Shedding Light on the Willamette Valley
The History of Consumers Power Inc.

by Pat Swinger
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It is well known that in the 1930s, President Franklin Delano Roosevelt had a vision of an electrified America, which was manifested through the creation of the Rural Electrification Administration (REA). He had special help from an unheralded engineer named Morris Cooke, who drafted the REA plan and convinced the president to sign an executive order putting it into action on May 11, 1935. What is less known is the doubts harbored by both FDR and Cooke about the future of the REA. Specifically, they wondered if their potential partners in this grand endeavor—fledging rural electric cooperatives—had the technical expertise and business acumen to keep the lights on and pay their bills.

In the following pages you will read a superb history of men and women attempting, against long odds, to prove they could indeed provide affordable, reliable electricity to the people of western Oregon. You’ll learn about men such as A. F. Barclay, considered the father of the original Benton-Lincoln Electric Co-op, who was more interested in doing something for his community than claiming any credit—a credo that has survived at the co-op for seventy-five years.

The CPI story is a story of rapid expansion, technological innovation, and men like John Mayse, who helped navigate the treacherous waters of power supply in the Pacific Northwest. It is a story of co-op leaders who were never afraid to lead the way, to build a first-class utility system or to quickly rebuild it when historic storms crossed their
path. And it is also a story of how the Benton-Lincoln Electric Co-op outgrew its name when it expanded to six counties, but never forgot who they were ultimately serving. In fact, they were memorialized in the co-op’s name: Consumers Power Inc.

As you will read, the questions posed by FDR and Morris Cooke about whether electric co-ops could keep the lights on and pay their bills have been definitely answered. Yet, my experience working with CPI’s dedicated board of directors and CEO Roman Gillen tells me the can-do tradition of the co-op’s forefathers is alive and well.

Even after seventy-five years, Consumers Power Inc. still acts as though they have something to prove.

Ted Case
Executive Director
Oregon Rural Electric Cooperative Association
introduction

Seventy-five years have passed since the men and women of rural Oregon began envisioning a better life for themselves and their neighbors and organized the Benton-Lincoln Electric Cooperative. In the years since, so much has changed that the current operation of Consumers Power Inc. bears little resemblance to the earliest days of the cooperative. Bucket trucks and digger trucks have made new construction much easier and safer than it was when a lineman’s day often meant eight hours of climbing and working on poles. In the office, automation and computers have replaced the clunky and clumsy equipment of years past.

So, too, have the members’ lives changed since those early days. The backbreaking and often dangerous labor of everyday life in rural America has been exchanged, in large part, for a life of greater
ease, albeit one of much greater complexity. And while the service
Consumers Power Inc. supplies has become almost as necessary to
our existence as the air we breathe, the irony is that we too often take
it for granted.

The truth is the people of Consumers Power Inc. work with the
same dedication as did the people who organized and worked the
cooperative in its earliest days. They are committed, now as much as
ever, to serving their communities...their friends, their families, their
neighbors...and this is their story.
When the members of Consumers Power Inc. (CPI) gather for their annual meeting in 2014, they will mark their seventy-fifth year of operation under a system that exemplifies the very best qualities of American society; of what can be accomplished when people work together for the benefit of all.

The people of CPI trace the philosophical origins of their cooperative to a group of weavers in Rochdale, England, more than a century ago. Forced into poverty by the Industrial Revolution, they banded together in December 1844 and opened their own store in an effort to make the food items they needed affordable. The Rochdale Pioneers, as they came to be known, weren’t the first group to form a cooperative; several attempts at cooperative businesses had been made centuries earlier and failed. They were, however, the first to operate a cooperative under the Rochdale Principles, tenets that became the basis for the success and growth of the modern cooperative movement. The principles were quite simple: membership in the cooperative be volunteer, the cooperative be governed democratically for the financial benefit of all its members, and its guiding force be service to the community. That is the very definition of rural electric cooperatives in general and Consumers Power Inc. in particular.
In 1930, Benton County, Oregon’s population was 16,555. Across the United States, 58 percent of the farms had cars but only 13 percent had electricity. Without it, farm life was a series of difficult and hazardous chores repeated day after day after day. The work began before dawn. Water had to be hauled, eggs gathered from the henhouse, the horses and livestock had to be fed. Cows had to be milked and wood brought in to fire up the stove. Having downed a hearty breakfast, the farmer went about the business of tending the crops or livestock while the women tended the household—cooking, cleaning, sewing, and laundry—and the garden...all without benefit of any of the labor-saving devices now take for granted.

As if life weren’t difficult enough, the economic crash that led to the Great Depression began October 24, 1929, on a day known as Black Thursday. By the next March national unemployment doubled to 3.2 million. Men in suits, many of them former bankers, took to selling apples on city street corners. Rural life was already difficult without electricity so when the Great Depression hit, farmers across the country were better prepared to face its challenges than their city cousins. Farmers were at least able to feed their families, though cash for other necessities was in short supply. Women learned

At the end of the workday, tired husbands and wives shared a bit of supper by the light of an oil lamp. Reprinted with permission. © Copyright NRECA

A woman’s first task of the day was to get the stove heating to warm the kitchen, cook breakfast, and then heat the sad irons to do the ironing. Reprinted with permission. © Copyright NRECA
to reuse and recycle clothing, even making dresses and other articles of clothing from feed sacks.

President Herbert Hoover advocated a hands-off approach to the nation’s economic troubles. When thousands of homeless families threw together makeshift housing on public grounds and vacant lots, the shantytowns they built were nicknamed “Hoovervilles.” Things began to change when Franklin Delano Roosevelt won the presidency in a landslide election against Hoover in 1932.

Roosevelt advocated a more proactive approach to the nation’s economic woes and established the Civilian Conservation Corps (CCC) in 1933. Designed as a relief and employment program for young men between the ages of seventeen and twenty-seven, the CCC was composed of groups of young men who worked in national forests and other federal lands for nine-month stints. Throughout Oregon they cut trails, built campgrounds and ranger stations, and damned creeks.

In April 1935 FDR signed legislation creating the Works Progress Administration, a few years later renamed the Works Projects Administration (WPA). WPA projects in Oregon included Timberline Lodge on the southern slopes of Mount Hood, an armory in Klamath Falls, a high school in Corvallis, and a sewage disposal plant in Medford.

At its peak in 1935 the CCC employed 500,000 young men, many of whom had left their homes, sending meager paychecks back to stave off foreclosure of their family’s property. Over the course of its life, the Works Projects Administration employed more than 8.5 million individuals in three thousand counties across the nation. These individuals, drawing a salary of only $41.57 a month, worked on highways, roads, bridges, and airports. Thousands of artists—writers, painters, and sculptors—were hired to boost the arts and tourism.

Members of Congress continued debating the merits of federal assistance as a means of restoring the nation’s economic health until they finally launched a second round of New Deal legislation in 1935. However, this time the legislation was focused less on relief and more on creating avenues for sustainable change.
The people of Oregon benefitted directly from the New Deal when, in 1935, Congress funded construction of Bonneville Dam, a project promised by Roosevelt during his 1932 campaign. Named for Captain Benjamin Bonneville of the United States Army, an early explorer credited with charting much of the Oregon Trail, construction of the dam and local roads for the reservoir provided employment for three thousand men. Countless peripheral jobs were created to feed, house, and provide services to these workers and their families.

On May 11, 1935, Roosevelt issued Executive Order No. 7037 and changed forever the nature of life in rural America. Under the authority of the Emergency Relief Appropriation Act of 1935, Executive Order No. 7037 created the Rural Electrification Administration (REA). Representative John E. Rankin of Mississippi and Senator George William Norris of Nebraska, two members of Congress from opposite ends of the political spectrum, proposed the idea for the REA. Senator Norris later became known as the Father of the Tennessee Valley Authority. In 1936 Congress passed the Norris-Rayburn Rural Electrification Act appropriating $410 million for a ten-year program to electrify American farms.

The purpose of the REA was “to initiate, formulate, administer and supervise a program of approved projects with respect to generation, transmission and distribution of electric energy in rural areas.” To accomplish this, the REA provided low-interest loans at 2 percent—the cost of the money to the government—to be used by existing electric companies to extend service from urban areas into
Across the country, co-op organizers met with friends and neighbors in mercantile stores, Grange halls, and barbershops to explain the advantages of electricity. Reprinted with permission. © Copyright NRECA

the countryside. However, most electric power companies concluded that serving farms and other rural residences would not be profitable. With only one or two potential customers per mile of line, the cost of extending the lines left no room for profit. By the end of the REA’s first year, only seven investor-owned utilities in the United States had borrowed funds for rural electrification.

Loan applications from farmer-based cooperatives poured in, however, and the REA soon realized electric cooperatives would be the entities to make rural electrification a reality. Traditionally, co-ops have sprung up in America whenever the marketplace fails to provide necessary goods or services at affordable prices. In the case of rural electrification, both the market and the timing were just right. Only two restrictions were placed on the cooperatives: they would not be allowed to compete directly with investor-owned utility companies and no one living in a city with a population of 1,500 or more could be a co-op member.

In 1937 the Bonneville Dam neared completion and Congress established the Bonneville Power Administration (BPA) to take over responsibility for the construction of transmission lines and the marketing of power to utility companies, public utility districts, and industrial users.
As word spread of the affordable energy being generated for the people of Oregon, farmers and other rural residents began envisioning a day when their lives might be made just a little bit easier with the help of electricity. One of them was A. F. Barclay, Tidewater Grange master and resident of Waldport. Barclay was a logger, fisherman, rancher, and dairyman. “I kept clippings about the REA-financed co-ops,” he said. “A fellow up north of here tried to start a co-op about that time, but it didn’t work out.”

The Central Lincoln Peoples Utility District did successfully organize but they would only serve a narrow strip along the coastline leaving Mr. Barclay and his neighbors still without service. He was determined to have electric power to his farm and set out to find a way to get it.

After making some inquiries, Barclay learned that in order to obtain power from the BPA it would be necessary to form an electric cooperative. Under the rules of the REA, however, to qualify for a low-interest loan they would have to guarantee the government a minimum of three customers per mile of line and a minimum of fifty miles of line. As president of Tidewater Grange, he talked to the members about forming a cooperative.

By October 1938 Barclay had enough people interested that a cooperative seemed possible. The first meeting was held at the Hope Grange in Alsea when George Winters of Alsea was elected as the group’s secretary. For many months, the incorporators met each Monday evening in the office of attorney E. R. Woods of Corvallis to organize and discuss the various aspects of operating a cooperative. Despite its obvious benefits, people were a little frightened of electricity. Farmers in the area contacted their neighbors, encouraging them to sign an application and pledge to pay $2.75 per month for
a minimum of at least a year. Sitting at kitchen tables they
explained rights-of-way for power line construction over a
cup of coffee and asked for their agreement.

Barclay persuaded Benton and Lincoln County agents to help
and maps of the territory between what was then West Coast
Power Company and Philomath were drawn up.

In early 1939 Barclay and others who would become founders
of the cooperative sent the maps and applications to the Rural
Electrification Administration and the Bonneville Power
Administration. On May 11, 1939, four years after Roosevelt
signed Executive Order 7037, E. R. Woods filed papers
incorporating the Benton-Lincoln Electric Cooperative.

In a 1966 interview for Ruralite, Rollie Davis, one of the original
incorporators of the co-op said, “Of all the things I’ve done, this
was what I enjoyed most and what helped make more people
happier." No doubt his fervor for getting the co-op organized stemmed from years of hard work without the benefit of electricity. “If you’d milked cows as long as I had,” he said, “you’d have been wanting to get away from it, too!” Davis was issued membership certificate number five and the power was turned on at his place October 14, 1940.

A. F. Barclay, who served on the board of directors for eleven years after the co-op was formed, recalled those early efforts years later as the co-op celebrated its twentieth anniversary. “I think the hardest part of the whole thing was to get that first meeting called,” he said. “Everybody was interested in forming a cooperative, but nobody would call a meeting. Nobody knew quite how to go about it. Finally somebody said why didn’t we just set the date for a meeting at Alsea and then let everybody know about it. Well, we did, and it turned out to be a good meeting. From there on it was pretty clear sailing.”

Though Barclay is generally given credit for being the “father of the co-op,” he said years later, “I don’t want to claim the credit for this because there were a lot of other fellows that worked as hard as I did on it. You might call it a ‘cooperative’ effort.”

Also present at the power contract signing in 1939 were (front row L-R): Mrs. A. R. Kopplien, Mrs. Phoebe B. Hocken, BPA administrator Paul J. Raver, unidentified, Mrs. A. H. Saxton, superintendent Guy I. Thomas, Mrs. Guy I. Thomas, and co-op attorney E. R. Woods. Back row: George Hendrix, unidentified, unidentified, Rollie Davis, A. F. Barclay, George C. Winters, and L. V. Calkins.
The organizers of Benton-Lincoln Electric Cooperative (BLEC) held their first official meeting on the evening of May 12, 1939, in the Montgomery Ward Building on Second and Jefferson Streets in Corvallis. Their initial order of business was to complete the documents for their first loan for $205,000 to finance the purchase of the Benton Utilities Company in the Alsea area and the construction of two power lines—approximately fifty miles of line—in Philomath and in the Albany area.

At the same time, the Rural Electrification Administration itself was reorganized and made a division of the U.S. Department of Agriculture. Setting poles and stringing electrical lines was a whole new ballgame for the men of Benton and Lincoln Counties. To help out, the REA drafted plans and set engineering standards. REA engineers made the specifications as economical as possible and standardized the materials to provide economies of scale for the suppliers. There were many miles of line to build and the funds had to be stretched to meet the need.

REA crews traveled through the American countryside installing wiring in houses and barns. A standard REA home installation consisted of a 60-amp, 230-volt fuse panel with a 60-amp range.
A ceiling-mounted light fixture was installed in each room, controlled either by a pull chain or a single switch mounted near a door. One outlet was installed in each room.

Soon after Benton-Lincoln Electric Cooperative was incorporated, Guy I. Thomas was hired as superintendent, starting work on August 1, 1939. In the coming weeks, the co-op also hired Mrs. Phoebe B. Hocken, Ronald Buford, and L. G. Turner. Even with this small number of employees, the office at Second and Jefferson was too crowded. In November 1939 the co-op moved its office up the street to 104 Northwest Second Street.

Guy I. Thomas was hired as superintendent in 1939 and later became the co-op’s manager.
In an interview given in August 1969, future general manager Lloyd Stubkjaer recalled “the good ole days” of the co-op’s beginnings.

The first employee was called the project coordinator. He canvassed the unelectrified area to get people to sign up for electric service. Power lines were located according to the old theorem that the shortest distance between two points is a straight line. Power lines were built through fields, orchards, forestlands, and villages in the shortest distance possible. The cost of materials was extremely high in relation to the cost of labor. So, the major factor in determining line location was the material required for the line. The result of this was that our early power lines are located in inaccessible areas, crossing fields, and forest lands. This is the reason that some of you still have to plow around our power poles.

There was no problem in securing easements. The early customers were so happy to receive electric service they gladly signed “blanket easements.” In many instances, the members cleared the right-of-way and helped in construction of the line. Most of the members worked either on staking, right-of-way clearing or construction of the power lines.

Construction was a show of brute strength. Holes were dug with a spade, a spoon and a digging bar. This was strictly a hand operation. Poles were raised by the use of pike poles with skilled hands at the end of each one. Conductors or wires were strung out under the poles along a wire trail by hand. Since most line locations were inaccessible for power equipment the lines would have had to be built by manual labor even if power equipment had been available.
When the power lines were energized in 1940, Benton-Lincoln Electric Cooperative became the first Rural Electrification Administration-financed electric cooperative to purchase power from the Bonneville Power Administration.

As Stubkjaer recalled, it was a simpler time. Members read their own meters and, following instructions they were given by the co-op, calculated their own electric bills. It would take a couple of decades for the members to become completely dependent on electricity and in the meantime, outages were easily tolerated and treated with patience.

Lee Barclay, nephew of organizer A. F. Barclay, was asked to recall the biggest change

Linemen and other co-op representatives often had to explain the basics of electricity and meter reading to the members. Reprinted with permission. © Copyright NRECA

In the earliest days, holes were dug by hand using a “banjo” and a “spoon” and poles were raised with strong backs and a lot of sweat.
electricity made in his household. “Light, of course,” he replied, “but I think the heating appliances in the home were of the biggest advantage to the mother of the house and to the family as a whole.” “I didn’t have to work with one hand and hold a lantern with the other,” recalled Ernest Cook, a Lincoln County resident who lived on Pioneer Mountain Loop in Lincoln County. Like many rural homeowners, Cook so looked forward to the arrival of electricity that he had his house wired long before the power lines were built.

Historians continue to disagree as to what extent the New Deal measures pulled the United States out of the Great Depression. In fact, many argue it was actually World War II that accomplished that task. Congress granted President Roosevelt’s request for a declaration of war against Japan on December 8, 1941, the day after Japan launched its surprise attack on Pearl Harbor. Given its position on the West Coast, Oregon became the beneficiary of a round of federal expenditures toward the war effort, among them the U.S. Army’s troop training facility, Camp Adair, north of Corvallis. Four army divisions—the 70th, 91st, 96th, and 104th—trained at Camp Adair for the battlefronts of World War II, eventually disbursing to such places as the Battle of the Bulge and Okinawa. The Bonneville Power Administration supplied electricity to aluminum plants from Longview to Spokane. Inexpensive electricity heated the smelters to process bauxite into rolls of aluminum, which moved by rail to the Boeing manufacturing plants on Puget Sound. This flurry of wartime activity and the jobs it created led to a statewide population surge. During World War II nearly 200,000 people moved into Oregon.

While this increased population in both urban and rural areas meant more electric customers, rural electrification came to a halt. The War Production Board needed all the copper it could get for the war effort. The purchase of wires, poles, transformers, and meters was halted by the government’s drive to accumulate enough metal for the war effort. Only projects that were 40 percent or more complete by December 5, 1941, could be finished. Everything else came to a screeching halt. Ironically, at the same time the United States government was asking farmers to increase their productivity to feed the hungry troops, they were denying them the one thing intended to help them do just that—electricity.
The war, and the resulting halt in line production, didn’t dampen anyone’s interest in electricity. Even though line extensions were slow to be built, people continued signing up for membership and the co-op continued planning for the extensions and securing rights-of-way.

Beyond its original organizers, the Benton-Lincoln Electric Cooperative had other supporters including Oscar and Louise Smith. Living in the Bridgeport area of Polk County and eager to get electricity for themselves and their friends and neighbors, they inquired about the feasibility of doing so through the nearest distributor, Mountain States Power Company. Because there were so few residents, Mountain States agreed to build lines only if the residents were willing to pay a substantial sum of money for construction of the line and a sizeable monthly rate. The Smith’s neighbors at the time, Glen and Detta Gage, recalled the Smiths rode through their portion of Polk County in 1941 signing up everyone who wanted electricity. They held meetings by lamplight at the old Farmers Union Hall to explain how cooperatives were formed and show them pictures of what they could expect from the REA and the co-op. The Gages wired their house in advance and were ready when the lines were built to their house in 1942. Detta had the lights on that April day when the power line was energized so Glen could see them as he approached the house. They celebrated with a fresh batch of homemade ice cream and put what was leftover in their brand new electric refrigerator. Later that year, Oscar Smith was elected to the co-op’s board of directors, a post he held until 1968.

Benton-Lincoln Electric Cooperative moved its offices to its third location, 1555 Northwest Monroe Street in Corvallis, in April 1944. World War II came to a close with the formal surrender of Japan on September 2, 1945. Now that the war was over, materials would once again be available for line construction.
Over the next couple of years, the BLEC management team underwent several changes. Superintendent Guy Thomas left to go to another cooperative and Max “Cy” Thompson was hired to take his place. Thompson left after only a few months on the job and Frank Seelye was hired as manager. He, in turn, resigned on May 31, 1947, at which time the board appointed Benjamin R. Little, acting as assistant manager since 1946, to serve as acting manager.

Two changes to the BLEC system took place in 1947 to better serve the members. First, the Wren Substation was energized on April 1 alleviating low-voltage conditions for members being served on the end of the Alsea-Waldport line to the southwest and on the Fall City-Dallas lines to the north of the substation. Second, the co-op managed to arrange a temporary connection to the Mountain States Power Company to serve approximately twenty-five consumers in the Kernville area who were still getting power from a

The office staff in 1946 included (L-R) Sue Jenkins, Louise Hall, Dorothy Texada, Kelly Dellzell, Evelyn Udell, and Anna Maude.
frequently failing diesel generator. It was a temporary solution and the line from Siletz to Kernville was completed and energized in April 1948.

After being in its new location less than four years, the cooperative sold their building on Northwest Monroe to the Corvallis Gazette Times in January 1948 and purchased the building at the corner of Sixth and Van Buren Streets for its new offices. After renovations, the staff moved into its new office the following April and Ben Little moved up from acting manager to manager of Benton-Lincoln Electric Cooperative.

By February 1948 the number of consumers receiving power from BLEC had increased from 750 to 2,800. Because a large number of them were in Linn County, the co-op opened an “office” in Lebanon. Lebanon Electric Company, an electrical contractor, offered a corner of their office to BLEC employees including Willard Grant as district manager, two servicemen, and Eva Jacobsen as cashier. The following year, a similar office was established in Toledo with Emil Roberstad as district serviceman along with helper Lawrence Baldwin. Though they were most often called on to make connections and disconnections, they were now more readily available for maintenance and repairs, especially during winter storms.

By November 1948 new sections of power lines in Linn County, Marion County along the Siletz River, and in Polk County were finished and energized. The number of members served by BLEC had increased to
Co-op members filled the Marys River Grange for the 1949 annual meeting.
almost 3,400. Benton-Lincoln had four power sources, three of which were from the Bonneville Power Administration. The fourth was a transfer point with Central Lincoln People’s Utility District at Siletz.

By this time the plans to construct Detroit Dam, Green Peter Dam, and associated transmission lines in the Santiam Canyon were well known in the region and BLEC was on record as supporting their construction. The co-op was in position to provide power to the sites during construction and to continue serving the area after construction was completed. In 1949 the Army Corps of Engineers made it official, requesting BLEC serve as the power-delivering agency during the construction period at the Detroit and Big Cliff Dam sites and the cooperative serve “all activity pertaining there to in the vicinity.” The co-op did and still serves the areas today including the cities of Detroit and Idanha.

The Bonneville Power Administration was not able to build all the substations BLEC required to meet the project’s needs but through arrangements made with Mountain States Power to furnish power to the cooperatives at Albany and Scio, BLEC was able to meet its customers’ demands. Also as a result of the project, BLEC’s boundary lines were extended to include parts of Linn and Marion Counties, especially in the areas around Detroit and Idanha. In June 1949 BLEC acquired an option to purchase the Idanha Power Company. The facilities weren’t in very good shape, but the purchase included rights-of-way, poles, wires, and transformers making it possible for BLEC to be up and running in the area without having to build a distribution system from scratch.

The Monmouth Substation was energized in 1949, providing better service and voltage to the customers in Polk County. By November 3 of that year, 760 customers in the co-op’s territory were being served by Benton-Lincoln Electric Cooperative. Meanwhile, in Washington, D.C., the REA’s purpose was expanded when it received authorization to loan funds for developing telephone service in rural areas. Telephone companies and electric companies began negotiating joint-use agreements to share poles and BLEC’s board went on record to “give all support possible to the proposed telephone cooperative” west of Corvallis. Today that telephone system is known as Pioneer Telephone Cooperative of Philomath and is another example of what can be accomplished through the power of cooperation.
By 1950 the congressional naysayers, who back in 1937 didn’t think rural America had much use for electricity nor the means to pay for it, were proved wrong...incredibly wrong. Since 1935 the REA had approved more than two billion dollars in loans and America’s rural electric cooperatives had an outstanding record of loan repayment. And while it took the REA nearly eleven years to loan the first billion dollars, the second billion-dollar milestone was reached only thirty-two months after the close of World War II. In his annual budget message to Congress on January 9, 1950, President Harry Truman recommended the sitting session of Congress authorize $400 million for loans during the twelve months starting July 1. Congress complied, appropriating another $350 million in loan funds for the Rural Electric Administration plus another $150 million should it be needed.

A snowstorm hit on January 7, 1950, creating the worst general outage BLEC had seen in several years. Heavy ice caused trees to fall through the lines and knocked out breakers. BLEC’s linemen—thirty-seven men with a fleet of thirteen trucks—worked night and day to restore power. Only the smaller trucks were able to navigate the roads glazed with ice and even then the truck beds had to be weighted with coils of wire for icy hill climbing. On occasion, a member came to the rescue by pulling the trucks through the worst spots with tractors. So impressed were they with the crews’ work that Mr. and Mrs. Andy Christenson of Harrisburg wrote a letter of appreciation concluding, “Also, tell the boys that if they would have come here to our home Saturday morning when they were out here, we would gladly have fixed them some hot coffee and a bite to eat.”

When BLEC’s board president Herman F. Moritz resigned his position in 1950, May Grant assumed the post after serving on the co-op’s board of directors since 1946. She put Benton-Lincoln Electric Cooperative in the history books by becoming the first woman president of a cooperative in the United States. Born in Alpena, South Dakota, Grant attended Corvallis High School and the Oregon State Normal School at Monmouth and then taught primary grade school for many years. Having married into a pioneer Lincoln County ranching family, she and
her husband lived on a 740-acre ranch near Harlan where he was born and where they raised Hereford beef cattle and Cotswold sheep. When Grant participated in a 1950 REA meeting in Washington, D.C., she was given special recognition for her service to BLEC and was honored as a “Woman of Achievement” in *Who’s Who in American Women*.

Echoing the activity among rural electric cooperatives across the country, Benton-Lincoln Electric Cooperative continued its own growth during 1950. The Elk City to Toledo line was under construction, the Lebanon Substation was energized on May 22, and the Scio Substation serving northern Linn and Marion Counties was energized on June 15. The co-op also entered into an agreement with Central Lincoln Public Utility District for a power source at Bayview, saving the co-op the expense of a substation while improving service in that area of the Alsea Valley.

Officials taking part in the Lebanon Substation and line energizing ceremonies in July 1950 are (L-R) Glen Mills, George Zimmerman, Amos Hergot, B. H. Little, Paul Elfers, Frank Ding, Willard Grant, Fred Davis, and J. A. Brigman.
As their service area continued growing, efficiency became increasingly important. Radio communications between co-op headquarters and crews in the field had always been a problem. Field crews sometimes had to drive several miles to find a telephone to call in to get information or orders from the office. Management had been investigating two-way radio systems for several years. Federal Communications Commission specifications and requirements for specific frequencies had to be taken into consideration but they eventually found a satisfactory solution. In 1950 radio equipment was purchased and installed in ten of the co-op’s trucks. Though not every vehicle had a radio, valuable time was saved in relaying information and instructions from the office to the field and back. Among the first to be equipped were the two service trucks in the Toledo district office. The mountainous terrain and the distances involved made communication very difficult, warranting the installation of a fifty-watt base radio station in Toledo in 1951. With this equipment a serviceman could communicate by two-way radio either with the district office in Toledo or the headquarters office in Corvallis.

Understandably, the focus to this point was on the co-op’s physical facilities—the lines, poles, and substations that delivered the electricity. By now, however, it was time for a review of the co-op’s governance. Benton-Lincoln Electric Cooperative was governed by a nine-member board and up to this point, all nine were elected every year. Given a two-year learning curve, if a board member failed to be re-elected before they could be truly effective, that seat was essentially lost to the co-op. All that changed with the September 1950 election when three directors were elected for a one-year term, three for two-year terms, and three for three-year terms. After that, three directors were elected each year for a three-year term. As a result, BLEC would now have a more stable, more experienced board of directors.

Another big change occurred in 1950 when the labor union movement reached BLEC. The National Labor Relations Board held a vote to determine if the line department wanted the International Brotherhood of Electrical Workers (IBEW) to represent them. The vote was in favor of representation, and an agreement was signed that December.
Some folks had to wait much longer than others for “the day the lights came on.” For folks in the Beaver Creek area, that day finally came when the 69-kilovolt coastline from Toledo to the Waldport area was energized on May 7, 1951. The transmission line also served the new substation at Waldport, which at the time belonged to the Central Lincoln Peoples Utility District. Several Beaver Creek members, present for the ceremony marking the energizing of the line, were asked for their reaction to finally receiving electricity. “It would be worth it just to have lights,” said Mr. F. M. Cook. “I’m tired of trying to find things by flashlight and lantern.” Mrs. Paul Cady summed it up for others saying, “What do I think of this new electricity? Why, I think we’ll just be pretty close to heaven!”

A tradition that was the highlight of annual meetings for decades to come—the cake contest—began at the annual meeting held November 8, 1951, at the American Legion Hall at Seventh and Jackson Streets in Corvallis. Electrical appliance dealers displayed their latest products and the women were treated to a demonstration on proper techniques for freezing food. The men watched a movie called *Thirsty Acres* and participated in a discussion of irrigation problems with Larry Lauderdale, BLEC’s irrigation advisor. The children were treated to movies and the antics of a local magician. Everyone enjoyed a lunch of ham sandwiches, potato salad, ice cream, coffee, milk, and, of course, cake. Toasters, radios, heaters, and other prizes lined the stage, awaiting winners of the cake contest and the door prize drawings.
One of the worst and costliest storms in Oregon history hit on December 4, 1952, as 75-mile-per-hour winds uprooted trees. Roads were blocked, twenty-one poles were broken, and eight transformers were destroyed. The Alsea, Lobster Valley, Monroe, and Linn County areas were hardest hit. Of the 1,500 miles of line in the BLEC system, only about ten miles of line were on at any given moment and one section was out of service for five days. Manager Ben Little estimated the repairs would cost a minimum of $15,000.

The success of the rural electric cooperative system was apparent in private enterprise’s efforts to curtail it. As a perfect example, the construction of Hells Canyon Dam on the Snake River in Idaho was proposed during the late 1940s but came under heavy opposition from the Idaho Power Company in 1951. Originally proposed as a single 710-foot-high dam, if built it would have been the world’s largest storage dam. Instead of the single high dam, Idaho Power proposed building three smaller dams. As manager Ben Little commented on the dam’s original design, “It would permit generation of two to three times more power from the Snake River than is now possible or would be possible if Idaho Power succeeds in building its ‘spite’ dams.”

The project generated a great deal more propaganda than it did energy. U.S. Senator Wayne Morse of Oregon introduced legislation authorizing the construction of Hells Canyon Dam on the Snake River in Idaho. “This bill is opposed by the Idaho Power Company and the propaganda network of the National Association of Electric Companies,” he proclaimed. “The Power Company cries ‘socialism’ and claims that they will not get all the power they need from the dam because of the equality clause. As one who is a firm believer in our capitalistic economy and the free enterprise system, I deny the validity of any such characterization.”

The Hells Canyon Dam project was shelved in August 1952 though discussions and debates continued for years. May Grant was one of the few consumer-owned utility representatives who had an opportunity to testify in behalf of a high Hells Canyon Dam before the U.S. Senate.
committee hearing in Portland, Oregon, on April 6, 1955. She wrote, “The Directors and Management of our Cooperative realize the growing necessity of a continued source of low-cost power so we can attract industry into the Pacific Northwest. With industry will come more people. We know the farms alone cannot pay off the indebtedness.” She went on to recall the days before electricity and what its availability meant to the quality of life for the co-op’s members.

These things have been made possible by people believing in each other, and by cooperative effort, have built a better way of life. The fact that we have had an abundance of low-cost power brought to us by Bonneville at a reasonable rate and
that up to this point, more power has been available when needed, has made it possible for us to meet the demand of industry. That is why we will not settle for less than the full development of our water resources that will continue to bring us low-cost power, thus making it possible for us to continue area coverage.

In the end, Hells Canyon Dam was built in 1967. It was the third and final dam of the Hells Canyon Dam Project including the Brownlee Dam built in 1959 and the Oxbow Dam built in 1961. The Idaho Power Company built and operated all three.

In June 1952, Benton-Lincoln Electric Cooperative purchased the Idanha Power Company from its owner, Paul Reynolds, for $60,000 adding more than 170 accounts to the BLEC system. This relatively isolated portion of the system was receiving power generated by a small dam on the Santiam River in Idanha. The co-op purchased a house in Idanha and built an adjoining garage and storage space for equipment. Serviceman Ed Nash and his family moved into the house. Several months later the co-op installed a 60-watt radio base station in the Nash home and 50-watt mobile units in the trucks. When someone called the office it was usually Mrs. Nash who took the call. Members in the Idanha area paid their monthly bills at the Davis Variety store.

After BLEC purchased the system, electric power was supplied from the Bonneville Power Administration substation at Detroit not only to...
residents and local commercial enterprises but also to Consolidated Buildings Inc., contractors for the construction of Detroit and Big Cliff Dams and powerhouses. When the Detroit Dam was dedicated in June 1953, a buss bar connection at the dam guaranteed a reliable source of power to the consumer/members in the Detroit/Idanha area.

For the next few years the co-op upgraded its facilities and its equipment. By 1953 the building at 561 Northwest Van Buren in Corvallis was no longer adequate and the co-op began making plans for a new building. By March of that year plans were approved for a 10,700 square-foot building and 4,000 square-foot garage at a cost of $210,000. The site chosen was on U.S. Highway 99W, just inside the city limits of Corvallis at the intersection of North Ninth and Beca Streets. When the co-op moved into its new headquarters at 1940 Northwest Ninth Street on January 18, 1954, it was heralded as one of the most modern facilities in the Pacific Northwest. A four-page section of the February 19, 1954, edition of the Corvallis Gazette-Times featured the new headquarters and the co-op’s suppliers all placed ads wishing BLEC the best of luck.
The new headquarters building opened on February 1, 1954.

Additional property was purchased on Highway 20 just east of Toledo to provide space for a pole yard, a transformer dock, truck storage, and warehouse facilities for the Toledo district office. The house on the two and a half acre lot served as a residence for the serviceman and his family as well as a permanently installed base station for two-way radio communication.

BLEC linemen string lines through rough terrain outside Toledo, 1952.

The cover of the March 1953 *Current Comments* heralds the opening of the new headquarters.
Finally, the days of digging holes to set poles by hand were at an end. The co-op added a shiny new red digger truck to its fleet of construction equipment in September 1954. “Number 47” was a Ford 250 cab-over-engine equipped with a Marmon-Herrington four-wheel drive and air-actuated hydraulic braking system. With various sized earth augers, “Number 47” could bore to depths of twelve feet.

In June 1954 BLEC members began receiving the Northwest Ruralite every month, which contained a section of news from their own co-op. As a result, the April 1955 edition of Current Comments was the last issue after seven and a half years of publication.

Since its incorporation, Benton-Lincoln Electrical Cooperative had expanded into four additional counties and served members in a total of six counties. In March 1955 the next to last edition of Current Comments posed the question, “How do you refer to your Cooperative? Do you call it Benton-Lincoln Electric Cooperative, BLEC, or the REA?” In truth, many people still did not understand the Rural Electrification Administration was merely a lending and regulatory agency and they actually were part owners of the local cooperative of which they were members. Besides that issue, the co-op’s board of directors was looking for a less cumbersome name which included the other service areas—Linn, Lane, Polk, and Marion Counties.

Members were asked to send in their name suggestions and the co-op formed a committee to review the submissions and select a winner for a $25 prize. Mr. H. R. Glascock of Eddyville submitted the winning name—Consumers Power—but since he was a member of the committee, he asked to withdraw his suggestion. His fellow committee members wouldn’t agree and voted to award him the $25 prize. Nine
hundred members voted overwhelmingly at the October 29, 1955, annual meeting to change the co-op’s name to Consumers Power Inc. (CPI), a simple name that expressed the inclusiveness and basic tenets of the business. The name change became effective on November 10, 1955.

Always looking for ways to serve its member consumers, the co-op had been looking for a way to solve the problem of expensive appliance repairs and deliveries. Repair calls and deliveries to the rural areas served by the co-op always meant extra cost for the consumer due to the distance from the dealer to the buyer’s home. After months of talking to appliance manufacturers, Consumers Power signed a franchise with Kelvinator in 1955 for the sale and repair of their product lines, making it possible for members to purchase appliances and get repairs at affordable prices.

At the 1956 annual meeting, Manager Ben Little reported the total investment in all CPI property was $5,445,000 with a net worth of $1,300,000. Major system improvements during the past year included rephasing of the Harlan line; building of the Western Veneer and Preacher Creek tie lines; installation of new, larger-capacity transformers at Toledo; and building of the Marion County Substation and line. Another substation, Wellsdale, was energized July 15, 1959, to serve the


The latest and greatest in Kelvinator appliances were displayed for sale in the co-op’s offices.

The Wellsdale Substation near Camp Adair was energized July 13, 1958.
area north of Corvallis. It was later retired when the load became big enough to require two substations to serve the area.

Like many modern-day conveniences, few people really understood what it took to keep electrical service running smoothly. Line superintendent John Smith was interviewed for the May 1958 edition of Northwest Ruralite regarding the challenges of keeping electricity flowing smoothly over 1,400 miles of line. The task was particularly difficult in an area like that served by CPI where the coast is frequently attacked by strong, gusty winds that blow limbs and even trees into the power lines and the mountain areas were blanketed by snow and ice during winter. The lines in the Willamette Valley even faced challenges from crop-dusting planes. “A few years ago,” recalled Smith, “a crop dusting plane ripped out a three-phase line and broke off the top of a pole. It tore a wheel off the plane. I don’t know how this fellow ever landed with only one wheel left, but I suppose he did. I never heard anything more about it. We kept the other wheel around the office for a couple of years, but he never showed up to claim it. Finally, we gave it away.”

Bulls, gray diggers (a nickname for Western gray squirrels), and cats also posed problems to service. Bulls sometimes scratched themselves on guy wires, causing a span of power lines to waiver and perhaps slap together. Smith handled the problem by wrapping barbed wire around the guy wires. Cats and gray diggers climbed poles and got tangled up with the line equipment, causing power outages. “A cat uses up his nine lives pretty fast when he climbs our power poles,” said Smith.

To keep power flowing, Smith and his crew used such diverse items as cannons, mechanical hands, corncribs, and helicopters. The mechanical hands were ingenious devices used by linemen to take the place of human hands whenever lines must be handled “hot.” “They’re so nimble that you could tie a square knot in a rope with them,” Smith explained. A corncrib, the kind farmers use, could cover a transformer to protect it from ice and snow. Most surprising of all was the cannon occasionally used to shoot a line across a river or canyon that might be difficult, if not impossible, to cross any other way. “We used to rent a cannon,” said Smith, “but at $50 a shot it got to be pretty expensive. So we picked up a war surplus cannon of our own. It shoots a nine-pound projectile.” A helicopter was used to spray several miles of line right-of-way in a

Target Practice

Every year, several issues of Current Comments focused on the damage done by hunters who amused themselves or took out their frustrations by using the insulators at the top of the poles for target practice. Despite the potential for fires and electrocution, it became an increasingly prevalent occurrence. The cost of repairs due to ice and windstorms was never welcome but at least was easier to tolerate than the cost of these self-inflicted wounds. The August 1953 issue admonished its members saying, “When you use your rifle, use your head. Don’t you sabotage vital electric equipment.”
brush control project along an inaccessible route not paralleled by roads. “It took him just a day to spray a route that would have taken three months if we’d had to do it on foot,” Smith said. Smith set up regular patrols to look for potential dangers and outages, particularly after hunting season when bored or frustrated hunters used the insulators for target practice. Smith recalled the time a lady south of Philomath called at five in the morning to report a pole on fire. Linemen discovered a couple of insulators had been shot out. “It cost us $40 for a new pole, $20 for the insulators and cross arm, and about $320 in time—we had to pay double time—and transportation,” Smith said. “If I knew who shot the insulators, I’d send him a bill—for $400.”

The REA marked its twenty-fourth anniversary on May 11, 1959. REA administrator David Hamil said, “In the latter 1930s, a lot of people were wondering if those new rural electric systems were going to be able to meet the payments on their Government loans when due. Today they have their answer. The rural electrification program has proved one of the soundest investments ever made by the people of this country.”

When everyone gathered to celebrate Consumers Power’s twentieth anniversary at the annual meeting in December 1959, the lights suddenly went off and the entire auditorium at the Corvallis High School went dark. President May Grant stepped to the speaker’s stand, pulled a lit kerosene lantern from beneath, and placed it beside her on the podium. “What a contrast,” she exclaimed, “to what we have today!” That’s when the lights came back on.

No one knew better than Grant what it took to bring electricity to their homes, nor how much more difficult their lives would be without it, and she wasn’t about to let them forget. Grant spelled out what she felt was one of the co-op’s biggest problems: A-P-A-T-H-Y. “We have an entire generation of young people,” she said, “who know little or nothing about the inconvenience of not having electricity. All they know is that when there’s a bad storm the lights sometimes go off and then they can’t see Gunsmoke on TV.”

Out of the Mouths of Babes

May Grant’s five-year-old great-granddaughter asked her what they did with a washboard back in the old days. Grant told the story of describing washday for little Kathie:

The alarm goes off at 5 a.m., fire built and coffee made while the rest of breakfast is being prepared. Not toast and coffee, but potatoes, meat, eggs, biscuits, as a big day is ahead of you. After hungry folks are fed and the men have gone to the fields to plow—with horses, of course—you finish the dishes washed in water heated on the stove, then you return to the washing problem. Carry more water to fill tubs and refill the boiler on the stove, etc.—finally the big moment arrives and armed with the wash board in question and a huge bar of yellow soap—homemade, of course—you start the task of washing clothes the hard way. At noon you fix a quick meal and back to the washboard. At long last your washing is on the line gleaming white and really a beautiful sight. Very hard on the clothes and your hands are red, your back aches, you are cross, the floors aren’t swept and supper isn’t ready but the washing is done for another week. After explaining all this to my great-granddaughter Kathie, she looked again at the washboard and said, “Grammie, where do you plug it in?”
Consumers Power continued growing, if not as much in territory then certainly in the level of sophistication with which it operated. By this time, electricity was so much a part of people’s homes and farms they were now completely dependent on it. And while CPI’s performance was such that its members had the luxury of being able to take it for granted, outages posed a much larger stir than they had in years past and the co-op took every possible measure to prevent them.

In 1960 preliminary work on the Green Peter Dam project began with logging and clearing for the abutment and construction of roads. The construction power CPI furnished to the Corps of Engineers at Green

Four first-place winners in the cake contest clutch their prized electric skillets. They are (L-R) Mrs. Henry Stone of Alsea, Mrs. Walter Bowers of Harrisburg, Mrs. S. C. Stockton of Corvallis, and Mrs. H. H. Clark of Tidewater.

In a truly democratic system, a CPI member casts his vote at the 1960 annual meeting.
Peter Dam on the Middle Fork of the Santiam River was an investment in future power supply. Completed in 1967, two 40,000-kilowatt generators were installed and began providing power for the Northwest.

Since its inception, CPI had grown to 1,400 miles of line serving some 5,500 meters through seven substations. When the Rural Electrification Administration celebrated its silver jubilee on May 11, 1960, CPI joined with one thousand other electric cooperatives in celebrating the successes of the past twenty-five years.

George Case, the co-op’s appliance supervisor, reported CPI members purchased more than 1,500 major appliances in the four years since they began making them available. The department operated on a non-profit

Men also entered the cake contest and won. Richard Basl, pictured here, and his brother Albert both won an electric toaster as their third-place award at the 1960 annual meeting.

Not only were the appliances sold to members at great prices, any needed repairs were done at a much lower price than stores would have charged to make service calls.
Consumers Power stepped into the computer age, an industry very much in its infancy, in September 1960 with a new customer billing system. Rather than spend an estimated $300,000 on the necessary computer equipment, CPI contracted with Electronic Data Processing Center (EDP) in Portland to process, compute, and print all their monthly electric bills. Employees at CPI headquarters operated a punch card machine to enter meter readings sent in by customers. The cards were then sent to Portland where the monthly three-section bills were calculated, processed, and printed. Dual billings were run in July, August, and September. The EDP billings were checked against the conventional bills.
for accuracy and in September the first EDP bills were mailed to the customers.

The September 1961 edition of *Ruralite* reported CPI’s purchase of a portable substation to provide back-up protection in case of a substation failure. Purchased from the Pennsylvania Transformer Company at a cost of $69,000, the substation boasted a capacity of 5,000 kilovolt amps. Mounted on a semi trailer, it could be moved quickly to any permanent substation in the CPI system, reducing power outage time to within a few hours.

In addition to providing backup against substation failures, the portable substation also made it possible for CPI to conduct the routine maintenance on their substation transformers necessary to keep them in good operating condition and thus, prolonging their lives. Even though the transformers were constructed to operate with a minimum of maintenance, each year of operation increased the possibility of a failure.

The portable substation was just one aspect of CPI’s Constant System Improvement Program. Approximately twelve more miles of transmission line were added in 1960 running from Wren cross country.
A CPI crew installs a portable substation to be used as a temporary feeder out of the Wren Substation, 1962. The unit was used for maintenance of large transformers and emergency substation replacement.

Consumers Power celebrated its twenty-fourth year at the 1963 annual meeting held November 30 at the Corvallis Senior High School. Manager Little reported, “There were over 600 people in attendance, in spite of the heavy fog that covered the Willamette Valley, plus the big Santa Claus parade in Corvallis, the Oregon State-Oregon football game in Eugene, and the Thanksgiving weekend that found many people away from home.” To highlight the co-op’s progress, Little cited some comparisons. “In 1953, just ten years ago, Consumers Power served 4,500 customers; today we serve more than 6,000. In 1953 the annual revenue was
$668,000. This year we expect our revenue to reach $1,300,000, nearly double that of ten years ago.” During 1963 the co-op also completed its transformer testing and maintenance shop making it possible for them to test new and old transformers under actual loads and high-voltage conditions. They added a new line crew qualified for “hot line work” whose principal duty was pole replacement. Using special tools they could safely replace crossarms, insulators, and even entire poles without interrupting electrical service.

Just as in Lebanon a few years prior, the co-op built a house in Idanha in 1964 so a local serviceman could provide quick response to the needs of the residents instead of having to wait for a serviceman to come in from Lebanon or Stayton. A storm that hit during December 1964, however, required much more than just one serviceman. The Detroit-Idanha area was hit hardest when the North Santiam River went on a rampage. Eighteen houses were swept away in Idanha where the river left its channel. The following month the Alsea, Siletz, and Willamette Rivers, as well as their tributaries, all flowed over their banks. Along the North Fork of the Alsea River the new Honeygrove Bridge was closed. The bridge wasn’t washed away but the abutments at both ends were and many people had to be evacuated from their homes. The damage done to co-op lines was extensive enough to require reconstruction rather than repair, and the cost for repairing the flood damages from both storms was approximately $165,000.

Co-ops were required by law to hold an annual meeting and had to meet a quorum in attendance. Up until 1964 the annual meetings

Seventy-five cakes were entered in the ever-popular cake contest at the 1964 annual meeting. The winners (L-R) were Mr. Paul Ronco of Monmouth representing his wife, Mrs. Duane Esbenshade of Siletz, Mrs. Walter Bowers of Harrisburg, and Mrs. Fred Rohwein of Scio, all holding their new electric blankets.
were held in the fall and while a free lunch and the hope of winning an attendance prize was enough to attract some, for many those attractions couldn’t compete with their favorite “seasons”—hunting, fishing, and football. In 1964 the bylaws were revised to call for meetings in the spring rather than in the fall.

During March 1965 the Simpson Creek Substation was completed and energized. Eight miles of transmission line were constructed from Lebanon to the Western Veneer Substation site, plus about three more miles of transmission line west of Missouri Bend on the Alsea River at Digger Mountain. CPI’s headquarters at the corner of Ninth and Spruce Streets previously had an auditorium added on the south side and now additional office space was constructed on the north end of the building.

March 18, 1967, marked the end of an important era at Consumers Power when May Grant resigned her post as president of the board of directors after twenty-one years. On that date, she wrote to the employees of CPI:

Dear Friends,
I wish I were a talented orator so that I might properly express my thanks and appreciation for the lovely bouquet of roses. Through the years, I have always been most proud of you, the employees. I want you to know that the coffee pot is always on at the Lazy R Ranch and a chocolate cake is not far away. Again I say, “Thank you,” and God Bless.

In January 1968 the board of directors announced Lloyd Stubkjaer had been appointed manager of the then $10 million utility. Stubkjaer, assistant manager since 1957, succeeded Manager Ben Little who was on leave pending his retirement in February 1968.

Grant and her husband R. E. “Lige” Grant, who at age eighty-six still operated their 740-acre stock ranch, raised a total of eight youngsters, only two of whom were their own. When a sister died leaving two sons, the Grants brought up the boys with their own children. Then, in 1940, when their widowed daughter died, the Grants raised her four children as well.

Grant used her favorite scripture, Matthew 25:40, as her credo for life, “As ye do it unto the least of these, ye do it unto me.” The many people whose lives she touched could attest to how faithfully she kept to her credo.

A Life Well Lived

Just two years after her retirement from CPI’s board of directors, May C. Grant passed away in Redmond, Oregon, on October 30, 1969, at age seventy-six. Throughout her life, Grant devoted untold hours to her church and her community by teaching, helping establish school facilities and telephones, and through her active work in the local Grange. She worked tirelessly both to bring electricity to her rural community and its neighbors and as its longest-running leader.

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In his “Manager’s Report” in the May 1968 Ruralite, Stubkjaer pointed out CPI’s most significant accomplishment during 1967 was completion of the service area agreement between CPI and Pacific Power & Light. As far back as 1957 the Oregon legislature had been pressuring the co-ops and privately owned utilities to resolve territorial conflicts. In December 1961 a formal agreement was reached, the terms of which called for all conflicting or duplicating lines to be removed to provide each company with an exclusive service area. Oregon’s public utilities commissioner approved the agreement in 1964 and certified the service areas of both companies. It wasn’t until November 1967, however, that terms of the agreement were finally satisfied with transfer of the last remaining customers.

There was no doubt about it. Life in rural America was much easier because of electricity, but at the same time, the co-op’s operations had become a great deal more complex than the days of hand-dug holes using a “banjo” and a “spoon.” CPI’s general manager Lloyd Stubkjaer wrote about the changes that had come about since “the good old days:” “Now, in 1969, outages and interruptions are intolerable, easements are often difficult to secure, labor costs are much greater than material costs,” he reminded folks. “Construction is highly mechanized. Hydraulic powered diggers are used for digging holes. Poles are raised by hydraulic booms. Hydraulic tampers are used in setting poles. With the cost of labor

Though by now most members were pretty dependent on electricity, they hadn’t forgotten how difficult life was in the days before they had it.
today, every labor saving device must be used. Some customers still read their own meters, but now they complain about it.”

No longer content just to have electricity, people began clamoring for underground lines to improve the environment and retain the incredible aesthetics of the region. Contrary to what many people thought, underground lines weren’t as simple as just burying a wire. Material costs were higher; the cost of insulated wire was considerably more than bare conductor wire. Labor costs were greater because of the trenching, splicing, and backfilling needed to bury the line. CPI was willing to provide a member/consumer with underground wires if they wanted them, but only if they were willing to pay the additional costs to get them.

Computers were also changing the way CPI functioned, as they were virtually every business. Still relatively new, most people didn’t really understand their benefits. Not only did computers make record-keeping more efficient and less expensive, they also made it much easier to generate reports, to gather data for engineering studies used in designing new lines and substations, and for the distribution of capital credits. Monthly reports kept employees on top of the pole replacement program and alerted them to transformers that were approaching overload conditions so they could be changed out before they burned out, thus avoiding power outages. Then, as now, people didn’t need to understand how computers worked to grasp the benefits of using them.

By the late 1960s all indications pointed to the probability that hydropower supplies from the Bonneville Power Authority would be insufficient to meet the region’s energy requirements. The Joint Power Planning Council, made up of about 110 electric cooperatives, public and private utilities, BPA, and other Pacific Northwest entities, was created to develop a plan—the Hydro Thermal Power Program—to meet the region’s load growth through coal and nuclear.
While the initial plan called for development of twenty nuclear or coal plants, that number was quickly scaled back to six: the Centralia and Jim Bridger coal plants, Trojan nuclear plant, and three nuclear power plants under the Washington Public Power Supply System. The WPPSS was organized in 1957 as a municipal corporation that allowed publicly owned utilities to combine resources and build power generation facilities. With planners projecting that demand for electricity in the Northwest would double every ten years, well beyond the capacity of hydropower, they believed nuclear power plants were the best way to supply clean and low-cost electricity to customers. Their plan was to build three nuclear power plants: two at Hanford and one near Satsop, Grays Harbor County, Washington. The cost of all these plants was to be repaid through the sale of the power they produced.

As it turned out the plan was dogged by Murphy’s Law, the adage that insists anything that can go wrong, will go wrong. Changing conditions and public opinion impacted the ten-year plan in ways no one anticipated, resulting in litigation that took years to resolve. And all the while, the leadership at Consumers Power did their best to protect and ensure their members’ supply of energy.
Consumers Power Inc.’s commitment to providing power to the Detroit-Idanha area included serving the Marion Forks area, a private community in the middle of the state, and federal forests east of Idanha. In March 1970 eleven miles of power line between Idanha and Marion Forks were energized bringing the families who lived there a more reliable source of power than the old Pelton Wheel AC generator they’d relied on for so long. The Young family that owned the Marion Forks restaurant and gas station put in an electric gas pump for convenience but kept the old hand pump for “emergencies” until the “new-fangled” electricity proved reliable. The Tumble Creek Substation, built to replace the old Detroit Dam Substation, came on line to supply the Detroit-Idanha-Marion Forks area several years later in October 1975.

Nils Bittner, CPI serviceman (left) visits with Nan and Scott Young after electrifying their home and business, the Marion Forks Lodge (shown right), in 1971. For years they’d gotten by with an unreliable generator but now with CPI’s dependable service, they could take down the sign that for years stood by the mantel clock. It read, “Our Clock is Never Right.”

Art Philpott, member of the spray crew, stands beside the CPI chipper truck, 1970.
Since its inception the rural electric cooperative system had, to varying degrees, enjoyed a congenial and supportive relationship with the occupants of the White House. President Richard Nixon’s administration, however, despite his campaign comments of support for the REA, launched a rather bold campaign against it. In 1969 when Congress failed to make enough loan funds available to the REA to meet the growing demand, the co-ops were forced to form the National Rural Utilities Cooperative Finance Corporation, more commonly referred to as the CFC. Then on December 29, 1972, a day the REA dubbed “Black Friday,” while President Nixon was at Camp David, the Department of Agriculture announced it was putting an end to the REA’s 2 percent direct loan program. Future loans would no longer be made under the Rural Electrification Act but instead under a new Rural Development Act, H.R. 12931 signed into law on August 30, 1972. The de-funding of the REA direct loan program was carried out through an executive order that included enough contingencies and conditions to disqualify all but ninety of the nearly one thousand electric co-ops across the country from obtaining loans.
Rallying a grass roots effort of protest, 1,400 representatives from rural electric cooperatives flocked to the Mayflower Hotel in Washington on January 23 and 24, 1973. Wearing “Save Rural Electrification” stickers they gathered under a banner reading “We Protest” which they hung from the ballroom balcony.
With constant pressure from the NRECA, the House of Representatives passed legislation on April 4, 1973, to update the REA loan program, calling for 5 percent loans with the traditional 2 percent loans allowed for systems in “hardship” areas. The bill made it through the Senate. By the time it reached Nixon’s desk the infamous Watergate scandal that eventually brought down his presidency was coming to a boil. President Nixon signed S.394 into law on May 11, 1973, the thirty-eighth anniversary of the REA. In his book, *Power Plays*, Ted Case, executive director of the Oregon Rural Electric Cooperative Association, wrote, “The bill signing ceremony took six minutes. No electric co-op leaders had been invited, but the ceremonial pens distributed at such events seemed trivial compared to the larger picture. For 131 days, NRECA and its members had kept the pressure on Congress to overturn Nixon’s elimination of the REA program. Electric co-ops had survived the most vicious attack against their program since its inception.”

To help members understand the ramifications of S.394 to Consumers Power, General Manager Lloyd Stubkjaer explained that with 70 percent of the co-op’s current funding coming from the REA at 5 percent, and 30 percent coming from CFC at 7 percent, they now had an effective interest rate of 5.6 percent. “This will affect the operating margins and eventually must be reflected in our retail rates,” he explained. “The higher rate only applies to new loans so when system improvements must be made, the increased interest rate will affect all customers.”

In October 1973 world politics and turmoil in the Middle East led to OPEC’s embargo of oil to the United States in retaliation for U.S. support of Israel in the Yom Kippur War. In some cities, cars lined up for miles to fill their gas tanks. In the Pacific Northwest, however, Mother Nature was generating an energy crisis of her own. An unusually low amount of snowfall and low levels of precipitation throughout 1973 were creating a critical shortage of electric power throughout the region. By the end of August, stream flows were well below the historical lows of 1936–37 and water was being released from
the reservoirs for electric power generation faster than stream flows and rainfall could replace it. “Unless the need for electric power generation is curtailed,” Stubkjaer warned, “we will have a deficiency in February, March, and April 1974 of approximately 4.6 billion kilowatt-hours. This is equal to one year’s electrical service to 290,000 homes.”

For years electric utilities had been urging their consumers to increase their usage of electric energy. Now they were making a giant U-turn on that approach because not only were they short of electric energy, they also lacked the capacity to generate additional energy. Emphasizing the seriousness of the situation, Stubkjaer implored everyone to make the personal sacrifices necessary to achieve a 7.5 percent reduction in kilowatt-hour usage.

Keeping CPI’s members up-to-date on the energy situation, Stubkjaer gave a report in the February 1974 Ruralite on the status of the Joint Power Planning Council’s Hydrothermal Power Program. The program was to be carried out in three phases with the first phase designed to meet estimated loads into the late 1970s. By 1974, the Centralia coal-fired plant was in operation. The Trojan nuclear plant was under construction; however, its operational date was delayed when opponents of nuclear power intervened in the Atomic Energy Commission’s licensing process. The Washington Public Power Supply System Nuclear Plants #1, #2, and #3 were underway and in various stages of development. At some point in the future, Nuclear Plants #4 and #5 were to be “twinned” with plants #1 and #3.

Knowing a plan was in place was all well and good, but CPI, and other co-ops like them, opted to take a proactive approach to ensuring their members’ energy requirements. In 1975 Consumers Power was instrumental in the formation of a non-profit cooperative called Pacific Northwest Generating Company (PNGC). Comprised of co-ops in Oregon, Washington, Idaho, and Wyoming, PNGC was organized as a wholesale generation and transmission cooperative to ensure the supply of additional power necessary to meet the requirements of the member co-ops. PNGC’s first project was to purchase 10 percent of the Boardman 530-megawatt coal-fired power plant located in eastern Oregon. Their 10 percent ownership entitled them to 10 percent of the plant’s output.
For the first time in its forty-year history, the Bonneville Power Administration sent a notification of insufficiency on July 1, 1976, to all electric utilities and industries that purchased power from them. The notice stated that as of 1983 BPA would not be able to meet the growing needs for electrical power in the Northwest. That meant any additional power requirements, whether due to industry growth or increased use by existing customers, would have to be purchased from some other source. Based on projections and circumstances at the time, Washington Public Power Supply System Nuclear Projects #4 and #5 appeared to be CPI’s best solution to the power supply problems posed by BPA’s notice of insufficiency. Consumers Power signed an agreement in July 1976 to participate in the purchase of a part of the output of two nuclear plants in Washington and engaged in the formation, along with thirteen other utilities, of a generation and transmission company that would purchase a part of the output from Carty coal plants, nuclear plants Skagits #1 and #2, and Pebble Springs.

These plants weren’t scheduled for completion until the early to middle 1980s, schedules that had to be met in order to avoid curtailments of power. At the end of 1976, statistics showed kilowatt-hour sales for 1976 had increased 13.2 percent over 1975. Signing on to the WPPSS Projects was the only responsible, logical course of action CPI could have taken.

A NEW HEADQUARTERS
When the present headquarters was built in 1954, it was located in a rural area about one and a half miles north of the Corvallis city limits and had more than ample room for a pole yard, a mechanic’s shop, vehicle shed, and an apparatus repair shop in addition to the office building. When the City of Corvallis annexed the property and the surrounding area into the city limits in 1960, it created a few problems. First of all, the property was zoned for commercial use in compliance with the city’s land-use plan. However, the apparatus maintenance and pole storage did not conform to the restrictions on commercial zoning. Second, as the area continued to develop the co-op found itself on an extremely busy street making it difficult to move trucks and pole trailers in and out of the yard. And finally, not only had their taxes increased, but a reappraisal of the land also made the location economically impractical to use for poles and vehicle storage.
A new site for the co-op’s headquarters was purchased about halfway between Corvallis and Philomath on West Hills Road, and plans were drawn up and submitted to the REA for review and approval during August 1974. The construction was to be completed in three phases; the first phase consisted of that portion of the building required for operations, including office space for the dispatcher, line stakers, engineers, a crew room, warehouse space, and garage space; the second phase was for administrative office space; and the third phase was for additional garage space and material storage. The co-op moved into its new location in February 1976.

The community of Valsetz, high in the Coast Range fifty miles northwest of Corvallis, and the Boise Cascade plywood mill that supported it came “on line” when the 69,000-volt transmission line running from the Kings Valley Substation to the Valsetz Substation was energized on October 24, 1976, ending the thirty-year era of mill-generated power. The antique control panel for two 1,250-kilowatt steam turbine generators was shut down and the community’s 425 residents were able to change over from propane, which had increased from seventeen cents to fifty cents per gallon, to the more affordable electricity. Unfortunately, Boise Cascade Company decided in late 1983 to permanently close several of its mills, Valsetz among them. With no...
other industry present, the closure of the mill brought an end to the town itself. The mill closed on February 24, 1984, and, with removal of the mill and the town, Boise Cascade replanted the land to trees. Even though the load was eventually lost to the co-op, CPI’s contract with Boise to supply power helped them recoup their investment.

During April 1977 the Bonneville Power Administration was asking its customers, including CPI, to reduce their consumption of electricity by 10 percent. Manager Stubkjaer appealed to the co-op’s member/customers in the November 1977 issue of Ruralite: “We have reached our limit of available hydro sites now, and have joined the rest of the nation in having to construct thermal plants for necessary electrical generation. On the one hand, environmentalists are urging the delay of thermal power plants, and on the other hand, people—perhaps even some of these same environmentalists—continue to furnish their homes with more and more new electric appliances.”

After more than eighteen months of work by public and private members of the utility industry working with the Bonneville Power Administration, a regional power program was developed by the end of 1977. Introduced in Congress as the Pacific Northwest Electric Power Supply and Conservation Act, it was designed to provide an equitable basis for the allocation of low-cost hydro power, to provide for a sound power supply without artificial disparity of rates, to improve financing ability of the northwest utility systems, and to permit orderly planning for the future.

With the Pacific Northwest’s hydropower system maxed out, the allocation of this now-limited energy source was the target of various regional political and legislative matters.

Governor Robert Straub introduced legislation creating the Domestic and Rural Power

Conservation was king during the 1970s and, way ahead of their time, one CPI member devised their own electric car.
Authority of Oregon that would have declared the entire state a public utility district and therefore a preference customer of the Bonneville Power Administration. Though it passed the Oregon legislature, it never went into effect. Unfortunately, none of the lawsuits or legislative efforts provided a solution for future power supply but instead attempted to resolve the problem by re-allocating the availability and the cost of existing power resources, primarily for political advantage. It would be several years before a balanced and sustainable legislative fix presented itself.

Lloyd Stubkjaer, general manager of Consumers Power since 1968, passed away on August 28, 1979, at the age of sixty-four. Born in Columbus, Montana, on February 27, 1915, Stubkjaer received his education in Montana schools and graduated from Montana State University in 1939 with a degree in business administration. He worked for several years as an auditor for the REA Northwest Section. In 1947 he left that position and bought a stationery store in Aberdeen, Washington. At
the same time Stubkjaer started Stebco Business Forms Inc., a management consulting company for electric utilities. During the next ten years his name became a byword throughout the Pacific Northwest as he helped the directors and managers of many public utilities steer a sound financial course. Stubkjaer joined Consumers Power in 1957 as assistant manager, becoming general manager in 1967.

The board of directors named Maynard M. “Mac” Eckhardt as interim manager until they could select Stubkjaer’s replacement. On September 1, 1979, John F. Mayse, CPI’s administrative assistant, was appointed to the general manager position. In his first Ruralite message to the membership Mayse said, “Consumers Power has for years been one of the leaders of the small utilities in the Northwest in growth, operation, and the rural electric philosophy. I want to begin as manager by pledging myself to keeping it that way.”

Praising both the employees and the member/consumers who contributed to the co-op’s success to this point, Mayse spoke of their cooperative spirit that would, he said, “be required to overcome the hurdles that we now face and will face in the future.” His first hurdle arrived just a couple of months later when CPI received notice their wholesale power costs would increase by approximately 79 percent effective December 20, 1979. This increase in wholesale power costs, plus other expenses and loan and mortgage commitments would translate into a rate increase between 25 and 30 percent for CPI’s members.

Trucks made installing a new pole a lot easier but the linemen still had to string the lines and make the wire transfers by hand.
On the morning of May 18, 1980, the beautifully symmetrical, snow-capped dome of Mount St. Helens erupted in the deadliest and most economically destructive volcanic event in U.S. history. Fifty-seven people were killed; 250 homes, forty-seven bridges, fifteen miles of railways, and 185 miles of highway were destroyed. Co-ops throughout the area suffered communications breakdowns and transformer outages as the soggy ash accumulated. Miraculously the region’s electric system escaped any serious physical damage, but the downturn in the economy, primarily due to the absence of tourism, impacted everyone, including Consumers Power Inc.

According to the Bonneville Power Administration’s notice of insufficiency back in 1976, the time when CPI would be receiving energy from BPA on an allocation basis was only three short years away. Energy conservation became the watchword for the early 1980s. In his report for the May 1980 Ruralite, Mayse voiced the harsh reality of the co-op’s position, that is, finding a balance between energy supply and the environment. “Only when we recognize that conservation alone won’t solve the problem,” he wrote, “and once we make some positive decisions about coal and nuclear generation and get on with the development of other energy sources, will we start to gain energy independence.”

To help their members deal with the demands of energy conservation, CPI made home energy audits available to its members providing them with a complete energy analysis of their
home with suggestions on ways to increase energy efficiency. Customer relations representatives set up one-day, informal meetings throughout the service area with displays and slide presentations aimed at the do-it-yourselfer. By September 1980 more than nine hundred of CPI's members had taken advantage of the home energy audit initiative. Other conservation programs, most of them conducted in conjunction with BPA, included free residential water heater wraps and free shower flow restrictors.

The Walnut Substation in Corvallis was energized September 25, 1980. Soon after, the Stoltz Hill Substation south of Lebanon and the Froman Substation southeast of Albany were energized. During the calendar year 1980 CPI substations recorded purchases totaling 287,818,047 kilowatt-hours from BPA to meet the needs of its approximately 14,321 member/consumers.
By year-end, two things were apparent. First, CPI’s members were heeding the call for conservation. Second, the growth trend of the 1970s had turned around, the economy had slowed down, and people started leaving the Northwest looking for work elsewhere. During 1980 CPI’s kilowatt-hour usage decreased 3.8 percent from 1979. Regional power forecasts were showing a reduced growth rate to 2.7 percent.

Between 1976 and 1980, several crises occurred that led to the passage of the Pacific Northwest Electric Power Planning and Conservation Act on December 5, 1980. The act authorized the four states of Idaho, Montana, Oregon, and Washington to form the Northwest Power and Conservation Council. It was to be the council’s job to assure people of the Pacific Northwest an adequate, economical, and reliable electric power supply. In the process, it was also their job to protect the fish and wildlife of the Columbia River Basin affected by the construction and operation of the hydroelectric dams.

The first crisis was realizing the Northwest’s hydropower system had reached its apex, leading to a variety of unsuccessful legislative solutions to the allocation of lower-cost hydropower. The second crisis had to do with the forecasting of electricity demand by the region’s utilities and the Bonneville Power Administration. The call for conservation was based on the fear of shortages when, in fact, the region experienced an electricity surplus in the early 1980s. The nuclear power plants, then under construction by the WPPSS, were not needed as predicted.

Under the new legislation, the council—functioning with complete neutrality—could prepare the region’s long-range energy forecasts. The third crisis was the decline of salmon runs in the Snake River. Environmental groups filed petitions to protect the fish under the federal Endangered Species Act in 1979, but these were put on hold when Congress included fish and wildlife mitigation in the Northwest Power Act.
During the early 1980s Consumers Power worked closely with the Oregon Department of Energy on the Oregon Home Project. Its purpose was to set up model conservation standards required by the Northwest Power Act. CPI also entered into a “Super Good Cents” contract with the Bonneville Power Administration on November 1, 1984. This program developed construction specifications for building highly energy-efficient homes. CPI still has energy consultants who promote the program with homebuilders and architects.

About 4:30 pm on Friday, November 13, 1981, a fierce wind started blowing. At the height of the resulting outage, an estimated 7,290 customers were without power and every substation was affected to some degree. The Simpson Creek Substation area was the hardest hit because the damage was concentrated; trees were down, several poles in a row were broken, and river-crossing wire spans were broken. Gaining access to the broken poles was difficult and hand lines had to be shot across the Siletz River so wires could be pulled into place after they were spliced. By the time power was restored to all customers the following Thursday, CPI vehicles had traveled approximately 15,760 miles and the co-op recorded 2,433 man-hours to restore service. The cost of the repairs exceeded $100,000.

What remained to be determined in the wake of the Northwest Power Act was the fate of the WPPSS nuclear power plants. A report issued in 1979 estimated the cost of the three initial plants, already two to three years behind schedule, had jumped from $1.6 billion to $4 billion. In January 1982 the WPPSS board halted construction on Plants #4 and #5 when the total cost for all five plants was projected to exceed $24 billion. With no power having been generated to recoup the costs, the system was forced to default on $2.25 billion in bonds.

With their fair share of the debt hanging over their heads, Consumers Power and eleven other cooperatives in Oregon, Washington, and Idaho filed suit in Lewis County, Washington, on April 23, 1982, asking the court to interpret the meaning of the Participants’ Agreement with WPPSS.
WPPSS made claims, quite publicly, that the investing co-ops assumed the “dry-hole risk” or the risk of paying debt service on the bonds if the projects were not completed, a stance CPI and their attorneys denied. Nonetheless, WPPSS contended that CPI, and the other investing co-ops, must begin paying on the debt incurred and the costs of terminating the nuclear power plant projects beginning in January 1983.

While they did not force the co-ops to make payments to WPPSS, both the Rural Electric Administration and the National Rural Utilities Cooperative Finance Corporation, as CPI’s bankers and mortgage holders, insisted that, until the courts rule otherwise, they prepare new financial forecasts that included the WPPSS debt and raise their revenues sufficiently to cover the additional debt.

CPI General Manager John Mayse announced in September 1982 that the Bonneville Power Administration had applied to the Federal Energy Regulatory Commission (FERC) for an approximate 60 percent increase in the wholesale price of priority firm power, the type purchased by Consumers Power. Based on CPI’s power consumption during the twelve-month period of July 1, 1981 through June 30, 1982, it calculated to an approximate 15.5 percent increase over the August 1982 billings.

The increase was issued in the form of a power cost adjustment, a mechanism making it possible for co-ops to react to fluctuating rates without the need for costly rate studies. The August billings also included the “WNP 4/5 contingencies,” which would be refunded if CPI prevailed in their lawsuit against WPPSS.

Greenberry Substation, energized in November 1982, was an RTE-ASEA unit, one of the first of its type to be installed in the United States. Reflecting the most up-to-date design work, the transformers, switches, and controls were incorporated into a low profile, streamlined unit.

Beginning in October 1982 several decisions were handed down in the WPPSS lawsuit. In the first round, the judge ruled the eleven Oregon public utilities had no authority to enter into the Participants Agreement with WPPSS and therefore had no obligation to pay. Then in mid-June 1983, the Washington Supreme Court handed down a similar ruling. Though neither of these decisions directly impacted CPI, between
the two, they rendered approximately 80 percent of the contracts null and void. Then, in the September 1983 Ruralite, Mayse advised CPI's members: “In early August we had our hearing in the King County (Washington) Chemical Bank lawsuit, and Judge Coleman released Consumers Power and the other cooperatives from any obligations on WNP 4 & 5. Great news!!”

On July 1, 1983, a historic first occurred when the Pacific Northwest Generating Company (PNGC), organized back in 1975 and of which CPI was a part, put a generating resource online to meet their power needs over and above that available through the Bonneville Power Administration—the Boardman 530-megawatt coal-fired plant located in eastern Oregon. Before a year was out, however, the Boardman plant was deemed not cost effective and CPI's board tried to convince PNGC to sell it, an unlikely proposition given the current surplus of power.

The WPPSS lawsuit continued making its way through the court system. With each ruling a settlement favorable to Consumers Power seemed more likely. Finally, in August 1988, an agreement was reached. The Ruralite reported, “Seventeen electric cooperative distribution utilities and a generation-and-transmission cooperative, known as the Columbia Defendants in the Washington Public Power Supply System Plants (WPPSS) 4/5 bondholder litigation, announced today that they have reached an agreement in principle settling the claims of the class plaintiffs in the litigation described as MDL 551 and of Chemical Bank, for the total sum of $53,080,000.” The court approved the settlement agreement and Consumers Power was absolved from any liability after almost six years of negotiations.
On the lighter side of things, the CPI logo was changed in June 1984. The now familiar black initials, “CPI,” with a lightning bolt through the “P” replaced seven different logos that had previously been used. And, for the first time in its history, CPI took part in the Philomath Frolic Parade on June 9, 1984, entering a line truck decorated for the occasion.

Mayse quoted a CPI employee when he wrote, “We are not in the electric business, rather we are in the quality of life business for our members, and we shall strive to meet their needs, whatever they may be.” To realize that goal, Consumers Power formed a subsidiary cooperative in June 1985 called Consumers Services Inc. (CSI) to provide services to the members CPI could not. The certificate of incorporation was issued by the Oregon Department of Commerce on June 20, 1985. “It will have to be self-sufficient,” Mayse wrote. “Not one penny of CPI rate dollars will go toward it.”

On August 6, 1986, a new national organization was formed to provide a full range of satellite-based telecommunications services for rural electric and telephone systems as well as their members. The National Rural Telecommunications Cooperative (NRTC) was the product of a joint effort of the National Rural Electric Cooperative Association (NRECA) and the National Rural Utilities Cooperative Finance Corporation (CFC). In a few short months, the membership in NRTC grew to over 150 co-ops, including CPI. Through this affiliation, CPI was able to buy satellite television programming and electronic hardware for resale to its members.
Satellite television descrambling units and programming were made available to CPI’s members on October 1, 1987. The initial package of programming offered was called Rural Television or RTV and was pretty limited by today’s standards. The basic package cost $9.95 per month and included a fairly wide variety of network affiliate channels and cable news networks. The non-scrambled offerings included Country Music TV, old movies on the Nostalgia Channel, Hit Video USA, Home Sports Entertainment, the Nashville Network, and the Travel Channel.

A 1987 survey showed members had two primary interests. First was the ability to finance the newly available satellite TV antenna systems through the co-op along with being able to buy satellite television programming locally rather than dealing with an unknown at a distant location through a “1-800” number. That was easily accomplished through Consumers Services. The descrambler was a VideoCipher II (VCII), which cost $395. With a down payment of just $50, co-op members could now finance it for up to twenty-four months at 10 percent interest.

The second priority for the members was the ability to finance the purchase of large appliances through Consumers Power. At first, the board made two financing programs available with varying interest rates, payment plans, and monthly payments that were simply added to the member’s electric bill. Shortly thereafter, the Oregon Rural Electric Cooperative Association (ORECA), Consumers Power, and other Oregon cooperatives arranged with the Benjamin Franklin Savings and Loan Association for financing their members’ appliance purchases. CPI did not make the loans but co-op personnel handled the applications and forwarded them to the savings and loan association. Once again, the cooperative principles were applied and they worked to the benefit of the cooperative members.
Duane Jackson explains the use of gaff hooks, a safety belt, and gloves to children at the Sodaville School, 1989.

Serving not just its members but their communities as well, Consumers Power helps raise the lights and the scoreboard at Alsea High School, 1989.
LEADING THE PACK

Consumers Power was one of nineteen cooperatives in the United States and the first in Oregon to take part in a pilot program testing self-reading meters in 1988. Turtle® System was a power line, carrier-based automatic, meter-reading system developed by Hunt Technologies Inc. The system automatically read the meter and transmitted the data via power line to a central computer for billing. Once the system was proven, several other applications were planned, among them home fire and security alarm systems, a medical alert system, home shopping, and pay-for-view satellite programming services. How far they’d come from the days when members had to jot down the numbers from their meter, calculate their bill at the kitchen table, and put it in the mail to co-op headquarters!

Consumers Power Inc. celebrated its fiftieth annual meeting on April 8, 1989, at co-op headquarters. The business meeting started early and movies for the kids started at 9:30 am and ran all day. Several dealers displayed major appliances in the big tent next to the building, offering special prices for the day, and CPI loan program people were there to make the buying easier. The afternoon health fair gave free blood pressure checks and low-cost blood screenings to the members. Lunch was capped off with the offerings from the cake contest and surplus equipment, including several vehicles, was auctioned to members during the afternoon.

CPI was called into service to literally raise the roof on a new building in Sunnyside County Park, 1989.
The last decade of the twentieth century started with gusts of wind on January 6 and 7, 1990, that left more than ten thousand CPI members without power as the winds put nineteen of CPI’s twenty-two substations out of service. Power outages at Good Samaritan Hospital in Corvallis meant a delay for everyone else as the co-op made the hospital their priority in restoring power. There’s nothing like a good windstorm to remind everyone of the importance of pole maintenance, repair, and replacement. By 1991 CPI had a total of 38,200 poles in its system, poles that had become so much a part of the landscape they could easily have been taken for granted...until they came down.
Storms weren’t the only threat, however. Simply put, poles rotted over time and replacing them was expensive, though not as expensive as when they fell down. In 1991 CPI began using a new device that could save up to $400,000 a year. In the past, utility workers relied on test boring, visual inspection, and experience to tell when a pole was due for replacement. But PoleTest, a computer-aided method devised by Engineering Data Management Inc. of Fort Collins, Colorado, used sound waves to measure the actual strength of wood fiber within the pole. When the device was first employed, the cost of replacing the average pole was about $2,140. The PoleTest unit cost about $10,000 and CPI contracted with retired CPI employee Dean Johnson to do the testing. In addition to saving the co-op money by replacing poles before they fell over, the PoleTest took the guessing game out of the pole replacement process. David Blake, CPI’s director of engineering, said at the time, “If a pole’s rotten, we want to replace it. But if it’s not, we want to get all the life out of it we can.”
In January 1993 Consumers Power organized Consumers Power Charitable Trust to handle funds raised through a new program called Operation RoundUp, a charitable program offered by many utility and electric companies across the country. The electric bills of participating CPI members were rounded up to the next highest dollar each month with the average contribution totaling approximately $6 per year. This difference between the actual bill total and the

The community pitched in to purchase lights for Crescent Valley High School and CPI installed them.

In January 1993 Consumers Power organized Consumers Power Charitable Trust to handle funds raised through a new program called Operation RoundUp, a charitable program offered by many utility and electric companies across the country. The electric bills of participating CPI members were rounded up to the next highest dollar each month with the average contribution totaling approximately $6 per year. This difference between the actual bill total and the

The Cost of Living

PNGC Newsline compared the increase in the cost of electricity between 1967 and 1991 to that of other necessities. All things considered, electricity didn’t fare too badly.

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Despite the threat of looming price increases, in a survey conducted in June 1993 by NRECA for Consumers Power, 68 percent of those contacted said they believed electricity prices were fair compared to the cost of other goods. As for CPI’s relationship with the people they served, 82 percent of the members said they agreed CPI cared about serving them.
rounded-up figure went into the trust. The funds provided grants to community service agencies and non-profits offering services to communities served by CPI. By November 1994 over 2,300 members were contributing to the trust. The first projects included $600 for a stove insert for the Alsea Senior Center, $500 for Philomath’s library roof gutter fund, $400 for the Philomath Fire Department’s Christmas Joy Giveaway, and three other gifts to families going through difficult times.

The main topic at that time and for years to come was the increasing price of energy from the Bonneville Power Administration. During May 1993 BPA had already projected a rate increase of 11.6 percent and was considering raising that to 20 percent, simultaneously announcing it was taking cost-cutting measures. Unless it trimmed its proposed rate increase, Bonneville stood to lose more business and more revenue at a time when its costs of operation were rising. The first cost-cutting step was to terminate two partially completed nuclear plants in Washington. The unfinished WPPSS plants were being maintained at a cost of about $10 million a year on the chance they might be needed later. Given the increasing opposition to nuclear power that was an unlikely scenario.

In addition, their affiliation with PNGC Power was now putting them in the forefront of the “green power” movement. By this time, Pacific Northwest Generating Cooperative (PNGC) was made up of twenty-eight cooperatives and represented their interests in wholesale power supply matters. Through this organization, and the $2.2 million generation project it had plans to build, CPI and eleven other participating co-ops would have access to about 2,200 kilowatts of electricity generated at the Coffin Butte Landfill about ten miles north of Corvallis. Using three 16-cylinder Caterpillar engines capable of producing 800 kilowatts each, the methane gas from the decomposing landfill material would be used to generate electricity. The power CPI received from the landfill was to displace part of CPI’s purchases from the Bonneville Power Administration, thus conserving some of the hydro-generated power in the region. The Coffin Butte Resource Project was expected to produce enough energy to serve an estimated two thousand households annually.
Though it didn’t actually begin commercial operation until October 1, the plant was dedicated during July 1995. Said General Manager Mayse, “We’re excited that this project, which has been a couple of years in the works, is now operating. Because of their size or operational requirement, many green power projects are located hundreds of miles away from the load source,” he explained. “Coffin Butte delivers power directly into CPI’s distribution system.” CPI started its Green Power Program, giving co-op members the opportunity to purchase 100-kilowatt-hour blocks of green power for $2.

For the remainder of the 1990s, the main business of the cooperative outside of daily operations was the quest for the answer to two questions. From where should CPI get its electricity and how much will it cost?

Mayse brought good news to everyone in October 1994 when he announced the Bonneville Power Administration was not going to increase CPI’s rates that year as expected. The next twelve to eighteen months would be critical for the Northwest’s power situation. The current twenty-year power agreement the utilities, including CPI, had with BPA was set to expire in 2001. In the months ahead, utilities in the Northwest negotiated with BPA individually and in groups for future contracts. Working with the Pacific Northwest Generating Cooperative,
CPI was at the negotiating table bargaining for the most favorable conditions possible for the coming twenty-year period.

To fine-tune their negotiating strategy, ten co-ops in the Northwest including Consumers Power formed a new organization—known simply as the New PNGC—dedicated to acquiring power for its member utilities at the lowest possible cost. Through the new cooperative, the power needs of all the members were combined to create a larger purchasing block. The New PNGC then was to act as a middleman—or agent—on behalf of its members, negotiating prices with many different power suppliers. The original or “old” PNGC, renamed Power Resources Cooperative, was left in place to manage the electrical generation and transmission facilities at Coffin Butte and Boardman, both in Oregon. In 1997 PNGC Power became the nation’s first electric cooperative to receive a power marketing license from the Federal Energy Regulatory Commission (FERC), gaining the ability to purchase and resell power at wholesale.

The goal was not to cripple the Bonneville Power Administration but rather to protect its supply of hydropower while simultaneously protecting the utilities by diversifying their power supply. Having renegotiated their contracts, most utilities had an obligation to purchase all of their power from the BPA through 2002, unless the BPA declared a deficit power situation and at the time they were experiencing a surplus. “We’re assuming that we will have the capability to remove some load from the BPA in 1996,” said Piper, executive vice president and general manager of both PNGC organizations “We’re not trying to take all the load off. Our goal is to maintain 75 percent of the load with Bonneville. We want to be strategically placed.”

At the 1996 annual meeting, rate increases and CPI’s relationship to BPA dominated the conversations. Said General Manager Mayse: “BPA is no longer the lowest-cost provider,” noting that negotiations through the Pacific Northwest Generating Cooperative with providers other than BPA “have yielded five-year prices substantially below BPA’s five-year rate.” Consumers Power and the other cooperatives represented in PNGC’s negotiations wanted to purchase 25 percent of their power from the alternative suppliers. To date, the BPA had agreed to allow diversification of no more than 12 percent.

**CASCO Communications**

During the early 1990s the managers of Consumers Power, Pioneer Telephone, and Blachly-Lane Electric attended an opportunity meeting held by the National Rural Telecommunications Cooperative (NRTC). At this meeting, the concept of launching a new multi-million dollar satellite to beam down digital television signals to a tiny 18-inch dish was introduced. The service was named DirecTV and they were looking to NRTC members to help fund the launch of the satellite in return for the distribution rights in their respective territory or counties. Since the three cooperatives had overlapping service territories, they agreed to form a new three-member cooperative called CASCO Communications after its geographic service territory, CAScades to the COast. CASCO made an investment to help DirecTV launch the new satellite and in return they were granted the distribution rights for Benton, Lane, Linn, and Lincoln Counties. In 1994 CASCO opened an office in Philomath and began offering this new state-of-the-art digital satellite television service to its members.
Two firsts occurred in August 1996. For the first time in its history, the Bonneville Power Administration committed to a five-year fixed rate and Consumers Power signed a five-year power supply contract with them. It was also the first time that CPI would not be making 100 percent of its power purchases from the BPA. Instead it planned on getting 70 percent of its power from the BPA and 30 percent from suppliers contracted with through PNGC.

Perhaps in an effort to curtail costs, the Bonneville Power Administration opted out of the conservation incentive business. For a number of years BPA was the primary source of the rebates that CPI had been able to offer for weatherization, energy-efficient appliance programs, and low-income energy assistance. As those programs were worthwhile and directly benefited CPI’s members, the decision was made to continue offering them with CPI funds.

All 177 registered members attending the 1997 annual meeting received a $2 bill as part of Consumer Power’s announcement that it would reduce its monthly service charge by $2 for residential customers beginning May 1, 1997. Board chairman George Horning said, “This is the first time I have ever had the pleasure of standing before you and announcing a reduction in prices. I hope to make a habit of it.” He very nearly did. John Mayse closed out 1997 by announcing a second rate decrease—another $2 reduction in the basic charge—resulting from CPI’s so-called “buy out” from the Rural Utilities Service. Back in 1994 the Department of Agriculture Reorganization Act expanded the REA’s service to include the building of infrastructure, like water and sewer service, in order to stimulate economic development in rural areas. In April 1995 the REA changed its name to the Rural Utilities Service (RUS). When RUS offered substantial discounts for refinancing in 1997, CPI took advantage of the opportunity to save its members money.

During June 1998 CPI announced a new, more aggressive approach to right-of-way maintenance as a means of reducing outages, lowering repair costs, and providing a safer environment for its members. In 1997 the
right-of-way (ROW) department employed a four-person tree trimming crew to cut approximately nine thousand trees and prune about seventeen thousand others. It was a daunting task because CPI’s lines crossed miles and miles of privately owned forestland. To help manage the job, CPI also used four contract crews, each working in a specific area.

The co-op did their best to educate people on what trees to plant and not plant under power lines and also had a tree replacement program. Where a problem tree existed, CPI agreed to cut down the tree and gave the member a certificate they could redeem at one of several nurseries in the area for any vegetation not expected to grow over twenty-two feet high. As a result of their hard work, CPI’s ROW superintendent Sam Huff and ROW coordinator Mark Choitz accepted the Tree Line USA Utility award in April 1999 on behalf of the co-op. Awarded by the Oregon Department of Forestry, Consumers Power was the only Oregon utility to receive it.

For many years, CPI had maintained a line staking engineering department and line crews in Lebanon. Now, however, the area would have a full-service office. In July 1999 CPI opened its new Lebanon service office at 36634 Oak Drive, managed by Greg Nervino, the Lebanon district manager.

On September 11, 1999, CPI’s members gathered once again, this time to celebrate CPI’s sixtieth anniversary. To honor the occasion, the annual meeting’s theme was “Remembering the Past, Looking Toward the Future.” The event featured special treats including Cleo the Clown, popcorn for everyone, antique cars, bucket truck rides, and lots and lots of door prizes. The ROW department handed out “Power Friendly” tree seedlings to everyone. President and CEO John Mayse and board chairman George Horning announced the co-op was financially strong and well positioned to face the next millennium.

During 1999 the co-op added three hundred new customers to its ranks for a total of 19,200. It returned $600,000 in capital credits to its members who contributed $13,000 in charitable trust donations.
CHAPTER 8

Innovations for the Future

The world welcomed a new millennium on January 1, 2000. The highly anticipated Y2K or Millennium Bug, the fear computers would crash when their two-digit systems failed to distinguish between 2000 and 1900, turned out to be rather benign. CPI was prepared, though, having taken precautions to become “Y2K Compliant.”

During 2000 Consumers Power earned several designations of distinction. They became the first utility in the country to test fuel cell technology for energy generation, they were the only Oregon utility to receive the Tree Line USA designation (this year for the second time), and CPI’s team of linemen won the overall Northwest Linemen Rodeo competition for the first time.

The California Plan for deregulation of the electric utility system was passed into legislation in 1996, put into action in 1998, and by now it was floundering. Originally conceived to bolster California’s lagging economy through lowered energy costs, the results were quite the opposite. The state’s energy costs actually increased as a result of the rate freeze on investor-owned utilities, part of the deregulation legislation. No new facilities had been built for power generation during the previous decade, resulting in power shortages that threatened energy supplies in the

CPI became the first utility in the country to test fuel cell technology for energy generation.
Northwest. When the co-op held its sixty-first annual meeting on September 9, 2000, the theme—“Smart. Local. Connected.,”—just might have alluded to the deregulation debacle.

Consumers Power, and other cooperatives like them, was founded with the goal of providing its members with a reliable source of electrical power at an affordable price. For many years, the Federal Columbia River Power System, with its low-cost, environmentally sound hydropower, fulfilled that goal. But now, facing the likelihood of growing demand and the maxed-out capacity of the hydropower system, utility cooperatives like Consumers Power had to explore other sources of power and other avenues for ensuring their fair share.

Negotiating a new power supply contract with BPA now included one of the subscription products BPA began offering. Under one subscription program—“Slice of the System”—a purchaser would pay a fixed percent of BPA’s power costs in exchange for a fixed percent of BPA’s power generation. And though CPI was not large enough by itself to make this option effective, PNGC Power, of which CPI was a partner, was.

During 2000 legislation was passed to create Joint Operating Entities (JOE) that benefited Northwest consumer-owned utility members of PNGC by making it possible for them to jointly purchase power at wholesale prices from BPA. In prior years CPI had joined other regional cooperatives to form PNGC Power in order to bring economies of scale to their power supply efforts, and the JOE bill effectively gave them the legal right to purchase BPA power together through that entity.
Despite the price increases stemming from California’s deregulated power market, which was by now forcing the Bonneville Power Administration to buy power from other sources to meet its obligations, BPA was still the lowest cost provider of power. In December 2000 CPI announced its new ten-year power supply contract with BPA that was set to take effect in October of 2001. Negotiated by PNGC, using the BPA’s SLICE subscription program, the contract called for 100 percent of CPI’s power requirements to be purchased by the BPA.

The partnerships Consumers Power developed were not just for the purpose of negotiating, but also for the exploration of new sources of energy. In early 2000 PNGC, in partnership with BPA, enlisted CPI to participate in the first fuel cell demonstration program. A fuel cell is a device that converts chemical energy from a fuel into electricity through a chemical reaction with oxygen or another oxidizing agent. The goal was to evaluate the ability of a fuel cell unit to supply reliable, high-quality power, particularly in the more remote areas. The fuel cells were used to provide electricity to the co-op’s headquarters. Two cells were tested; one used propane as its fuel source and the other used methanol. Self contained and the size of an average refrigerator, fuel cells were expected to revolutionize the energy industry in much the same way that cellular telephones and computers changed global communications, particularly in the more remote areas. After an intense two to three years of testing, the equipment was returned to the manufacturer who continues working to perfect the technology.

The year 2001 was a year of increases. For the first time since 1993, CPI announced a 5 percent rate increase in April following a year of drought, limited power generation,
and deregulation. Then, as new power supply contracts went into effect the following October, CPI’s rates increased again, this time by 23 percent. It could have been worse. Earlier in the year the power marketing agency warned its customers—CPI among them—of the possibility of rate increases as high as 300 percent. In response, CPI and other utilities reduced their demand, which meant BPA didn’t have to purchase as much power on the open market to meet demand. Ultimately BPA’s rate increase was held to 54 percent and since the cost of power from the BPA accounted for about one half of CPI’s expenses, the 54 percent rate increase from BPA translated into a 23 percent increase from CPI to its customers. “Electric deregulation, which has driven this volatility, is now in effect in Oregon,” said John Mayse. “I find it ironic that deregulation, a buzz-phrase that promises lower bills, has driven up the costs in almost every industry that has been deregulated, or certainly resulted in a new, lower standard of service.”

CPI’s subsidiary, CASCO Communications, converted from being a cooperative to a corporation in 2000, having sold its interest in DirecTV the year before in order to position itself to explore new strategic business opportunities and alliances. The new corporation’s first investment was in H-Power, a fuel cell manufacturer. Soon after that CASCO partnered with Central Electric Cooperative in Redmond to form the propane distribution company, CoEnergy Propane LLC to provide the propane that operated fuel cells.

CASCO then acquired PEAK, an Internet service provider, in 2002. PEAK, short for Public Electronic Access to Knowledge, was formed at Oregon State University. With the acquisition, PEAK Internet LLC was formed and CASCO moved from Philomath to Corvallis in the University Plaza Building. PEAK offers Internet connectivity to this day via the Pioneer and Century Link telephone networks in addition to their own wireless network in the Willamette Valley, as well as wholesaling Internet services to a number of utilities throughout the Northwest. In 2004 CASCO acquired the shares from Blachly-Lane Electric Cooperative and today, Consumers Power and Pioneer Consolidated Inc. own CASCO equally.

Applause went up when Consumer Power’s president and CEO John Mayse told everyone at the September 7, 2002, annual meeting, “I am pleased to announce that CPI’s rates will not be changing in October this
year when the Bonneville Power Administration increase hits many in the Northwest.” “While Oregon eventually made the correct decision to wait and see how it [deregulation] worked in other states,” said James Ramseyer, director of member services, “we spent a significant amount of time at the legislature informing them of the negative effects it would have on our customers and the utility business model as a whole, all of which would increase—not decrease—costs to the end use customer as well as reduce the reliable distribution of electricity.”

Beginning in September 2003 CPI’s system underwent upgrades, some brought on by age, others by storms. The Greenberry Substation was rebuilt. Originally built in 1983, replacement parts had become harder and harder to find, making a complete rebuild necessary. Also in 2003 CPI received funds from the Federal Emergence Management Agency (FEMA) to replace and repair the rather extensive damage caused when a windstorm ripped through Benton and Linn Counties in February 2001. With the FEMA mitigation funds CPI received, it replaced five spans of overhead facilities along Highway 99W with an underground service along the north side of Good Samaritan Hospital’s property.

More damage occurred at the end of 2003 when two snowstorms were followed by a third that brought freezing rain and ice. The first power outage call came in at 11:47 p.m. on December 28 and twenty-three thousand more would come into the office in the next two weeks, most

CPI’s linemen braved the dangerous task of restoring power during the 2003 snowstorm.

The Greenberry Substation was rebuilt in 2003.
of them handled by the automated system. CPI’s total expenses for the storm exceeded one million dollars in manpower and damaged electric facilities.

Occasionally, completing upgrades and repairs requires some extraordinary measures. Customers of the Alsea Valley were guaranteed more reliable service in October 2005 after two Philomath line crews replaced eleven transmission poles of 1950s vintage and nineteen cross arms. To complete the job, however, they had to build a road to replace the poles above the Stoney Mountain Substation. During routine pole testing in 2005, two 95-foot poles next to a riverbank along the Siletz River in an isolated area east of the Georgia Pacific mill in Toledo were discovered to have decayed at the ground line. Marshy conditions made it impossible to get a truck in and their length made it impossible to transport them on Highway 20 west of Corvallis. They had to be carried from CPI’s pole supplier in Eugene to Highway 22 near Salem to Lincoln County, down Highway 101 to Newport and over to the site. Siletz Boat Works then moved the poles and a crane to the site on a barge. The linemen used the crane to help set the poles.

While the terrain posed its fair share of challenges, CPI was embracing technology in many forms to make their operations more efficient. Instead of the old days when a crew member jotted a note on a piece of paper and hand carried it back to the office, improvements in mobile equipment were changing the way field personnel performed their jobs.

Consumers Power first began installing Hunt’s Turtle System, automated meter reading units so named because of the slow and steady way they function, in its most distant communities in December 1998, saving their meter readers hours of driving time. In 2003 CPI made the decision to install Turtles on residential meters throughout its entire service area. While CPI’s servicemen did the first round of installations, the co-op contracted with an Oklahoma firm to get the remaining eleven thousand meters installed. With this mission accomplished in 2004, CPI became the first co-op in Oregon to fully deploy an automated meter reading system.

After thirty-two years of dedicated service, John Mayse announced his retirement in February 2006. Roman Gillen, a native of Oregon, was named CPI’s new president and CEO.
from Oregon State University. He came to Consumers Power as data processing manager in August 1986, was promoted to director of information systems in 1997 and assistant manager in 2004 before being named president and CEO in 2006. Speaking to the members for the first time in Ruralite, Gillen outlined the challenges facing the co-op. The cost of wholesale power from the Bonneville Power Administration made up more than half of CPI’s operating expenses and fish recovery and wildlife costs were some of the biggest the BPA then faced, about $670 million per year.

Realizing the average customer didn’t worry about the wholesale cost of power on a daily basis, CPI provided a number of services to help its members deal with their modern energy demands. Programs like Safety First and Dig Safely helped protect their customers in a variety of ways. The co-op also provided energy efficiency rebates for items like light bulbs and water heaters, flexible bill paying options including e-bills, Green Power—renewable power generated from landfill gas at Coffin Butte Source Project—and no interest short-term loans for purchases of electrical appliances. Operation RoundUp provided the members with an easy avenue for assisting the community and families in need and the e-newsletter kept them up-to-date on the latest co-op news. Said Gillen, “We are always looking for some type of service to make our members’ lives easier.”

Native son Roman Gillen has been CPI’s president and chief executive officer since 2006.

Members get a taste of the “joys” of being a lineman by going up for a bucket ride at the 2006 annual meeting.

An untold number of hot dogs are annually sacrificed to the co-op’s high-voltage safety display which is, apparently, not so safe for the hot dogs.
On December 13, 2006, heavy winds once again caused hundreds of thousands of customers of Washington and Oregon utilities to lose power. Approximately 7,500 CPI customers were without power at the height of the storm and some remained without power until December 22. With the exception of six underground cable failures, all outages and facility damage were directly related to wind and trees. CPI had all six of its line crews working to restore power along with crews from Hermiston, Eugene, Monmouth, and Salem.

The Coffin Butte Resource Project was recognized by the Environmental Protection Agency as one of the most efficient landfill gas-to-energy facilities in the country as early as 2003. Given its success, the decision was made to expand the project. The groundbreaking was held on April 4, 2007, the grand opening on October 1, and by January 2008 the expansion was completely operational. The 3.2 megawatt, $5.5 million capacity expansion doubled the amount of renewable energy generated by the project to 5.66 megawatts, enough electricity to power about four thousand average-size homes. The expansion included enlarging the Coffin Butte power station from 4,200 square-feet to 9,000 square-feet and installing two 20-cylinder Caterpillar 3520 engines to generate additional power.

At the 2007 annual meeting, Roman Gillen reported on the system improvements made during the past year. CPI’s right-of-way department oversaw the removal of vegetation on 2,400 spans or 136 miles of overhead lines, pruned more than fifteen thousand trees, and removed another fifteen thousand that threatened electric service. They replaced 170 distribution and transmission poles and almost eight miles of older underground distribution line. Distribution lines along Brewster Road in Lebanon, Bellfountain Road south of Philomath, and on Highway 20 near Blodgett were all upgraded.

Public power utilities brought forth a proposal back in 2006 they called the Regional Dialogue asking the Bonneville Power Administration to permanently allocate energy from the federal hydropower system so contracts would guarantee a certain amount of power at a fixed rate. When Gillen updated CPI’s members on future power supplies in January 2008, he announced that this year CPI would sign a new power supply contract with BPA with some major differences—the length of the contract and the allocation of BPA’s power.
The new contract, negotiated through PNGC and set to start in 2011, was a twenty-year contract, much longer than in the past, and under its terms, the BPA was to allocate power to each of its public utility customers, including CPI. BPA’s utility customers would then be responsible for securing resources for their future load growth above their allocated amount. If a utility needed more power than its BPA allocation, it had the option of either lining up its own source of additional power or have BPA purchase the additional power for them. This new process of allocation brought what the utilities had been seeking for some time—stability and fairness—as opposed to the current system under which fast-growing electric systems could cause BPA to buy power and spread the cost to all BPA customers, rather than just those requiring additional power.

Gillen also informed the members that environmental concerns—specifically the reduction in greenhouse gas emissions—would likely play a prominent role in the types of future resources available to CPI. The key, of course, would be to find a balanced approach, one that weighed the cost of power versus the value of climate change. “There is a price to pay to reduce greenhouse gas emissions, and it will be expensive,” he said. “But we need a plan people can live with today, while we deal with the climate change problem of tomorrow.”

During his first two years as president and CEO, Gillen’s biggest challenge was the loss of knowledge and experience that “walked out the door.” Besides John Mayse, director of engineering Dave Blake retired after thirty years, as did the director of finance Paul Rumpca, after his forty-plus years. However, out of that challenge came what Gillen feels is also one of his best achievements, namely the hiring of a new, equally talented leadership team. Together, as Gillen puts it, they “do the heavy lifting” at CPI to fulfill the co-op’s mission to “keep the lights on and keep the bill affordable.”

At the September 6, 2008, annual meeting, in the midst of a historic presidential election, speakers stood on the dais in front of a huge banner that read, “We’re keeping the lights on, our costs down, and the Earth green. No, we’re not running for president.” Gillen announced that for the seventh consecutive year, there would be no price increase and the co-op, thanks to the right-of-way department, received the Tree Line USA designation for the tenth straight year.
Not long after the 2008 presidential election the U.S. economy began signaling the onset of the Great Recession, a global economic downturn having lingering effects to this day. To help stimulate the economy and create jobs, Congress passed the American Reinvestment and Recovery Act in February 2009. Part of that stimulus package came to Consumers Power in the form of a grant awarded to PNGC by the U.S. Department of Energy. PNGC, on behalf of its sixteen-member electric utility cooperatives, submitted an application to implement a smart grid system, including more than 95,000 smart meters, substation equipment, and load management devices that would integrate electric cooperatives across four states using a central data collection software system hosted by PNGC.

The Smart Grid Investment Grant program made it possible for CPI to upgrade its Turtle TS1 system to Landis+Gyr’s Gridstream PLC (two-way power line carrier) metering system. CPI’s share of the project was valued at more than $8 million, which included installation of 22,368 smart meters and other related equipment. Once installed, the smart meters would lower operating costs for both the co-op and its members, provide real-time energy usage information for the co-op, and in-home power monitoring devices let customers see their energy use in real time. Said Gillen, “The opportunity for us to invest in a smart grid system at half the normal cost is timely. It will position us better than at any other time in our seventy-year history to provide you with the information, tools, and services you need to help you manage your power bill in the face of rising power costs.”

On October 1, 2009, CPI implemented its first rate adjustment since 2001, an average increase of 5 percent. The increase resulted from a 7 percent increase in the cost of power from the Bonneville Power Administration, which was more than CPI could absorb without financial consequences. Since the average residential CPI member used 1,200 kilowatt-hours per month, the increase translated to about $3.32. Facing an extremely tight credit market as a result of the recession, CPI announced its decision not to return capital credits for...
the second year in a row in order to preserve as much capital as possible for ongoing operations and construction.

The United Nations General Assembly designated 2012 as the International Year of Cooperatives. More than nine hundred electric co-ops were then delivering electricity to forty-two million consumers in forty-seven states. Electric co-ops owned and maintained 42 percent of the nation’s electric distribution lines covering 25 percent of America’s land mass. Glenn English, CEO of the National Rural Electric Cooperative Association said, “At a time when folks are losing faith in big corporations, 2012 offers us a great opportunity to showcase the many ways the local, consumer-owned and member-controlled cooperative form of business benefits communities all over the world.” Martin Lowery, NRECA executive vice president added, “Co-ops empower people to take control over their own economic destinies.” This
was a very appealing message given people’s lack of confidence in response to the nation’s continued sluggish economy.

In March 2013 Oregon Governor John Kitzhaber unveiled his ten-year Energy Action Plan. CPI’s leaders were among those who went to the state capital to voice their concerns and remind legislators of their impeccable record regarding affordable, clean energy. Up to that point CPI had helped its members invest in more than 475 kilowatts of solar photovoltaic generation. Besides the clean, renewable hydropower they received from the Bonneville Power Administration, CPI was a major participant in the Coffin Butte landfill gas-to-electricity project. Those investments represented enough renewable energy, on average, to power 2,350 CPI homes for a year and, most importantly, they were done without any state mandates.

In addition, CPI’s net metering program provided an incentive for individual customers who invested in renewable generating equipment such as solar photovoltaics or windmills. Excess energy from those sources flowed from the customer’s system onto the utility grid and CPI credited members who generated more electricity than they used.
at the end of the year. To date CPI has helped 125 members install 521 kilowatts of photovoltaic, wind, and hydro generation. Co-op leaders urged legislators to exercise caution to help them avoid the financial and operational burdens caused by state mandates.

During the summer and fall of 2013 CPI crews replaced two, forty-five-year-old, high-voltage breakers to improve service at the Toledo Substation. The co-op’s new mobile substation was put to use for the first time to power the Stayton Substation. With increasing energy demands and higher transmission voltages the new $1.6 million unit made it possible for CPI crews to do thorough maintenance and testing on transformers without lengthy outages or putting a strain on the distribution system’s power supply. Should a catastrophic substation failure occur, the mobile unit could be moved in and set up quickly to assess the damage and begin repairs.

This photo of Marys Peak, taken circa 1980, illustrates the value of CPI’s use of a helicopter to trim trees in its right-of-way, which they began doing in 2013.
CPI received approval from the U.S. Forest Service and the Oregon Department of Forestry to use a helicopter to trim trees in its right-of-way on Marys Peak, the highest peak in the Oregon Coast Range. A device called a Heli-Saw with eight 30-inch blades was suspended from the bottom of the helicopter and cut a 20-foot swath as it flew along the trees, accomplishing the job in hours instead of days.

Consumers Power started its seventy-fifth year of operation with a heavy snowstorm that hammered the mid-Willamette Valley and surrounding areas in early February 2014. Eighteen inches of snow were followed several days later by freezing rain and gusty winds. Though years of aggressive right-of-way maintenance paid off, CPI still encountered more than 160 locations of damage ranging from broken poles, cross arms, and insulators to multiple spans of downed wire. On the plus side, the storm brought much needed moisture to the Pacific Northwest. Water supplies in the Columbia Basin rose from 82 percent of normal to 97 percent in some areas in the week following the storm.

As CPI makes plans to mark its seventy-fifth anniversary, its leaders face the challenges of a complex and politically divided world. Out of their dedication to serve their member/customers, they will continue to explore and develop new and existing partnerships to strengthen CPI’s future outlook and meet the challenges head on as they have for many years already.

Snow is a rarity in Oregon, except during February 2014 when two snowstorms hit back to back.
PNGC Power, of which Consumers Power is a founding member, continues to pursue energy efficiency and conservation and has the expertise to analyze diverse power generation options to meet future needs. Its subsidiaries continue on the cutting edge of technology as well. CASCO is building fiber-optic infrastructure to leverage its affiliate and partner networks to provide high-speed Ethernet connectivity for enterprises and to stimulate economic development. CoEnergy has partnered with the new Linn-Benton Community College Advanced Transportation Technology Center to promote propane as an alternative motor fuel. PEAK Internet has partnered with Google and offers a host of cloud-based solutions for residential and business customers. Through PEAK Professional Services, PEAK offers managed IT service and support for businesses.

Today Consumers Power Inc. serves more than 22,000 meters throughout its six-county service territory spanning more than 3,500 square miles. Their crews maintain more than 44,000 poles and 2,100 miles of overhead distribution lines as well as nine hundred miles of underground line. In 2013 the CPI Charitable Trust awarded $16,365 in grants through the Operation RoundUp program. Since its launch in 1993, the trust has awarded $283,662 to non-profits organizations in its member communities.

Seventy-five years have passed since A. F. Barclay and his neighbors met at the Tidewater Grange to organize the Benton-Lincoln Electric Cooperative. Most of Consumers Power’s members have no memories of life without electricity and have only the stories told by their older relatives and neighbors to appreciate what it took to get it. Early co-op leaders and employees dealt with learning how to raise poles and string power lines over rural rugged terrain. Today, they face the challenge of a slow national economic recovery and the delicate balancing act of addressing environmental concerns while facing the realities of power supply and demand, a task made more difficult by an ever-increasing array of regulations from a variety of governmental agencies. A key CPI goal, according to Gillen, is to have a diverse energy generation portfolio. Currently, CPI gets 80 percent of its power from hydropower, approximately 10 percent from nuclear, and the rest from renewable sources and market purchases. “There are benefits and drawbacks to each one,” said Gillen, “and the key is finding the right mix.”
Above all, the primary challenge CPI and other co-ops face in this changing and complex world is to remain a relevant component of the nation’s electrical system. Ted Case, executive director of the Oregon Rural Electric Cooperative Association and former legislative director for the National Rural Electric Cooperative Association in Washington, D.C., summed up the situation. “The nation has been electrified but there’s so much left to do and our business model has shown us to be the ‘white hats’ in the whole utility industry. There’s no profit motive…all we want to do is serve our members who own the electric co-ops,” he said. “We’re leading the nation in energy efficiency and conservation. We’re the innovators. I don’t think anybody represents their customers any better than we do.”

For the people of Consumers Power Inc., the task is a simple, if not an easy one. “The only reason I have a job,” Gillen said, “is to make sure that we’re fulfilling our mission to our members—our owners—and that is keeping the lights on and the bill affordable.” A dedicated board of directors and talented, knowledgeable CPI employees support him and the CPI mission. “We’re all on the same team and it makes the job easier.”
Of the seven guiding principles of cooperatives, concern for community looms large for CPI’s leadership. “It’s something we want to do; it’s the right thing to do,” said Gillen. “Everybody wants to leave the world a better place, to make our communities stronger, and that’s one of our mandates by virtue of being a cooperative.”

In the final analysis, it is precisely their dedication to that goal—to serve the people of their communities—that organized the cooperatives in the first place, and their continued dedication to that premise will see CPI through whatever challenges lie ahead.
selected references

Books

Websites
Pat Swinger began writing for the Donning Company Publishers after working with them to publish her hometown’s history during its sesquicentennial in 2006. Except for the seventeen years she lived in Kirkwood, Missouri, during which time she received her degree from Washington University in St. Louis, Pat has lived her entire life in O’Fallon, Missouri. Her passion for the preservation of local histories extends to her work with clients, helping organizations and corporations preserve and tell their own stories.