

Economic blues limit utility's bounce back from recession

BY BRETT McLAUGHLIN
THE JOURNAL

CLEMSON — Although Blue Ridge Electric Cooperative struggles to retake pre-recession ground, the utility's CEO said Thursday that customers will face **no rate** increase this year and will very likely **not see** higher electric rates next year.

Blue Ridge President and CEO Charles Dalton acknowledged that the firm was "sticking its neck out quite a ways" projecting no increase in 2013, but said that is the current intention of the **Blue Ridge board**.

Dalton made his comments during a media luncheon, at which he addressed the lingering impact of the recession and the negative impact that increased federal energy standards could have on the industry and, ultimately, utility customers.

"The Great Recession continues to have its impact," Dalton said. "... It would appear that only a marked improvement in both the national and global economies would **cause our local prospects to brighten significantly**."

Dalton said the recession brought new-service connections "almost to an instant halt." The past **three years, the cooperative has added** only 242 net new members to its system, **far from the 1,200 to 1,400** annual additions enjoyed during the pre-recession years.

Also casting a shadow over the recovery effort are **proposed or implemented** energy-industry regulations.

"For example," Dalton said, "**the Environmental Protection Agency** over the last few months **issued two sets of rules that are going to have a considerable impact on coal-fired power plants in America**. The first of these regulations would impose such stringent requirements that scores of existing generating plants will be forced to **shut down**."

Today, Blue Ridge Electric Cooperative will mail \$1 million worth of capital-credit checks to those who were members in 1985 and 1986. Each member will receive a refund based on their share of the electricity purchased during that two-year period. This is the cooperative's 30th consecutive year making capital-credits payments. Blue Ridge has given back more than \$20 million to its members over that time.

Although BREC's own wholesale power supplier, Santee Cooper, will need to **close down two facilities, Dalton said Blue Ridge has contracted for additional power, "at a very good rate" that should assure rate stability.**

Dalton said a second, and **more-recent ruling from the EPA, has established maximum carbon dioxide emission standards for new plants that, if enforced, will eliminate the construction of any new, conventional coal-fired generating plants in the United States.**

"The technology simply **does not exist today for any coal-fueled facility to comply with the published emissions requirements,**" he said.

Despite these national concerns, Dalton pointed out that BREC is pushing ahead with \$60 million in **additions and improvements.**

About a year ago, Blue Ridge energized its new Ebenezer substation and transmission line in Oconee County. Barring unforeseen delays, **six more major projects are expected to come on line in 2012 to 2013, including new substations in southwestern Oconee County and at Oconee's Echo Hills Commerce Park on SC Highway 11.** Dalton said the average co-op member enjoyed **uninterrupted electric service 99.96 percent of the time in 2011.**