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Title: Pahrump utility chosen as main supplier for test site  
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Valley Electric Association of Pahrump was chosen by the Department of Energy on Monday as the primary source of power for the Nevada Test Site.

The decision represents a major loss for Nevada Power Co., which provides 22 megawatts of electricity to the test site. Valley Electric sells 2 megawatts to the test site.

The Department of Energy's announcement is the latest example of how competition is eroding Nevada Power's monopoly.

Nevada Power earlier wanted to offer Mirage Resorts Inc. a special contract to retain the casino company as a customer, but the Nevada Public Service Commission rejected the proposal. Mirage Resorts said it would build its own power generation plant.

More recently, the Southern Nevada Water Authority has been considering alternate sources of power.

Officials are concerned that residential rates will rise if Nevada Power loses major customers and their revenues.

A government official, however, said the competitive bidding process will cut costs in the long run.

The estimated value of the contracts over 10 years is \$55 million for the test site and \$19 million for the Energy Department's North Las Vegas facilities, which will continue to be supplied by Nevada Power.

"We think this process will provide significant savings to the taxpayers over the life of the contracts," Terry Vaeth, acting manager of the Department of Energy's Nevada Operations Office, said in a statement.

Nevada Power spokeswoman Glenda McCartney said the utility had not had an opportunity to review the contracts.

Nevada Power remains the primary source of power for the facility in North Las Vegas, and the city of Glendale, Calif., will provide 3 megawatts of additional electricity for the test site. Glendale operates a municipal electric utility.

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