



PUBLIC UTILITY DISTRICT NO. 1 OF OKANOGAN COUNTY

**OKANOGAN PUD PRESS RELEASE
January 29, 2015**

Today the Washington Supreme Court confirmed the PUD's statutory authority to acquire necessary right-of-way for the Pateros to Twisp transmission corridor project by condemnation. The Pateros to Twisp transmission line is necessary to serve the consumers of the Okanogan County Electric (Methow) Co-op and PUD consumers in the Methow Valley. The project has been in planning since 1996 and has been delayed since 2009 as a result of inaction by State Lands Commissioner Peter Goldmark.

DNR DID NOT OPPOSE PROJECT

The PUD transmission project has been subject to multiple reviews in the state courts. The project's environmental review was upheld by the Court of Appeals and the Supreme Court in 2008.¹ The project is no different than other transmission lines that cross Okanogan County, including over state-granted easements. However, Commissioner Goldmark refused to approve easements despite the Department of Natural Resource's participation throughout the project planning and environmental review stage. The delay has cost the PUD's ratepayers and the State for the costs and expense of this litigation. The PUD will be pursuing its remedies against the State caused by Commissioner Goldmark's delays.

COURT PROCEEDINGS

The Okanogan County Superior Court approved the PUD's land acquisition in May 2010. Commissioner Goldmark compelled the Attorney General to prosecute an appeal of that decision on

¹ See *Gebbers v. Okanogan County PUD No. 1*, 144 Wn.App 371, rev. denied, 165 Wn.2d 1004 (2008).

his behalf.² In 2013, the Court of Appeals affirmed the Okanogan County Superior Court and approved the PUD's condemnation of these necessary easements over state lands. Commissioner Goldmark sought further review by the Supreme Court. The Supreme Court has affirmed the lower courts and confirmed the PUD's authority to proceed.

PEOPLE OF STATE GRANTED PUD CONDEMNATION AUTHORITY

At the general election in 1930, the people passed their first-ever initiative. That law provided for PUDs and their authority. PUD Board President Steve Houston commented,

“During the heart of the Great Depression, the people of this state facilitated rural electric service through PUDs. That 1930 law remains in place today, and specifically authorizes PUD condemnation of state, county and school lands. The PUD is pleased that the Supreme Court has confirmed this authority. But, Okanogan PUD remains concerned about the Land Commissioner's unilateral acts in interfering with this necessary public improvement.”

GOLDMARK CLAIM OF UNILATERAL AUTHORITY

The Environmental Impact Statement for the project was released in March 2006. During that EIS process, DNR expressed no objection to the PUD's preferred route. And while DNR acknowledged its full authority to grant the PUD the necessary easements for the project, Commissioner Goldmark claimed that he had absolute authority to deny the use of the PUD's preferred route. His position has now been rejected.

PUD General Manager John Grubich stated that,

“It is concerning that one elected official can cost the residents of Okanogan County millions of dollars in legal fees, additional operating costs and increased construction costs by choosing to ignore prior commitments by his agency and sound legal counsel from then Attorney General, Rob McKenna. The PUD will do everything it can to expedite final land acquisition and project construction. The project remains essential to rural electric service in Okanogan County; and electric customers in the Methow Valley will continue to suffer additional operating costs and system reliability issues until the Pateros to Methow transmission line is commissioned into service.”

² See *Goldmark v. McKenna*, 172 Wn.2d 568 (2011).

OK PUD - GENERAL

Formed in 1939, Okanogan PUD includes all of Okanogan County (at 5,315 square miles, the largest county in the state). The PUD serves approximately 20,000 customers composed mainly of residential, commercial and irrigation accounts, including service to electric co-ops and one municipal service. The PUD electric system consists of more than 1,380 miles of overhead and 440 miles of underground distribution lines. Its major sources of power are hydro and wind. For over 40 years, the PUD has provided Okanogan County residences and businesses with a low cost, reliable source of electrical energy. In 2001, the PUD began providing cost-based broadband service to retail service providers for service throughout the County.

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