



Voters in one county reject Puget Sound Energy

The Jefferson County Public Utility District appears to be the only winner among three populist campaigns to take over now-private electric services.

By Bob Simmons

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Washington's oldest and largest electric utility appears to have won two and lost one in an effort to put down incipient revolts among customers in three Puget Sound counties.

There are votes still to be counted, but a strong majority of citizens seems to have voted to have the Jefferson County Public Utility District (PUD) take over Puget Sound Energy's electric service. It would be the first such move in Washington in more than 50 years.

It's a tiny uprising — only about 17,000 customers are at stake. Yet PSE spent nearly a quarter-million dollars in a losing effort to persuade them to stick with private power. The public power advocates won the election with an outlay of about \$28,000.

Bellevue-based Puget Sound Energy appears to have turned back similar assaults on its assets and its prestige in Skagit County and on Whidbey Island. The latest numbers available showed public power initiatives losing by 3 percent in Skagit and by a margin of almost 2 to 1 on Whidbey Island.

In Port Townsend, a jubilant Steve Hamm, one of the organizers of the PUD campaign in Jefferson County, said Puget Sound Energy's richly financed campaign may have backfired. "They sent at least five mailers to everyone in the county," he said. "They sent a letter from the CEO to every power customer, admitting that PSE had turned its back on the community and promising to do better. People read all this mail from PSE and started asking, 'What's this all about?'"

Hamm says Puget Sound Energy faced "something like a perfect storm" in the Jefferson County campaign. In recent years, the company closed a service center in Port Townsend (which it reopened after the PUD campaign began), applied to state regulators for a stiff rate increase, and announced plans to be taken over by an Australian-led consortium, Macquarie Infrastructure partners. The Jefferson County public power group used the specter of foreign ownership as a powerful issue in persuading already-alienated Puget Sound Energy customers to support the concept of an electrical PUD.

Puget Sound Energy takes the Jefferson County vote "very seriously," says Gretchen Aliabati, a spokeswoman for the corporation.

"We're not commenting on the elections until all the votes are counted, probably on Friday," she said. "But whatever the outcome, we're not packing up and leaving. We just want people to know that PSE isn't going anywhere."

A vote moving electrical service authority to a PUD does not settle the issue, Aliabadi emphasized. The new utility has to decide what assets it wants to buy from Puget Sound Energy, then try to negotiate a price with the company — most likely followed by a condemnation court case — then sell revenue bonds to operate the utility and be certified by the Bonneville Power Administration as eligible to buy power at a reduced rate from the federal wholesaler.

It's a process that seems certain to take three to six years — Aliabadi says it could be 10 — and Puget Sound Energy won't give an inch.

"If this passes, this is just the first step," she said. "We're not just handing over the keys to the PUD."

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