

THE POLITICAL HISTORY OF THE PUDs

Dan Leahy. Saturday, April 9, 2011

IBEW Local 77

Thank you

Time to think about this again

Unique and remarkable history of farm and labor unity for public resource control

A. **Populist Origins (Fighting the Railroads)**

Populist Party of 1896 -- Farmers Alliance and Knights of Labor

Publicly owned infrastructure for a cooperative society: American Democracy

Reached Eastern Washington – Socialist led Grange Movement

Reflected in:

State Constitution – paramount duty of the state

Municipal ownership leagues – Seattle and Tacoma

Reflected in creation of ports to defeat the railroad (1911)

B. **Creating the Infrastructure (Fighting the power monopolies: Stone and Webster)**

1. Homer T. Bone -- Bill in 1924 – Municipals send power to rural areas. Defeated.
Grange – District Power Bill – 1930 – Create PUDs by vote of county.

A municipal corporation with county boundaries to preserve water and power.

Won state wide vote and worked with AFL to defend victory.

PUDs created in 28 counties. 21 electric. 4 water only. 3 non-operational

Used as threat to lower rates. (Pend Oreille 1936 vote/1946 energized)

2. Grand Coulee Fight – pumpers (Public) vs the ditchers (Monopolies)

Washington Water Power wanted Pend Oreille River. (Hoover visited Newport)

Farmers won. Dam built by Bureau and others by Corps. (Leigh Portland cement)

3. Bonneville Power Administration

FDR planned on creating TVAs all over the country – CVA

A federal authority operating on the regional level – opposed by Grange, etc.

BPA created in 1937 as temporary entity – transmit and market power only

JD Ross from Seattle City Light first head. – Grid and postage stamp rates.

Three Tiered Public Power System: Federally owned dams, BPA transmit and markets to preference customers (municipals, puds, and coops) and Local public entities (PUDs, Munis & Coops) make decision on use.

C. Operationalizing the Infrastructure -- Public Power in Operation (1950s/60s)

21 electric PUDs condemn or negotiate take over from private monopolies
Guy Myers – “Wall Street Traitor” – markets municipal bonds for purchase of distribution systems.

President Eisenhower uses red scare to rid BPA of public power advocates and initiates “no new dams” policy on the Columbia River

PUDs respond with Five Mid-Columbia PUD (contracts with privates)
Joint Operating Agency Legislation – 1953 – WPPSS – Lewis hydro

Legislative Assault: House Bill 197 – prolonged Filibuster - Thurston
PUD filed condemnation papers on Puget. Bill to call for vote.

D. Alliance with the Private Power Companies (1970s-1982): Build Nukes.

PNUCC – headed by John Ellis (Puget) says 20 nuclear plants needed.
HTPP – program to build nukes via WPPSS and dump costs into BPA hydro

Five 1000 megawatt plants under construction by WPPSS
Three WPPSS plants into BPA and two (#s 4&5) outside BPA – rate increase

Notice of Insufficiency – June, 1976 - squeeze play – false energy crisis.
Regional Power Bill. Monopolies wanted BPA. Carter signed. December 5, 1980

E. Back to the Grass roots – The Ratepayer Revolt against WPPSS (1980-1986)

WPPSS plants 4 and 5 canceled 1981 -- \$2.5 billion debt to PUDs, Munis, Coops

Progress Under Democracy formed. – PAC for PUD races
Ratepayer revolt in 15 counties January to June, 1982.

1982 election: 26 PUD commissioners up. Only six left standing
1984 election – Majority of major PUDs won by Progress Under Democracy

Washington Supreme Court Decision – Not a power contract, a debt agreement.
This decision led to Security fraud case – Largest municipal bond default in US.

Public Power Today: Still an Option for Public Resource Control

Energizing Water PUDs: Jefferson, Skagit and Thurston County PUDs
Creating new PUDs: Whidbey Island

