

The Daily Zero Gets It Wrong... Again!

In a May 6 editorial, **The Olympian** first says they will take an editorial position only if the Initiative qualifies for the November ballot. Then they plant all ten feet firmly behind the Australian investment bank that owns Puget Sound Energy. Corporate giants sticking together should be no surprise to anyone—they're consistent.

In reply to their musings, I've penned a few of my own...

Yes, we think that the PUD taking over the entire county's electrical grid would be a daunting task and most likely not in the best interests of the people they serve. It's very unlikely that in my meeting with the Editorial Board that I used the word "overwhelming." It was probably their one-word reaction to my paragraphs of explanation.

I'll ask you the same thing I asked in my April 23 presentation to the Thurston County Economic Development Council: How do you eat an elephant?

Now to the rest of The Olympian/Puget Sound Energy's thoughts...

1. "PSE officials question whether the public utility would have the legal authority to condemn or purchase through negotiations just a piece or two of the PSE system in Thurston County."

Of course they do! However, the first quick Internet search by a non-attorney yielded the following:

Public Utility Dist. NO.2 of Grant County v. North American Foreian. 159 Wash.2d 555 (2007) "...a reviewing court will not vacate if "the proposed condemnation demonstrates a genuine need and ... the condemnor in fact intends to use the property for the avowed purpose."

Central Puget Sound Regional Transit Authority v. Miler; 156 Wash.2d 403 (2006). "Out of respect for our coordinate branches of government, judicial review is deferential. E.g., *id.*, at 823,966 P.2d 1252. Additionally, (when it comes to such discretionary details as the particular land chosen, the amount of land needed, or the kinds of legal interests in that land that are necessary for the project, many Washington decisions have said that the condemnor's judgment on these matters will be overturned only if there is "proof of actual fraud or such arbitrary and capricious conduct as would amount to constructive fraud."

We at Thurston Public Power Initiative question whether PSE is acting in good faith. We also would like to remind PSE that there is no requirement that the PUD purchase any of their assets. They could borrow at lower rates if they built their own new electrical grid, leaving PSE to dismantle their unreliable Thurston County grid.

2. "If Thurston County relied exclusively on public power, it would require power purchases on the more expensive open market."

This is EXACTLY why we back the PUD's one-bite-at-a-time approach! Forgetting for a moment that PSE is unqualified to purchase any preference (Tier 1) power from Bonneville Power Administration, and that **every single kilowatt-hour PSE purchases is on "the more expensive open market,"** the gradual takeover of PSE's service area would allow the PUD to supply a high percentage of its power needs from Bonneville, thereby offering lower rates.

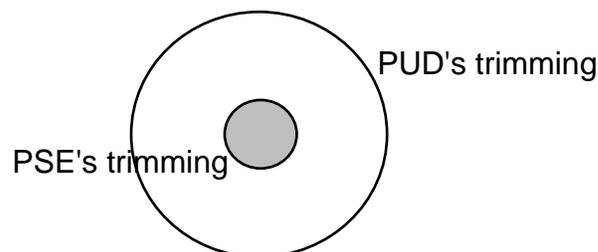
3. "The price tag isn't known, but it could range from \$500 million to \$1 billion."

This is a slight modification of PSE's scare-tactics that quote only the higher figure. We'll say it again slowly, so that even the Editorial Board can understand... the total assessed value of ALL of PSE's assets in Thurston County is \$131.2 million. By law, the assessed value must be the "fair market value." Coincidentally, "fair market value" is also the amount that the PUD would pay in a condemnation of assets. So where did they come up with their number? Probably somewhere the sun never shines.

4. "PSE notes that it spent \$80 million in capital improvements in the past five years and plans on spending another \$100 million in the next five years."

Which means that they will be repaid (by us) \$88+ million and \$110+ million for those investments, because PSE is given a 10.8% profit by the UTC who "regulates" them.

PSE's profit is on capital and capital improvements, not maintenance and repairs. Could this be why they trim vegetation only three feet away from their lines while all surrounding counties' PUDs trim ten feet? They get reimbursed whether it's preventive maintenance or repairing damage done because they didn't do the maintenance. When you're a monopoly, where's the incentive to do the work before you have to?



In its March 19 testimony to the Utilities & Transportation Commission, PSE stated that its power outages in the January storm were "predominantly due to vegetation" taking

down the lines. Vegetation that was much less of an issue in surrounding counties with public power because they do preventative work that PSE won't.

We went without power for up to a week in the snow, ice, and cold of mid-January because PSE wanted to save a few bucks and now we get to pay them back for the repair work caused by their corner-cutting. We'll be paying monthly until 2017 for the \$90 million PSE spent on the 2006 Hanukkah-Eve storm repairs. A new PSE rate increase takes effect this month, and PSE will soon request another rate increase to make us pay them back for the \$72 million in repairs from the January storm. When will Thurston County have enough of PSE's shoddy maintenance and unreliable service? Is it too much to ask to trim vegetation so that it stops taking out power lines every time the wind blows hard?

5. There are many pressing needs in this community, including job creation, fighting hunger, and protecting the environment. It's up to voters to decide if public versus private power is a priority issue, too.

Really? If we get public power more people will go hungry and it will hurt the environment? This is a false dichotomy of which The Daily Zero should be ashamed! Yes, we need more local jobs—over the past 10 years, PSE outsourced most of its Thurston County jobs to King County. It now takes hours longer than it should to repair anything in Thurston other than a minor outage because the crews and trucks and materials are now in Renton and centrally-located to PSE's total area. PUD-supplied power would mean moving jobs back to Thurston County.

Hunger and the environment are still going to be priority issues, whether or not we get out from under the thumb of PSE. More local jobs means fewer hungry people and more disposable income, some of which we're pretty sure will go to help the environment.

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