

# Washington Public Utility Districts' Association

721 Jones Building, Seattle 1, Washington • Phone MAIN 7441

KEN BILLINGTON  
EXECUTIVE SECRETARY

April 22, 1953

Attached is the first issue of "Power Facts", which will henceforth be sent on a bi-weekly basis for your information and whatever use you may desire.

In these fact sheets you will find information concerning the generation, transmission and distribution of electric energy from a national, regional, State and local viewpoint.

In this first issue we have attempted, as a service to you, to specifically outline the highlights of the new State Power Commission legislation.

We hope this information will be of value in furnishing you information on the subject of power, which is of great importance to the people of this State.

Sincerely yours,

Ken Billington

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encl.

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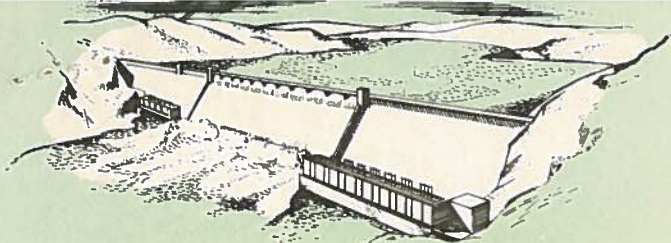
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# Power Facts

Submitted for your information by the  
WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION  
721 Jones Bldg.      Seattle 1, Wash.      Phone MAIN 7441

KEN BILLINGTON, EXECUTIVE SECRETARY

## HIGHLIGHTS AND ANALYSIS OF THE NEW STATE POWER COMMISSION.....

This factual report is submitted in the interest of a better understanding of the mechanics and long-range implications of the new State Power Commission that was created by the recent State Legislature (H.B. 462, as amended).

### Five on Commission, Appointed by Governor

The act provides that the members of the Commission shall be appointed by the Governor, and shall include one representative each from Seattle City Light, Tacoma City Light and the PUDs of the State and two members at large. The at-large members may represent private power companies, REA co-operatives or the public at large, at the discretion of the Governor.

Commission members will draw \$50 per day plus expenses. Members who are also employees or officials of other public agencies (such as PUDs or municipalities) will receive the difference between their regular public compensation per day and \$50. Term of appointment is six years, with rotation established by staggered first terms.

### Commission Can Build, Operate Power Plants and Enter into Contracts with U.S., Canada

The Commission has the power to build, acquire, lease and operate generation and transmission facilities, but it cannot acquire existing facilities by eminent domain (condemnation).

The Commission can, for example, buy or lease a dam from the Federal government, or from a private company if that company is a willing seller. It can also build its own power projects, subject, of course, to Federal Power Commission licenses as now required of all other private and public agencies. It can negotiate with the Federal government, with other states and with the Dominion of Canada and its provinces.

### Cannot Obligate State

The Commission may issue revenue bonds to finance power developments, but it cannot obligate the State. Bonds must be sold on bids. Revenues of the Commission cannot be used for other State functions.

### Conflicting Interests Provided For

To prevent conflicts between the State Power Commission and other public or private agencies willing and able to build power projects, the Commission must publish its intent and give first chance to any such agency to do the job. A method is provided for holding hearings to resolve controversies.



### Joint Operating Agency Section Provides for Partnerships of Public Agencies

The Power Commission act also provides for the establishment of joint operating agencies as subdivisions of the Power Commission. These agencies are essentially partnerships of public agencies desiring to build and operate generation and transmission facilities. The member partners may be cities, PUDs, or both. This right to venture jointly is now held by private electric companies, but heretofore municipalities have not had legal authority to join with other municipalities or PUDs to generate and transmit power. Present generation and transmission facilities of local public power agencies cannot be disposed of to a joint agency or the Commission.

### How Formed

Any two or more public agencies may create a joint operating agency with the approval of the State Commission. The legislative body of each agency (city or PUD) appoints a representative to the board of such joint operating agency. These representatives may be compensated by such agency in the same manner and to the same extent as members of the State Commission.

### Power Restricted

Like the parent State Power Commission, the joint operating agencies cannot condemn power facilities, nor operate distribution facilities (i.e. lines serving customers). The joint operating agency cannot deal with the Federal government or Canada, nor act as wholesale power agent for Federal power to local agencies, nor conduct overall surveys and studies on State and regional power needs. These powers are reserved to the Power Commission. The Commission will represent the joint operating agencies where dealings are required with the Federal government, the other states or Canada on the problems of fishways, navigation, stream diversion, etc.

### Financed by Revenue Bonds

The joint operating agencies would finance all projects with their own revenue bonds and would hold their own funds. No project may be built or purchased by a joint agency until approval has been secured from the State Power Commission.

### Fish Sanctuary Law Recognized

The new act recognizes the Fish Sanctuary Law and contains nothing inconsistent with it.

Provision is made in the act for appeals to the courts of any grievance against the Commission or the joint operating agencies.

### Priest Rapids May Be First Test

Workability of the new act may be tested first at Priest Rapids, a dam site on the Columbia between Rock Island and the mouth of the Snake. Grant County PUD is the prime mover in promoting local construction of this site, with possible cooperation with other PUDs and the cities of Seattle and Tacoma. (The eastern half of the dam would be located in Grant County.)

Some of the problems involved: (1) Getting the Federal government to relinquish its right to build the project; (2) signing up enough power commitments to secure adequate financing; and (3) getting financing at low enough interest rates to keep the cost of power at a marketable figure.

Many Sites Can Be Developed

There are literally scores of power sites in the State that can be developed by local utilities, and the Power Commission Act provides the legal machinery. Every PUD is alert to its responsibility to study sites in its area. Now small PUDs can join with the bigger municipalities in getting action.

There are not enough power sites on the Columbia and Snake Rivers alone to meet the power needs of the Northwest in future generations. The PUDs support the Power Commission Act in the interest of more generation on the belief that we can keep electricity cheap by keeping it plentiful.

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6/23/59

RELEASE UPON RECEIPT

Opposition to the Corps of Engineers decision against extending Columbia River navigation to Rock Island Dam was voted unanimously by the board of the Washington PUD Association in Seattle last weekend.

In supporting inland navigation interests the association also urged support for a detailed Corps study of the problems which the proposed Ben Franklin Dam near Richland would create for nearby atomic installations at Hanford. The Corps has requested \$1 million from Congress for such a study.

Plans for extending navigation from the McNary Dam pool to Rock Island had been included in the Major Water Plan contained in the North Pacific Division Engineer's recent review study of the famous 308 Report on Columbia River development. The decision to delete the navigation plans for now was made by the Board of Engineers for Rivers and Harbors, which reviewed the division engineer's report.

Ben Franklin Dam with navigation locks would provide slack water navigation over most of the distance between the McNary pool and Priest Rapids Dam. Under the navigation extension plans recommended by the division engineer, this section of the river would be improved for navigation by dredging.

The Washington Public Power Supply System, the joint operating agency of 13 public utility districts, has filed an application with the Federal Power Commission for a preliminary study permit on the Ben Franklin project, but the WPPSS cannot proceed until the questions concerning the reservoir effects upon the atomic installations and their operations are resolved.

February 12, 1964

Suggested changes or present deficiencies in the current proposed draft of the Columbia Interstate Compact. (These are submitted in response to a request for such views by motion at the January 20, 1964, Compact Meeting.)

1. Re-establish the Compact as a five state agreement.

Comment: The inclusion of Nevada and Utah is not justified on the extent of their direct involvement in the Columbia River drainage area. Their presence aggravates the disproportionate voting arrangement in the present draft of the Compact. Their interests center to a greater extent on areas outside the Columbia River Basin. Their financial support to the Compact is disproportionate to their voting strength. If need be, they might be granted non-voting, non-paying membership.

2. Provide effective flood control criteria.

Comment: The State of Washington as a down-stream state is vitally interested in securing up-stream storage for the purpose of preventing damaging floods. In the 1960 draft of the Compact, provision was made pledging the support and efforts of all member States of the Compact to secure up-stream flood control storage which would control the flow of the Columbia River at The Dalles, Oregon, to 600,000 cubic feet per second. This flood control criteria was deleted in the 1962 draft. Without flood control being provided or endorsed by the Compact, it is of no benefit to the State of Washington.

3. Provide effective pollution abatement or correction.

Comment: Studying Article VIII on pollution control in the present Compact draft, one finds a recitation of the interest of member States in pollution abatement or correction. This even goes to a mandatory hearing in the event a complaint is made to the Commission by a member State's water pollution control agency. However, at the conclusion of the hearing, while the Commission can make a finding, it then only has a recommendatory power that the pollution be abated or corrected. When you examine this in the light that under voting requirements, Article III, it takes twelve votes out of sixteen for favorable Commission action, and recognize that the States of Oregon and Washington as down-stream States have only six votes, the possibility of even getting a recommendation on any pollution abatement or correction would appear questionable. Once finding is made that pollution exists, the correction or abatement should be mandatory on the State involved.

4. Submit decisions by the Commission on water diversion to areas outside the Columbia River Basin to the Legislatures of the member States for final approval.

Comment: While the present draft under Article VII, paragraph B, provides that no waters of the Columbia River System shall be

diverted out of the Columbia River Basin for use for any purpose except with the approval of all of the member States, this would place such matter in the delegated authority of the sixteen members of the Compact Commission. This provision could be strengthened by providing that any decision on diversion should be returned and ratified by the Legislatures of the member States.

5. Require unanimous action by the Commission members under Article V, paragraph C, on matters where diverse State opinions might occur before the Commission appears and makes recommendations to appropriate governmental or intergovernmental agencies or other entities in public hearings or otherwise in connection with any plans, projects, or programs on river resource development.

Comment: The Commission under this Compact could intervene in Federal Power Commission hearings and appear before Congress and Congressional Committees to submit testimony on any matter affecting river resource development. Past experience demonstrates that there are considerable diverse opinions in the region on such matters. Before this Compact Commission is turned into a special lobbying influence for a particular view, protection should be afforded whereby such action would only be by unanimous approval.

6. Place a limit on the budget to be adopted by the Compact Commission or subject such budget control to approval by the individual member States' Legislatures.

Comment: The Commission under the Compact has unlimited authority to hire personnel, engage consultants, own property, open offices, and so forth. The initial biennium budget, which is specified at \$65,000 as a minimum, requires a 23 $\frac{1}{2}$ % allocation from the State of Washington. This would be the minimum allocation for the State of Washington for all future budgets and there is no limit as to budget size. Budget size is at the discretion of the Commission. The State of Washington would be morally, if not legally, bound to such contribution without recourse to any Legislative control.

7. A Compact could be established without requiring a central budget or staff.

Comment: The desirability or need for another tax supported governmental entity to deal in matters of river resource development has not been demonstrated. Those matters directly associated with the allocation or control of water flow could be embodied in a Compact without the use of a central budget or staff. Methods and procedures could be provided for action by State representatives to a Compact Commission by use of established State agencies to perform staff duties. Essential articles

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such as I, VII, XI, XII, XIII, and XIV could be adopted without establishing a new tax supported central staff or budget. This would eliminate the problems of budget control, cost allocations, disproportionate voting to financial support, fears of lobbying activity, duplication of present State and Federal agencies' staffs and studies pertaining to river resource development and use, etc. A Compact to define water allocation and control could be adopted without setting up a new agency.

Respectfully submitted,

Washington P. U. D. Association  
605 Tower Building, Seattle, Wash.



NEWS RELEASE  
WASHINGTON P.U.D. ASSOCIATION  
707 Tower Bldg., Seattle 1, Wash.  
MAin 2-7441

FOR RELEASE:  
March 3, 1964

Criticism was leveled today at the proposed Columbia Interstate Compact by the Washington Public Utility Districts' Association as spokesmen termed the present Compact draft "deficient and not in the best public interest for the State of Washington."

Approved by the Association Board of Directors, the letter of comments, along with suggested changes in the proposed Compact, was submitted to the Washington delegation to the Compact Commission.

Howard Cannon, President of the State PUD Association, emphasized, "Proponents of the Compact are using scare talk about possible diversion of water to California as a red herring to stampede ratification of the Compact. They ignore the present deficiencies in the Compact which would be detrimental to our State."

Seven changes were proposed by the Association as minimum requirements from the standpoint of the State of Washington. These recommendations were as follows:

(1) Re-establish the Compact as a five State agreement. The Association stated that the inclusion of Nevada and Utah was not justified on the extent of their direct involvement in the Columbia River drainage area, and created a disproportionate voting arrangement;

(2) Provide effective flood control criteria to benefit Washington as a downstream State;

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(3) Provide effective pollution abatement or correction to protect Washington as a downstream State;

(4) Bolster the provisions to prevent diversion of water outside the Columbia River Basin. The Association recommended that any diversion of Columbia River water to outside regions be subject to further approval by the various State Legislatures;

(5) Prevent the Compact Commission from becoming a lobbying organization against individual State interest by requiring unanimous action on certain matters;

(6) Limit the Compact Commission budget or provide control of such budget by the individual State Legislatures;

(7) Adopt a Compact without setting up a new tax supported bureaucracy which could only duplicate the work of present State and Federal agencies in river resource development.

The Association President concluded: "In view of these facts it behooves the State of Washington to secure either specific benefits from an Interstate Compact as a downstream State, or the Compact should not be ratified. Most certainly, we must get those things which are necessary to help our State before ratification, because there is no practical way of obtaining them once the Compact has been ratified. It's easy to get into the Compact. It's impossible to withdraw from or terminate Compact conditions."

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4-7-66

WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION  
601 TOWER BUILDING  
SEATTLE, WASHINGTON 98101

IMMEDIATE RELEASE

CONTACT: BILL HOLLOMAN MA 2-7441 MA 2-3224

An unsolicited endorsement of a Public Utility District operation was reported to the Seattle office of the Washington PUD Association today when results of a community survey in East Wenatchee by that city's Chamber of Commerce were released.

The survey was in the form of a public opinion poll on what residents of East Wenatchee like and dislike about their city, its facilities and its importance and benefits as a place to live. A total of 1,127 households were interviewed by poll takers.

In answer to the direct question of "Are you satisfied with the present utilities?", 970 households voiced approval of the PUD operation in East Wenatchee, as against 70 who were dissatisfied and 19 who declared they had no opinion.

In the same survey, householders made this response to other utilities of East Wenatchee: the water district, 878 approved it, 107 were dissatisfied, and 40 had no opinion. Sewer service -- 216 approved, 233 were dissatisfied, and 230 had no opinion. Natural gas -- 212 were satisfied, 312 were dissatisfied, and 477 had no opinion. Garbage collection -- 656 were satisfied, 146 were not, and 194 had no opinion. Transportation -- 481 were satisfied, 203 were dissatisfied, and 313 had no opinion.

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East Wenatchee is served by the Douglas County PUD. There are four major PUD dams in the area on the Columbia River: Rock Island, Rocky Reach, Chelan Falls and Wells Dam.

"This unsolicited support is an indication to us that the PUD utility with its low cost public power is a welcome facility in East Wenatchee," said Ed Evans, PUD Association president.

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NEWS RELEASE  
WASHINGTON P.U.D. ASSOCIATION  
601 TOWER BUILDING  
SEATTLE, WASHINGTON 98101

CONTACT: BILL HOLLOMAN MAin 2-7441 ATwater 4-5166

A charge of "bad faith" against cooperative action for a regional power supply was leveled today against the private power companies by Gerald Fenton, president of the Washington PUD Association.

Fenton spoke out following adoption of a resolution by the Washington Public Utility Districts' Association Board of Directors concerning legislative enactment of an amendment sponsored by private power which changes the basic public power law.

"The amendment added by the State House of Representatives to a minor housekeeping bill of this PUD Association would force higher electric rates in this state if it is allowed to become law," Fenton said. "It is a measure which would force local people to pay more for acquiring private power company property when the local people by their majority vote had declared they wanted low cost public power service.

"The regretful part of this is that it comes at a time when every effort should be made to prevent a private-versus-public power fight in our state so that joint efforts can be made to develop a regional power supply. This is no time for the private power companies to pick a fight. But we in public power cannot let this type of law go unchallenged.

"Our PUD Board of Directors has adopted a resolution asking all member PUD Districts to review all present and planned negotiations on joint ownership of power plants in cooperation with private power companies. Further, we are asking

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our PUD Districts to develop their own power supplies or to develop them only in cooperation with other public power utilities.

"Earlier in this legislative session the Washington PUD Association worked out a bill, which now is law, with private power, to permit joint ownership of steam generating plants. We did this on the assumption that no punitive legislation against either private power or public power would be involved during this session of the Legislature. That is all changed now because of this unwarranted private power attack on the basic PUD law."

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# RESOLUTION

## DEPLORING PRIVATE POWER POLITICAL ATTACK ON BASIC PUBLIC POWER LAW

WHEREAS the private power companies have sponsored legislation to disrupt and cripple the present PUD law which protects the basic right of local people to be served by local public power; and

WHEREAS such action is a breach of good faith to the cooperative efforts of the local public power utilities working with private power in behalf of a low-cost regional power supply; and

WHEREAS such action was accomplished by an underhanded parliamentary maneuver in the House of Representatives which did not afford full public notice, disclosure, hearings and debate, on the basic issue involved.

NOW, THEREFORE, BE IT RESOLVED that the Washington Public Utility Districts' Association deplores this bad faith political action by the private power companies and urges all member Districts to immediately review all present and planned negotiations with the private power companies relating to joint ownership of thermal plants and forthwith withdraw from such joint negotiations; and

BE IT FURTHER RESOLVED that efforts by the local public power utilities now ~~be directed towards construction of their own separate power generating plants and~~ thereby permit higher electric rates in the private power areas, which will be maintained and protected by this type of restrictive legislation; and

BE IT FURTHER RESOLVED that copies of this resolution be sent to Governor Daniel J. Evans; Senators Magnuson and Jackson; other members of the Washington State Congressional delegation; Secretary of Interior Udall; Bonneville Administrator David Black; Joe Davis, President, Washington State Labor Council, and A. Lars Nelson, Master, Washington State Grange.

## NEWS RELEASE

May 4, 1967

R. W. Beck and Associates

Tower Building, Seattle

Telephone: MAin 2-5000

Prepared by: E. W. Eaton

Director of Financial Analyses

The \$29.1-million reduction in net indebtedness of the electrical distribution systems of the twenty-two PUD's in the State of Washington during the past ten years is a noteworthy achievement. During the same period, the average cost of power to residential customers of the PUD's decreased 14% - from 10.6 mills in 1956 to 9.1 mills in 1966. The average rate for all electricity sold by the public utility districts in 1966 was 7.5 mills per kilowatt-hour, compared to 9.2 mills in 1956, a reduction of 18%.

Residential customers used an average of 14,282 kilowatt-hours during 1966, compared with 8,753 kilowatt-hours ten years earlier, an increase of 63%.

Public utility districts in the State, operating 22 electrical distribution systems, sold 7.9 billion kilowatt-hours and received revenues of \$60.3 million from 287,260 customers in 1966, according to tabulations prepared by R. W. Beck and Associates, analytical and consulting engineers. Electrical energy sales have increased 108% during the past ten years and revenues show a 71% increase although many rate reductions have been effected during this period.

Tax payments by the PUD's on the electric distribution system business amounted to \$4.1 million in 1966, exclusive of sales tax, compared to \$2.1 million in 1956.

The long-term indebtedness, in respect to the electrical distribution systems of the districts, amounted to \$68,455,972 at December 31, 1966, which represents a net reduction during 1966 of \$513,009. The net indebtedness of the districts at December 31, 1966 was \$133 per customer, compared to \$296 per customer at December 31, 1956 - a reduction during the ten-year period of 55 percent.

In addition to their electrical distribution systems, the PUD's are operating or have under construction major power generating facilities with a total peaking capability of 4,724,500 kilowatts. The 1966 revenues from generating facilities were \$52.4 million and the average sale price was 3.14 mills per kilowatt-hour.

The Beck report, "1966 Facts and Statistics, Twenty-two Public Utility Districts in Washington", is the 16th such report prepared annually by the firm and presents a wide range of statistical data on the electric distribution and generation systems operated by the PUD's.



IMMEDIATE RELEASE

May 8, 1968

Washington Public Utility Districts' Association  
601 Tower Building  
Seattle, Washington 98101  
Bill Holloman AT2-9540

Statement of Ken Billington, executive director of the Washington Public Utility Districts' Association, commenting on the following attached report.

"Public Utility Districts of Washington are pleased to note that the R.W. Beck report emphasizes that the average rate for all electricity sold by PUDs to their consumer-owners in 1967 was 7.5 mills per kilowatt-hour, which is one of the lowest electricity rates in the nation," it was declared by Ken Billington, executive director of the Washington Public Utility Districts' Association.

"This average electricity rate steadily is going downwards, as the report shows, which is of great benefit not only to the consumer-owners - who increasingly are using more electricity - but also to the entire State of Washington. Money saved on electricity rates is money left in local communities to bolster local economy.

"Tax-wise, the entire state benefited too, for the PUDs paid \$4.4 million in special PUD taxes during 1967, which is nearly double the special PUD tax paid 10 years ago by PUDs. We also are proud of the \$26.7 million reduction in net indebtedness of the PUD distribution systems in the past 10 years, for this means that the PUDs are paying off their bonded indebtedness while at the same time making improvements to their systems and lowering rates. Such an accomplishment is a credit to the efficiency and sound business management of the PUDs in Washington."

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