

Energy: Sparks fly as SMUD seeks to annex Yolo

[Celia Lamb](#) Staff Writer

The power struggle in Yolo County will heat up in 2006 as the [Sacramento Municipal Utility District](#) continues its bid to take over electric service from The Sacramento Area Local Agency Formation Commission is expected to decide on SMUD's application in June. If it approves, Yolo residents could vote on the issue by November.

SMUD took up the cause at the request of leaders in the cities of West Sacramento, Davis and Woodland. The utility wants to annex each of the cities plus connecting parts of the unincorporated county.

SMUD would have to use eminent domain to force PG&E to sell its poles and wires in the county. SMUD estimates the purchase would cost \$86 million to \$133 million. PG&E puts the price at more than \$514 million.

The two utilities also don't agree on the benefits to ratepayers.

A study financed by the Yolo County communities and SMUD concluded that SMUD could lower rates for Yolo customers by 2 percent. SMUD claims Folsom residents have saved more than \$238 million since SMUD annexed the city in 1984.

PG&E claims SMUD would have to raise rates by 19 percent.

PG&E has financed a citizens' group, the Coalition for Reliable and Affordable Energy, to campaign against SMUD's plan. PG&E has also sued SMUD in Sacramento County Superior Court, claiming the utility hasn't properly analyzed the environmental impacts of the proposed annexation. SMUD calls the lawsuit a delaying tactic. A hearing is scheduled in May.

Top 3 Events

Fuel prices surge; SMUD finishes major new power plant

1. Gasoline and natural-gas prices skyrocket after hurricanes Katrina and Rita pound the Gulf Coast. The average gasoline price in Sacramento peaks at \$3.04 per gallon Sept. 9. Diesel hits \$3.43 a month later. Both are 80 cents lower by Christmas.
2. SMUD finishes building and starts testing the 500-megawatt Cosumnes Power Plant, which will create enough electricity for up to 500,000 homes. In June, Roseville starts construction of a city-owned power plant that will produce 160 megawatts, enough for up to 160,000 homes.
3. The Sacramento Municipal Utility District pursues the annexation of most of inhabited Yolo County. The district asks the Sacramento Local Agency Formation Commission for approval; PG&E responds with an all-out fight.