



# WHAT IS A **PUD?**

WASHINGTON PUBLIC UTILITY DISTRICTS ASSOCIATION  
**WPUA**  
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## Public Power is Hometown Power

In the early 20th century, private power companies in Washington were slow in providing electricity to farms and rural communities, and when electric service was available it was often expensive and unreliable.



In 1930, the voters approved Initiative No. 1, giving them the authority to create their own nonprofit, locally regulated public utility districts to “conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses.”

Today, there are 28 public utility districts across the state serving more than 2 million people. Twenty-three PUDs provide electricity to more than 900,000 households, or nearly one-third of all residents. Nineteen PUDs provide water, or water and sewer services, to more than 118,000 households. A growing number of PUDs also provide their communities with access to high-speed telecommunications via fiber-optic networks.

## Community owned, locally regulated

Unlike private utilities, public utility districts are run by an elected, nonpartisan board of commissioners who are directly accountable to the voters. Commissioners meet at least monthly in open meetings where members of the public can observe and participate in the decision-making process.

PUDs are also nonprofit utilities – owned by the community, not by stockholders. They are in business solely to provide a service, not to make a profit. Consequently, public utility district rates are generally lower – and service values higher – than investor-owned utilities that are focused on making money for their stockholders. A public utility district’s first and only purpose is to provide efficient, reliable service to their local customers at the lowest possible cost.

## Benefits of Public Power and Water

Public utility districts also contribute to their local communities in many other ways, including family-wage jobs. PUDs across the state provide family-wage jobs for more than 3,000 workers. Since these jobs are based in the districts, salaries earned by PUD employees are more likely to be spent in the community for food, housing and other needs.

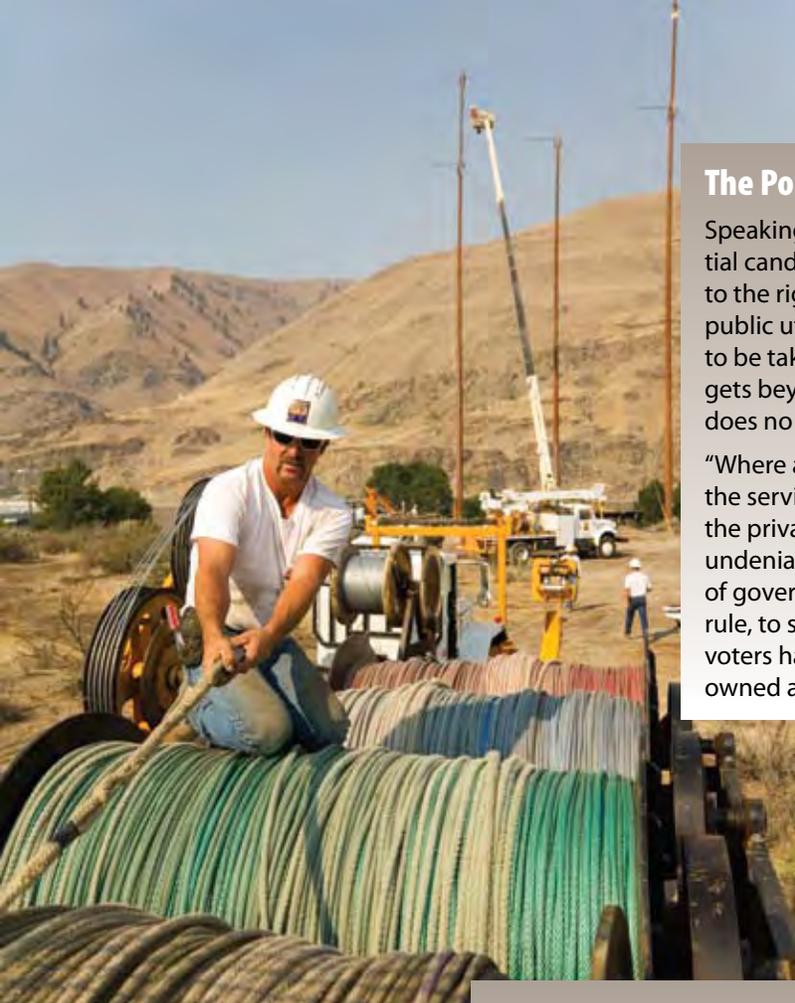
### Preference and the Bonneville Power Administration

*“[BPA] shall at all times, in disposing of energy at said project, give preference and priority to public bodies and cooperatives.”*

*–1937 Bonneville Project Act*

Since 1937, public power utilities in the Northwest – including PUDs, municipals and rural cooperatives – have had first right to purchase, at cost, power produced by federal Columbia River Basin hydroelectric dams. This is known as “preference.” Collectively, Washington PUDs are the Bonneville Power Administration’s largest purchaser of wholesale electricity, which helps keep rates down for their local customers.

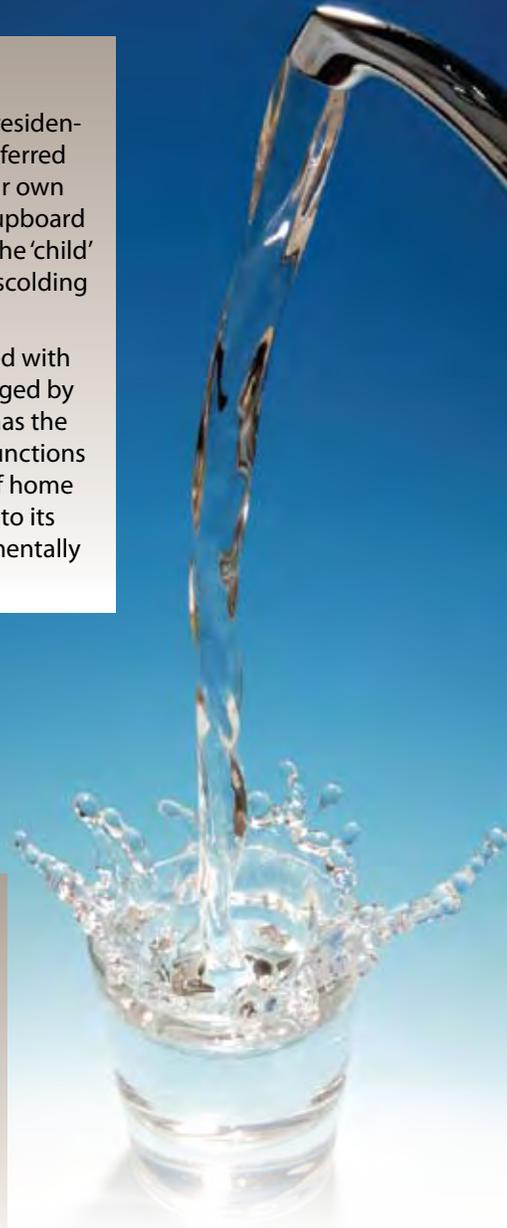




## The Portland Speech

Speaking in Portland, Ore., in 1932, presidential candidate Franklin D. Roosevelt referred to the right of the people to form their own public utilities as a “birch rod in the cupboard to be taken out and used only when the ‘child’ gets beyond the point where a mere scolding does no good.”

“Where a community ... is not satisfied with the service rendered or the rates charged by the private utility,” Roosevelt said, “it has the undeniable basic right, as one of its functions of government, one of its functions of home rule, to set up, after a fair referendum to its voters has been had, its own governmentally owned and operated service.”



The local economic impact of these payroll dollars is multiplied many times over as they stay in the community.

PUDs also pay state and local taxes that help pay for schools and other community services; sponsor programs to encourage conservation of power and water, and often provide meeting space and other facilities for community use.

## Plugging into the Wind

The 205-megawatt White Creek Wind Project in Klickitat County is the largest wind project in the country developed by public power utilities. The wind farm was initiated by two Washington public utility districts, the Cowlitz County and Klickitat County PUDs, and two electric cooperatives, Lakeview Light & Power and the Tanner Electric Cooperative. Ten PUDs are also partners in the Nine Canyon Wind Project, south of Kennewick, developed by Energy Northwest, a joint operating agency comprised of public utilities.

## Clean, Renewable Power

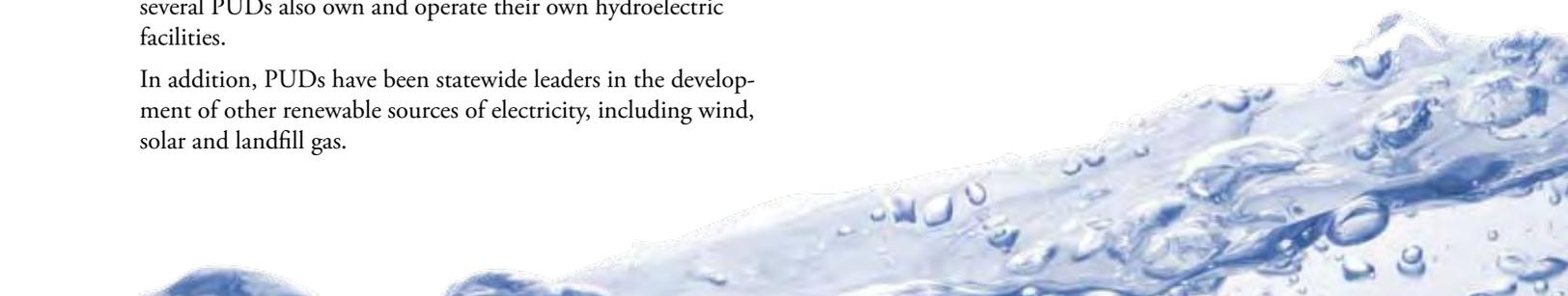
Public utility districts in Washington get nearly 82 percent of their electricity from hydropower, which is reliable, renewable and produces almost zero greenhouse gas emissions.

Most PUDs buy all or most of their electricity from the Bonneville Power Administration, which markets the power produced by the region’s federal hydroelectric dams. However, several PUDs also own and operate their own hydroelectric facilities.

In addition, PUDs have been statewide leaders in the development of other renewable sources of electricity, including wind, solar and landfill gas.

## Washington – A Public Power State

More than half of all households in Washington – 1.5 million – are served by a public power utility, either a public utility district, municipal utility or a rural cooperative.



## A Tradition of Public Power

The first public power utilities were formed more than 125 years ago. Today, more than 2,000 cities and towns across the nation depend on public power to provide their homes and businesses with electricity.

Every public power system is different, reflecting its hometown characteristics and values, but all have a common purpose: providing safe, reliable, not-for-profit electricity at a reasonable price while protecting the environment.

Unlike private power companies, they are public service utilities and do not serve stockholders. Instead, their mission is to serve their customers. They measure success,

in part, by how much money stays in the community – through low rates, jobs and conservation of resources – not by how much goes out to stockholders across the country or around the world.

On average, investor-owned utility customers pay rates that are 10 percent higher than public power customers. Public power utilities also make a larger financial contribution to state and local governments in taxes and other in-lieu-of payments – 18 percent more than investor-owned utilities pay in state and local taxes.

*(Source: American Public Power Association)*

### Combined PUD Data *(Based on 2006 operating year)*

#### TOTAL CUSTOMERS

Electricity ..... 908,485  
Water..... 117,992  
Sewer .....2,812

#### LINES INSTALLED (miles)

Electricity ..... 40,228  
Water.....3,033  
Telecommunications.....3,220

#### SALES

Electricity ..... 29.02 million megawatt hours  
Water..... 19.6 billion gallons

#### REVENUE FROM SALES

Electricity ..... \$1.6 billion  
Water..... \$51.4 million  
Telecommunications..... \$8.75 million

#### ANNUAL SALES PER CUSTOMER

Electricity ..... 31,942 kilowatt hours  
Water..... 166,000 gallons

WASHINGTON PUBLIC UTILITY DISTRICTS ASSOCIATION

**WPU****DA**  
**YOUR connection**

Washington Public Utility Districts Association  
212 Union Ave., Second Floor, Olympia, WA 98501  
www.wpuda.org (360) 741-2675

The Washington Public Utility Districts Association represents 27 PUDs and Energy Northwest, a joint operating agency that provides electricity, at cost, to public power utilities and municipalities. The association's mission is to support, protect and enhance its members' ability to provide non-for-profit, locally controlled utility services for the people of Washington. Based in Olympia, WPU DA represents its members in state, regional and national legislative and policy processes.