rate increases in tiers as total monthly usage increases—for instance, a customer whose electricity usage exceeds a set number of kWh that is considered to be the baseline quantity, will pay more for each additional kWh used. There are several tiers and the hourly rate goes up a few cents each time a tier threshold is crossed. Allowances are made for climate differences by varying the baseline quantity from region to region, and from summer to winter. This tiered rate structure is important because it encourages conservation. But this structure as employed today does not generally reflect dynamic changes in the value of electricity. Consumers are charged the same hourly rate 24 hours a day, even though the cost of producing power varies considerably. Usually only the most efficient plants operate late at night, resulting in lower actual costs of production. Less-efficient plants are put in service during the day, and thus costs are higher. The least-efficient units go on line at times of peak demand, so that costs are even higher—notably during hot summer afternoons when power plants strain to meet demand. A number of experimental pricing services are currently under way. These are attempts to further conservation by more closely aligning rates with real-time costs, producing a rate structure that would encourage off-peak usage and lessen the strain on the system as a whole.

Commercial and agricultural rates are structured differently. These users may pay a charge (called an “energy charge,” or sometimes a “commodity charge”) for the electricity actually used, and a “demand” or “capacity charge” based on the kilowatts a customer expects to need—and that thus must be kept available—to meet its peak needs. In general summer rates are higher than winter rates. Agricultural users fall into a special category. Agriculture is critical to the state’s economy, and food security is a high societal priority. For these reasons agriculture receives somewhat favorable treatment. Also, agriculture has complex energy-use patterns. Power usage has not been analyzed as closely as for other rate groups. (See Section 6: “Interrelationships of Energy and Water.”) Agricultural rates may still be considered “high,” but they are not notably different from residential rates. As an example of the complexity and varied scope of our current rate structure, PG&E lists separate tariff schedules for 20 different types of residential service, 12 types of general commercial services, six types for street lighting and traffic control, three net metering services, six types of agricultural services, and 10 to 15 types of interruptible or scheduled load reduction programs.

Green energy programs

A growing number of California utilities offer “green energy” programs. These voluntary programs let residential, commercial and industrial customers choose to support additional power production from wind, solar or other clean, renewable resources by paying an additional cost per kilowatt-hour. The National Renewable Energy Laboratory reports that more than 500 utilities in 33 states offer green pricing programs. Notable among these is PaloAltoGreen which ranks second nationally based on the percentage, 7 percent, of the city’s residents and businesses that have enrolled in the program. Sacramento Municipal Utility District also ranked in the top ten nationally with a 4.6 percent enrollment.

September 2005

League of Women Voters of California, 801 12th Street, Suite 220, Sacramento CA 95814
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National League of Women Voters Information & Online Resources

Dear Friends,

The recently completed 2005 election showed that the League continues to be the No. 1 provider of voter information online. Our Online Voters' Guides Project featured 90 Voters' Guides from around the country, including one in Chinese and several in Spanish! The League's commitment to providing the public with nonpartisan voter information each and every year is unsurpassed. Thanks to all Leagues that participated!

With 2005 completed, the 2006 midterm elections are less than a year away, and the League is preparing to play a national role. Our *Next Steps on Election Reform* <http://www.lwv.org/AM/Template.cfm?Section=Voter_Information2&CONTENTID=3268&TEMPLATE=/CM/ContentDisplay.cfm> publication remains a helpful resource for both elections officials and reform advocates, and we encourage its use.

-President, LWVUS

Oppose the Reauthorization of the USA PATRIOT Act

The League of Women Voters strongly opposes the conference report on H.R. 3199, the reauthorization of the USA PATRIOT Act, which was tentatively agreed to by House and Senate conferees. The version reported by the House and Senate conference committee provides for more government secrecy in the name of homeland security and anti-terrorism without the checks and balances needed to protect civil liberties. The League issued an Action Alert <<http://takeaction.lwv.org/lwv/issues/alert/?alertid=8256371>> urging opposition to H.R. 3199 and sent a letter to Congress <http://www.lwv.org/AM/Template.cfm?Section=Take_Action&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=3679> expressing our concerns with the report.

LWVUS President Maxwell Speaks at Redistricting Reform Briefing on Capitol Hill

LWVUS President Kay J. Maxwell spoke at a press event in support of the recommendations of the "The Shape of Representative Democracy" report, released by The Campaign Legal Center and The Council for Excellence in Government. This report outlines a set of consensus principles for reforming congressional and legislative redistricting. Read the remarks <<http://www.lwv.org/AM/TemplateRedirect.cfm?Template=/CM/HTMLDisplay.cfm&ContentID=3499>> , the report <<http://www.lwv.org/AM/TemplateRedirect.cfm?Template=/CM/ContentDisplay.cfm&ContentID=3497>> and the press release <http://www.lwv.org/AM/Template.cfm?Section=Press_Releases&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=3472> about the event.

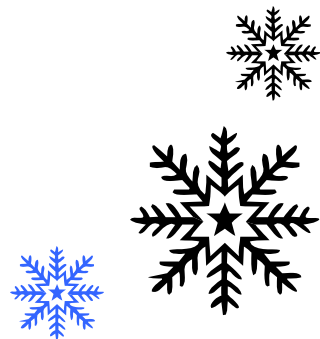
Openness in Government: Looking for the Sunshine

Preliminary work for LWVEF's newest project, "Openness in Government: Looking for the Sunshine" is underway! Read the press release announcing this project <<http://www.lwv.org/AM/Template.cfm?Template=/CM/ContentDisplay.cfm&ContentID=3680>> . Through this new initiative, Leagues will help communities better understand the importance of – and threats to – open and accountable government in contemporary U.S. society. At least 10 Leagues will be selected to host community forums during "Sunshine Week 2006" <<http://www.sunshineweek.org/>> . This project is funded largely by the James L. and John S. Knight Foundation and is an outgrowth of the Local Voices <http://www.lwv.org/AM/Template.cfm?Section=Local_Voices_Liberties_and_Secure_Communities> project. For more information, contact Danielle Duffy <<mailto:dduffy@lwv.org>> .

**LEAGUE OF WOMEN VOTERS
OF BUTTE COUNTY**

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DECEMBER & JANUARY VOTER

JOIN THE LEAGUE

**League of Women Voters of Butte County
P.O. Box 965
Chico, CA 95927
530-895-VOTE**

Founded in 1920, the League of Women Voters is a non-partisan political organization that encourages citizens to play an informed and active role in government. At the local, state and national levels, the League works to influence public policy through education and advocacy. Any person of voting age, male or female, may become a League member.

Annual dues are \$50 for individuals, \$75 per household. If \$50 is prohibitive, please call Membership at 895-VOTE to arrange another option.

Dues and contributions to the League of Women Voters are not tax-deductible, but contributions to the LWV Education Fund are deductible to the extent allowed by law.

Name: _____
Address: _____

Email: _____
Day Phone: _____
Evening Phone: _____

Save the Date
"Holiday Party and Potluck"
When: Wednesday
December 14, 2005
Time: 7:00 p.m.
Place: Kristin Cooper-Carter's Home

The Mita Markland Award
will be presented to
Mary Watters.

Bring a favorite appetizer, dessert or
beverage to share.

R.S.V.P. by December 10th to
Jan Cooley Dilg (530)566-1091
Email: jcool524@aol.com
We are looking forward to seeing
everybody there!