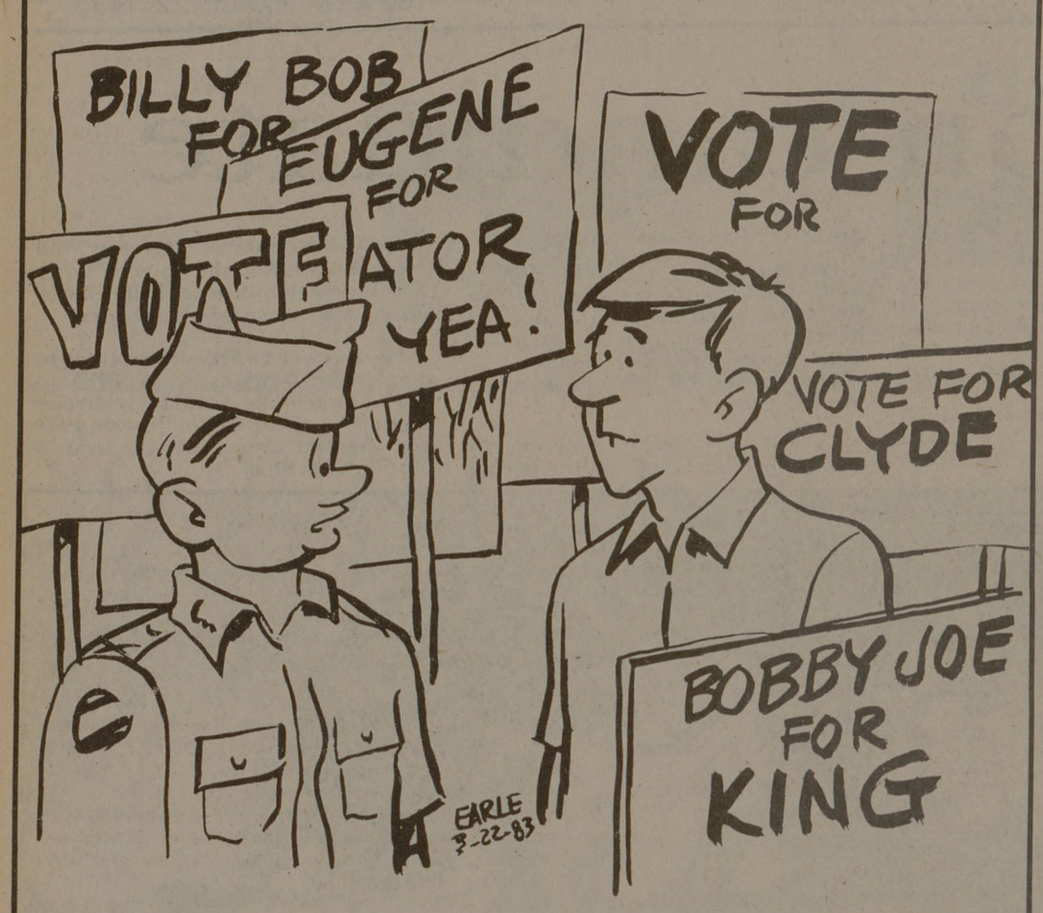
opinion

Slouch By Jim Earle



"Do you have the feeling that we're the only ones not running for something?"

Extra costs unfair to consume

by Maxwell Glen and Cody Shearer

Every American must eat and, consequently, purchase groceries as a matter of survival.

But imagine, for the sake of argument, that grocery shoppers were required to fork over extra cash at the check-out counter each week to help build a new neighborhood supermarket. Never mind that the old store is amply stocked; never mind that the new superstore may be 10 years in construction and even then may never open; we'd all have to foot the bill anyway.

Despite the unfairness of bilking customers for goods they haven't ordered, an Energy Department agency last week OK'd the inclusion of power plant construction costs in wholesale utility bills. As in our parable above, the decision sticks it to the consumer.

The complex ruling by the Federal Energy Regulatory Commission (FERC), involving an esoteric area of utilities regulation, is designed to bail out hard-pressed electric utilities. Though the measure directly affects only those large firms which sell power to smaller utilities, the new rule is expected to boost electric bills nationwide by at least 6 percent (and as much as 20 percent in some areas).

Since its creation seven years ago, FERC has granted "Construction Works In Progress" (CWIP) authority only for pollution control or fuel conversion projects.

Traditionally, however, Uncle Sam has almost always prevented the inclusion of CWIP costs in utility bills. For one, the arguments against CWIP lie in an 1898 U.S. Supreme Court requirement that "assets" (rates) be "used and useful."

If granted CWIP authority, utilities can demand "front" money for power yet ungenerated and undelivered. Secondly, regulators have been reluctant to subsidize utility investors on the backs of ratepayers, insulating utility owners from marketplace risks.

Indeed, for the record, utilities have provided good evidence for such worries. Some, like the Washington Public Power Supply System (WPPSS), undertook massive building projects on the basis of flimsy demand projections during the 1920s. As a result, they've sunk their affiliated utilities into debt and ruined their credit ratings.

Yet, after years of pressure from utilities, FERC jilted American consumers last week, giving an effectively monopolistic industry the power, as Rep. Tom Harkin (D-Iowa) put it, "to gouge" as well. FERC voted unanimously to consider CWIP-based financing for up to one-half of a utility's construction costs. That is, a utility investing $100 million in new plant is now eligible for rate hikes of up to $50 million, in increments of no more than 6 percent a year.

FERC said the change will ease capital formation and reduce "any tendency which may discourage construction of needed generating facilities." It would also help, the feds said, to prevent sudden rate hikes when construction is finished. Added FERC Commissioner Georgiana Sheldon, "Ultimately, the expense is borne by the consumer whether you pay as you go, or not."

In only the largest sense, however, is Sheldon right: Consumers *have* to pay sooner or later. But which consumers pay is another matter. One case study has shown that at least one-third of those who pay CWIP rate hikes today mig[illegible] around when the plant goes [illegible] Senior citizen's groups, which fa[illegible] lative restrictions on CWIP, ar[illegible] their members would be forced [illegible] something that many will nev[illegible] see. Meanwhile, younger fam[illegible] highly mobile and business [illegible] come and go.

As Ed Petrini, an attorney with the National Consumer La[illegible] in Boston told our reporter [illegible] Duffy, "With project lead times [illegible] times stretching over a decade, [illegible] pay now will likely be quite [illegible] from those served later."

Moreover, since 1975 utili[illegible] canceled more than 100 powe[illegible] Some have cost upward of $4 [illegible] build and then dismantle a[illegible] helped to send utility bills up 15[illegible] in the last decade. Warns H[illegible] CWIP had been routinely allow[illegible] sure that investor-owned utilit[illegible] have waited longer than they d[illegible] canceling their plants, and thus [illegible] to the consumer would have b[illegible] stantially higher."

Of course, FERC's decision m[illegible] seem immediately harmful. Acc[illegible] a spokesman for the Edison El[illegible] stitute, the investor-owned util[illegible] group, no utility ordered any n[illegible] plant construction last year.

Yet in seven or eight years, [illegible] demand picture will be differen[illegible] may want to capitalize on CWIP [illegible] whether or not we've forgotten [illegible] pensive overbuilding of the 197[illegible] be worth remembering that ch[illegible] undelivered goods are tools of th[illegible] rupt.

Garage sale — U.S government

by Art Buchwald

The U.S. government is continuing its garage sale. First James Watt announced he was going to sell off a lot of federal land that we didn't need, and now the White House has announced President Reagan's plans to sell the U.S. Weather Service. The reason given, of course, is to save money and involve the private sector in activities that it might perform as well or better than the federal government.

The irony of the decision is that while most Americans always complain about the weather, I've never heard anyone gripe about the U.S. Weather Service. It was one of the few services the government provided that worked well, whether you were on land, sea or in the air.

I have no objection to Mr. Reagan selling off our weather satellites and ground stations to private enterprise, but the big question is how would a company make any money on the weather?

A weather analyst with Merrill Lynch told me he thought the profits were there, provided that enough people were willing to pay for a forecast.

"The company would have to set up a rate card for different types of weather," he told me. "For example, if you wanted to find out what the weather would be like tomorrow in your own town it might cost you a dollar. If you wanted to know what the weather was like in another area, it would be $3 a prediction. And if you wanted the weather profile for the entire United States, it would be $10."

"What about hurricanes and blizzards?"

"I believe hurricanes and blizzards would be worth $25. Tornado warnings would be $50, and there would be a surcharge for any predictions coming out of Canada."

"Why would someone pay for a weather forecast if they could get it free on television?"

"No company would buy the weather satellites unless it was assured that they would be the sole distributor of weather information. The TV stations would have to pay substantial fees for the service, if they're going to transmit this copyrighted information to their viewers for nothing."

"Who do you foresee as the large users of the private weather service?"

"The government will probably be the number one customer. They need weather information for planes, ships, and when the Queen of England visits the West Coast. I predict the large government contracts for weather will pay for the system, and everything after that will be profit."

"If the government is going to pay millions of dollars for the service, why don't they just keep it, instead of selling it off?"

"The president wants the government out of as many things as possible. His philosophy is that the federal weather forecasters should get off the people's backs. He doesn't believe some Washington bureaucrat should be telling the farmers in Nebraska they're in for a hailstorm."

"What worries me," I said, "is that if a private company takes over the weather service it might tend to predict better weather than is actually coming, just to attract new subscribers."

"The company might at the beginning. But if they're wrong too many times, the customer will just cancel out on them, and tune into the BBC, for their weather reports."

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The Battalion also serves as a laboratory newspaper for students in reporting, editing and photography classes within the Department of Communications.

Questions or comments concerning any editorial matter should be directed to the editor.

Letters Policy

Letters to the Editor should not exceed 300 words in length, and are subject to being cut if they are longer. The editorial staff reserves the right to edit letters for style and length, but will make every effort to maintain the author's intent. Each letter must also be signed and show the address and phone number of the writer.

Columns and guest editorials are also welcome, and are not subject to the same length constraints as letters. Address all inquiries and correspondence to: Editor, The Battalion, 216 Reed McDonald, Texas A&M University, College Station, TX 77843, or phone (713) 845-2611.

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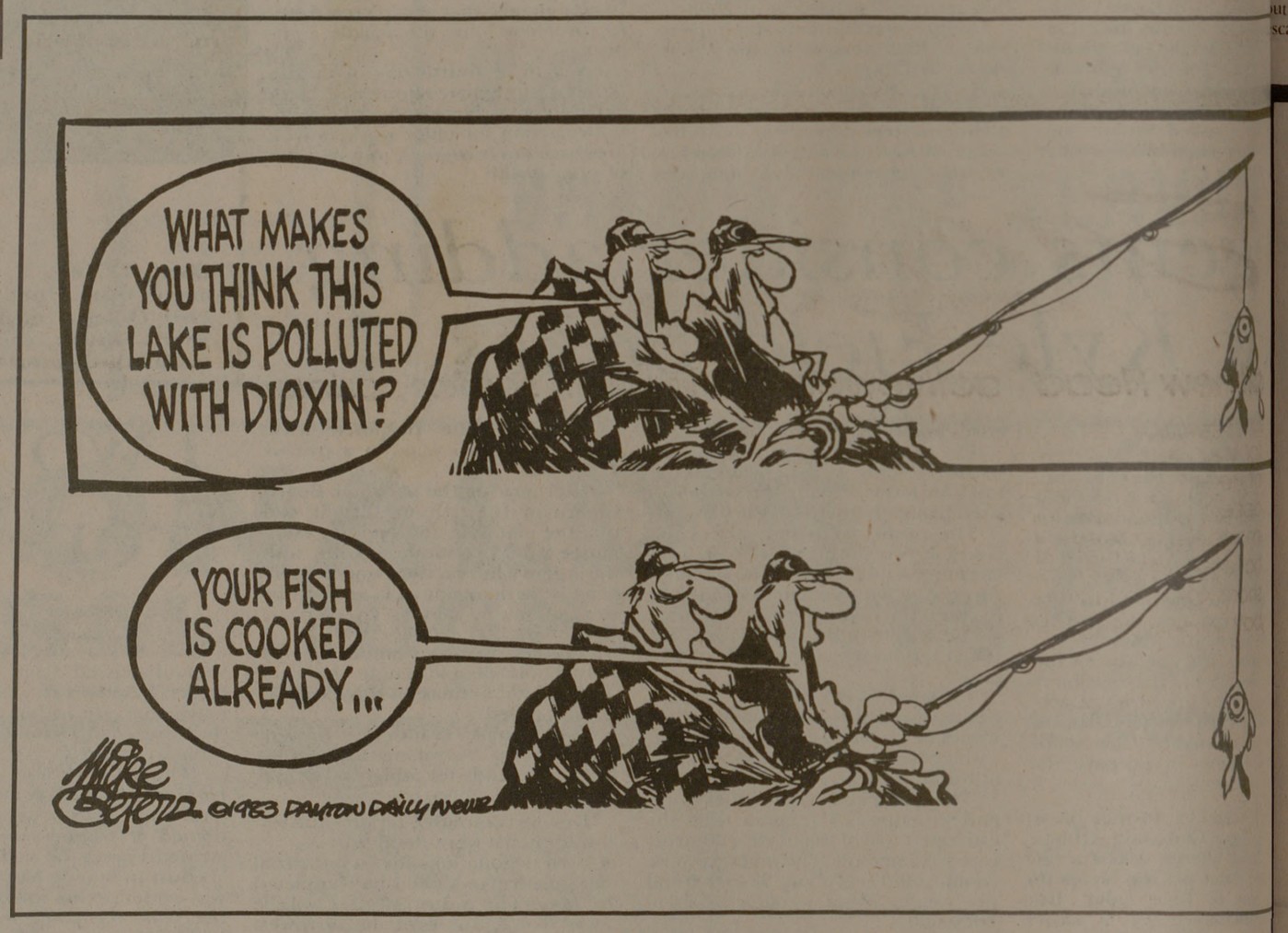

Letters: Politics dirty business

Editor:

Concerning Greg Richard's "Reagan and the Circus" letter of March 11.

Thank you for a very enlightening and informative response to my letter. I know full well how the political system works. Unfortunately politics is dirty business: It is too bad Reagan's campaign speeches could not match his actual presidential policies. But I do not think that any presidential candidate's platform has been able to match his presidential policies since Washington; and he did not have a presidential platform, except to serve the country.

The think I really thought was interesting about your letter was your statement about the New Deal's basis's as being facist. I guess what you must be trying to say is that Franklin D. Roosevelt was a facist and his democratically controlled congress was also composed of facists. Furthermore, everyone since 1936 or so must be a facist in your eyes because most if not all of the New Deal proposals are still intact. Not only that but most of them have been expanded to proportions beyond belief. Moreover, as President Reagan quickly found out, they are difficult to get rid of; and as President Carter found out, nobody wants to pay for them.

Stephen Weiss '84

Troopers reunion

Editor:

The 187th "Rakkasans" of the Korean War fame, have recently formed after waiting 31 years. I served as a paratrooper with this elite "Team" during the Korean War and will appreciate your help now.

"The 187th Airborne Regimental Combat Team Association, known as the "Rakkasans", composed of paratroopers who served during the Korean War, as the only Regimental Parachute Combat Team to fight and serve in that war, has just recently formed their association. They are conducting a campaign to locate all former "Rakkasans," and members of Airborne/Ranger Companies.

Please contact the undersigned or Robert F. Gilbert, National Membership Coordinator, 3657 Irwin Way, Columbus, Georgia 31906 for detials of the association, as well as details about the reunion.

Contact me at: 2833 Milton Avenue, Dallas, Texas 75205, (214) 368-4431.

Leslie E. Beilharz

Loyalty to A&M

Editor:

After attending the debate on the "Value of Social Fraternities and Sororities at Texas A&M," I still am [illegible] their recognition because I believe [illegible] will be to the greek institution and [illegible] the Twelfth Man.

I'm not against greeks in gene[illegible] at A&M. Participation in a frater[illegible] sorority can develop respons[illegible] leadership skills and camaradere[illegible] person.

The things that set this Uni[illegible] apart from other universities are th[illegible] it and loyalty. I believe that loyalty [illegible] shift from being an Aggie to be[illegible] member of a particular fraterni[illegible] sorority. A primary illustration of [illegible] the scheduling of greek activities [illegible] Silver Taps, basketball games and [illegible] activities that make Texas A&M wh[illegible] Everytime I see a bumper sticker o[illegible] promoting greeks around camp[illegible] think to myself, "That could have p[illegible] oted Texas A&M."

Many greeks claim to have their [illegible] to A&M first and then to their org[illegible] tion. While they're not recognized [illegible] seems to be a predominant attitude [illegible] question is where will the loyalty [illegible] or 10 years after they're recognized [illegible]

If I could be convinced that fra[illegible] ties and sororities would not be [illegible] trimental to the Spirit of Aggieland [illegible] would not object to their recognition [illegible] until I'm convinced, I believe for th[illegible] nefit of this University, they should [illegible] be recognized.

Kirk C. Patte[illegible]
Do[illegible]