

Governments should not grant monopolies, but the Boulder City Council would by renewing Xcel's franchise. Xcel would remain "the community's sole provider for electrical and natural gas service," says the city's Web site. Xcel should do business without government protection from competition. Competitors should be free to contract with landowners to run wire and gas lines, and sell their products to interested customers.

Some advocate another form of unnatural monopoly -- municipalization -- where government owns the electric utility. Supporters claim that "munis" have lower prices than franchised investor-owned utilities like Xcel. But this presents a false alternative between two types of government-created monopolies. Government should stick to its proper role: enforcing laws that protect individual rights. Here, this means repealing political controls that inhibit free-markets in electrical and natural gas service.

Others advocate "community choice aggregation." This sounds like mandatory open access, which Texas has -- Google "Texas electricity shopping." Mandatory open access involves forced competition that violates grid owners' property rights: grid owners must sell grid access to competing power producers at contrived prices. Maybe government-enforced competition is preferable to a government-enforced monopoly.

But why settle for this? Electricity is more a government-created monopoly than a "natural" one. Though state and federal controls inhibit competition, utilities compete for customers in about 10 U.S. towns. Such competition was more common before governments imposed regulations on them, as documented in "Electric Avenues," published by the Cato Institute. Since the electric utilities themselves lobbied for these regulations, ask yourself who has benefited.

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