



# **YOUR Stake in Public Power.....**

- **YOUR JOB**
- **YOUR HOME**
- **YOUR CHILDREN'S FUTURE**
- **YOUR COUNTRY'S DEFENSE**

**AS A CITIZEN OF WASHINGTON, YOU HAVE  
A BIG STAKE IN THE DEVELOPMENT OF YOUR  
STATE . . . THIS FOLDER DISCUSSES THE JOB  
WE AS CITIZENS HAVE TO KEEP DEVELOPING  
OUR PUBLIC POWER RESOURCES.**

# **PUBLIC POWER** *Is Our Greatest Natural Resource*

Our greatest natural resource in the Pacific Northwest is water power. It plays a vital role in the development of our other great resources—timber, soil, light metals, chemicals, and the most important resource of all—our people.

Electric power is to the Northwest what coal, gas and oil are to other sections of the country. It is an inexhaustible source of energy that can never be used up or worn out.

Our public power development didn't just happen. It is the result of a long and bitter battle by the people against absentee control and exploitation of this resource by eastern interests.

## **Power Wasn't Always Cheap**

For many years low-cost electric power in our state was unknown except in a few cities that had their own city light systems. State laws prevented these cities from selling electricity to rural families, or families in other cities.

In 1930 the people decided the heritage of low-cost power should be shared by all the people, everywhere in the state. So they over-rode their own legislature and passed by popular vote the state PUD law. This law gave every county the right to set up its own "County Light" business.

For an abundant supply of power the people then built Bonneville and Coulee dams. Out of the success of these projects grew the idea of developing our river through a partnership be-

tween the federal government and the local PUDs and other public agencies.

Eastern monopoly scoffed at these big dams. "Who will buy the power?" they asked.

But we used the power as fast as it became available. New industries were created to use this new low-cost energy. Farmers began to electrify their farms and city families their homes.

Then came World War II, and because we had an abundance of public power, our state was a major factor in speeding victory. We produced atomic energy, hundreds of ships, thousands of planes, millions of pounds of aluminum — all made possible by public power.

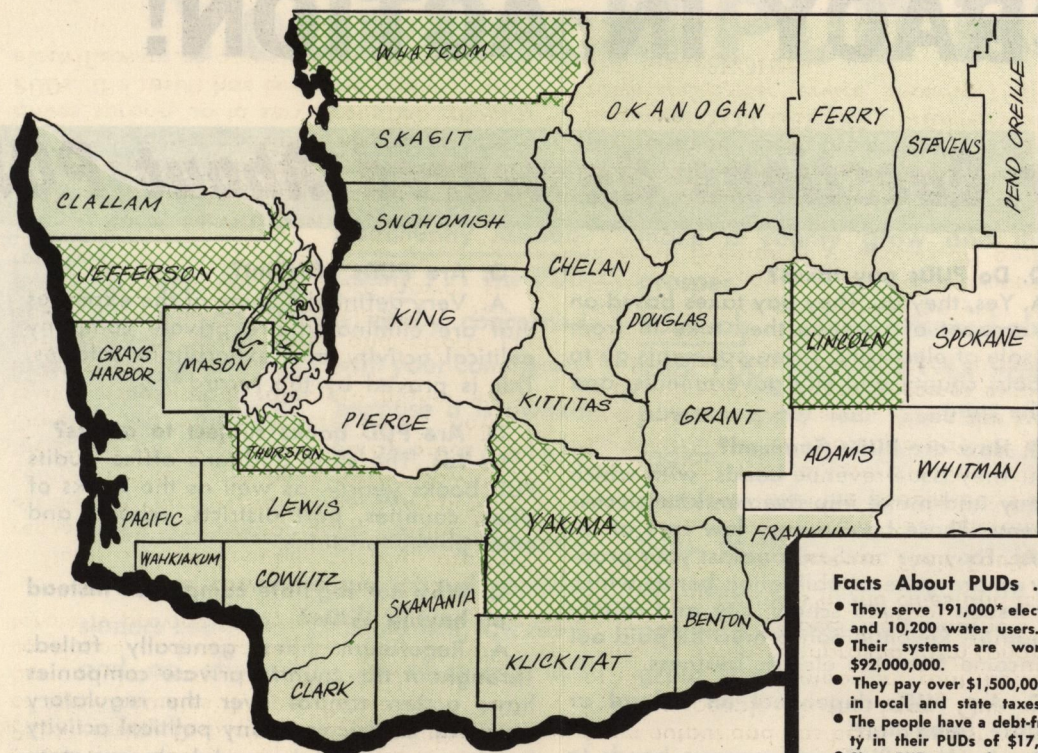
## **Power Shortage Threatened**

Since then we have come far. Our growing use of electricity requires that we add the equivalent of a new Bonneville dam every year. But we face a power shortage because we aren't building projects fast enough—due to the political activity of some of those same groups who opposed Bonneville and Coulee in the first place. They still "sell Washington short."

Your local PUD is one of a group of public utilities that is leading the fight for more development of our water resources. Your PUD wants abundant, cheap power for defense, for a more vigorous private enterprise, for your security and your children's future.

# **PUBLIC POWER IS** *Your* **BUSINESS!**





## PUDs in Business



**Organized but not  
yet operating**

### Facts About PUDs . . .

- They serve 191,000\* electric users and 10,200 water users.
- Their systems are worth over \$92,000,000.
- They pay over \$1,500,000 a year in local and state taxes.
- The people have a debt-free equity in their PUDs of \$17,000,000.
- Since PUDs were formed, electric rates have dropped from an average of 2¼¢ per kw-hour to 1¼¢.
- Washingtonians use 2½ times as much power as the national average . . . They use 3 times as much as they did before the PUDs.

\*PUDs and municipal systems combined serve a total of 476,000 customers, or 62% of all customers in the state.

The map above shows the location of the Public Utility Districts in our state. In each of these counties the people set up a PUD by popular vote, a public body owned, controlled and operated by the local electorate to provide utility service at cost.

### Rates the Lowest in the U. S.

These and other public agencies are the reason why Washington state has the lowest electric rates in the nation. Even private company rates have been forced down by the lower public rates in nearby areas. In Oregon and Idaho, where public power is not widespread, rates are higher than in Washington.

Because of lower rates and efforts to develop an abundance of electricity, people in Washington use more power per family than in any other state.

### Rural Service Best in U. S.

The PUDs in Washington state extended rural lines where private companies would not or could not go. Rural electric co-operatives sprang up to serve counties without PUDs. The result has been the highest farm electrification of any state in the nation.

Farm electrification has greatly increased farm output and has been a major factor in keeping people on the farm. Our higher production is an important contribution to national defense. Improved farm conditions have in turn helped wage earners and stimulated business in the cities and towns.

### The People Increase Their Equity

Another benefit from PUD operation is the net equity that the people build up in the system. Part of every dollar you pay for electric service is used to pay off bonds and improve the system. When the system is debt-free, this money becomes available for keeping rates low and for further improvements in service.

It works like a mortgage on your home. Each month you pay on the principal and interest. Eventually it is paid off and you are out of debt. A private company, on the other hand, is perpetually in debt to its stockholder-owners, and must pay them dividends for using their money. With public power YOU GET THE DIVIDENDS in low rates and better service, because YOU ARE THE SHAREHOLDER.

← Turn inside

**PUBLIC POWER IS *Your* BUSINESS!**



# Your Local PUD is DEMOCRACY IN ACTION!



**Community Responsibility . . .** The PUD is vitally concerned with your community because it is owned by the people it serves.

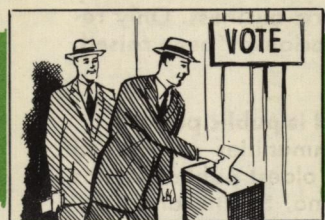
It's for everything that will help the community. Its management and commissioners know that good service, low rates and an abundance of electricity will



There are three commissioners for each public utility district. They serve for six years, but their terms are staggered and

expire at two-year intervals. At every general election you vote for a candidate for commissioner. (Sometimes death or resignation makes it necessary to elect more than one commissioner at an election.)

**No secrets in PUD business . . .** Commissioners have regular meetings which



**You have a voice . . .** This utility is YOUR business. You have a say in its management. Machinery is set up for you to register

complaints or make suggestions for improving your service. You don't have to

make a county grow and its people prosper.

**Your Job . . .** Keep informed about your local PUD, and about the problems of power supply that confront the whole region. Take an active interest in the problems of congressional appropriations. Be on the alert for the propaganda of those who fight abundant low-cost power and who would deny you this great heritage.

are open to the public. If you have something on your mind, you can attend and be heard. The commissioners function much like the board of a corporation. They set the policies and hire a trained manager to take charge of the operation just as a corporation hires a manager or president . . . The commissioners are not expected to take care of operating details. They do not receive salaries, only actual expenses and per diem while on PUD business. Their compensation is the satisfaction of a job well done.

go to a politically-controlled public service commission in a far-away city. Your PUD commissioners are your own local public service commission. You elect them to represent you. Control is local . . . Your PUD has home rule. Its policies are decided in your county, not in the state or national capital.

## Your Questions Answered About PUDs

### Q. Do PUDs pay taxes?

A. Yes, they do. They pay taxes based on the amount of revenue they take in from the sale of electricity. These payments go to schools, county and city governments, and to the state.

### Q. How are PUDs financed?

A. They issue revenue bonds with which to buy and make improvements to electric systems. These bear a very low rate of interest. They are not liens against your property as are general obligation bonds which are issued to build school, city and county buildings. Revenue bonds must be paid out of income from the electric business.

### Q. Are PUDs dependent on federal or state financing?

A. No. Most PUDs sell revenue bonds to banks, insurance companies, pension funds, and other investors. They are "gilt-edged" securities. Some PUDs have used REA loan funds, which they repay with interest.

### Q. Are the bonds paid off?

A. Yes. Every year a certain number of bonds are redeemed. The goal of every PUD is to get as far out of debt as possible, thus reducing interest costs. This saving can be used to keep rates down and improve service.

### Q. Are PUDs socialistic?

A. No more so than publicly-owned water systems, which are another vital utility service. Or public roads, bridges, public ferries, public docks, or public schools. These are common throughout the nation, yet at one time all of these services were provided by private companies. Utility services like these are closely tied in with the welfare of the people, and the people in many cases have decided they would be operated more in the public interest if publicly owned.

### Q. Can PUDs take over free competitive enterprises?

A. NO. The PUD law definitely limits public operation to electric and water utility services, which are monopolistic. The fear that PUDs will destroy free competitive enterprise is not true. Instead, the PUDs as shown by the economic growth of the regions which they serve, build free enterprise through low-cost public power and water service.

### Q. Are PUDs efficient?

A. Very definitely. Some of the expenses that are eliminated are private company political activity and exorbitant salaries. This is proved by the record.

### Q. Are PUD books subject to audits?

A. Yes. The state auditor's office audits PUD books yearly, as well as the books of cities, counties, port districts, schools and other public functions.

### Q. Why not regulate companies instead of having PUDs?

A. Regulation has generally failed. Throughout the country private companies have gotten control over the regulatory agencies. Electric company political activity has been a national scandal. In our state the regulatory body is politically appointed, and is one way a governor can pay off political debts. Laws setting up "regulation" guarantee the private companies rates high enough to make a very good profit. What other business gets a guaranteed profit?

### Q. How does public power aid private enterprise?

A. In hundreds of ways. Creating a demand for more electrical appliances is an obvious way. Reducing the operating costs of business and industry through cheap power is another. Think what cheap aluminum has meant to the nation in new products, new businesses and new jobs. We use more aluminum in civilian goods today than we used during World War II for defense. Most of this increase in aluminum production is here in the Northwest.

### Q. How long have there been public electric systems?

A. Since the 1880's. They developed right along with private companies from the very beginning of the electric business. Only recently has the cry of "socialism" been raised.

### Q. How widespread is public power?

A. Over 3,000 communities are served by them. Some of the oldest public systems are in the East. Tacoma, Seattle and Centralia are early ones in Washington.

PUBLIC UTILITY DISTRICT OF GRANT COUNTY  
Ephrata, Washington



of the National Council

decided in your country, not in the state

You BLVD has home rule. Its policies are

to represent You. Control is local

public service commission. You elect them

BLVD commission and your own local

and commission in a two-way city. You

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