

**Talk on Anti-Public Power Bill  
Thurston County Public Utility District  
February 19, 2012**

## **The history of the Thurston PUD as the strange center of the private vs. public electricity debate**

The story behind why a Public Utility District doesn't provide electricity in Thurston County touches on some of the most interesting episodes in the debate versus public and private power and in politics in Washington State.

This post is a follow-up to [another post](#) where I outline three historic narratives from [Chris Stern's piece](#) about the possibility of the Thurston PUD getting into the electricity business. The uncited content from this piece is drawn from the two books:

“People, politics & public power,” by Ken Billington, and,

“Slade Gorton: Half a Century in Politics,” by John Huges (a free pdf version is [available here](#))

The movement to take public the private electric utility in Thurston County [has come to a head recently](#). Now, with the week-long blackouts in some neighborhoods and the rate increase request by Puget Sound Energy putting additional energy into the debate, **it's important to point out that this isn't a new debate.**

Thurston County has played a strangely central role in the public vs. private power debate in Washington State. And, all things being equal, if the October 27, 1952 vote of the board of Puget Power was the final word, today Thurston County would have been a public power county for decades.

In the early 50s Thurston County was part of a coalition of six PUDs that was making a pitch to take over some Puget Power operations. After years of lobbying to Puget shareholders and raising bond money, Puget's board finally approved the sale in October 1952. Support from within the company for the sale wasn't unanimous, so several strategic lawsuits were filed to slow the process.

At the same time, stockholders from Puget were entertaining an offer from Washington Water Power (now known as Avista, headquartered in Spokane) for a merger. While public power advocates had been lobbying for the sale of portions of Puget Power to the PUDs, they opposed the merger with WWP.

Their effort in the spring and summer of 1953 to raise public opposition to the merger drew out several facts about Puget not already known. For example, previous asset sales to other PUDs (such as Seattle City Light) had increased Puget's cash reserves to the point that a merger with WWP would favor the Spokane company's stockholders.

It was the full-tilt opposition from public power advocates that drew this fact out, and that without the pro-public opponents, the lopsided nature of the Puget WWP merger wouldn't have come to the

surface. So, after state authorities approved the merger and the case advanced to the federal level, the Puget Board staged a reversal on all fronts.

From “People, Politics and Public Power,” by Ken Billington:

...the Puget Power Board, meeting on November 12, voted not to extend acceptance of the merger beyond November 19 (killing it in effect). Simultaneously, the Board withdrew its approval for the PUD purchase of Puget Power properties. In effect, the opponents of the merger, who had fought so hard arousing public support for Puget Power to block the merger and avoid a statewide private power monopoly, had provide a new lease on life for Puget Power.

...

In effect public power had won the battle against the proposed merger, but was about to lose the war on securing the remaining Puget Power properties.

The course change by Puget Power’s board ended the coalition’s charge at making several counties (including Thurston) public power counties. But, that failure didn’t end the interest in Thurston County for public power.

In 1960, the Thurston PUD board changed composition to the point that condemnation of Puget Power properties seemed likely. Puget Power’s response took the shape of a private energy interest group called “We Want to Vote on PUD.” This effort kicked off what historians call “the single most significant event” in the history of the Washington State legislature.

In response to the Thurston PUD’s move to get into the electricity business, pro-private power legislators introduced a bill that would require a public vote before a PUD took over a private utility. Public power advocates objected because of several “heads I win, tails you lose” provisions in the bill. When the bill came up for a vote, what resulted was a fiery four-day debate which included the participation of almost two-thirds of the state house, hundreds of amendments and 45 roll call votes.

From “Slade Gorton: Half a Century in Politics,” by John Hughes:

In the course of four tedious days, the members were locked in their chambers “under call,” hour after hour, as opponents resorted to every form of parliamentary jujitsu in in the book and some holds no one ever expected.

Finally on the fourth day, pro-public power legislators turned some Republicans (who as a minority party supported the bill) from public power counties against the bill. It was sent back to committee where it was holed up for good.

While the debate itself was intense and worth noting, its after effects are much more interesting. For the pro-public power speaker, John O’Brien, the injuries suffered during the debate were too much to take, and he lost the speakership two years later.

The most notable long term impact was the rise of the “Dan Evans Republican” in Washington. Again from Hughes:

The session’s real legacy was the festering resentment that led to the game-changing insurrection in 1963. Evans believes the seeds of his victory in the 1964 governor’s race

were sown during the debate over HB 197. So, too, Gorton's rise to majority leader and beyond. O'Brien's days as speaker were numbered. His biographer would describe him as a "martyr" to the cause of public power.

So, because the public vote bill died in the 1961 legislature, it was still possible with two pro-public power PUD commissioners for Thurston County to sever ties with Puget Power. That possibility literally died when commissioner John McGuire passed away soon after the debate on HB 197 ended.

That set up a battle between the remaining two commissioners, one pro-public, one pro-private, to name a third. They sat deadlocked for almost a year until the other pro-public commissioner resigned in early 1962. That allowed the last remaining and pro-private commissioner, Vic Francis, to call a special election.

In the end, two pro-private candidates topped two pro-public candidates. Again from Billington:

Two candidates supported by Puget Power ran on a platform which said that they would not acquire Puget Power properties in the county without submitting the matter to a vote of local residents... It was once again a case where the candidates favoring the public power seemed to have substantial funds for the campaign, while their opponents more or less passed the hat.

But, Billington points out, no matter what happened, Puget could have won out:

It is possible that had McGuire lived, he and Thompson could have initiated condemnation action in 1961, but based on past experience, it is reasonable to believe that Puget Power could have delayed the suit in the courts until after the November 1962 Commissioner's race.