

Utility's power surges in Statehouse

Flow from GMP to state 'troubling'

By David Gram

The Associated Press

MONTPELIER — When Gov. Richard Snelling wanted a utility lawyer to head the Public Service Department, he chose V. Louise McCarren, who had spent the past year doing legal work for Green Mountain Power Corp.

When Snelling died this month and Lt. Gov. Howard Dean was thrust suddenly into the governor's chair, Dean looked to his friend, former House Democratic Leader Paul Poirier, for help and advice. Poirier took a leave from his job in community relations at Green Mountain Power.

When Dean began putting together a new team, he turned to David Wilson for the key job of administration secretary. Wilson held the post during Snelling's first term in office; recently he has worked as a lobbyist for Green Mountain Power.

The revolving door between Vermont's second-largest utility and state government has spun the other way as well.

Poirier was hired by Green Mountain Power after his stint in the House and his defeat in the 1988 congressional race. McCarren was retained by Green Mountain Power after she served six years as chairwoman of the Public Service Board. Former Gov. Thomas Salmon was named to the Green Mountain Power board — he's now chairman — 15 months after leaving office in 1977.

Today, questions are being raised about whether Green Mountain Power is wired into the state through more than just its electric grid.

"Nobody but an idiot could dismiss the fact that there seems to be an awful lot of utility influence in Montpelier at the present time," former Gov. Philip Hoff said Thursday.

Hoff said he thinks the situation is unprecedented and might be more troubling than past instances in which Vermont Marble Co. or National Life Insurance Co. executives have won the governor's office and other key posts.

Hoff agreed with Arthur Ristau, who left Green Mountain Power in 1985 to become former Gov. Madeleine Kunin's administration secretary. Ristau said

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that because of the degree to which they are regulated, utilities have a relationship with government like few other businesses.

"The relationship of regulators to regulated is more than symbiotic," he said. "It is intimate."

Hoff said he thinks "there should be an arm's-length relationship, just because (government is) in the process of regulating them. The stakes are very high for the average person in Vermont. Electric rates have a significant impact on the average consumer."

Others, including Beal Hyde, president of Vermont Common Cause, said the real problem was one of unequal access. A corporation has an entree into the highest ranks of government, something not often true for "the little guy," Hyde said, adding he was speaking for himself and not Common Cause.

"You read over and over again, people say the reason they don't vote is that their vote doesn't have any effect, that government is run by large corporations and big money," Hyde said. "The little guy doesn't vote because he doesn't think that he has any chance of having his opinion represented by the people who are running for office."

Hoff said he was worried

mainly about the appearance of the situation and the potential for conflicts of interest. He said he could cite no direct evidence of Green Mountain Power's improperly influencing state policy.

Alan Boright, a longtime staffer on environmental and energy issues with the Legislature's bill-drafting and research office, said Green Mountain Power has lost as many battles as it has won during the past 10 years.

"I think power is still diffuse in this state even though it's a small state," Boright said. "I think people still have the ability to make their own decisions based on the information in front of them."

Stephen Terry, assistant vice president for external relations at Green Mountain Power and a member of Kunin's Council of Economic Advisers, said the company has made a conscious effort to become a better corporate citizen.

Change began with Salmon's appointment to the board and accelerated greatly after the 1983 resignation of former Green Mountain Power Chairman Peter McTague, whom Terry and others described as weak on public relations.

"It was quite clear that when you're a regulated public utility, you can't be at war with your customers, which Green Mountain was," Terry said. "And you

can't be at war with your regulators, which Green Mountain was, and there had to be a change of course."

One result of that change has been that Green Mountain Power's annual customer surveys show greatly increased customer satisfaction with the company, Terry said.

Terry said Green Mountain Power in recent years had sought to "find the skilled players and skilled people wherever they are to help us do our jobs."

At the same time, Salmon said, "I think ... when governors past and present have come to people who have had ties to the company in the past, hopefully they've come because they feel (Green Mountain Power officials) have something to offer.

"We're all, first and foremost, citizens of the state, and we've got a moral obligation to help whenever possible."

But the fact that the company's corporate citizenship has included executives from Green Mountain Power switching back and forth from company service to public service has some observers worried.

"I think you're identifying a real problem," said former state Rep. Toby Young, a Putney Democrat who serves as executive director of Common Cause in Vermont. "We rely too much in Vermont on the fact that we

trust one another.

"We can wind up in situations where the perception of conflict can be there ... and that can be as damaging as a real conflict if the public perceives that there is a conflict of interest," she said.

Young said Common Cause was backing a bill now in the Legislature that would bar high-ranking state officials from lobbying their agencies for private clients for a year after leaving government service.

The bill does not address people making the reverse switch from the private sector into government service.

Terry said he would "challenge anyone" to say where such conflicts have occurred.

He said Thursday that as a member of Kunin's Council on Economic Advisers, he was one of the people the governor turned to on energy questions. "That's why I was there."

Asked Friday to elaborate on that statement, Terry said, "That's not why I was there. If there were issues about the energy supply of Vermont, I was one of the people asked to comment on it. Madeleine Kunin named me (to the council) because I was part of the Vermont business sector, not because I worked for Green Mountain Power."