

Peter T. Johnson

SR 2794, Oral History, by Michael O'Rourke

Northwest Power Planning Council Oral History Project

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JOHNSON: Peter Thomas Johnson

MOR: Michael O'Rourke

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Tape 1, Side 1

2002 March 1

MOR: Okay. The date is March 1, 2002, and this is Michael O'Rourke for the Oregon History Society beginning an interview today with Peter Johnson, former administrator of the Bonneville Power Administration. And today's interview is taking place at the B.P.A.'s offices in Portland.

Peter, the main focus of this interview of course is going to be your time at Bonneville and the interactions you had with the Northwest Power Planning Council. But I'd like to start by asking you some questions about your background and begin at the beginning. So when and where were you born?

JOHNSON: I was born in Boise, Idaho, in 1932, February 3, and lived there most of my life. I left to go to college and to serve some time in the service and then, of course, to come over here in Portland to serve as the administrator of Bonneville. That was in the early 1980s.

MOR: And what did your parents do in Idaho?

JOHNSON: My father was a photographer and so, too, is my grandfather. And I had a brother [Ansgar Edgar Johnson, Jr., 1929-2013] who followed in their footsteps, and he was

a commercial photographer who did wonderful work. He had an artistic touch that was remarkable. Came out of the old school, developed his own prints and negatives, and did it all the old-fashioned way.

And my mother was active in civic affairs in Boise and ended up managing a hotel, the Idahoan Hotel in Boise, Idaho, in her later years. She took it over from her father, my grandfather, who had been one of the original investors in 1898. So my mother ran it for about ten years.

MOR: And what was your father's name?

JOHNSON: Ansgar [Edgar Johnson, 1893-1981]. He was a Swede. [My] mother's name was Roxie.

MOR: And her maiden name was McMillan?

JOHNSON: McMillan. Yeah, Roxie McMillan [1897-1985].

MOR: Okay. And you were talking just a bit ago about, was it your father or your grandfather when you were talking about the photographic materials? It was probably both of them maybe.

JOHNSON: On the hotel you mean?

MOR: No, on the photography.

JOHNSON: Oh, the photography, yeah. That was my paternal grandfather. His name of Jons Peter – I was named after him – Jons Peter Johnson [1863-1941]. He was a Swede and came over from the old country. And he was again a classic photographer of that era. Did portraits and commercial work and was very successful. My father was highly

esteemed because of the artistic qualities of his negatives and photographs and the way he would tone them, not unlike Ansel Adams,¹ to bring out the best in the negative.

MOR: And were you at all interested in photography as a result of that?

JOHNSON: I had this brother who — clearly he was older than me, and he carried the same name as my father, so he was a junior. And he had pretty much expressed interest in following in the footsteps of my father. And I don't think I had that talent, although I have a camera and take a lot of pictures, I didn't have the talent of either my grandfather, my father or my brother.

MOR: So you decided to strike out in a different direction.

JOHNSON: It was my responsibility to go out and find my own living, make my own career.

MOR: So you knew your grandfather, too?

JOHNSON: Yes. He passed away though when I was only about eight. And my paternal grandfather, the photographer.

MOR: Right. I was referring to that one. And he lived in Idaho, too?

JOHNSON: Yes. Both grandparents lived in Idaho.

MOR: And you knew your grandparents on your mother's side, too?

¹ Ansel Easton Adams (1902 –1984) was an American landscape photographer and environmentalist known for his black-and-white images of the American West.

JOHNSON: They were — my grandfather (my mother's father) was a Scotsman and came — he was born in 1865, you know that was the year of the [U.S.] Civil War conclusion. But he was born in 1865 in Scotland, worked in a bank briefly when he was 17 years old. Because employment opportunities were so poor there, he came to the United States and became a shepherd in Idaho. He was successful as a shepherd, established himself and ultimately became an investor in this hotel which is a very old historic hotel now in Boise.

MOR: Right. I've seen the building; it's an interesting building. And your mother, you said that she was a civic leader?

JOHNSON: Yes, she did many things. She was the first president of the Boise Junior League, for instance. She was active in PanHellenic. She liked her experience with her sorority when she was at University of California at Berkeley, so she gave heart and soul to young women wanting to pledge a sorority when they went to college. She was active in a number of different programs dealing with the hospitals. I don't think she was ever active in the Chamber of Commerce, but mostly civic things dealing with youngsters. They had a program when she was president of the Junior League where they would take youngsters — there was a lot of orphans in that day, and they would take them regularly on outings, camping outings. And my mother, she was the leader of that. That's the kind of thing she did.

MOR: And did she get into politics at all?

JOHNSON: No, Mother never ran for office. Neither did my father. I was the first person that really got into serious government service in my family. Everybody before had been very private in business, doing their own thing, their profession or their career in business.

MOR: Were they interested in politics?

JOHNSON: Yes, yes. Particularly my grandfather, my maternal grandfather, Thomas McMillan. During the Second World War, I can remember his ear to the radio every evening listening to, it seems to me, H.B. Kaltenborn,² or somebody like that (name similar to that) gave them nightly news. And my grandfather would listen to that very carefully. And he was always mad at Franklin Delano Roosevelt because he was a strong conservative Republican, and he thought Franklin Roosevelt was not doing good things to his country. I did not agree with him incidentally, but nonetheless that was his position. [Both laugh]

Mother, she was the more active person in the family. My father, he just kept very busy with his photography, and he didn't get into politics at all. But my mother will have been — she probably will have solidly supported different candidates at different times, probably raised money for them. But she never ran for an office herself.

MOR: And was she on the Republican side, too, then?

JOHNSON: Yes. The whole family forever were Republicans. I'm probably the most liberal of the bunch, even though I wore the mantle of the Republican Party just simply because that's what my parents were. I never — I think that covers it.

MOR: Of course, later on you got some fairly high positions in Republican national politics. [Laughs]

JOHNSON: You know the way that thing happened is when I was early on, I knew someday I'd probably want to serve a career in public service, and I had absolutely no idea of what that would be. But in talking to friends, they said, "Peter, you'd better get your feet on the ground with the party of your choice." I said, "Well, my family is Republican, and I think I like the Republicans. They're conservative, pro-business and all that kind of thing."

² Hans von Kaltenborn (1878-1965) was an American radio commentator heard regularly on the radio for over 30 years, beginning with CBS in 1928.

So I became a precinct committeeman in Ada County. My wife did most of the work. But I was a precinct committeeman on the Central Committee.

I never went to any state conventions (Republican conventions), but nonetheless I was sort of building up some credentials in the Party that I thought I might need later. And they came in very handy when it came to working for presidential candidate, the Republican candidate for the presidency, Ronald Reagan.³ And then I turned around, and I exploited that and blew it up and exaggerated it and everything else, but nonetheless that's the way politics is played. I told 'em I was a real key member of the Party. [Both laugh]

MOR: Okay. I want to talk to you a little bit more about your time on the Reagan campaign and the transition team, but maybe before we do, let me ask you just a little bit more about those early days. You went to Boise High School?

JOHNSON: Boise High School.

MOR: And what was school like for you, grade school and high school?

JOHNSON: I liked it. I was a good student, not a super-outstanding student, but I kept my nose to the stone. That was on the advice of my mother. My mother was the biggest influence in my life. She was really a solid sports support and friend in my early years in my development. I did not run for office, but I kept getting elected to offices. There was a boy's council for instance at Boise High, and I was on that every year I was there. But I was appointed rather, and never ran for anything.

And then in my senior year somebody said, "I'm going to put your name in, and I want you to be the senior year secretary." Senior secretary. So I didn't disagree and was elected to that position. [Laughs] But I didn't seek it, and it really didn't involve very much. It was just a meeting here and a meeting there.

³ Ronald Wilson Reagan (1911-2004) served as the 40th president of the United States from 1981 to 1989. He also served as the 33rd governor of California from 1967 to 1975, after having a career in entertainment.

But I was not active in contact sports in the teams like football, baseball or basketball. I just wasn't coordinated that way. But I loved to ski, so I skied competitively, and my high school athletics was skiing. And I did all of the events: slalom, downhill, cross country and jumping. So that's how I kept myself busy in the wintertime, and that was my sport.

MOR: And what subjects were you best at?

JOHNSON: I was stronger in the maths, stronger in the maths, physics, chemistry. I went as far as you could go, just short of trigonometry. Geometry, of course, just short of calculus.

MOR: But you weren't tempted to pursue a career as a physicist or as a scientist of some sort?

JOHNSON: No. Later when I went on to college, in my second year you have to declare a major. That was Dartmouth College in Hanover, New Hampshire. And I chose economics, but by then I was beginning to think that one of these days I'm going to have to make a living and support myself and my family. And economics sounded pretty good. You couldn't get a degree in business. It's a liberal arts school so you had to choose one of the major disciplines like government or psychology, something of that nature. And I chose economics as my major which turned out to be very, very — it's a great base for an undergraduate.

MOR: What sorts of things did you do as a kid or a teenager for recreation?

JOHNSON: I loved to fish. My grandfather McMillan...

MOR: I guess you said you like to ski as well, of course.

JOHNSON: Yeah. He taught me how to fish. He exposed me to it, and gave me some of my first equipment which I covet to this day, including a couple of rods. He gave me a couple of rods that were his. He was a great fisherman; he just loved it. Came over into Oregon and fished the Deschutes, the Columbia and McKenzie. He just was a great outdoors person. I never had a chance to go with him then. I was too young. I wasn't even born when he was doing that. He taught me fishing and the love of fishing, and he also introduced me to hunting, gave me a couple of his guns.

So I'm a bird hunter, but I'm also a big game hunter. I was. No longer am now. And that was a legacy that he left me, was a love of hunting. Told me all about what you do and what you don't do, how to hunt, taking care of your game if you're fortunate and you get some game, anything from a grouse to a deer or an elk. You take care of the meat. You don't let it spoil.

And I loved to hike. I was a swimmer, and built a little pumpkinseed racing boat when I was in high school. A friend of mine's father agreed to let three or four of us use his garage, and he would help us building these little pumpkinseed racing boats. And we used ten horse power mercury engines that we mounted on the transom and raced all over Payette Lake you know, waking people up in the morning and made them all very angry.

So things like that.

Oh, and I made model airplanes. I just loved model airplanes. And as I think back, I loved model airplanes because here was a bunch of sticks and glue and paper and a plan. And it was up to you, the person who was going to assemble this model, to conceptualize how that all came together. And I found that I just loved that exercise, that hobby. So I made a lot of model airplanes. There was a common model that you pulled around on the end of a string. There was another Cleveland model that was a classic of its day. They made P-38s, all of the Second World War airplanes. P-51s, P-38s. I made a P-38, and got honorable mention in a hobby contest.

Let's see, what else? That covers I think a lot of things that I did. I used to go up into the foot hills out of Boise and gather arrowheads. There used to be a lot of arrowheads up there that you could find randomly if you just kept your eye on the ground.

MOR: Probably not so many lying around there anymore today, I'd guess.

JOHNSON: You couldn't find them now. But I found at least 10.

MOR: So then you did go on to Dartmouth College. How did you choose Dartmouth?

JOHNSON: It was strange; it was because of my ski competition. And in my senior year in high school in 1950, I'd done quite well in several races in the Pacific Northwest, particularly one at Sun Valley called the Western States American Legion Championships. It was sponsored by the American Legion, and I won the downhill, and there was a big to-do about that. And so a friend of mine in Boise who went to Dartmouth said, "Gee, Peter, you ought to look at Dartmouth." I didn't know the Ivy League from anything. As far as I was concerned, I just knew the name. I'd never even heard the name before. But I got a little booklet, one of the circulars, and read about Dartmouth, and I liked everything I read. It seemed like a fine school. Finally discovered the Ivy League, the definition of it, and applied and fortunately was accepted. It came as a total surprise to me. I thought I'd go to school on the West Coast, but I ended up going east.

MOR: And how was that, had you ever been east before?

JOHNSON: Never been east of the eastern border of Idaho. I got on a train with a big trunk and took off all by myself, and ended up in Connecticut someplace where we connected to the Boston main railroad which took me up to White River Junction [Vermont]. And I got off the train and — [it was] beautiful country, but I didn't know a soul. But they were picking people up because there were others like myself coming in, freshmen. But I

made it finally to the campus and into the room that was assigned to me. First night I didn't have anything but a mattress on the bed, so I put a coat over me. It was colder than all get-out. Put a coat over me that I'd taken with me, sort of a long coat that had been given to me by the family to keep me warm back there. And that was the beginning of a wonderful exercise. I just loved Dartmouth; it was a great educational experience.

MOR: So you had a good time there, then?

JOHNSON: Continued to ski for two years competitively on the East Coast. Got into the pattern of things, and it's just a great school. It was a wonderful opportunity for a young man.

MOR: You said you majored in economics at Dartmouth. Did you have any ideas about what you would do after you left college at that point?

JOHNSON: Absolutely none. Absolutely none. Mother had talked to me about coming back and running the hotel, but I knew then that it wouldn't be big enough. You know, it had a hundred rooms and it was six stories high. But I had bigger things in mind, so I discouraged Mother from getting serious about thinking about me succeeding her in the hotel. And so she respected that; she didn't have any problem with that at all. And while I was an undergraduate, I really didn't give a lot of thought to where my career might take me. I didn't give it a lot of thought.

MOR: Let's see. You were in Dartmouth probably then right after the war.

JOHNSON: Yes. It was in 1950 to 1954. I graduated in 1954, but I was accepted into the Amos Tuck School M.B.A. program in my senior year. You were able to combine two years in one, so in five years I had my M.B.A. from the Amos Tuck School of Business

Administration.⁴ That's the oldest business school in the United States, and my fifth year was spent there.

In my junior year I married my wife, Carolyn.⁵ She was in Boise. She was working because she had to help support her mother. We were growing further and further apart. We had been boy- and girl-friend in high school, growing further and further apart. She threatened me that she thought it would be wonderful for her to go pursue a career in San Francisco. I knew that would be the end of our relationship. [Laughs] So we got serious about "what about us," and decided to marry, and she joined me in my junior year, and worked on campus. She worked in the admissions office. So my last two, my junior and senior and year of graduation, three years my wife was there. Actually two-and-a-half.

MOR: And you say you met her in high school?

JOHNSON: I met her in high school. Actually in junior high.

MOR: In junior high. Childhood sweethearts, huh?

JOHNSON: Absolutely.

MOR: And her family is from Idaho, too?

JOHNSON: Her mother came from Spokane down to Boise. There were five children in the family. The husband had gone into the military (the father of my wife). And drink got the best of him, and he ran off and divorced. So Carolyn from an early age was helping her mother make ends meet. She had two brothers and two sisters, five in the family, and they squeaked by, and those were tough times for them. Tough times for 'em. Helped harden her. She knows the value of a penny, which helps me a lot. [Both laugh]

⁴ The Tuck School of Business (also known as the Amos Tuck School of Administration and Finance) is the graduate business school of Dartmouth College.

⁵ Carolyn Ann Carley was born in Spokane, Washington ca. 1932.

MOR: And did you have a good relationship with her mother?

JOHNSON: I had a wonderful relationship. Her name was June, June Carley, and she worked for the Veteran's Administration. Had a distinguished career there. And I had a wonderful relationship with my mother-in-law. We got along very, very well.

MOR: Now you said that she was threatening to go off and move to San Francisco...

JOHNSON: My wife.

MOR: Your wife was, yeah.

JOHNSON: My wife. She said, "I'm think I'm going to go to San Francisco. Everybody tells me you can make more money down there." And I thought, "Boy, San Francisco — that'll be the end of our relationship!"

MOR: And why did you think that?

JOHNSON: Heaven forbid, that's a busy area. And she'd be with a lot of young people filled with a lot of spirit. She's bound to find somebody that would put me to shame, and away she'd run off with him. So I didn't want that to happen.

MOR: So you made your move then.

JOHNSON: Made my move, yeah. And it's worked. This year's our 50th wedding anniversary, and we've had a wonderful, wonderful life together.

MOR: And she felt okay about moving East instead of going to San Francisco?

JOHNSON: She thought it was a good idea. She came back, she loved it. She's a very flexible person. She's not — yes, she loves her home. When she came to Bonneville, it was more difficult for her leaving Boise, because she had the children then and lots of friends, and she was engaged in many, many things. She, like my mother, was president of the Junior League in her time. [Laughs] So I had a heck of a time getting her to Portland, but she was ready to go to New Hampshire. She went willingly.

MOR: So you were at Dartmouth five years altogether?

JOHNSON: Five years altogether continuous.

MOR: Actually I asked you about your wife's family, but I meant to ask you a little bit more about yours, too. You mentioned your brother. Did you have any other siblings?

JOHNSON: Yes, I have one other brother, and he got into the theater. He loved to sing, and he lives in New York now. He's spent a lot of time in Los Angeles. I'm not as close to him as I am my older brother 'cause he lives on the East Coast and he hasn't been back for years. But we correspond, and he's younger than me by two years.

MOR: And your older brother is what...

JOHNSON: He's three years older than I am.

MOR: Is he still in Idaho?

JOHNSON: Yes, he's in Idaho; he's retired. Although, he still takes photographs. People call him up, and they remember him taking their wedding pictures, so they now want him

to take their 50th wedding anniversary picture. So my brother is still busy, but he's trying to retire. He's trying to step back.

MOR: That's a long client history it sounds like, with some of his clients. Now, you got an M.B.A. from Dartmouth?

JOHNSON: M.B.A. An undergraduate major in economics.

MOR: And the first thing you did after Dartmouth was join the Air Force. Is that right?

JOHNSON: Yes. I was in the Air Force R.O.T.C. program at Dartmouth. At that time there was conscription, and you had a mandatory responsibility to serve two years for your country. And the R.O.T.C. programs were one of the avenues that could be chosen. You could wait until you graduate and then get drafted or join the Army, the Navy or whatever you want to do, or you could go into the R.O.T.C. programs and then when you graduated, you would be commissioned an officer which I reasoned would introduce me to a higher level of responsibility. Which it did, and I was assigned to the Air Force Flight Test Center at Edwards Air Force Base in California, in southern California.

And that was propitious. It was an excellent opportunity to apply virtually everything that I had learned, not only at Dartmouth, but in my Tuck School business courses, because I was named a contracting officer and doing purchasing, in charge of all base purchasing for this huge air base. It exposed me, together with two or three other officers, to virtually every discipline that I had been taught, accounting, purchasing, manufacturing, you name it. They were all covered in that opportunity. That gave me a wonderful idea to test what I'd learned at Dartmouth.

MOR: And your wife went with you to California?

JOHNSON: She was there, and we had a place — initially they didn't have enough [war] housing, that was the government-supplied housing, so I lived in a place called Lancaster which is nearby. But our second year, we were given a house on the base, and my wife was there. We had two children by that time. We had a third while I was in the service, while my wife was [Inaudible] right there.

MOR: So you were fully in the thick of raising a family at that point, then, too.

JOHNSON: Yes. I had two daughters, and a third was born to us in, I think, my second year.

MOR: Another daughter?

JOHNSON: Yeah, another daughter. And then we got back to Boise, and I had my fourth daughter. So I have a family of four daughters.

MOR: So you're surrounded by women in your family.

JOHNSON: No sons. No sons.

MOR: So after the Air Force then, you started looking around for something to do?

JOHNSON: My wife and I — by then you know, we'd been living together for several years, and we talked about — what about a career? What should I do? I didn't want her working. I was a firm believer in the mother playing such a strong role in the raising of children. I knew that I would probably be busy in a career, and the biggest burden of raising the children would fall on her, and I didn't want that interrupted. She had worked when we were at Dartmouth. She worked in the admissions office like I said. But I didn't want her to

work once we had the children. I wanted her to be able to bring them up in the most positive, nurture them in the strongest possible ways.

So we talked about where were we going to go, so I'll have the job. Where should it be? And I'd interviewed before I left Tuck School at Dartmouth with the Ford Motor Company, and they'd made me an offer, and I'd interviewed with a number of companies. And all of them where someplace else in the United States. They were not in the Pacific Northwest, and they were not in Idaho. And I looked around in Idaho, and I knew a lot of people who had been very, very successful right there, including my grandfather. He'd been very, very successful right there. But he loved the ambiance; he loved the natural setting. He loved the closeness to nature that Boise in particular presented.

And so my wife and I decided that we were going to live in Boise. That was one of the choices we were going to make. We were going to live in Boise, and I would find a career there. So after the service we returned to Boise, and I started interviewing primarily there. I was going to go to work with the Weyerhaeuser Timber Company, but that would have taken me up to Seattle. And then a gentleman came along who knew my father. My father had taken a lot of pictures for him. And he offered me a job, and he was a heavy and highway contractor and a logger. So I went in right at the bottom. I wanted to learn business from the bottom up.

[End of Tape 1, Side 1]

Tape 1, Side 2**2002 March 1**

MOR: What was your friend's name or the gentleman's name?

JOHNSON: His name is Gordon Macgregor [1916-1987], and he was a successful logger. He logged for the Boise Cascade Timber Company, and put in 60 million board feet a year of timber. It was a big operation. And he built roads for the Forest Service and for the state and for the Bureau of Land Management, the B.L.M. And he had a ranch, so we were in ranching. And I was exposed to all of those things. But my first job was sorting greasy Caterpillar parts in a warehouse, 'cause he had acquired a company that had gone busted. So my job was to sort out all of these Caterpillar parts, identify them, make an inventory of them so that we could either use 'em, sell them or trade 'em. That was my first job.

I believed strongly in that. My grandfather taught me. When I was a kid, I stayed with my grandparents a lot in McCall, Idaho. And grandfather said, "Peter, if you're going to learn about yourself and learn about business, you got to start at the bottom." So that's exactly what I did. I dug ditches for a plumber in McCall when I was 14 years old. So when I went to work for this fellow, Macgregor, I wanted to start at the very bottom of the company and do the things that I might be asking others to do later. So I ended up sorting greasy Caterpillar parts.

MOR: And how long did you do that?

JOHNSON: Oh, it was a few months — not a few months, a couple of months. And then he gave me a job — this was interesting, this got me into my mathematics — we were building roads all over southern Idaho. So he gave me a pickup, and he believed in the work ethic. He said, "You got to work harder than the next guy, Peter."

So he gave me this pickup, and I'd get up at five o'clock in the morning, and I'd drive up to a job. It was called the Roaring River job. And I would set slope stakes for the Caterpillar operators as they brought their slopes down and their fills up, and used what's

called a Rhodes [reducing] arc. It's a trigonometric scale that helps you set exactly where the stakes should be, to show these Cat operators and crater operators and laborers where the road was going to in fact be, where it would finally fall.

So I'd do that until noon, and then I would jump in the car, eat my lunch on the way back down, and go out to this warehouse and sort dirty Caterpillar parts and get home at seven o'clock, a 12-hour day. I did that for six months.

MOR: Wow. It sounds like a good initiation to hard work!

JOHNSON: I wanted to get into "where do things start" down below. You know I might say something else. I don't know whether it's of interest or whether you want this kind of thing, but when I came out of Dartmouth, I had a strong education in accounting, and I had a number of friends who were in the public accounting field. And they wanted me to go to work in public accounting. By that time my eyes had deteriorated to the point where I couldn't fly in the Air Force. I had planned to fly when I first joined the Air Force R.O.T.C. But by the time I graduated, my eyes had deteriorated to the point where I wasn't qualified to fly. So I didn't want that to continue, and I thought the best way was to get a job that would take me outside. So I turned my back on public accounting and chose to sort Caterpillar parts.

MOR: That seems like in the end it all worked out. [Laughs] So you went on then to work for Macgregor Triangle I guess is the name of the company?

JOHNSON: For 11 years, Macgregor Triangle Company.

MOR: And you moved up through the years in the company?

JOHNSON: Ended up after 11 years an executive vice-president in charge of administration. So all accounting matters, all administrative matters, all employee human

relations problems, contracts, were mine. That was my responsibility. But this fellow, Macgregor, had opened many, many doors for me. He wasn't really a mentor, because he wasn't that good a teacher, but he opened doors, and he would challenge me. Just one thing after another, including a small manufacturing plant where he told me to go over and either turn the company around 'cause it was losing money or else to sell myself with it. He was really tough. [Laughs] And I thought, "Boy, thanks a lot, boss. You're certainly cutting the umbilical," which he did.

But it was a wonderful opportunity, 'cause I learned a lot about myself. I went over and I took over this company; I was named its president, and turned it around in a year. It began to make money. It became the most profitable adventure in the Macgregor Triangle Company. They made more money there than anywhere else. So this Macgregor gave me wonderful opportunities. But I'd been spoiled. Once I'd been given that opportunity to run something, I had no desire to go back and be a staff member in charge of administration.

And he had a nephew who was very, very capable. I had a wonderful relationship with him. His name is Tom E. Macgregor [Tom Edwin Macgregor, 1912-1970]. And it was clear to me that he was going to be the successor to Gordon Macgregor, and he was going to run that company. And so I resigned. I cleaned up of my responsibilities, made sure I didn't leave him with a burden on his back, and I did not seek a job outside until I'd completed all my duties with him. And then I summarily resigned. Scared my wife to death. Made my mother mad. She said, "Oh, you've lost security. You've thrown away your security." But I had become very frustrated in that position and didn't feel I was really doing good service to my fellow employees or to Gordon Macgregor, because it was clear to me I wasn't going to be able to move up. And I was spoiled after running that manufacturing company and turning it around.

MOR: You liked the experience of being able to make those decisions and make something work.

JOHNSON: Yes. Be responsible for 'em and see 'em happen.

MOR: While you were working for Macgregor, you did some work for Bonneville, is that right?

JOHNSON: Yes, as a matter of fact. Macgregor was in the construction business which included utility work, and that utility work was the construction of high-voltage transmission lines. And they built for Idaho Power Company, too, across southern Idaho. But during, I think it was the year before I left, we were performing a job for the Bonneville Power Administration, building I think it was 138 KV [kilovolt] line over Teton Pass into Jackson, Wyoming. And I didn't have a lot to do on that job, but I got on it several times. I helped staff the key people that were going to be running it. And that was a job for Bonneville.

MOR: I have a note here about Idaho Power in connection with that; I imagine they weren't too thrilled about this transmission line at that time.

JOHNSON: The Idaho Power Company — there was a great fight for years, and it's still somewhat uncomfortable between public and private power. You have your investor-owned utilities which are regulated by the P.U.C.s [public utility commissions], and they are considered private power. Then you get public power like Seattle City Light, Eugene Water & Electric Board, Bonneville. We are public. There was no stock ownership.

So there was a lot of animosity, suspicion, anger, frustration that ran between public and private power. Idaho Power Company is an investor-owned utility, and there wasn't a lot of love lost between Idaho Power Company and Bonneville. I didn't really pick up on this until later when I became the Bonneville administrator. Then is when it became very apparent to me that there was some strong friction there.

MOR: So in those early days when you were working on the transmission line there was...

JOHNSON: I wasn't aware of there being a rift.

MOR: Any issues, yeah. So you left Macgregor in 1968?

JOHNSON: Yeah.

MOR: And had no idea where you were going next?

JOHNSON: Had no idea. I thought I wanted to go into business for myself. I thought I wanted to be an entrepreneur. And I'd look at a candy company. It would have been a wonderful opportunity, but I didn't have enough money. I couldn't cover the down payment. I looked at a leather goods plant where they made saddles, and leather goods, and holsters, and belts and things like that. And I was going to make that into a L.L. Bean or a — what's our wonderful mail-order house up here in Seattle? Eddie Bauer. I was going to make it into an Eddie Bauer. And I was so ambitious; I just could see exactly where I was going to take the thing.

And I even went East about that time to visit Dartmouth for some purpose, and I went up to Freeport, Maine, and I looked at the L.L. Bean plant up there, and I was just making notes continuously, because it looked like we could make a L.L. Bean of the West.

I wanted to do that, but it cost to invest. I didn't have enough money. I had saved money when I was with Macgregor; I'd invested in stock. They bought that stock out. But I only had \$20,000, and that was nothing to get started. Of course 20, 30, 40 years ago, that was probably closer to maybe \$200,000 but it wasn't enough to swing either the candy company or the mail-order business.

MOR: There wasn't another source of capital you could tap?

JOHNSON: I didn't have any — Mother couldn't help me; Dad couldn't help me. So I wanted to pretty much do it myself, so I couldn't make those things swing. And about that

time, a guy by the name of Harold Thomas,⁶ who is the cofounder of Trus Joist Corporation⁷ he learned about my availability. I didn't know him. I had never met the man, and I didn't know the company. I knew it was in Boise. But he called me on the phone and invited me to go hunting with some other stockholders and directors of this Trus Joist Corporation which was just a small company getting started, doing about six million dollars in revenue then. And he called me up and wanted me to go hunting with him down at Twin Falls which I did.

And we hit it off, and I agreed to go look at his factory to see what the product was and what it did. I'm not an engineer, and it's an engineered product, a very sophisticated engineered product. But I went, and I got to looking at the plant and the product. And the other co-founder, a guy by the name of Art Troutner⁸ who was a genius, an absolute genius, he'd come up with these magnificent products that used wood fiber better than anybody ever had before, laminated veneer lumber, a product called the all-wood I-beam. Our trade name for it was TJI. And I said, "This company's got a long ways to go, and they could use my training." They could use what I've learned in school and in my other experiences. They need me. They need me.

So I joined as a trainee, because this Red Thomas, he said, "You're going to be a threat to everybody else in the company, so I'll just hire you as a trainee." Then he ran me around though virtually everything that goes on in the company. They had a plant in Hillsboro, Oregon, over here for instance, and they had about seven plants. They had one in Canada in Alberta province. So they flew me around, and I got acquainted with all the people, and pretty soon I was the general manager. Within a few months I was named the general manager because they needed help.

They'd just built a plant in Cucamonga, California that failed. And so some of the stockholders were very angry, and they had told this fellow, Red Thomas (Harold Thomas was his name, nicknamed Red) — they said, "You need a professional manager. You need somebody who really understands business, and you don't. You're a marketing man.

⁶ Harold Eugene Thomas, 1926-2020, was often known as "Red."

⁷ Trus Joist developed the wooden I-Joist over 50 years ago and is now a division of Weyerhaeuser.

⁸ Arthur Lowe Troutner (1922-2001) was an inventor, architect, and co-founder of Trus Joist Corporation.

You're not a businessman in the sense of general management and administration." So that's how he came after me, and once I was there, he promoted me quickly. But by then I knew everybody, so I wasn't the threat to them that they maybe would have originally estimated had I come in with a fancy title in the beginning. And then he kept advancing me. Became the president and then the chief executive officer. And the company grew from six million when I joined it, to, what, in 1968 up to a hundred million. When I left it in 1979 (I was there 11 years) it was a hundred million dollars in sales and very profitable, highly esteemed.

It sounds like I'm bragging now, but it was highly regarded by the business magazines, and it was featured in *Forbes* magazine as a company on the come, as well as another business magazine at that time. I'm not sure it exists anymore, but they ranked us in the top 10 small companies emerging in the American economy. We were one of the 10 standouts of small companies emerging. And we were publicly traded; we were traded on NASDAQ. Am I giving you much too much here?

MOR: No, no. Not at all.

JOHNSON: Is that okay if I just ramble on like that?

MOR: Absolutely. No problem. We can spend an hour anyway on this, and we aren't even there yet. We're fine. So it sounds like Trus Joist was a pretty good opportunity for you.

JOHNSON: Oh, just [gordon?]. Wonderful. When I went, I said, "I'm going to take my \$20,000 and I want to invest it in stock. I want to be able to buy stock." The company was not publicly traded then but this Red Thomas sold me \$20,000 worth of stock. I also said, "I want stock options." So he and the board of directors granted me some generous stock options. As the company prospered and finally went public, then there was a public market for the stock. And so that gave me my tax [starting line]. That gave me my financial footing. Okay?

And so, yes, it was a very exciting company. We did magnificent things and changed the wood-producing industry. You know today Weyerhaeuser finally bought Trus Joist Corporation. It was a billion dollar corporation about two years ago when Weyerhaeuser bought 'em. But it just has virtually changed the way wood fiber finds its way into building materials and into homes. Major, major new process for the more efficient and economic utilization of wood fiber.

MOR: And I guess in the beginning Trus Joist was a supplier to contractors — well, to maybe other big companies, but you got into supplying building materials directly to smaller-time contractors, too, for residential construction. Is that right?

JOHNSON: Yeah. We had an open web series. It's called a warm web truss in the beginning, and it had metal tubing and two by four cords, top and bottom cords. And it was a very, very sophisticated product. It competed with steel, open web series joists. So we were in commercial buildings; we were not in residential at that time. But when we came up with this TJI which was invented by this guy Art Troutner, his vision, he said, "We can do *this*." And it was absolutely magnificent. With a mandate, he not only designed a product, he designed the machinery to make it. And it was always very, very efficient. He was a Buckminster Fuller,⁹ you know, and Thomas Edison.¹⁰ He was just a brilliant, brilliant man. He had more ideas in a week than the rest of us would have in a lifetime. He was that capable.

So we just kept exploiting his genius. And we got into residential construction. We never got into heavy industrial; we didn't do an awful lot there. But all commercial, meaning shopping centers, and factories, and things of that nature, retail outlets. We're big there. Townhouses, finally single-family homes. You can't go to a single-family home in Portland, Oregon, today and not see Trus Joist products all over the place. It's that product that has

⁹ Richard Buckminster Fuller (1895-1983) was an American architect, systems theorist, writer, designer, inventor, philosopher, and futurist.

¹⁰ Thomas Alva Edison (1847-1931) was an American inventor and businessman. He developed many devices in fields such as electric power generation, mass communication, sound recording, and motion pictures.

a — I'm going to draw you a quick picture of it here, and you'll [Sounds of pencil marking paper].

It looks like that. It's an I-beam; it's in all wood. This is a product that we invented; it's called laminated veneer lumber. This was chip board, and it's a 3/8 inch thickness here, and this is 9-1/2 inches high, and it completely displaced two by tens. They used to make houses out of two by tens. Now you don't find two by tens any more. Well, here and there, cheapo houses. But if you really want a quality product, everybody uses this, and you'll find it on any new home going up, any significant new home going up anywhere in the United States. East Coast, West Coast, Canada, even Japan.

MOR: And that all came out of that original idea by your...

JOHNSON: By this fellow Troutner. Yes. It was fun to work with him, and he and I got along very, very well.

MOR: So he was in the engineering end of things?

JOHNSON: Yeah. He was not an engineer; he was a graduate of the University of Idaho, and he graduated in architecture. But he had a marvelous mind. And he was a mathematician. But he did it all in *his* way, rather than *their* way. And we had engineers, civil engineers, structural engineers at every one of our plants when we were making these products. And Art Troutner was always in a quarrel with the professional engineers, the people who had their credentials. And nine times out of ten he'd win the argument. He would change their mind. He was that bright.

Incidentally, one of the things that we did, we built a stadium cover over the University of Idaho football field. It holds 18,000 people. It's called the Kibbie Dome. But that was a magnificent project, and in the end, it was very difficult to put together. I've

written a book about it; it's called, *Raising the Roof*.¹¹ But in the end, it was awarded the Outstanding Civil Engineering Achievement of the Year Award by the American Society of Civil Engineers. The A.S.C.E. (the American Society of Civil Engineers), the biggest engineering organization in the United States, all professional engineers. And every year they choose some creation, structural creation that is the most outstanding from all the other comers.

And some of the winners in the past have been the St. Louis Peace Arch, the St. Lawrence Seaway, Kennedy International Airport (which I think is all on piling or something like that). And we beat out then-Governor Rockefeller's mall at Albany, New York. And this little project at the University of Idaho, designed by this guy Troutner and constructed by Trus Joist Corporation, won the award that year. And our cost was only a million dollars, and the thing that Rockefeller had submitted was five billion dollars. So we thought we were pretty smart beating him out with a tiny job like that, but it was sponsored by the Morrison Knudsen Company. They said, "This is the most unique thing that's ever happened, and it deserves recognition." So they submitted it, and sure enough, American Society of Civil Engineers granted this one-time-a-year award. It was 1975, I think; 1975 is when we got it. Trus Joist was a wonderful experience. We did a lot of good things.

MOR: And did a lot of good things for you, too, it sounds like.

JOHNSON: Good for me, yeah. But that was sort of one of the measures. But my best rewards, my psychic awards, came from the fact that we were extending the forest. With the technology this Art Troutner developed, we effectively doubled our significant part of the American forest simply because he used half the wood fiber to do the same amount of work, structural work. So we didn't have to cut as many trees to get the same job done.

MOR: Same strength.

¹¹Johnson, Peter T. and Jack Lemley, *Raising the Roof: Creating the Kibbie Dome at the University of Idaho*, Caxton Press, 1998.

JOHNSON: And that's what gave me my real satisfactions. Things like that.

MOR: And you left the company in 1979, was it?

JOHNSON: 1979.

MOR: And what prompted your leaving?

JOHNSON: There was a guy that had been a consultant to the company, and he had written some royalty agreements with the founders, and they were (in my judgment) flawed. And I was the chief executive officer, and so I had to raise questions about these licensing agreements, these royalty agreements because they were amounting to a quarter of a million dollars a year to each party, which was very material at that particular time. So my pressing to say, "Hey, this wasn't done right! It was frankly done underhanded." And we were a public company, putting out annual reports. People were relying upon our honor and our trustworthiness.

So it created strange circumstances with Red Thomas and particularly with this consultant who was the attorney who wrote it. He was in a conflict of interest position himself. It was awkward and uncomfortable, but I decided that by that time I'd been there 11 years; I'd met all my personal goals, frankly getting a little bit tired of it just like I did Macgregor

So I just figured that the best thing for me to do would be to look seriously at my public service career. It was time to get on about that. And that was a seed that was planted when I was at Dartmouth. The president of Dartmouth, a guy by the name of John Sloan Dickey¹² said, "Everybody owes a certain amount of time to public service." And I really took that seriously. So I'd been thinking about that, and I figured this was a good time to move in that direction.

¹² John Sloan Dickey (1907-1991) served as the 12th President of Dartmouth College from 1945 to 1970.

MOR: So how was the problem at Trus Joist resolved then? Just you leaving or did they actually do something about it?

JOHNSON: Actually my successor, he was a very capable guy from Walla Walla. I'd brought him in and trained him. He was my successor that I had been training. His name was Minnick,¹³ is Minnick, and he chose to turn his head the other way and ignore these royalty agreements. They had about three years to run. I exposed the problem to the board of directors, the majority of whom resigned. But they didn't say why. They just resigned — they didn't want to be part of it, part of the continuation. So new board members were elected, and the problem was swept under the rug.

MOR: And the nature of the problem was just that people were getting compensation that wasn't really appropriate or...

JOHNSON: I didn't think it was — it dealt with this TJI,¹⁴ the one that I just designed here. This was designed entirely on company time, company resources. You know the company was well along; we developed this when I was there. When I joined them, they already had that Open Web series, the one that has the metal tubes. And the royalty agreement was attached to the Open Web series truss, which was unique, too. There were patents on it. But as we investigated those patents and looked into 'em some, they were fragile. In fact, they were probably unenforceable. So this is what our attorney (this consultant, who was also our general counsel and our attorney), he hadn't looked into that carefully. So we had a royalty agreement we were paying on patents that weren't that enforceable. They were more a façade.

And that's part of the strategy. Sometimes with a patent, you don't have a patent that's worth a darn. But you brag on it, and you scare everybody to death; that's part of

¹³ Walter Clifford Minnick (born in 1942) served as a U.S. Representative for Idaho's 1st congressional district from 2009 until 2011. He is a former Trus Joist C.E.O.

¹⁴ Open Web Trusses TJL, TJLX, TJH, TJM, TJ50, TJ60, TJS, TJW were manufactured by Trus Joist and Weyerhaeuser.

playing the patent game. So this is not new, and I wouldn't call it fraudulent. [Laughs] That would be extending it too far. But unethical, that's the way I saw it. And it made me uncomfortable because these royalties would be paid on a product that had been made entirely under company time. It had nothing to do with these people bringing an asset to the company at its formation. Am I making sense? Do you follow that?

MOR: Yeah, I guess so. So you're saying that certain individuals were being paid royalties for something that was actually developed when they were in the employ of the company.

JOHNSON: When they were in the employ of the company. They didn't have any rights to it at all. It belonged to the company and the stockholders.

MOR: No individual or personal rights to it then.

JOHNSON: Yeah. But there were gray areas, you know. I have a high regard, and I remain — Red Thomas, Harold Thomas is a close friend, and I talk to him — as a matter of fact I go to the meeting next week that he's asked me to attend. So we see one another, and there was some hard feelings perhaps at the moment, but they healed quickly. I was very grateful for the opportunities that they had given me. And this fellow Minnick who I had been training, a very, very bright guy out of Whitman College and Harvard Business and Harvard Law. He just had wonderful credentials, and he took over and did a fine job running the company after I left.

MOR: And so you decided to embark on a public service career, then.

JOHNSON: That's when I decided it was time to get busy about that.

MOR: So did you have something already lined up then at that point?

JOHNSON: Nope. I had no idea. I had taught as an executive in residence at Boise State University and became very friendly with faculty and with the president of the college. He wanted me — to attract me into education. He wanted me to be a dean of a school of public affairs; he wanted me to assume that position. It was turned down by the faculty senate because I wasn't a scholar; I didn't have my Ph.D. But that was my good fortune, because I would have gotten into that and maybe never been able to extract myself.

I was looking at that, and I had done some work — I did some work for Governor John Evans¹⁵ (I think you've got this in your outline here) who asked me to be the vice-chair of a governor's management task force looking into how the state government could be made more efficient. And I accepted that responsibility, which introduced me to state elective office and also everything from the governorship all the way down into the legislature, as well as appointive office. You know we had a lot of departments and people were appointed to those positions.

That convinced me that I just didn't think that was, you know, big league enough. So I chose not to pursue a position in state government; I figured it would have to be at the federal level. I didn't — I looked into elective office but it would take a long time for name identification to get started. I'd probably have to go into the Idaho legislature and serve several years before I could build up momentum to pursue elective office.

So I thought, "Gee! I can get into appointive office pretty fast." You know, just join a campaign and I had these credentials from being a precinct committeeman that went way back. So I talked to Senator McClure,¹⁶ who was a personal friend of mine, and a fellow that used to be on Nixon's cabinet. His name was Bill [Everley?]. And I said, "What would you do?" And they said, "Here's how you get into an appointive office. You've got to join the campaign of the candidate that you think's going to win in your party." And Reagan was the guy that looked to me like he was going to win over George Bush Sr.

¹⁵ Daniel Jackson Evans (born in 1925) served as the 16th governor of Washington from 1965 to 1977, and as United States senator representing Washington state from 1983 to 1989.

¹⁶ James Albertus McClure (1924-2011) represented Idaho as a Republican in the U.S. Senate for three terms. He was the chairman of the Committee on Energy and Natural Resources from 1981 to 1987.

And so I joined his campaign and a fellow by the name of Bill Agee¹⁷ of certain fame — at the time he was the president of Bendix Corporation in Detroit. He offered me the chairmanship of the Businessmen for Reagan/Bush Committee for Idaho. This was just one of the many, many organizations that was going to be promoting President (or then Governor) Reagan. Would you like to stop now?

[End of Tape 1, Side 2]

¹⁷ William McReynolds Agee (1938-2017) was an American business executive.

Tape 2, Side 1**2002 March 1**

[Tape 2 is missing – this section cannot be audit/edited]

MOR: This is the continuation of the interview with Peter Johnson on May 6, 2002.

JOHNSON: Bill Agee called and I accepted the chairmanship for Businessmen for Reagan/Bush for Idaho. I didn't get any instructions (there was no outline of the things to do); you had to use your imagination. So I got a number of books on politics and how to manage a campaign, and began to employ those in Idaho, such as lining up speakers. And I did a little fundraising, but not a great deal: circulars, getting people to write op-ed pieces and letters to the editor. You know, I sponsored things of that nature.

But I had only been there for a short while when Bill Agee called me again, and he said, "I can't find someone for Oregon. Would you please take over Oregon?" I said, "Yes, I know people in Oregon." Because I'd been a member of an organization called Y.P.O., Young Presidents Organization, the Oregon chapter, when I was running Trus Joist, I was invited into that organization. And I knew a lot of businessmen here in Oregon, many of whom were Republican.

So I knew, yes, I can take over Oregon. I have a lot of friends and contacts there. He called me back a week later and he said, "I can't find anybody in Washington state; can you take over Washington?" I said, "Yes, I'll do that too." Same difference. I knew a lot of people up there through my business contacts with this Young Presidents Organization. And then he called and said, "I can't get anybody for Alaska; would you take over Alaska?" So I ended up with four states. I was the chairman of the campaign, Businessmen for Reagan/Bush.

And, of course, the president was elected and I was invited on their transition team to go back to Washington. I had another good contact in Dallas, Nancy Clark Reynolds¹⁸

¹⁸ Nancy Clark Reynolds (1927-2022) was a television journalist who joined Ronald Reagan's staff as assistant press secretary and then special assistant. In 1981, she was named the U.S. Representative to the United Nations Commission on the Status of Women.

was her name and she'd been in television and she'd ended up as the media representative for Governor Reagan in California. And she knew that I'd been working on this campaign. She said, "Peter, you know, what you ought to do is get on the transition team, because that's how you really — window into where the opportunities are." I said I'd be happy to do that. So she called me, got me on the transition team, and I went back to Washington D.C. and worked for a month, mainly staffing HUD (Housing and Urban Development).

Because of my familiarity with mortgage companies, my construction experience with Macgregor, and then my continued construction experience with Trus Joist, I knew the contractor associations, I knew the realtors, I knew the mortgage bankers and so they gave me HUD to staff. So I started going through applications and making phone calls, and helping shape that department of the Executive Branch at the federal level. Very heady, you know this was the year Reagan — this was that period after Carter had left; Reagan wasn't sworn in yet. So we were in that hiatus between one administration and another, rapidly putting together an administration that would support the policies and the promises and the campaign promises of the president-elect.

And so every time I'd ask a question I'd say, "Where do you stand on President Reagan's campaign promises?" And if they could give you a pretty good idea that they understood what they were, then they got in through the first threshold. And I'd go on to the other questions about their qualifications and their experiences, and so forth. And finally narrowed it down to the people I thought were the primary candidates to fill key positions, particularly assistant administrative – assistant secretaryships.

General Counsel, personnel, things of that nature, I was not choosing Cabinet officers. That was going to be chosen by the Kitchen Cabinet, reporting directly to the President.

I was coming up with the people I thought were the best qualified to fill the next, you know, important positions in that department.

MOR: Did you have any contact with Reagan himself during this period?

JOHNSON: Never met or talked to Reagan until I was leaving and they honored me by inviting me into his office to award me some gifts in the Oval Office.

MOR: When you were leaving Bonneville...

JOHNSON: Leaving Bonneville, right.

MOR: So you didn't even meet him during the campaign in Idaho?

JOHNSON: No, I never met him in the campaign; he never came to Idaho. Idaho is a bit of a locked-up state. He knew he had Idaho in his pocket so he never came to Idaho. But you know, it's amazing; those things begin to move fast. I met a couple of times with his "inner circle" you know, James Baker, Edmund Meese, there was the chap that took over Transportation. (I can't think of his name right now.) But I met with his inside team a couple of times, just talking at cocktail parties, things like that. You know, it was very active in Washington, D.C. (the place is very, very fast, things going on all the time). But I never — you know, they kept the president pretty much out of sight. Believe it or not, he only talked to a very select few people.

MOR: So you were living in Washington during this period?

JOHNSON: No, I just rented a place in the local Holiday Hotel, Holiday Inn or whatever it's called.

MOR: And so you'd still be back and forth between Idaho and Washington?

JOHNSON: I stayed there, oh I'd stay there ten days at a time; then I'd come back for a rest, then I'd go back again, when there were proper interruptions. I spent the better part

of two months or not quite two months. Then Senator McClure called me one day and he said, “Peter, I think I have a position that I’d like to see you fill, and that I think that you would enjoy it.” And he mentioned Bonneville, and I knew a lot about Bonneville, but I looked into it some more and I said, “Yes, that looks good to me; I think I’d like to take a run for that position.”

It turned out that Senator Hatfield¹⁹ had a candidate too, a fellow by the name of Lee Johnson, who was a former attorney general in Oregon. And Hatfield was promoting him and Senator McClure was promoting Peter Johnson from Idaho. So we had a contest there, push and a pull and some frowning went on. But McClure was in the dominant position to name me because he was chairman of the Energy Committee of the Senate (Energy and Natural Resources Committee) so he had the call. (The call was his, not Hatfield’s.) Even though Hatfield was senior to McClure in the Senate, he had chosen (I think) finance. He was chairman of the finance...

MOR: The Appropriations Committee.

JOHNSON: Appropriations – so he had opted for that and McClure had opted for Energy, and Energy was the oversight committee for Bonneville. So it was McClure who prevailed.

MOR: Senator Jackson²⁰ was still on the scene at that point.

JOHNSON: Senator Jackson had always named the Bonneville administrator. He’s a wonderful, wonderful man; I met him shortly after being named the administrator. We went back because WPPSS²¹ was beginning to give us serious problems and I went back for the advising council of our congressional delegation. I met Senator Jackson (what a wonderful man!); he was just dynamic. He had an electric aura about him. I was immediately

¹⁹ Mark Odom Hatfield (1922-2011) served for 30 years as a Republican United States senator from Oregon, and also as chairman of the Senate Appropriations Committee.

²⁰ Henry Martin “Scoop” Jackson (1912-1983), a Democrat, served as Washington’s U.S. representative (194–1953) and U.S. senator (1953-1983) from the state of Washington.

²¹ Washington Public Power Supply System nuclear plants.

impressed and of course I knew him by reputation previous to that. He was a good Democrat, of course, and later, after things had smoothed down a little bit, on one of my trips to Washington (you know it happened about every month) I'd go back there for four or five days; I asked to meet him and get acquainted. He accepted, found some time and I ended up having a wonderful, wonderful visit with Senator Jackson.

In his office (I have to tell you!) he invited me into his office. He had some staffers in there; he excused all of them. He took off his shoes. He had a big easy chair with big winged arms and he took off his shoes, climbed up into that chair, sat on his feet and he leaned back in this wonderful, great big — you know, it was almost like a throne. I was sitting right there, and he said, “Now Peter, tell me about Bonneville and tell me about yourself.” An hour later we finally split, but not until after we'd really exchanged some really good, friendly conversation.

MOR: Now you said that, and I have heard this too, that Jackson always named the Bonneville administrator. So how was it that McClure got to pull the strings?

JOHNSON: Because of the change in parties. The Republicans won the Senate. So (excuse me) Jackson, who had been chairman of the same committee, as the Democrat — you know when they were in control of the Senate he was naming the Bonneville administrators. And then the Republicans won; McClure was catapulted into the chairman's position. And it was wonderful. One of the things, we went into the Vice President's office in the capital to talk about these problems (nuclear problems and WPPSS) and there were two or three senators; Senator Hatfield was in there, Senator Jackson and McClure. And I described the problems that we had to the best that I possibly could; I had some staff with me.

McClure looked at “Scoop Jackson” and he said, “Oh Senator, you have been in charge of this committee for so long. What do you do now? What do you do now?” And Scoop Jackson said something to the effect that, he said, “Jim McClure, you've been throwing the eggs; now you're going to catch them. I'm not going to tell you what to do.

You make your own call, and I'll watch. Be ready. I'll be throwing the eggs rather than catching them, and you're going to have to catch them instead of throw them." I thought that was a wonderful description of that change in power.

MOR: I wanted to ask you a little bit more about McClure. You said you'd known McClure from a while back.

JOHNSON: Limited political work in Idaho when I was running Trus Joist, I had quite a meeting with McClure and we hit it off well. And as a matter of fact, now that happened after I came back from Bonneville. We put the Republican Party back together again, after a good Democrat governor that just ripped us apart. Andrus, Cecil Andrus²² — he just bombed the Republican Party. Senator McClure and I teamed up and put it back together again. It's been dominant ever since. But I just knew him personally. I'd met him and I'd supported him financially, modestly, and I liked him. He was a good senator, very bright. He could see both sides of issues. And he understood both sides of issues; he was a pragmatist.

MOR: How would you describe him personally?

JOHNSON: He's keen, perspicacious, very fair. He's studious; his central responsibility as deep in the sense that he wants to know and understand issues before he draws any conclusions. I think he might have been seen (I'll use these are my words not anyone else's) as a sort of professor of the Senate. He was a scholar; he's the one who was a deep thinker, and he could look into all sides of an issue and explain them to his peers. And I liked that quality; that's one of the reasons he was such a successful senator in Idaho. He was elected every time he ran. But just because he could make people comfortable, that he understood their point of view, even if he didn't always agree with it.

²² Cecil Dale Andrus (1931-2017) served as 26th and 28th governor of Idaho from 1971 to 1977 and from 1987 to 1995 for total of fourteen years. A Democrat, he also served as U.S. Secretary of the Interior from 1977 to 1981 during the Carter Administration.

It's an interesting thing though. Once I was an administrator, my communication with Senator McClure was almost nothing. He was so busy 'cause he was chairman of that committee, and he just said, "Johnson, take it and run with it out there at Bonneville." And I sometimes would call him and he wouldn't return a call for two weeks. So I didn't have a lot of communication with McClure after he got me named administrator. I was pretty much on my own.

MOR: But before that you had more communication with him?

JOHNSON: Yes, in campaigns and I see him. Well, he was just for dinner just the other night with my wife and me. He and his Louise came over for dinner up at our place in McCall, just last week. We were talking about the terrorists and we were talking about the United States and what are we doing, what should we be doing. We were sharing ideas on our perceptions of President George W. Bush. So he's an easy person to talk to and he's very interesting, and he's got a wonderful sense of humor. He was a fine politician. We got along very well, but I did not have a lot of communication with him.

I'll tell you, one time when I was a Bonneville administrator I went back to show him why the aluminum companies in the Pacific Northwest were in such trouble. Foreign competition, the cost of power going up because of the nuclear plant, and I said, "We're going to lose at least half of our aluminum plants, and they represent 3000 megawatts of load, and it's going to be bad for employment. We're going to lose jobs, and all that kind of thing. And the Senator listened to me through this whole spiel. I had this perfect analysis that I laid out before him. And he turned around and he looked at me and said, "Peter, your job is to make sure they don't leave." That's all he said. "Your job is to make sure they don't leave."

So we came back and developed a variable rate; that was the last thing I did before I left Bonneville. And it was a rate that was keyed to the international price of aluminum, but when that price got low, the power rate went low, and it benefited the Northwest. When the price of aluminum went up, well, actually it was the other way around. When the

aluminum went up, the price of power went down. When the price of aluminum went up [down?] the price of power went up.

So it turned out that the ratepayers in the Northwest made a lot of money off that deal, because the economy had been bad for aluminum, and the prices had been very low. Shortly after signing that agreement, the price of aluminum went up so the price of power went up with it. And the other ratepayers (the public power customers of Bonneville) all benefited from — it would've been two or three hundred millions dollars flowed into our coffers, simply because of that variable rate.

MOR: So the aluminum companies were actually paying a higher price than they would have with the previous...

JOHNSON: Higher than they would've under the previous arrangement. It was keyed to the price of international aluminum.

MOR: But they also had the ability to pay because the prices were higher.

JOHNSON: Yes, exactly. It worked out just perfectly. It was very, very successful. And we went through a very extensive public process. The final keynoter at our last meeting here in Portland was Senator Hatfield. He came — he had just always implored us, you know, “We don't want to lose these jobs and we want to keep these industries. It looks like we have the means to do that. And I encourage the Bonneville administrator to seriously implement the conclusion that is the findings of this public process.”

So we implemented it and saved the aluminum companies for about a decade. Now they are all in trouble again. [Laughs] Am I giving you too much?

MOR: No, that's fine. That's fine. Maybe we can — we are sort of jumping around a bit chronologically, but that's okay too.

JOHNSON: Okay, not a problem.

MOR: I'm going to drive you back just a little bit here.

JOHNSON: I can go until 4:30 at least, and I can even go a little beyond that if you need me to.

MOR: I'm going to drive you back a little bit too in the chronology, to Governor Evans. You mentioned of course the work that you did on the management task force team, but you knew Evans previous to that time as well?

JOHNSON: Governor Evans?

MOR: Yes, Governor Evans.

JOHNSON: I did not know him. I was a Republican; he was a Democrat. But he knew about me because I'd been running Trus Joist. I'd left Trus Joist; I was free when I was the Executive in Residence at Boise State. I'd met him at a couple of programs where he had spoken. And he was a good politician. He remembered my name, and he called me up and asked me to serve as the vice chairman of that committee.

I did not know him before the meeting but we became very good friends once I took on that assignment. Because the original chairman that I was second to quit because he got mad at all the problems of government and politics. He was a banker; he was the President of First Idaho National Bank. His name was Tom Frye [Thomas C. Frye, 1919-2015]. And he just up and quit at the end of our study. We'd made recommendations but he said, "I'm not going deal with these people trying to implement these recommendations." But at that time, that drew me and Governor Evans very closely together, and we sat down and brainstormed how's the best way we can move from this point forward, to optimize the results of this study that's been completed.

We became good friends from then on and remain so to this day.

MOR: Did you have any qualms about getting into bed with the Democrats?

JOHNSON: No, that didn't bother me at all. You know, I'm conservative on some things, fiscal policy, and I am very liberal on other things, very liberal. And I always think things can be better. There's always the opportunity for things to be better. Evans, he wasn't our strongest Governor; he wasn't as strong for instance as Governor Andrus. But he was a very sincere person, very dedicated, very responsible, and I think he had an excellent administration. I was happy to work for him. He wasn't a rabid liberal, but he had an open mind, you know, to people and people problems. He wasn't owned by business like some governors are, like some of our Republican governors in Idaho now.

MOR: And the fact that you worked for Evans apparently didn't cause you any trouble on the Reagan team either.

JOHNSON: Didn't bother them at all. Of course, I am not sure they even knew that later, because well, that finished and within a year I was on this Businessmen for Reagan/Bush program. So if they were going to look into it they would've known it. But I was off and running by then. They were very happy with what I was doing, and they felt I had contributed to the election of Reagan. That's the reason I got that position on the transition team.

MOR: I've been wanting to ask you a little bit more about that too. I guess probably why I asked you about Evans (if your experience with Evans caused you any distress on the Reagan team) is because there was, at least some charges later on in the Reagan administration that they were holding up some appointees to some kind of ideological litmus test, you know, that the federal judges that they appointed in particular. I guess they wanted to be sure they had pretty conservative Republican credentials. In fact, I even know

a judge here in town who is a Republican that had a little trouble actually [getting] appointed because of these questions.

JOHNSON: That was going on all the time. Like I say, on the transition team I had to ask, “Do you agree with everything that the President has promised the people?” And you know, you had to get “his team;” that’s the only chance you got to. You know, the ship doesn’t move very fast (the federal government) so you can only move it a little bit at a time. You can’t revolutionize — you can’t turn it around like an aircraft carrier in the Columbia River you know; you can’t do that. You just turn it to the right or the left a little bit.

The Democrats are the same way. So when a Republican administration comes in, they want people who are of the party line and the campaign promises. So that is a perfectly logical thing to do. But in that process, I’ll have to admit, when it came to me putting together my credentials (my Republican credentials) which I had to do before I was appointed to Bonneville, you’d have thought I invented the party. [Laughs] I put the best spin on everything I could possibly say, like how many times the governor had won my precinct in Idaho, when he ran (when the Republican governors ran). So that’s an awful thing to do; you know, you look out for your own skin. So I was — “balloon” is the wrong word, but I certainly didn’t fail to exaggerate anywhere I got a chance with my Republican credentials.

So I passed muster; they weren’t concerned about me. They didn’t look into the fact that I also had a liberal side, you know, like being happy because they are not cutting the forests but instead extending it through more efficient technologies. If they’d have known about that they might not have liked what they heard.

MOR: I’m sorry; I am driving you way back in this conversation today, because you had mentioned that your folks didn’t think much of F.D.R. [Franklin Delano Roosevelt], but you felt okay about him. Is that right, or am I misquoting you here?

JOHNSON: Probably I have gained a huge respect for the man since then. Okay, when he was the president, he died in what, 1941 or 1942, somewhere around....

MOR: 1944. 1944.

JOHNSON: Okay, 1944, I was 12, so I hadn't formed a lot of opinion. My opinion of Franklin Delano Roosevelt was formed after I began to read about the man, read his biography, understand the Depression and what it took to turn the Depression around. That came out in my M.B.A. program. We were talking about business and finance and "priming the pump" the Keynesian theory of economics and all that kind of thing. I came to the stark realization that this gentleman, Franklin Delano Roosevelt, you know, he saved our country from the Depression. And then he turned around and brilliantly led us in the [Second World] War. So it was subsequent to those early years when my folks were so vitriolic in their complaints of Franklin Delano Roosevelt. It was later that I came to hold him in very high esteem.

MOR: So anyway you passed muster with the Reagan people, and became the choice to be the B.P.A. administrator. You'd already mentioned earlier that it wasn't totally easy to pull up stakes in Idaho and come to Portland. Is that right?

JOHNSON: Did you happen to read that piece in my memoir where I talked about my wife?

MOR: Yes, I read it.

JOHNSON: Well, what happened is that I'd been so busy as chairman for Reagan/Bush; I'd been traveling, going to Washington on the transition team. I was just busy, busy, busy. I'd keep my wife apprised of all of this, but in the meantime, she wasn't "in it." She wasn't

in the circle; she wasn't going with me. We had children; they were in high school. Her hands were full there.

So after I was named, but before I came over to be sworn in, she came in one day when I was reading boxes of material that had been supplied to me by the Bonneville people, bringing me up to date with current issues. She came in and she said, "Peter, you are going alone." I said, "I'm going alone where?" She said "You're going alone to Bonneville." I said, "No, no – if you're not coming I'm not going." And that began a wonderful dialogue but it was very, very emotional, and because I finally came to the stark realization that what I was doing to her and my family by making them rip up their roots and follow me, because of something I wanted to do, that wasn't fair.

So everything took on a different cast. We had wonderful visits about it, and talked about should we buy over here? Should we rent? You know. Should I travel over here during the week and back to Boise on the weekends? And that was obviously out of the question. But it was very emotional and it really tore me apart when she walked in that day and just simply said (we'd been married 30 years by then) and said, "I'm not going to Portland."

She changed her mind, ended up coming [and] had a wonderful time over here. She made tennis friends, because she had — again, the wives of the people that I'd met in business — so she really had a base to work from. And one of the finest times she ever had in her life was living for five years in Portland, Oregon. She loved it over here, despite the rain.

MOR: Despite the rain. [Laughs] And you mentioned, of course, it wasn't just your wife; you had four daughters as well. I imagine they had their own lives going in Boise at the time.

JOHNSON: Two went to college by then, only one left in high school. But [one] was [at] the University of Washington, one was back at Dartmouth.

MOR: So it wouldn't be so tough for them necessarily, because they'd already...

JOHNSON: It would be easier for them, but we had a home. We'd just paid it off — had a mortgage and it took me 25 years and I finally paid the thing off, and she said, "We own it free and clear." We'd just remodeled our house, put a lot of money into our home and really made it exactly the way she wanted it. And to move to Portland for five years meant it was likely we'd have to sell it, which we did.

So you know, I was just pressing every tension button in my wife's psyche, poor dear. [Laughs] I'm surprised she didn't divorce me.

MOR: But you convinced her to come to Portland.

JOHNSON: Yes, she loved it.

MOR: And I guess you were sworn by a major figure here.

JOHNSON: Gus Solomon.²³

MOR: Gus Solomon, yes, had you known Solomon prior to....

JOHNSON: I'd never met him before, but what a wonderful man, what a wonderful man. And you know it's interesting today, another judge, very distinguished, she was a woman. She swore Steve Wright²⁴ in today. And I felt bad for Steve Wright because Judge Solomon has passed on; we've lost him. But nonetheless, he told me, "I've sworn in every Bonneville administrator since the agency was formed." And I think he may have sworn in one or two more, but I was very honored that Judge Solomon had sworn me in. He was a very liberal

²³ Gus Jerome Solomon (1906-1987) was a United States district judge of the United States District Court for the District of Oregon.

²⁴ Steve Wright (born ca. 1948) became interim C.E.O. of the B.P.A in 2000, and permanent C.E.O. in 2002. He retired in January 2013.

gentleman, very pro-public power and anti-private power. He was a real advocate for public power/public ownership.

MOR: Was it Helen Frye, Judge Frye²⁵ today?

JOHNSON: Could have been. Little bit on the heavy side? Not too much, but a little bit on the heavy side?

MOR: A federal judge?

JOHNSON: Yes, she's a federal judge.

MOR: Yes, I am pretty sure – yes it would be Judge Frye.

JOHNSON: Yes, I've never met her. First name was Helen, yes.

MOR: Okay we are right at the start of your Bonneville career here. It's almost 4:30. Maybe this would be a good place to break it off, and we could just pick up with Bonneville and get intensively into that and the Power Council when we next meet.

JOHNSON: Yes, that sounds good. And you know, I'd take a minute and — you don't have to read all those things, but might serve you well — help you shape questions. Because, God, I hadn't read it since it was given to me 20 years ago or 16 years ago. I didn't even know where it was; I had to look for it until I found it.

MOR: The *Congressional Record*.

²⁵ Helen Jackson Frye (born in 1930) served as a judge of the U.S. District Court for the District of Oregon from 1980 to 2011, the final six years as Senior Judge.

JOHNSON: Read in particular Mark Hatfield and Dan Evans. Read those, and you'll get a sense of the nice relationship that existed particularly between Dan and me. I told you that I thought we had a — we hammered out a really wonderful personal relationship, and this will confirm that.

MOR: Good, well I look forward to that period. I look forward to continuing this interview.

JOHNSON: Is this interesting to you?

MOR: Oh, very interesting. It's going to get more interesting, I think.

JOHNSON: Yes, yes, yes. But I tell you when we get into WPPSS and some of those things, you know...

MOR: Yes.

JOHNSON: I'll be candid; I'll tell you like it was.

MOR: Okay, well I appreciate that and thank you very much for your candid approach today.

**[End of Tape 2, Side 1]
[Tape 2, Side 2 BLANK]**

Tape 3, Side 1**2002 May 6**

MOR: The date is May 6, 2002. This is Michael O'Rourke for the Oregon Historical Society, and we're continuing the oral history today with Peter Johnson, former head of the Bonneville Power Administration, and today's interview is taking place at the Oregon Historical Society.

Peter, when we last got together, it has been several weeks ago now over at B.P.A., we had talked some about your early careers prior to entering into public service and about your appointment as B.P.A. Director. And I think we got as far as your arriving in Portland and just walking in the door at B.P.A. So we're right at the beginning of the story today, I guess. Maybe I'll ask you first what did you see in those first weeks that you were on the job at B.P.A? How did you size up what the job was going to be like, and did you see some of the major challenges that you were going to face very soon after that?

JOHNSON: Michael, the Bonneville staff had sent me not one, but three boxes stuffed with folders...

MOR: Yes, I think you told me about those boxes.

JOHNSON:telling me about all about Bonneville history and the Regional Power Act,²⁶ the nuclear projects that were underway, and so I had the benefit of that knowledge, but that's all I had because I had no previous utility experience where I'm actually in an electric utility.

But my wife and I drove up to the original Bonneville building, been there since many, many years ago, and was immediately met with a whole phalanx of television cameras. And I'd dealt with the media before (and when I'm talking about media, I'm talking about electronic media), but never looking at a bank of maybe half a dozen TV cameras all

²⁶ Pacific Northwest Electric Power Planning and Conservation Act of 1980 establishes the Pacific Northwest Electric Power and Conservation Planning Council and directs the Council to adopt a regional energy conservation and electric power plan.

clamoring to get into a position where they could somehow catch my facial expressions. But that was somewhat intimidating, particularly because I was prepared to tell them that I was going to come and give heart and soul to the job and do the best I could. And one of the first questions was, "Are you familiar with the Regional Power Act?" I said, "Yes, generally." But I said I'd be exaggerating to say that I had an intimate familiarity with it. They immediately asked if the new Regional Planning Council which hadn't even been formed yet would be my board of directors. Fortunately I'd had a little information that I could lean on there, and I told 'em I wasn't sure that was the intent of the Congress, but it was my intention to work cooperatively with the Council.

They asked me if I was going to divert all of the energy that comes from the federal based system, that's the big Columbia River system that Bonneville manages on a wholesale basis. They asked me if I was going to somehow abscond with that, and take it back to Idaho and further drop rates in Idaho and deprive Oregon and Washington of their indigenous valuable electric hydropower. And I told them, no, that's not going to be the case, that that was not my intent. In other words, I was getting questions that were off in left field, and I thought, "Where in the world are these people coming from?" But nonetheless, we survived that.

MOR: Did it seem like they were somewhat hostile then?

JOHNSON: Oh, yeah. One asked, "How do you think — on what basis do you think that somebody from Idaho should be the administrator of the Bonneville Power Administration? All of the power is used either in Washington or Oregon, and only a trickle gets into Idaho. Why would they ever name somebody from Idaho to head up the Bonneville Power Administration?" So I wrestled with that one and I think got by that okay. And reminded them that I'd been in business in Oregon and Washington and had bigger investments there than I had in Idaho. So I'm really an Oregonian and a Washingtonian. That seemed to appease 'em a little bit. [MOR laughs]

But I was fully expecting to talk to the key people in the organization, which numbers maybe 25 folks, and I was going to meet 'em in the administrator's conference room which I'd never seen before, but that was what I had as a vision in my mind. Instead I was told that I was going to be swept into the auditorium which holds 400 people. In addition to that there would be a thousand more that were on the telephone hookup trying to find out what this new administrator was going to say, who'd never had any experience with the utility business. Well, that went well too. I'd prepared some comments; told how I was going to lean on the strong staff and capable people there. So I survived that.

Then progressively it was my strategy to get to know everybody I possibly could who was going to be a key person in the agency at that particular time. There had been quite a turnover of personnel, people who had been there for many, many years. Suddenly they — I think they saw the handwriting on the wall that this nuclear project was falling apart, and they didn't want anything to do with it. So there was really a major turnover of top people who would be reporting directly to me. We called 'em assistant administrators, like a vice-president, they were assistant administrators. So I made it a point to get to know them and find out what was important to them and where they were headed, the things that were priorities on their list.

And at the end of the first 30 days, I began to feel somewhat at home. I knew at least where to find my office. I love to tell friends that in staff meetings (which we held weekly) I convened these meetings. I opened them and I closed them, but the rest of the time I made sure I didn't ask any questions 'cause I would reveal ignorance about the utility business. And so I nodded and smiled knowingly; that was my strategy. [Both laugh] And believe it or not it worked, because in effect they were educating me on what I should know about their affairs. And so the staff were very patient and understanding, and I didn't try to pull any wool over anybody's eyes. I was trying to be very candid and forthright. But I said, "I have certain experiences that combined with your capabilities should allow us to do some pretty darn good things."

So I was cautiously accepted by the bureaucracy. I heard one interesting thing. Somebody said, "Peter, don't expect too much. They will treat you like the Christmas help,

meaning simply that you're here for the Christmas rush and then you're gone and they'll never see you again." I said, "No, I'm here to stay until we accomplish a lot of things" one of which was to implement the Regional Power Act.

MOR: When you said that you made it a point to get to know the assistant administrators that would be reporting directly to you. Who were those people, and can you tell me a little bit about your first impressions of them?

JOHNSON: One of the key people is a fellow by the name of Ted [Sinkewicz?], and he was what we called the power manager at that time. They don't use that term any more. But he was in charge really of everything dealing with the system and its operation, the daily operation of the system, the hydrosystem, the scheduling of loads, releasing water from the different storage areas. How much power did we need to meet the loads in the Pacific Northwest? How much could we sell to the state of California at any given hour, at any given minute for that matter? So the power manager was truly the number two position in the agency in terms of hands-on authority and responsibility.

And then there was a fellow by the name of — (oh, dear, he was my chief engineer) Marv Klinger, Marvin Klinger [1928-2018]. Brilliant electrical engineer, been with the agency for a long time. I made sure I that I got to know him because he was responsible for the transmission grid. Bonneville has 15,000 miles of transmission, high-voltage transmission, that laces just like a cobweb all over the Pacific Northwest, clear into Montana, Idaho and everything else. And he is responsible for its construction, maintenance and upkeep, things they called "loop flow," in other words loss of energy because of peculiarities of the flow of the electric energy. So Marv Klinger was very important to me.

At the time I got there we didn't have a chief financial officer, somebody that was in charge of revenues and expenditures and the information system, the I.T., what you'd call I.T. today, information technology. And so one of the first things I did was, I created a position, and it was an assistant administrator, and he was going to be in charge of finance

and all fiscal matters, all fiscal matters. I'm not thinking of his name right now, but I might as we continue to talk.

There was a fellow who was an assistant administrator in Washington, D.C. His name was George Bell, George Bell, and very talented guy. One of the first things I had to do was go back to Washington, D.C., to meet the Secretary of Energy who had appointed me formally on the recommendation of Senator McClure. And this George Bell met me in the Hilton Hotel right downtown, and we hit it off immediately and established a wonderful relationship. So those are some of the key people.

And then there was another person that was in charge of customers, George Tupper. And he was the person who was responsible for area regional offices that took care of maintenance and load circumstances, energy flow at all of our customers. Bonneville had about 120 customers. So these regional offices, one in Walla Walla, one in Seattle, one in Eugene, Oregon, and another one in Boise, and then of course one in Portland, Oregon, these people were sort of the hands-on daily customer-servicing functions. Those were the people that I sought to know and their deputies. They had people right behind 'em that I wanted to get to know, too. So I made it a point, I wanted to be on a first-name basis, very comfortable. My style of management is informal, not formal.

My predecessor had been a guy — here's an interesting anecdote because his name was Sterling Munro,²⁷ and he'd been the A.A. for Senator Jackson. Well, he had no management experience. So somebody went in, some of the staff went in to see him apparently. He was there about three years. And somebody from the staff went in to see him and said, "Well, what is your policy on this or the next thing?" And this Sterling Munro, he said, "Just read my speeches and you'll know what my policies are." That's one peculiarity which, of course, was not my style.

And the other one was that they said, "What are you going to delegate, what can you delegate to me?" I'm talking about the assistant administrators now. And they asked, "What would you like us to take off your hands. We'd be happy to take care of whatever

²⁷ Sanford Sterling Munro Jr. (1932-1992) was an aide to former Washington Senator Henry M. Jackson. He was administrator of the Bonneville Power Administration from January, 1978 to February, 1981.

you would like us to, if you can just delegate us the responsibility.” The authority said, “I don’t delegate anything. I’m going to sign every document that comes out of this agency.” He couldn’t have made a worse decision, because he always had an inbox that was about three feet high, but he never delegated any authority to anybody to sign on behalf of the administrator. That was my predecessor. I said, “I don’t want to see any papers. I’m going to delegate to you folks what you know better than I.” So I did that, and that gave ‘em a great deal of confidence, and it helped them understand me and accept me.

I’d have to say this as it relates to the quality of the people and their intelligence and their formal education and their experiences, I’ve never worked with a more professional group than I did at Bonneville Power, immediately good people, solid people, career people, and we hit it off quickly, and I delegated a lot of authority to ‘em. I said, “You let me know only what the problems are. If something is moving along smooth, you go ahead and take care of it, and if it backfires, I’ll stand right with you. I’ll be responsible right with you. But I want you take over what you know a lot better than I know.” That was my style.

MOR: And it sounds like everyone that you mentioned lived up to your expectation that they’d be able to handle their...

JOHNSON: Yes, yes. They gave me the benefit of the doubt, and it was an interesting thing, you know. I hadn’t been there two weeks and WPPSS collapsed, and it went into its initial default. And so I told them, I said, “Nobody — I understand construction. There’s nobody here that has really been close to WPPSS, because WPPSS kept Bonneville sort of pushed off in the corner. They wouldn’t even let us come to their board meetings.” And I said, “That’s all going to change. If we’re paying the bills, I’m going to be at those board meetings.” So within two weeks after getting there, I was immediately swept off into the WPPSS debacle which took at least 60 to 70% of my time for six months. But I wrestled that thing right to the ground as soon as I could, or got my arms around it. And this pleased

the staff, because they could on about running a utility rather than try to figure out how to build some wayward nuclear plants. I took that off their shoulders, took care of it myself.

MOR: Why don't we talk a little bit about that, being plunged right into the middle of WPPSS. I understand that you in fact attended a WPPSS board meeting fairly soon after you came, within just a few weeks anyway, the one up in Seattle. And you had to — was that — am I right on the timing? Was that right?

JOHNSON: Yes, it was very shortly. What happened is I got a phone call from Bob Ferguson²⁸ who was the chief executive of WPPSS. He was a construction manager, building five nuclear plants. He called me up and said, "Peter, we've never met. I don't know you, and you don't know me." But he said, "I have a crisis of the highest order. The public utilities that backed W.N.P. [Washington Nuclear Project]-4 and -5, the last two nuclear plants which were about 25 or 30% finished, are refusing to advance more money, and Wall Street will not issue bonds that don't have the backing of Bonneville." Bonneville couldn't back those bonds because the Regional Power Act had precluded that possibility. I had no interest in doing it anyway. I already had enough problems because we were backing the financing of WPPSS 1, 2, and 3. Okay? 4 and 5 were falling out of bed. They were facing early insolvency.

Bob Ferguson called. We met in the basement of one of the hotels up in — it might be the Hilton Hotel up in Seattle at SeaTac out there near the airport. And he said, "We have to meet in the basement because the media is chasing me everywhere; they're sensing there is something wrong. But I've got to tell you exactly what's happening, because I need money, and I need it fast." So to make a long story short, we found a rendezvous in the basement. We were able to talk. I met him, he met me. We talked for probably 30 minutes; he needed a hundred million dollars. I hadn't dealt with money like that in my life before; he needed a hundred million dollars overnight. And he had an idea.

²⁸ Robert Louis Ferguson (born in 1932) was a physicist specializing in the field of nuclear energy. He was the first Deputy Assistant Secretary for Nuclear Energy Programs for the U.S. Department of Energy from 1978 to 1980.

He wanted Bonneville to buy some nuclear fuel that would be — it's like a commodity, you could sell it to somebody else — that the WPPSS organization had pre-purchased. And that was going to give him the money to make payroll for the next two weeks.

So the next day the meeting was held where Bob Ferguson had to announce that, "I haven't got any money left. I cannot continue these construction projects on units 4 and 5 unless the Bonneville Power Administration — and here's this new administrator, Peter Johnson, two weeks on the job, unless he gives me a hundred million dollars, or allows for this transaction." Which I did, because I believed in Bob Ferguson; he was an honest man. I knew the construction business, 'cause that's where I'd come from, and he was making good sense with everything he was saying. So it was easy for me to just stand up, and I said, "This gentleman has analyzed this thing. It's a prudent decision. It's the right thing to do. I back him a hundred percent, and we at Bonneville will transfer the hundred million dollars."

MOR: Now let me see if I understand this correctly though. The first you'd heard of this scheme was just the day before when you met with Ferguson?

JOHNSON: He called me one day, and he said — I think he called me one morning, and he said, "I've got to meet you tonight because tomorrow morning there's going to be this meeting of the WPPSS." I may be wrong by an hour or two here or there. But I got on the airplane (Bonneville had an airplane); I got on the airplane and I went up into SeaTac [Seattle-Tacoma International Airport], and that evening I met with him in the basement. Had this secret meeting...

MOR: But prior to the meeting you didn't know what he was going to ask you, or...

JOHNSON: I had no idea. He said, "I just have something very important that I have to discuss with you." Things were popping fast.

MOR: And so, did you do any checking to see if the fuel was actually worth the kind of money...?

JOHNSON: I had a gentleman with me. He was our general counsel. His name was Bob Ratcliffe, Bob Ratcliffe.²⁹ Very sage gentleman, been around a long time, a wise attorney. The kind of guy that looks for ways to solve problems instead of litigate — a very bright gentleman. And he was my general counsel. And he went with me, because he was the guy who had been paying the most attention to WPPSS. He was a public power advocate. He was very close to all the public power agencies. And Bob Ratcliffe was with me. So I was not just winging in the dark on what we could do.

I went back to Bob — Bob was in the same meeting that evening in the basement the night before with Bob Ferguson. So he heard everything I heard, and then we consulted, and I said, “This guy makes sense; he’s credible. I think we’ve got to do what we’re going to do.” And this Bob Ratcliffe, he sort of had his heart and soul in the nuclear plants because he had been quite an influence in pushing ‘em along, and so it was easy for him to say, “Yes. Legally, Peter, you can do this. Here’s how we do it, one, two, three, four. They send you a letter; you send me a letter, and suddenly it’s a done deal.” Had to happen fast, because they needed that hundred million right now just to make that week’s payroll. So that’s about all the heads-up I had, but that was just the two of us. It was Bob Ratcliffe and myself, just the two of us from Bonneville. But Ratcliffe knew Bonneville inside-out and the authorities that I had as administrator.

MOR: And what kind of impact did that make when you announced at the meeting? I imagine that must have made quite an impact.

JOHNSON: I’ll tell you, the building crafts were there, business managers of the unions that were out on these projects. They’d picked up on the rumor that there might be layoffs

²⁹ Robert E. Ratcliffe (1923-1996) was assistant undersecretary of the U.S. Department of the Interior from 1967 to 1969. He became the B.P.A.’s General Counsel in 1977 and Deputy Administrator from 1983 to 1987, helping write several landmark agreements for the agency.

and one thing and another, so they were there carrying placards and expressing their important points of view. And I understand that and I respect that. They were in the back of the room. But then there were, I want to say 21 to 23 individual members of the WPPSS board, each of them well-meaning, solid citizens, but hardly experienced with the issue of nuclear power and dealing with the billions of dollars that they were going to cost.

And these folks, I felt sorry for them, because they listened to this story by Bob Ferguson — incidentally Bob Ferguson broke down and wept when he was making his announcement that he might have to slow these projects down. He had his heart and soul in 'em. And after he explained the dilemma and what had to be done, and what he had made a request to Bonneville for, the gentleman just broke down and wept. He'd lost control of himself. So it was a very dynamic moment, dynamic moment. But I have to admire the members of the WPPSS board. They were doing the best they knew how. But again they just weren't skilled or experienced at all in what they were dealing with.

MOR: And was that your conclusion upon meeting 'em?

JOHNSON: The finance, the construction problems, subcontractors, union disputes. We're talking about big-time stuff. Each plant was estimated to cost about four or five billion dollars at that time. They started off at 500 million, and they were up to five billion. You know, those are numbers that most of these folks had never known or seen before. I have to admit, five billion was more than I'd ever seen, too. But my experience was vastly greater than anybody else excepting Bob Ferguson. Bob Ferguson, the guy that was in charge of WPPSS, a wonderful man. He understood construction very, very well.

But anyway, the thing that was interesting is after we finally made the decision, the WPPSS board voted yes that they would accept this transfer of fuel for money to keep the plants open a little bit longer. But then, you know, television cameras everywhere. The place was just lined with people from Seattle, Portland, Oregon, Spokane, you name it; they were all there, trying to get footage. So each one of these members of the WPPSS board would stand up and make a speech for their constituents back home. "It's not my

fault. I wouldn't have done this." Blah, blah, blah. They went on and on and on with all of these rationales, most of 'em irrational, arguments, trying to defend their positions. Because you see, they're all elected. Officials with their P.U.D.s [Public Utility Districts] or their municipals like Seattle City Light, Snohomish P.U.D., you know big distinguished utilities, and here were these poor souls saying, "Oh my word. What's happened to me?" And they were all saying, "It's not my fault. I didn't do it. I wouldn't have done this if I had known better." I felt sorry for them. It was a sad sight to see, this unraveling before my eyes.

MOR: Did you have any thoughts about the future, in terms of if this hundred million was only going to keep WPPSS afloat for a short period of time? I imagine things were still kind of shaky even after you made that transfer. I mean, I know they were shaky. [Laughs]

JOHNSON: You know, Michael, that's a good question. But I had been fed all of this information beforehand by the Bonneville people, that we had five nuclear plants under construction. They had to be completed because we had a need for the power, and we just wanted to make sure they were done efficiently, and that they would run on a reliable basis. Coming from my construction experience, I thought, "Boy, I can add a lot of value here, because I understand that. I know how contractors work. I know how to price contracts, cost plus, fixed price, whatever it happens to be." And so I came with a fixation. My mind was made up that these plants had to be built, that they were needed and that we just had to be clever enough to figure out the best possible efficient way to do it.

So that's where I stood that morning. This hundred million to me was just a stop-gap thing until we could have a formal financing. I didn't realize — I didn't grasp the gravity of what lay ahead, and that was the collapse of 4 and 5, the biggest municipal bond default in the history of the United States, two and a quarter billion dollars. These utilities walked away from it, refused to pay it. So the bond holders ended up with nothing. Maybe a few pennies. So it took several more months before I finally came to the stark realization that the world had changed.

There were a lot of assumptions that were made before these nuclear plants began, that were wrong. They were inaccurate; they obviously were being proved inaccurate, and that I was going to have to deal with a situation that had changed completely. It was at that time that I started thinking about mothballing the nuclear plants that Bonneville was financing and just literally withdrawing from the WPPSS organization except for one plant, that's W.N.P.-2 which we went ahead and finished.

MOR: In fact, I guess the final decision to pull the plug on 4 and 5 has been attributed to you, although I guess it couldn't have been exclusively your decision, but it was attributed to you.

JOHNSON: I had nothing to do with it — absolutely zero to do with it. You see, Bonneville, some of the hapless public utilities, little operations, co-ops in Montana and stuff like that, they said, "Certainly, Peter, Bonneville can buy these. Certainly, Bonneville can buy these." They didn't realize the Regional Power Act had just been passed, and it said expressly the Bonneville administrator could not buy these until the Regional Planning Council recommends it as a priority resource. And it was at the very tail end of the list of the things to buy. First came conservation, then renewables, then even gas-fired units, long before nuclear or coal. So they were asking me to do the impossible and I couldn't do it.

So I had no responsibility for those plants. You know who really pulled the plug on 'em completely was the Supreme Court of the state of Washington. Because finally their refusal to pay went to Supreme Court of the state of Washington. And these were "take or pay" contracts; they were written by very brilliant attorneys. And yet the Supreme Court came along and said these poor hapless managers of these utilities did not have the authority under their charter to enter into the contracts in the first place. It was a sham in the law, an absolute embarrassment in the law. But that's what killed WPPSS 4 and 5, because it let the public agencies off the hook. And nobody's going to pay for anything — I couldn't buy 'em and didn't want 'em anyway, but I couldn't have bought 'em if I wanted to. I was precluded from that by the Regional Power Act.

MOR: Maybe I've dragged us a little ahead in the story here actually, because I guess we should talk a little bit about the Council too, and how they arrived at the somewhat surprising decision, a surprise to some anyway, because I thought that some thought that the Council would authorize those plants as a resource.

JOHNSON: Some of the public utilities were hoping they would, but you know the Council wasn't even up and running yet. And they were very wise under Dan Evans' leadership. They didn't step their foot into the 4 and 5 mess; they didn't get into it. They didn't get into it. Several times they'd be asked, "Are you going to recommend to Bonneville that Bonneville buy 4 and 5?" Their answer was just simply, "We haven't made our long-range plans yet; we haven't made our energy plan." They steered clear of it; they never got their fingers in that.

They did get their fingers later in WPPSS 1 and 3 that I mothballed. They got into that, but I don't have any recollection. Maybe they did a little bit; maybe Dan Evans would have said, "The last thing I'm going to do is buy a nuclear plant, or recommend to Bonneville they buy a nuclear plant." But they weren't up and running yet, and see this happened right after I got there. It took almost two years before the Regional Council was able to make its first plan, and in the meantime they weren't making any judgments on what were going to be their conclusions. They weren't going to second-guess the outcome of their planning, 'cause they were going through a public process. They wanted to get everybody's testimony. Dan Evans, a very bright guy (very capable and experienced guy), and the last thing he was going to do was try and trump a public process and draw a conclusion before it was complete.

MOR: Let's back up a little bit then. So you — just to get us back on the chronological track here. So you weathered that meeting in Seattle, and this was just a few weeks after you took office?

JOHNSON: About two weeks. After I walked through the door at Bonneville.

MOR: Yes, right. So at this point in time you really, I assume, hadn't had much dealings with what would become the Power Planning Council.

JOHNSON: I don't think they'd been named yet. Washington state moved quickly, and Dan Evans (everybody knew Dan was going to be one, because he was a sponsor) — he was a strong believer in this kind of an organization, where there'd be coordination between several states without turning to the federal government. But it would be something that could be a guide, or an influence on state governments, and certainly an influence on Bonneville.

So Dan Evans was prominent in the beginning, but I don't think he had been empowered by the legislature yet. Idaho — gosh I think it took 'em a year I think before they could figure out who's going to name the members, and whether they were going to be ratified by the senate or was an exclusive authority of the governor. They couldn't make up their minds for a long time. I don't think the Council sat as a group of eight for at least a year, maybe longer than that, after the Regional Power — after I became administrator, and the Regional Act was signed into law.

MOR: So during that first year or so you were going alone, so to speak, without much direction from the Council. But your hands were still tied by some of the aspects of the act.

JOHNSON: Yes, absolutely. We weren't going to do any acquiring of resources until the Council came up with...

[End of Tape 3, Side 1]

Tape 3, Side 2**2002 May 6**

JOHNSON: I'd been making the comment — all over the Northwest, just before the Regional Planning Council was formed, that I would work from *my* office, from the administrator's office, to make the Council strong, effective and respected. Strong, effective and respected. I didn't call it a board of directors; I had instructions from Senator McClure, "Peter, you can't defer to them because all the prerogatives of the administrator's office are yours. You are accountable for them. You're paying the bills. The Council is advisory only. Advisory only." I knew that was not right; he was taking the law too literally. There was something happening that was much more than that.

So I came up with the words "strong, effective and respected" and I thought that would be a good way to proceed. And I used that for the five and a half years I was there. I always kept saying to whoever was on the Council, or the head of the Council, if you — I'm going to work to create an environment where you can be strong, effective and respected. I want to follow what you recommend, but if you recommend something that in my judgment, with the benefit of my staff's help, is imprudent or not a prudent utility practice, then we may have a quarrel on our hands. But if you move out, and we work cooperatively together and come up with a plan and a fish and wildlife program that we believe is credible, then you'll have my full support. I'll make sure it is funded; we'll move on your recommendation.

But those are the criteria that I wanted to make sure that they understood, 'cause I was going to — And I was doing that from the beginning. Like I say, it took 'em almost two years before they got their first plan done. So I was working — we came up with a "fish flush" and we had fish hatcheries for anadromous³⁰ fish. We had stream repair and riparian area improvements all over the Pacific Northwest, in Oregon, Washington and Idaho. So we were doing a lot of things, and we were funding fish biologists to do more scientific studies

³⁰ Anadromous fishes are those that spawn in freshwater, migrate to the ocean to forage and mature, and return to freshwater to spawn and begin the cycle again.

to try to learn more about the habits of the fish and why they were declining, the numbers were declining and so forth.

I went out doing the things that we believed were likely, not only good judgment from the standpoint of Bonneville, but also would be the kinds of things that would likely show up in the plan that will ultimately be developed by the Council. We didn't slam the door on the Council and say, "Get lost for two years." We tried to anticipate and move in a direction that we thought would be the most likely course they would follow. And it turned out to be that way.

Conservation — we immediately began to buy conservation. That was the first priority that was going to be recommended by the Council, but we were buying it a year and a half beforehand. I am not trying to take any credit; that's what the governors and the senators (the congressional delegation from the Northwest states), that's what they wanted when they passed the Regional Power Act. They wanted somebody looking over the shoulder of Bonneville to make sure they didn't get into another WPPSS mess. I anticipated that and tried to work it, and I think it worked very well.

MOR: You must have some people from inside B.P.A. knocking on your door saying things like, "Well, we don't know about this Power Planning Council idea, and maybe we should do what we can to maintain our own sovereignty over this process." Did you have people coming to you to try and convince you that you should take a little more confrontational stance?

JOHNSON: Well, yes. It was generally backroom rumors and stuff like that. Nobody came to me and made an appeal, you know, "What do we do to try to kill the Council?" And I had done — I call it a political science research inquiry, myself into why is this council created? What's the purpose of it? Bonneville's been functioning just fine; these electric utilities (public and private) have been functioning just fine. Why the Council?

Well, it became apparent to me that Bonneville was sort of a rogue elephant that had run off and started, encouraged the construction of these dams and nuclear plants

and so I respected that this was a counterbalance to the authority of the office that I held, the administratorship. This was a counterbalance to that to bring about a better social result. That was the intent of the Congress and the governors who supported the Regional Power Act. So I tried to help that along rather than fight it, so once I came up saying, “I want the Council to be strong, effective and respected” the Bonneville organization knew where I stood. And the opposition was never serious; it was more half in humor, “Why do we need this outfit, you know? It’s just going to cost a lot of money and be another bureaucracy.” I’d hear stuff like that. But that dissipated fairly fast; it wasn’t long before — I don’t know of a soul in Bonneville that didn’t want to see the Council a success. But it took maybe six months for those earlier half-jokes to wind down and disappear.

MOR: Now you mentioned when you first took over, that WPPSS didn’t even particularly want or invite people from B.P.A. to even sit in on their board meetings, and the B.P.A. had the responsibility for giving ‘em the money, and yet didn’t have much input into anything. Did that strike you as a little curious? And did you wonder about how historically that had come about, that kind of relationship between Bonneville and WPPSS?

JOHNSON: You know, Michael, I did not spend a lot of time trying to figure out [after I] got there. After going to that first meeting and seeing what a fragile organization it was, it was a simple organization designed to do something on a far smaller scale than build five nuclear plants. So I knew the thing was unfortunate, that it was formed and thrown this huge challenge right off the bat. So I didn’t have very high expectations for the WPPSS organization; they were just having a terrible time dealing with daily problems. So, I felt just the same as I did with Bonneville, that because of my construction experience, which had been really very extensive, and I’d gotten into some real scrapes, lots of lawsuits down in California with a big project that I was responsible for. I knew how contractors work; I know how construction works. So I thought, “I can help these people; I can help these WPPSS people. So that’s the reason that I jumped in behind Bob Ferguson and said, “This guy is — his arguments are persuasive. I’m convinced that he’s recommending the right thing to

do at this particular time, distasteful as it is.” And I did the same thing. So I tried to sort of ingratiate myself with the WPPSS people ‘cause they needed help.

You know, they didn’t know up from down. And so just quietly moved in, and whenever we’d come up against an issue (which were many, you know, this \$100 million transfer was just the beginning of the end ‘cause they never were able to go get any more money). So I would help them through, to think through what the options were. For instance, we created two blue ribbon committees made up of very, very distinguished Northwest people, the purpose of which was try to come up with a scheme that would find finance. You know, they tried to get the aluminum companies to finance these nuclear plants. Then we went to the Congress; would they be willing to finance some nuclear plants? Well, the answer was obviously “no” to both of those things, but I tried to help them look for alternatives. (I’m talking about the WPPSS people now.) And through that, I think they began to trust me and I’m saying, “We can do this.” This administrator’s okay and we’ll talk to him. But it was quite a surprise to me to learn that because Bonneville was paying all the bills, virtually every dollar of obligation of WPPSS was paid for by Bonneville. And we were up already to — Dear me! Four or five billion dollars and we were going for 18, something like that.

So I just weighed in. I just weighed in. And when I learned that you couldn’t go to board meetings, I made it abundantly clear that that was not the way it was going to be. You know, I was not on their board; I did not have a vote, and I’m not asking for a vote. But I wanted excellent communications. I wanted to know what they were doing, what they were considering. And I would keep them informed of the things that Bonneville was doing and what we were considering, if any, change. So again, it created sort of a bonding understanding with the WPPSS organization. Now, it didn’t make them very happy when I wouldn’t buy 4 and 5, you know, they somehow thought I could do that. And my explanation, they couldn’t understand. “Why can’t you buy these? You bought 1, 2 and 3. When I say “bought it,” you know, assumed the responsibility to finance it.

So there were a few people that were a little edgy, but I made it abundantly clear that I wanted to know everything that was going on. So we named a young man (I can’t

think of his name). He was in up in the Tri-Cities area and he was invited into every meeting. He couldn't speak; he couldn't ask questions, but he could make notes and he could make reports back to me. That was just the beginning, but I'll tell you what. They knew that I meant business. When we finally got to slowing down W.N.P.-1 (that's the one at Hanford) 'cause I went in, I said, "You know, the numbers don't crank out; this is not a prudent decision. I'm raising rates and destroying the economy of the Pacific Northwest."

I'm summarizing the exhaustive analysis I made of whether we should continue construction or whether we should mothball W.N.P.-1 at Hanford. And I told him, "You know, it looks like we're going to have to mothball this plant." Well, then they just blew all kinds of fuses. But I said, "That's the way it's going to be." And I think you read someplace in one of my articles, my general counsel, this guy Bob Ratcliffe, who was such a good help to me, he said, "Peter, to disapprove a budget on one of these nuclear plants is a weapon too heavy to wield, too heavy to wield." And I said, "I'm wielding it. We're not going to go any longer on these things." So I did. And then there was no question in their mind that I meant business when it came to — they weren't going to be spending Bonneville money outside our check and control.

MOR: And why? I mean, you're talking about W.N.P.-1, but-3 was also — was the decision simultaneous? I've forgotten now. Were the decision to mothball 1 and 3, did that occur at the same moment?

JOHNSON: No. Did 1 first and a year later we did 3.

MOR: I couldn't quite remember that detail.

JOHNSON: We did 3. We did 1 shortly after the Council came out with its first forecast, which confirmed Bonneville's forecast. I had insisted on a new forecast, but this was before the Council was going to get theirs. They were again just getting started and they couldn't make a decision. We needed a forecast of loads immediately, to decide what to do with

this runaway nuclear mess. And so we made a forecast and it said (estimated) that load growth was going to be about 1.5% a year. The Council came out about nine months or a year later and they came to the same conclusion to about 1.9%, 1.5%, give or take. They had a high case and a low case, and then the mid-case was about 1.5, which meant we wouldn't need those two nuclear plants 1 and 3, before maybe as late as the year 2000. And this was 1983, 1982.

And so that load forecast caused me to move quickly, particularly after the Council confirmed what we had also seen. And that is a very low load growth, which turned out to be very accurate. It's about what it was for years. And so the Council again, we were cooperating. They had their forecasts. We didn't need W.N.P.-3; we were spending — I'd go to Washington D.C., not Washington. I go to New York city and with new issues of WPPSS debt guaranteed by Bonneville at the rate of between one and \$2 billion about every 90 days. And I wasn't about to continue doing that because this just meant that we were going to have to pay those bonds off and they would have to be paid off by raising rates. And we were already raising cane with Northwest industry! So that's what swung me around. I wasn't going to fool with those plants or with WPPSS any longer.

MOR: Although at the same time, by pulling the plug on 1 and 3, you were accepting a certain loss, right, with those plants?

JOHNSON: Yeah, they turned out to be a huge loss but when we slowed 'em down it was to mothball 'em and being a construction person I came up with a program called PEP, Preservation Enhancement Program. So we did allow (Bonneville did allow) enough money, \$10-\$15 million a year for W.N.P.-1 and -3 to be designed to completion. So one of the reasons the costs were so out of control is that the contractors were designing on a daily basis. They'd design it in the morning; they'd build it in the afternoon. Well, they'd make mistakes, so they'd have to tear it back out again. That's one of the reasons the costs were going up so fast. So I said, "Well, we don't want that to happen when we restart them." So I said, "We're going to initiate this PEP program, preservation enhancement, which we

launched. And for three years the engineers on the project continued to design both 1 and 3 to completion. We could have restarted 'em, gotten the contractors back and finished 'em, but we'd have been able to do it probably on a fixed price contract instead of a cost plus contract.

They're doing cost plus, meaning that they didn't give a whoop to hell what they were spending of Bonneville money, but we'd have had 'em on a fixed contract where they'd have been spending their own money. So even when I mothballed the plants, I had every intention that they would someday be needed. You know, we had billions of dollars invested in 'em. And it wasn't until I was gone that the Council and the Bonneville people working cooperatively concluded that those were not the most desirable resources. There was plenty of conservation and renewables available in gas-fired turbines and there would probably never be a need for these nuclear plants. In the meantime, I think that the state of the art had changed a little bit. The designs had changed. So even the engineering that was completed under the PEP program might have to be redesigned also. So one thing led to another. And several years after I was gone, the Council and Bonneville made the decision (which I think was a prudent decision) to cancel the mothballed plants. I did not kill 'em; I preserved 'em thinking fully and honestly that they would be restarted.

MOR: Then when they did finally get cancelled, did that surprise you at all then?

JOHNSON: No, because I was tracking the rationale to be used by the Council and by Bonneville. And I said, "You know, I didn't expect this. I didn't want it. But nonetheless, that's the prudent decision. That's the best decision under the circumstances."

MOR: Now, Bonneville got into this position with those three plants. I mean, into the position they were in with all three plants, probably for the most part during Don Hodel's³¹ stewardship. And I guess Sterling Monro must have had at least some input during the

³¹ Donald Paul Hodel (born in 1935) served as United States Secretary of Energy and Secretary of the Interior.

three years he was there and the financing scheme that made it possible for Bonneville to underwrite the plants, I guess, was that the work of Bernie Goldhammer?³²

JOHNSON: You got the right guy, Bernie Goldhammer, who's a genius, absolute genius. And he knew how to get \$10 out of a nickel in value. And he dreamed up this "net billing," they call it, net billing concept. And it got through the Congress. You know, it was in our budget; this is before I got there. I don't think Sterling Monro had anything to do with net billing, but it was Hodel and Bernie Goldhammer. They dreamed it up as a way to finance these nuclear plants and get 'em built.

MOR: And then some of the other sort of day-to-day policies in terms of how this net billing arrangement would work, including the more or less total independence that the WPPSS board had over the construction program with very little Bonneville oversight or input. Also developed, I assume, primarily under Hodel's regime. You already said that you were going to run it differently. That must mean that you must have felt that there were some problems with this earlier arrangement.

JOHNSON: It was a runaway mess when I got there. See, Hodel left three or four years before and Sterling Monro was in between, but he was not a strong administrator. He was sort of a politician and spent a lot of time in Washington, D.C. And I told you about he signed everything that went out of the office and he told people, "If you want to know my policies, look at my speeches."

MOR: So WPPSS was just in his inbox. [Laughs]

JOHNSON: Yeah! Well, WPPSS was, you know, the monster was growing a little bit like a runaway mushroom. Out of fairness to Hodel and a lot of people who made a

³² Bernie Goldhammer (c.1915-1977) joined the B.P.A. in 1943 and received several national and regional awards for his public service, including the Distinguished Service Award of the U.S. Department of the Interior.

commitment to nuclear when they did, it was Eisenhower³³ who said, “We’re going to have atoms for peace instead of atoms for bombs.” And along came the scientists and said, “Oh, this is going to be too cheap to meter!” They estimated that these nuclear plants that ended up costing four or \$5 billion would cost something in the range of half a billion, maybe two or three hundred million. And it would be simple. So when Hodel kicked these things off, I think he just thought you’d go out and get a Bechtel Corporation³⁴ or Peter Kiewit³⁵ or one of the big contractors and turn it over to them and the turnkey basis, you know, give them four or five hundred million dollars and you’ll have a nuclear plant that’ll generate 1000 megawatts of power. That was the belief of everybody in the country. So it would be unfair to say that somehow Hodel should have known more than he did. Everybody believed it was going to be too cheap to meter and they were going to be simple to build, but that isn’t the way it turned out. So probably if there’s anybody who should have been keeping an eye on the darn thing, it would have been Monro. But that just wasn’t his experience. He had no knowledge at all of that part of commerce.

MOR: Well, but what about this arrangement where Bonneville’s only role was to funnel money to WPPSS and that they had no further input? When it was — it should have been somewhat clearer that Bonneville was a 600 person organization with lots of expertise.

JOHNSON: Six thousand people!

MOR: Yeah, okay. With lots of expertise was way more competent in the fields that that competency was required than WPPSS could ever be. So it just seems like a curious arrangement.

³³ Dwight David Eisenhower (1890-1969) served as the 34th president of the United States from 1953 to 1961.

³⁴ Bechtel Corporation is an engineering, procurement, construction, and project management company founded in California, and headquartered in Virginia. As of 2022, the Engineering News-Record ranked Bechtel as the second largest construction company in the United States.

³⁵ Kiewit Corporation, one of the largest construction and engineering organizations in North America was founded by Peter Kiewit in 1884 and is based in Nebraska.

JOHNSON: The only thing is just like I said, you know, everybody thought it was going to be a simple construction project, just like going out and building a parking garage in downtown Portland. You know, you wouldn't need a big organization for that. You go ahead and pay the bill and you'd have a garage. That's what they thought they were going to get but it turned out to be very, very complex. And of course, Three Mile Island,³⁶ the accident happened about that time. So then the Nuclear Regulatory Commission came back and doubled every requirement (safety requirement), which was a big boost in the cost of those things. So there's a whole raft of things that occurred after Hodel left that he couldn't have had much of an influence on, nor would he have known about it. Now, the other thing was just sort of the jealousy of WPPSS; WPPSS is a joint operating agency. That's what it's called under the laws of the state of Washington. It is a joint operating agency and there is legislation that allows for the creation of such entities. It's not a for-profit organization; it's strictly a public or a quasi-public organization. But the people who were on — these 23 members on this board, everything from co-ops to Seattle City Light to Tacoma, well it's Tacoma, the city of Tacoma and Snohomish and a lot of others, Clark County, they all wanted to stretch their muscles.

In the meantime, investor-owned utilities were building nuclear plants too. Pacific Power and Light, Puget Sound Power and Light, Washington Water Power were all in the process of building their nuclear plants because it was going to be too cheap to meter. They were getting into the same rat hole themselves and didn't know it. So the WPPSS organization just sheer (what to call it?) independence, jealousy of somebody interfering with what they considered to be their prerogatives. They wanted to prove that they could build nuclear plants, too. So I'm sure Hodel ran into that. These people were going to be autonomous and independent and they didn't want Bonneville meddling in their affairs. I could see it almost, you know, I wasn't there, but I wouldn't be surprised that that was a significant factor. And they again thought it would be too cheap to meter and be simple construction projects. And as it began to compound, they almost immediately found

³⁶ Three Mile Island Nuclear Generating Station is a closed nuclear power plant in Pennsylvania. The plant was the site of the most significant accident in United States commercial nuclear energy when, on March 28, 1979.

themselves way over their heads in detail and in esoteric science that they didn't understand at all.

MOR: And would you say then that by the time you were there, obviously two weeks in, you had to do this emergency rescue of WPPSS, by the time *you* were there, anyone that took a look at it probably could have seen that there were problems.

JOHNSON: Yeah.

MOR: Do you think those problems were not visible during the earlier years then to...

JOHNSON Three Mile Island was just like a slam on the side of the head with a two-by-four. I think all nuclear plants were moving forward and all of a sudden there was that accident and everybody said, "Oh my word, we're going to blow up! We got bombs in our backyard, not nuclear plants, bombs!" And so I think it was it was exponential, exponential. The fear, the concern, the cost just swept up rapidly. And I think it happened probably about the year before I got there. And so it was a great crescendo of complexity that happened suddenly and progressively. It never abated; it never slowed down, never got easier. Just got harder.

MOR: And of course, I guess those original half million or half billion dollar estimates to build the plants were also undermined by the energy crisis in the mid-1970s and the extreme inflation that occurred as a result.

JOHNSON: You know, Michael, I don't. I can't think quickly of a linkage there and in 1974 is when we had the first Energy [Crisis] and they created that the federal government created a corporation; what was it called? And they were going to go out and get coal and convert it to oil and they were going to — they never thought of conservation. They were going to do everything. In fact, I think that might have given nuclear a boost, is that "we

got to be energy independent; the last thing we want to do is burn fossil fuels on the East Coast.” You know, there were a lot of oil-burning and generating plants, just raw oil, the same kind of stuff you’d use in a heating, you know, to heat your house or in a diesel truck. And they wanted to eliminate that. So I think, yeah, the Energy Crisis of 1974, the oil embargo. The oil embargo? The oil crisis, anyway, will have triggered the appetite for nuclear. Nuclear was going to be the answer, is going to give us energy independence. Yeah!

MOR: But at the same time, I think that was also a factor in the cost escalation of building nuclear plants because they were so capital intensive and required financing. And then the interest rates shot up in that same period; they went from less than 10% to double digits to get financing on the bond market.

JOHNSON: 1981 is when they hit the highest. They hit some of the funding that I went back to Washington, back to New York to secure. The interest rate was 15% and that’s on a tax-free bond, government bond. It actually, you know, the municipal bonds is what they call them, because they were issued by WPPSS, but all the payments were made by Bonneville. So we were triple-A rated tax-free municipals with a coupon of 15% [it] was unbelievable. That was 1981. I don’t know what the interest rates were back in 1974. My mind doesn’t go back that far, my memory!

MOR: That would be nice to hold some of those bonds today, wouldn’t it? [Laughs] Not the [W.N.P.] 4 and 5 bonds, though.

JOHNSON: Yeah.

MOR: Now when you decided to — I think we might as well continue discussing WPPSS here a little bit longer since we’ve gotten so deep into it, even though we’ll have to...

JOHNSON: We've covered it pretty well.

MOR: Yeah, but when one other question I was going to ask about WPPSS though, was that when you decided to mothball, I guess it was plant number 3.

JOHNSON: At Satsop.³⁷

MOR: Right. That that was the plant that wasn't — well, it was there was at least partial ownership on the part of some of the investor-owned utilities in partnership with Bonneville, I believe. And so that made it a little more complicated, I assume, to mothball?

JOHNSON: A *little* more complicated? It complicated it to the 10th power!

MOR: Okay, well tell me a little bit about that.

JOHNSON: Okay. W.N.P.-1 was fully financed by Bonneville so it was pretty much the prerogative of the administrator (my office) to disapprove of the budget and mothball it when it came to W.N.P.-3, I think Washington Water Power had 5%, Puget Sound Power and Light had 5%. Portland General Electric might have had 10 and Pacific Gas and Electric had 10. So 10, 20, 30. Thirty percent was owned by investor-owned utilities, but they had entered into a contract with Bonneville, and Bonneville had the remaining 70% of the output of that plant. Well, clearly we were the majority vote, but we had written a contract between Bonneville and these investor-owned utilities where we were relying on one another. We were going to finish this project and we were going to go forward jointly. Whatever money was necessary, we were going to raise that money. And so I had a lot of conversation with the C.E.O.s of the investor-owned utilities and telling them that, you know, this is bad for you; it's bad for Bonneville. You know, these should be mothballed. The investor-owned utilities are under a different rate making program than Bonneville

³⁷ Washington Nuclear Project Nos. 3 and 5, abbreviated as W.N.P.-3 and W.N.P.-5 were collectively known as the Satsop Nuclear Power Plant.

was. They go through the P.U.C.s (the public utility districts), and it's a different name for a transportation commission or something up in Washington state. But nonetheless, the investor-owned utilities did not really have the prerogative to stop one of these plans because when they got approval from their P.U.C.s to go forward in the beginning, it was on the basis that they were needed and that they would eventually go into the rate base and be paid for. If the utility voluntarily said, "No, we don't need it; we're going to mothball it," then that meant that they would never (the investor-owned utilities), would be able to get it into the rate base, in other words, recover it from their customers through rates. So they had an altogether different problem than I did. I could cancel the damn thing and that was sort of the end of it. But the investor-owned utilities were between a rock and a hard place.

[End of Tape 3, Side 2]

Tape 4, Side 1**2002 May 6**

MOR: This is a continuation of the interview with Peter Johnson on May 6th, 2002. And so you're saying the investor-owned utilities were between a rock and a hard place?

JOHNSON: Yeah, the investor-owned utilities were up against the gun. They had financed much, much more than they ever thought they had to finance. I can remember a fellow by the name of a Wendell Satre,³⁸ who was the C.E.O. of Washington Water Power out of Seattle. I heard him make a speech at one time to all of the contractors on W.N.P.-3 and he just said (it's words to this effect), "My heart and my company is in your hands. You know, you must finish this nuclear project. You must get this generating resource completed; you've got to find a way to do it at less cost. I am rapidly reaching the point where I will not be able to go to the markets and finance any more. I've leveraged my company beyond all prudence." And he practically broke down in this speech; I have never heard such a plaintive cry for help in my life, and I listened to that.

And then I had my staff look into the financial circumstances of all of the utilities. I mentioned Washington Water Power, Puget Sound Power and Light. (They've all changed their names now.) [Laughs] Portland General Electric and Pacific Gas. PacifiCorp.³⁹ The only one, PacifiCorp here in Portland, Oregon, was the only one that could continue to finance and probably not go bankrupt or at least insolvent before the project was finished. Washington Water Power was facing insolvency. In other words, they couldn't go for more money, just like the WPPSS 4 and 5 projects. Same thing with Puget Sound Power and Light up in Seattle. Same thing with Portland General Electric. They were so backed against a wall; they'd already taken down so much debt that it would have forced them into first insolvency and maybe bankruptcy. Certainly reorganization. I knew this, I knew this. They couldn't admit it. They were, as I say, not one rock about three rocks in a hard place. So

³⁸ Wendell Satre (ca. 1918-2010) rose from a transmission clerk to become president of Washington Water Power, working for the utility for 46 years. He played a major role in the Northwest's civic and business initiatives.

³⁹ PacifiCorp is an electric power company in the western United States.

when I mothballed W.N.P.-3 and I saved three utilities, three private utilities from bankruptcy, certainly insolvency. At the time they couldn't acknowledge it, but they did subsequent. As soon as everything settled out, they said, "We would have been unable to continue forward and finance W.N.P.-3. You saved us by canceling or by mothballing the plant."

Now I want to carry it a step further. They were looking out for their stockholders. They were looking out for the ratepayers, and so they came after me with tongs. You know, they were going to get the blood they could out of Bonneville. And they sued me for \$3 billion, give or take some. About \$3 billion for canceling that project and defaulting on my contract with them, which was a legitimate call. And I knew this when I made the decision. I knew that I was breaching a contract, but that was better than letting it destroy all of us. And so this is one of my proudest days at Bonneville.

You know, I discovered public process, meaning simply that you ask people impacted by what you're going to do (the decisions), you ask 'em how you can make a decision better for them. And it's not compromise. It's not politics. It's not, you know, negotiation. It is simply creative discovery of the best possible way for everybody to come out whole. Make a long story short, I initiated a public process a year and a half later here in Portland, Oregon, and I think it was Senator Hatfield came to speak. We settled this \$3 billion lawsuit and nobody lost any money. Bonneville didn't lose any money, and these other utilities didn't lose any money that I mentioned (the investor-owned utilities) because of the way we were able to use the hydrosystem, the way we would move it and store water here for this utility at a different time. And once that was all done, every utility came out whole. So we saved three investor-owned utilities by mothballing W.N.P.-3.

MOR: Well, you say it didn't cost anybody any money, but the investment so far in the plants was gone.

JOHNSON: That's true. What happened is that they ultimately had to suffer their losses, but we could not recoup that for them. But, you know, I think once that was done, once

those projects, you know, once a project was mothballed and we found a settlement to a lot of the costs that were associated with it, I think debt service on that debt is what it was really. Believe it or not, I think the P.U.C.'s (the public utility districts) found a few clever ways by which they could allow these investor-owned utilities to include not all, but some of the costs in their rates. And so, again, they were saved and Bonneville was saved and we killed a nuclear plant. [Both laugh]

MOR: And are you saying now that that you've managed to settle the lawsuits by offering essentially power from the hydrosystem to offset some of...

JOHNSON: It's what you call non-firm power. Non-firm power is the power you can't rely on. Firm power is what you can count on day in and day out. They plan very conservatively in a hydrosystem. The river, you have good flows, you have bad flows, you have a big snow melt, a low snow melt, you have a rainstorm. But there's a lot of dynamics that can be managed. One of 'em, particularly valuable, is that it's Portland General Electric and Puget Sound Power and Light up in Seattle had what are called gas turbines. Well, a gas turbine is something that's what they call a peaking resource. You turn it on only when you have peak loads, like in the morning or in the afternoon when people are preparing a meal or shaving, whatever it happens to be. There are certain times when you get peak loads when you turn these plants on at that particular time. Well, what we did is we gave them non-firm power. It's expensive to turn on a gas-fired terminal. We gave them non-firm power which only cost Bonneville from less than a penny a kilowatt hour, less than a penny a kilowatt hour. Just unbelievably low figures that we were selling to California!

The people who really sort of got taken were some of our customers in California. We stopped flowing as much power south. Instead we exchanged it with these investor-owned utilities. But it was a very, very complex and complex settlement where there were these, you know, the movement of power at strategic times, which translated to dollars for these investor-owned utilities and didn't cost Bonneville anything. People who probably suffered the most were the customers in California who would like to have gotten that

power themselves. We had no obligation to meet them. We never gave California more than what was excess to our system. All of a sudden, we deemed significant quantities were no longer excess, that they would be used in these transactions with the investor-owned utilities. Now, I'm being quite general in my description of the settlement of this lawsuit, but it catches the essence of it. It's very complex and I haven't looked at it for a long, long time. It was approved by the Ninth Circuit Court of Appeals. Some people said — they challenged the settlement and they said, "This is wrong for this reason and the next reason." And so it was submitted to the Ninth Circuit Court of Appeals in Seattle, and they upheld the settlement lock, stock and barrel.

MOR: And who were the architects of this complex solution?

JOHNSON: It was the investor-owned utilities, the public utilities and a guy by the name of Walt Pollock,⁴⁰ who was a very — and another guy. There's two — there are three people, Harvey Spigal,⁴¹ who is now my new general counsel, very bright young attorney and a fellow by the name of Mark Rutzik.⁴² Mark Rutzik was with the Department of Justice, and he was sent out here from Washington, D.C. to keep an eye on me (heh!) and to help us negotiate the settlement. So Mark Rutzik and Harvey Spigal and Walt Pollock were the key movers, the key thinkers, and they fashioned the settlement.

MOR: And so they came up with this concept of taking this resource that didn't cost Bonneville very much and offsetting some of the pressure that the utilities would otherwise feel. And you said that there were still lawsuits and wound up in the Ninth Circuit. Who were the plaintiffs?

⁴⁰ Walter Eugene Pollock III (born in 1942) joined the B.P.A. in 1978 where he became Group Vice-president for Marketing, Conservation and Production. In 1996 he left Bonneville for P.G.E. where he was Vice-president of Power Supply.

⁴¹ Harvard "Harvey" P. Spigal (1945-2013) had a 26 year career with the B.P.A. (1974-2000), including General Counsel and Senior Vice-president.

⁴² Mark Charles Rutzik (born in 1948) now practices law in Virginia, specializing in environmental and natural resource law.

JOHNSON: I think it was public power, but it was splinter groups. The broad public power community had been involved in the negotiations and had had, I think, done a superb job of determining where fairness would lie. But there was some splinter groups, and I can't remember who it was, whether in Washington state, Oregon or someplace else, but it was a splinter group and it wasn't a large group. They challenged it mainly because they thought it was an invasion of public power's prerogative to have first call on the hydrosystem. And they're the ones that were thrown out by the Ninth Circuit Court of Appeals.

MOR: And the California utilities had no legal standing?

JOHNSON: No, they didn't have any. No, they complained. I think the whole thing sort of move fast through in such a fashion to where they hadn't analyzed it that carefully. But I took a little flack down there. You know, "You've given away power that really belongs to California." I said, "No, it's an indigenous resource of the Pacific Northwest. It belongs to Northwest ratepayers, public and private."

MOR: Okay, well we've probably done a pretty good job on WPPSS now.

JOHNSON: Yeah, I think we have; we've gone all over the place.

MOR: Well actually one thing. One more WPPSS question I guess was how — well first of all you said this fellow Mark Rutzik was sent out to keep an eye on you. Who sent him and why?

JOHNSON: Well, there was a fellow and he was an assistant attorney general of the United States, a brilliant young man. And he came out when I when I made the announcement that we were going to settle this lawsuit, he came out, "What in the world is going on?" He was a very, very capable guy. And I sat down with him and I explained

what we're going to do, why and how. And he said,, "I'm not sure you can be successful, you know." Here's sort of an *ad [hoc]* side story along this line. There is a court of claims that exists at the federal level. Technically, third parties cannot (these investor-owned utilities) cannot sue Bonneville. If they do, their claims go into the court of claims. And it is a place where everything dies. Nothing ever gets settled; nothing ever gets litigated. And so that was an option I had.

I said, "You know, you guys take it or leave it, you know, get lost. I'm not going to do a thing for you. I'll see you in the court of claims and it'll never get settled in the court of claims." And it's really a nasty way to get rid of somebody who feels he's been wronged by a federal authority and that was an option. And he said, "Have you considered that?" And I said, "Yes, but that's not responsible. That's not morally or ethically responsible." And then I said, "Besides, I'm convinced we can settle this thing, get it behind us, and get on about better things than to have lingering litigation."

JOHNSON: And he and he said, "It makes sense what you're saying." He says, "I'm not sure you can be successful, but I'll send you out the best man I've got." And this Mark Rutzik, brilliant, brilliant attorney. And he came out and boy, I'll tell you, he grilled me too, for a long, long time. And he finally bought on. And when he did, it was just like daylight to — excuse me, dark to daylight. He said, "You know, this is going to be fun. This is going to be fun. We're going to do some fun things here." And he and this Harvey Spiegel, they figured out every avenue, everything that had to be dealt with from a legal standpoint: federal law, state law, civil law, all of the things that had to be considered. And when they threw their shoulder behind it with this young man, Walt Pollock, who was in the power manager's office, a young man, very bright, very capable, I knew we had a winning team, but we had a lot of support from investor-owned utilities. They put their best people on it, too. And so it wasn't just a solo effort by Bonneville. Once they believed that what I was going to do when I said, "We're going to settle this thing and make you people whole; we're not going to let you get dragged into bankruptcy," then they threw their shoulder

behind it and they began to look constructively for solutions rather than more problems. And we found 'em.

MOR: Now, you had some other powerful folks in Washington looking over your shoulder, too, including Senator McClure, and I'm sure Senator Hatfield and others. I imagine it took a little bit of educating on that front to get them to be content with this idea of cutting loose plants 1 and 3 and backing away from that.

JOHNSON: That's a good question, Michael, but I have to take my hat off to Senator McClure. He's very pro-nuclear; he thought it was the answer. You know, he's still back in the days of Eisenhower, you know: it's too cheap to meter; we got to get these things built. It was hard for him to believe. He was incredulous that they had run amuck like they had with the Three Mile Island accident and the escalating costs and the imperfect science. He was very frustrated with that, but he still believed in nuclear. But I kept him informed. Every time I go to Washington, D.C., I go in and I tell him exactly what was happening and why, and I think he trusted me. He didn't necessarily agree with me, but he trusted me. So when I finally told him, I said, "Senator McClure, I got to take two nuclear plants out of the system." He said, "Peter, I trust that if you've made a careful analysis, you know a lot more about it than I do. I have nothing I can offer; I will not try to stop you."

And Hatfield was anti-nuclear in the beginning, so I never had to sell him on anything. [Both laugh] And those are the only two powerful Republicans that I had, you know, and Jackson, I think, by that time had passed on. And there weren't any other strong Democrat governors — excuse me, senators. So I didn't really have too much opposition. And Hatfield was happy as a lark 'cause he's very anti-nuclear.

MOR: So it didn't bother *him*.

JOHNSON: You know, he thought I was okay after that. Maybe that's when he started thinking I was okay; I'm not an interloper. [MOR laughs]

MOR: Let's back up a little bit then. I want to talk to you about the first days, your first real dealings with the Council, the Power Planning Council, which occurred sometime (as you've already said) after you came on the job. I don't know what which one we should take up first, but you also were in the middle of reorganizing Bonneville at that point and had decided to overhaul the accounting and fiscal system. Was that that was something that you did fairly early on?

JOHNSON: Yeah, almost right off the bat. I came in and I asked about our financial system. I understand accounting. I'm not an accountant, but I understand accounting. It was part of my formal education and I'd used it a lot. And I think unless you have accurate information, you can't run anything. And so I inquired what we had, and it was just a simple two-entry system, a little bit like a cash disbursements and a cash receipts journal. It was byzantine; it was [an] archaic system; I couldn't believe my eyes!

But I said, "Here, all of a sudden we have these responsibilities to determine the cost-effectiveness of one resource over another. How do you determine the cost-effectiveness of conservation versus gas-fired turbines versus renewable resources like the sawdust from a sawmill, for gosh sake, that you use in your off hours to generate electricity? We have to know what these costs are. We have to have a system where we can isolate the costs of these different approaches and compare them one against the other in meaningful language and meaningful terms. And they didn't have it; we didn't have it. And so I said, "Well, that's something we got to get right now. That's something that absolutely is going to be essential if we're going to implement this Regional Power Act and frankly, we should be a good source of intelligence for the Council."

So we made a commitment early on. I remember it. It was a Saturday and a Sunday within my first year. I went in and I sat down with all of the key people, about four or five of us in my office. And we had a blackboard and we started writing out what we would need, what would the end system look like? And that kicked it off. And two years later, we had a generally accepted accounting principle — excuse me, a gap opinion of our (Bonneville's)

affairs. We were on a double entry. You know, we had our debits and our credits; we had our assets and our liabilities. They were all lined out just like any commercial enterprise. And just in time, you know, we needed that kind of information in order to make prudent decisions. So that happened pretty fast. It had nothing to do with the Council; they weren't involved at all, which is simply an internal or we'd call it development of an information system that would be reliable and timely and accurate and consistent.

MOR: Now, I also read a little bit in some of the materials you gave me about the strategic planning meeting that you held at your place out at McCall, I guess. And you had some...

JOHNSON: That was that was invaluable to we at Bonneville. When I first got there, I said, "What's our plan?" "Well, Marv Klinger in engineering is going in this direction." I said, "Well, what are you doing in power marketing?" "Well, we're going in this direction." Somebody else was going in another direction. The people out in the field were going in a different direction. You know, there was not accordance; there wasn't a simple mission statement or set of primary goals that were our objective. And as a consequence, there was a great deal of confusion and duplication and even infighting between fiefdoms in the organization.

And this had been encouraged by Sterling Monro 'cause he just didn't understand management. He just had that was not his long suit. I couldn't match him in his grasp and knowledge of politics, but he did not have a good grounding in management. So this had been allowed to occur. So I said, "We should strategically plan for Bonneville in the future. How are we going to implement the Regional Power Act? What kind of relationship we're going to have with the Council? What about these nuclear plants? What about the transmission? Do we have all the transmission we need? How are we going to — if we want to acquire conservation, how are we going to acquire conservation?"

So I promoted a strategic planning retreat and session and it was immediately opposed by some of the old guard because Sterling Monro at one time apparently had thought, "I think we should plan too." So he brought in, not a planner; he brought in a

motivating speaker, somebody that gets people all fired up. You know, he swings his arms and he jumps up and down on the stage and says, “Believe in yourself!” You know, “Run like a turkey!” And so it offended the staff of Bonneville so badly that when I mentioned strategic planning, they said, “We will oppose it. I can tell you right now we will not go along with a strategic planning session!” And I asked them why and I found out why.

MOR: And when you talk about people opposing, you mean these assistant administrators?

JOHNSON: Yes! Right at the top. And the biggest opposition came from Bob Ratcliffe, my general counsel. Yeah, I adored the man, but he did not like strategic planning; he thought it was a bad idea. But I won long before I was able to open their doors a little bit. There were a couple of very progressive guys in the Bonneville staff, including Ed Sinkewicz and Harvey Spiegel and these people were very bright. They immediately — I’d had a lot of experience with strategic planning. I’d had super success with it in business. So I was able to talk the language in a fashion that they could understand. And finally they threw their shoulder behind our strategic planning approach. And I gave ‘em a book to read, and I bought a bunch of books and gave it to ‘em. You know, this particular system that I use was written by a fellow by the name of Hugo Uytterhoeven⁴³ from Harvard. He was a brilliant, brilliant man. And he came up with this approach to strategic planning that I had adopted as far and away the superior approach. And I gave them copies of the book; they read it.

So we were ready to go when we got to McCall. We spent two days up there out on my deck overlooking the lake, debating and talking about who are we, who’s our competition, where are we going, how are we going to get there? And out of that came — you could feel the cohesion; you could feel the coming together of the people in

⁴³ Hugo E.R. Uytterhoeven (1931-2018) was an expert on general management and a member of the Harvard Business School faculty for more than 50 years.

Bonneville, the bonding that served us *extremely* well, you know, because we were still just getting into WPPSS at that time. We hadn't solved it yet; we were just getting into it.

So then we came back to Portland and I hired a guru. His name is Ram Charan.⁴⁴ He was an Indian from India and a brilliant, brilliant man. I tried to get Uytterhoeven himself, but Uytterhoeven and was too busy with other things. I'd met him at a Y.P.O. seminar in Vancouver, B.C., and that's where I picked up his idea and ran with it. But he was too busy. And so he recommended this Ram Charan, who came and we came up with a superb strategic plan that gave us focus, cohesion; we all knew where we were going. There was no question about the priorities and we were on our way.

MOR: Y.P.O. was...?

JOHNSON: Young Presidents Organization. I was a member of the Oregon Y.P.O. Young Presidents Organization. This is people who, before the age of 40, when they were in their 30s, whoever it happened to be, ended up by one means or another the president of a significant company. Significant company had to have 150 employees and \$10 million in sales, pretty small companies, but it was a new idea. It's very popular even today, many, many years later, and it was popular then. And so I was invited into the Oregon chapter from Idaho. I was in Idaho and at the time working over there. But we had big investments in Oregon. And so I was at one of their seminars in Vancouver, B.C., where I met Uytterhoeven, but he couldn't come and he sent instead Ram Charan, who came and did a brilliant job of developing our strategic plan.

MOR: Now, Ram Charan, was he at the McCall session?

JOHNSON: No. No, in McCall we were sort of opening the gates. We're looking critically inside ourselves. Who are we? What are we doing? What's our mission? What are the

⁴⁴ Ram Charan (born in 1939) is an Indian-American business consultant, speaker, and writer resident in Dallas, Texas. He was elected a Fellow of the National Academy of Human Resources in 2000 and named a Distinguished Fellow in 2005.

expectations of the Congress when they set up the Bonneville Power Administration? You know, what do we here for? How are we going to serve the public need better than anyone else? And it was very, very positive. We also came up with a mission statement. What is our mission? It's a simple statement within which consistent decisions can be made by staff throughout the organization. We have 6,000 people and we wanted 'em all be thinking and acting in the same way. You do this through a mission statement. Am I giving you much too much on these things?

MOR: No, no, not at all. You're giving me a lot because I think I'm asking you a lot of follow up questions and that's what we want. Try to get as clear a picture as possible of some of these things that happened that aren't otherwise documented in the public record anyway. Now, you mentioned already in a conversation today, and I think it's also mentioned in some of the things you've written about this or that have been written about this, that during that session in McCall one of the things that the group talked about was the WPPSS situation. What came out of that? I mean, probably most of it you had to sort of figure out on your own as things continued to develop. But and this was early on before a lot of what happened, happened. But what did the group think about WPPSS and who was telling you what?

JOHNSON: You know, the WPPSS thing had been going for a long time. It had so darn much momentum. It was so big. It had so many dollars being spent, so many people employed that it had a life of its own. And we went to the first strategic planning retreat in September. I came on as administrator in May, May, May, June, July, August, September. You know, there was just five months. So WPPSS was still alive and well and we're trying to build *a//*the plants. You know, they were still fiddling around trying to figure out how to get money to finish 4 and 5.

So I think all we concluded at that session was that WPPSS was the tail wagging the dog. It was beginning to dominate Bonneville's future and what I call the crown jewels of the Pacific Northwest, which is the hydro resources. I kept calling 'em the crown jewels,

and they were in jeopardy because of WPPSS. WPPSS was wiping them out, you know, neutering them. And that's about all we said there. I'll tell you, the thing that was the most significant there is that up until we went on that retreat, everybody was saying, "Oh, we're going to have load growth 2 to 5 to 7% a year. Oh boy! It's onward and upward. We're going to need these plants" and all that kind of thing.

Well, there had been a lot of doubt raised about, are we really growing that fast? So I broke the organization. You know, we were up there. There was about 20 of us. 22 of us broke us into three groups. And I have some property there and one went up on some rocks and another one out into the huckleberry bushes and one stayed in the house. And we all came up with not an extrapolation of what the energy needs would be, but a prediction and to predict is more of an art form. To extrapolate is pure science, you know, just compound the numbers and extend 'em, you know, algorithmically (not using the right word there). Anyway, it's just an algorithm. And that's what had been done, you know. Well, if we've grown at seven percent, well, maybe we go up a little bit, down a little bit, you know, but they just kept extrapolating this previous experience.

And we came back and we all sat down in my living room and we each — okay, who's going to be the spokesperson for each group? What do you predict is going to be our load growth for the next five years? And there was this Mike Katz⁴⁵ I've given you his name. He's a wonderful, wonderful guy who was with Bonneville, very bright. He's an economist. He said he said, Peter, he says, I'm embarrassed. You may seek to get me removed or fired. But, you know, our group came up with 1.5% and everybody else said, "So did we!" in unison. "So did we," which is just an eye-opener. All of a sudden we were trapped. We're building these nuclear plants and yet our gut sense, our judgment told us that the growth rate would never justify their need for years. So that began to open the door too.

⁴⁵ Myron ("Mike") Katz (1926-2017) was a longtime Bonneville Power Administration official and served as an adjunct professor of economics at Portland State University for more than 50 years. He was also a founding member of the American Civil Liberties Union of Oregon.

MOR: So this is when the first sort of real validation of this idea that those plants might not be needed.

JOHNSON: Realization of this idea that we are in a trap and we're in deep doo doo and we'd better do something about it. And then we came back and this fellow Ram Charan helped us come up with what you call strategic choices. After you've gone through all of your analyses and one thing another. And he was so good and he had a memory, he could remember what everybody said for two days! And it was embarrassing how he could quote us! But he slowly and systematically got us realizing that we were destroying Bonneville's fiscal health by continuing the WPPS program like it was. So we came out with two strategic choices. One, we had to get WPPSS under control, which meant that I was going to show up, not at all the board meetings, but when I was going to be there when necessary. We weren't going to let them determine the fate of Bonneville's fiscal life, and the other one was to get our fiscal affairs back in order. Those were the two strategic choices. A year and a half later, we'd achieved them both. But if we hadn't selected those and identified them as the thing we were going to concentrate on as an agency (every one of us in the agency), then we would have squandered Bonneville and the crown jewels just as sure as we're sitting here. I took the mission statement and the goals and had 'em printed and delivered to everybody in the company. I made speeches about it. I never made a speech to an employee or to an employee group without mentioning it. So it became ingrained and the people bought into it lock stock and barrel. There was a sigh of relief. At last, we're going to do something about this compounding problem. So they threw their heart and soul to the effort.

MOR: Now, I guess Bonneville at that point was already...

[End of Tape 4, Side 1]

Tape 4, Side 2**2002 May 6**

MOR: Bonneville had gotten into some difficulty in terms of making the payments that the federal government wanted, in terms of debt service on the Bonneville debt.

JOHNSON: Yeah, being a fiscal conservative, I felt we had an obligation to pay to the federal Treasury the interest and debt service on the money that was loaned to the Pacific Northwest to build the federal-based system.

MOR: Right, and Congress had that expectation too, I think.

JOHNSON: Yeah, they sure as heck did. And Sterling Monro, he understood the politics. He said, "You don't have to, you know; what are they going to do? Are they going to come out and tear down the dams?" He says, "Just don't pay the bill!"

That's not the way I work. I said, "We're going to get our affairs — we're going to raise rates; we're going to have to pay for what we've got and we're going to have to meet our debt obligations." But it took me two years to get there because, one, I had to raise rates and two, I had to stop costs. But we're talking about a lot of money. We're talking about \$350 million a year with the debt service on the transmission that had been constructed and the dams in the river that had been constructed. And each of them had gone into an account where Bonneville was paying them down, with the interest (granted, the interest rates were low, but they were low when they when they were built). And of course principal payments: we had debt service interest and principal. And about the second year I was there, we finally paid for the first time in several years, our debt service to the United States Treasury, which pleased David Stockman⁴⁶ immensely. Remember David Stockman? He was the O.M.B. director under Reagan. And he was very pleased

⁴⁶ David Alan Stockman (born in 1946) was a Republican U.S. Representative from Michigan (1977-1981) and the Director of the Office of Management and Budget (1981-1985) under President Ronald Reagan.

when we finally began paying our obligations again and I think they've done it just about consistently ever since. They never fell slack on that again.

MOR: And despite Sterling Munro's analysis that they can't go back out and repossess the dams, in fact, there was some jeopardy there in terms of Bonneville itself.

JOHNSON: They wanted to sell Bonneville. David Stockman wanted to put it on the block and auction it off. Now, that was impossible for a half a dozen different reasons, both political and legal. And it would be much, much [too time-consuming] to try to go into the details of why that was an impossibility. But nonetheless, it didn't stop David Stockman from promoting it. And frankly, if there is a will, there's a way. If everybody in the country wanted to sell Bonneville back to the Indians, then I'm sure they would have found a way, legally and politically. But there were such legal and political obstacles that it was never a serious consideration. But I couldn't say that; here I was part of the administration. David Stockman was speaking for the president, so I just kept my mouth shut. But I knew it was an impractical idea.

MOR: So you never felt too threatened by that?

JOHNSON: No, I didn't.

MOR: So we're talking about this period, probably mostly in the first couple of years that you were administrator, I think is what we've been dealing with today. But towards the end of that period, the Council did come out with their power plan, the first power plan and also the fish plan and then it was also the period of time when the Council actually became something more than an idea, but a real flesh and blood entity with people sitting in the chairs. You mentioned already that Washington state was early in getting their members identified, including Dan Evans. When did you first meet with Dan Evans in his role as the head of the Council?

JOHNSON: I'd heard of him. You know, he's a three-time governor of the state of Washington and he was a highly esteemed, highly regarded, very effective. And I met him; I think I went to a meeting. One time they asked me to come and make a presentation, which I did. So I met him but it was very informal at the time. You know, he was having a formal meeting and we shook hands and said hello. But shortly after that, I began to reach out because I wanted to communicate with him all I could. And I had to let him know where I was coming from because I was dealing with WPPSS and all these things. I had to keep him briefed on the things that were hot on my plate. And then he would tell me what he wanted me to know about, what was hot on his plate, on the Council, where he was coming from. And he used a term that I respect very highly. He said, "I want to create an environment of dynamic tension" (I think those are the words he used) "between Bonneville and the Council, where we challenge each other, where we needle each other and push one another to the wall. If we do this, we'll come up with better decisions."

JOHNSON: And I said, "That's great. I like that." You know, that's the way I like to work, too. So I never disagreed. And he said, "From time to time, Johnson, I'm going to take you on." And I said, "I'm no match for you. You're a better politician than I'll ever be." But I said, "That's fine and dandy. I think that's the best way to find good answers." So I can't remember exactly how it happened, but it did evolve that the governor, Dan Evans and I would get together, just the two of us, and debrief one another on where we're coming from. But we would not negotiate; we would not forsake our responsibilities. I couldn't and neither could he.

And he was tougher than nails and I was tougher than nails. But we realized that if we didn't keep a communication between us then probably weren't going to get done what we really wanted to do. And that was just excellent. And that I understood where he was coming from, what he was trying to accomplish. And I kept letting him know. I said, "I want you to be strong, effective and respected. So let me know where you want to go, what you want to accomplish and I will try to create an environment where that can happen.

And, you know, I have I have all the money; you don't have any!" (I didn't use that term quite that way. But, you know, I have a lot of resources at my disposal that can help the Council really get up and do what the governors and the Congress wanted it to do. And he understood that.)

And so we established a nice working relationship, but never negotiated, never made secret deals. There was nothing like that at all. He's not that kind of guy; neither am I! But it worked very well. And pretty soon, of course, he came out with his first plan. As I say, it was at least a year and a half, maybe two years after I was the administrator. You know, in the meantime, I was just running Bonneville like we used to run it. But trying to create the environment where the Council could come up and be strong, effective and respected. Those private meetings with — and I don't know whether we had three or five or eight, but they were strategic, at key times, to make sure that we didn't run into each other around the black dark alley.

MOR: When you met him for that first time, what sort of impression did you have as a person?

JOHNSON: Very favorable. He's tall; he's imposing. He's got an excellent elect [*sic*]. He's got a deep voice. And he knew what he was talking about. And I'd heard earlier that he and Hodel had clashed when he was governor and Hodel was the administrator. And so there was not a lot of love lost between Dan Evans and Bonneville. So I knew that — he's not the kind of guy that would carry a chip on his shoulder, but he wasn't going to let Bonneville roll over *him* like a gorilla, like it had rolled over him when he was the governor or the way Hodel had managed it. So I knew that he was prepared to be tough, firm, and even — he's not a vengeful kind of guy, but he wasn't going to let Bonneville get the best of him and the Regional Planning Council 'cause he thought that was an idea with great merit that would better serve the interests, the energy interests of the entire Pacific Northwest. And he was out to create the Council with that in mind. And I knew that; it was

abundantly clear to me, and I admired it because he was a man on a mission! It was a noble mission; it was a good mission. It was the right thing to do again.

MOR: Had Washington state — one of the things I think that's been said about the Council by several people that I've talked to anyway, is that in the beginning the governors of the four states and maybe especially the governor of Washington, but I think you could probably also credit the other three governors with similar sentiments that they were convinced that the mission of the Council was valuable enough and serious enough that they actually appointed the best people to do the job to it. Whereas later on in the Council's evolution, the appointments maybe became a little bit more political and less based on necessarily the competency of the person to deal with the issues that they'd have to deal with. Whether that analysis is correct or not, and I'm not sure, but...

JOHNSON: I think it's right on target. You know, Washington had super people; the state of Oregon had very competent people. Idaho did not. Montana, I can't remember who even showed up from Montana. Again, it was lower on their totem pole. It became sort of a gravy position to be named to, you know, paid \$75,000 a year. And [it] was one of the higher paying jobs in Idaho. So people who had — it was patronage. It was the governor just named somebody that was an old buddy of his. And that was too bad because — but in one sense, it's good because Oregon and Washington had all the brains. And they were the people who had the most to win or lose by what the Council did. So maybe fate played a good hand there.

MOR: Well, what I was going to say was that if things have been different and if someone — I mean, this is a very speculative question, maybe I should even put you on the spot this way. But if they had not nominated Dan Evans to be the first chair of the Council, but in fact, had put someone, say, a weaker person in that position, would that have changed your approach to how you dealt with the Council?

JOHNSON: No, it would not have, but I think it could have been — it would have delayed its manifestation. It would have not come into being as quickly or as effectively as Dan brought it into being. Now I didn't know Dan when I made the decision to be strong, effective and respected. I made that judgment after making a critical review, talking to the best minds I could find, who said, "What did the governors have on the mind, know why did they want this thing? What's behind it? What did the Congress want? What do the senators want, and the House? What do the environmentalists want? You know, why are we doing this?"

And when I found out why, it would have been written into the Act, that's when I came up with, I'd work to make it strong, effective and respected. So along comes Dan Evans, who just happens to be a very competent guy, an effective guy. And it just made it that much easier for me, and for both of us. You know, the Council got up and was truly effective sooner than would have happened if they'd have put a couple of lesser people, significantly lesser people might have been four or five years before the Council ever got its feet on the ground! And then it might have been cockeyed. But Dan Evans kicked it off to a good start.

MOR: On the other hand, if there have been weaker appointments made, then perhaps you could have exercised a greater role in terms of determining the Council's future independently yourself.

JOHNSON: Yeah, actually, you know, once we got started and Dan (this was part of Dan's and my thing, you know) — is that we have great resources in Bonneville. Don't waste 'em. There — it's not matched in the public agencies; it's not matched in investor-owned utilities. You want to create a staff. We don't want your staff to be dominated by us, nor our staff nominated by you. But if we combine this, we're going to get a synergism. We'll be able to get — instead of duplicating 25 and 25 staff, we might be able to get by with 35. You know, if you having half and Bonneville having half, working cooperatively together, the people in Bonneville knowing the things that Bonneville can do and can't do, and the Council's

having the conscience of the governors and the ratepayers and, you know, industry of the Pacific Northwest, we'll come up with our best decisions. So that's what we did. We combined and if I hadn't had somebody like Dan Evans — oh dear! What's the young man's name? There was his first power manager. He had a very bright young guy. I think you've interviewed him.

MOR: Oh, Ed Sheets.⁴⁷

JOHNSON: Yeah, yeah, yeah.

MOR: He was the first. Well, no, he wasn't the power manager. He was the...

JOHNSON: Not Ed Sheets. He was just sort of an administrator in the background.

MOR: Jim Litchfield?⁴⁸

JOHNSON: Jim Litchfield. That's the guy. Jim Litchfield was a wonderful, wonderful choice and did a lot of good for the — and he cooperated with Bonneville staff and he appreciated and respected them. They appreciated and respected him. They would meet and talk. And I'll tell you, they were just making great progress in those — probably in the beginning of the second year of the Council just getting started. But we worked very cooperatively together. This is where, again, I told my staff we're going to make them strong, effective and respected. I keep using those words, but they really worked. They really worked. So this is what we're committed to.

MOR: Well, we've probably only got about three or four more minutes here.

⁴⁷ Ed Sheets was the founding executive director of the Northwest Power and Conservation Council; He served for 15 years until December, 1995.

⁴⁸ James William Litchfield (born in 1948) was the Northwest Power and Conservation Council's first power planning director and also worked to establish the Council's first Fish and Wildlife Program. He retired in 2022 at age 72.

JOHNSON: Oh, I should sneak off.

MOR: So before we launch into, I mean, we can't do much more today. I don't think so. Maybe we'll just drop it here and then we'll launch into the Council very intensely.

JOHNSON: Is there one last question? I think we got one room for one, but maybe it is a good time. It's about time to jump into the Council full bore now, isn't it?

MOR: Yeah, it is. So why don't we call it a day now? And next time we meet, we'll dig into the Council in more detail here.

JOHNSON: Sounds good.

MOR: Thank you very much. I think we really covered a lot of important ground today. I think that your perspective on WPPSS is a very valuable one. And that certainly was a very important backdrop to the Council itself. So I think the time we spent was well spent.

JOHNSON: Me too.

MOR: Thanks a lot, Peter.

JOHNSON: We used our time well.

[End of Tape 4, Side 2]

Tape 5, Side 1
2002 September 9

MOR: The date is September 9th, 2002. This is a continuation of the oral history with Peter Johnson. I'm Michael O'Rourke for the Oregon Historical Society and today's interview with Peter is taking place at his beautiful home overlooking the lake here in McCall, Idaho. Peter, we were just talking off tape a little bit about our last session in which we talked at some length about the conditions you first encountered when you came to Bonneville including having to deal with the WPPSS crisis and everything else. Plus, this new body, the Northwest Regional, created by the Northwest Regional Power Act, the Northwest Power Planning Council.

I thought I would start off maybe by just asking. I'm asking you a couple of — maybe just one or two follow up questions from last time. One was that — you know what? I can tell just by looking right now that the batteries are going to go before much longer. So let me quick change 'em. Hopefully we got...

[Tape stops]

Yeah, that looks a lot better. Okay, so we're back on the air here. I was just going to ask you, as I mentioned, we talked about WPPSS. I noticed after we did the interview and also in some comments you made about WPPSS that you had referred to this Washington Supreme Court decision in one instance, as an infamous decision and in another instance as a shameful decision. [Laughs] I just wanted to ask you why you characterized it in that way.

JOHNSON: I'm not an attorney, so I speak from what I would call the integrity of the issue. Contracts had been signed between the WPPSS organization and all of the utilities that had signed up for W.N.P.-4 and -5, and I think they had been tested variously in the courts up until this time that the default was upon us. You know, my recollection is even the members of the WPPSS organization felt they had binding obligations to stand behind units

4 and 5. So when some of them chose to say, “No, we were coerced into this thing. It’s not really our responsibility; it’s beyond our authority.” I think that’s one of the arguments they used. “It’s beyond our authority. We cannot, as a public agency, bind voters, blah blah.”

To me, it was an embarrassing escape from responsibility. So I was looking at the ethics of it as much as anything. And for the Supreme Court upholding the law of the land, or certainly the law of the state of Washington and the common law of the land, statutes and everything else, that they just tilted and went the same way, because there’s no question a two and a quarter (I think that’s what) two and a quarter billion dollar debt obligation would have been a serious economic hit on the economy of Washington, but not fatal.

They could have handled it, but instead they were let off the hook. And so they just cut and ran, the public agencies. This had an impact on my devaluation of those institutions. You know, how much could they be relied on for anything? And as the Bonneville administrator, you know, we dealt with them on contracts every day, contract for power. We supplied their primary power. So it puts some real clouds over just what kind of an organization is this and how much can they be trusted? But the Supreme Court, I feel, acted irresponsibly in failing to recognize, if not in their interpretation, the letter of the law. I think they were looking for outs, is what they were looking for, and they manufactured some. But if they were looking at the real integrity and the intent behind those agreements, they would have held the utilities accountable to stand up and be responsible for that debt.

MOR: Well, we talked a little bit about Bonneville’s initial response to this brand new agency, the Northwest Power Planning Council. And you had mentioned to me that some of the old hands at Bonneville grumbled a bit, that they weren’t entirely certain what the purpose or the need for this new body was, but that it was largely confined to grumbling and that people got over it in time, I guess. I just wanted to follow up a little bit on that, though, too, because I’ve heard from a couple of other sources that the problem was severe enough in the beginning (I know it did work out in the end, as you said, but it was severe enough in the beginning) that Dan Evans, more than once maybe, had to command

appearance by mid- or top-level Bonneville executives at Power Planning Council meetings when they were scheduled to testify. And I assume that if Dan Evans did that, he must have done it through you and that they wouldn't show up otherwise. Is this something that you remember?

JOHNSON: You know, I don't remember that. I can remember in the beginning there were some questions on the part of our general counsel and our legal staff as to just exactly what obligations the administrator or any other official of Bonneville have to respond to requests to appear before Council meetings. My recollection is that I never denied that request. If it came, you know, I sought to respond positively, and I know on a number of occasions I actually appeared in front of the Council in those early years. But I have to admit that to a certain degree, there was a political dimension to those meetings that went beyond, the substance of the discussion. It was the image that was sought and that was okay too; that's fine. That's the way the game's played, so that didn't bother me.

But I remember appearing in front of Dan and the Council, and they were always courteous. You know, they may have made some statements that served their interpretation of their responsibilities, and I didn't quarrel with 'em. I would do just the same and interpret my responsibilities and express them to the Council. They were never antagonistic; they were never confrontive. Perhaps a tiny bit tense, 'cause neither of us knew what the other were, you know, had on their mind. But I do recall that general counsel and our legal staff were concerned about just what can the Council demand of the Bonneville administrator and/or staff? And, you know, I guess that's a normal thing for the legal staff to be concerned about. But I think they worked it out fairly fast. And I don't recall anybody ever refusing to appear before the Council from Bonneville. I don't recall it, but my recollection may be weak on that. I never sensed that I had a problem there.

MOR: Well, as I say, I know it all worked out in the end and that a fairly cooperative relationship did develop,. Although I guess that if there was any foot-dragging at Bonneville, it wasn't the only group of people that did that because I read in some

correspondence that you had with the Council that when it came time for Bonneville to renew contracts, power contracts with some of the utilities that Bonneville was serving, that the Council had requested that the new contracts that Bonneville wrote with these folks include language that referred to the Power Act and to the Council and to the mandate of the Council regarding Conservation and Fish and Wildlife, that those — that there'd there be a reference to that in these contracts and that the utilities, some utilities anyway, didn't want any of that language in there and that you had to do some negotiating with some of them to get them to accept that. Is that a fair characterization and can you tell me about some of this?

JOHNSON: I think it is; I think that's very accurate. But I'll tell you, the person who carried the ball on that one (carried the weight) is Earl Gjelde.⁴⁹ Earl Gjelde, I've spoken of him before. A brilliant, very dedicated public servant and a knowledgeable guy on Bonneville and the electric utility industry. But he also was the key lead in negotiating with the utilities, both public and private. What those new contracts that were going to be renewed at that particular time, the old contracts had run out. What they would include, and I'm sure references to the Council will have come up and been discussed and I'm sure resolved. I do have this vague recollection, and that is that the investor-owned utilities who are not in any way accountable for the implementation of the Regional Power Act, likely put up the biggest resistance that they, they had their own plans. You know, they boasted of their conservation programs, that they were committed to conservation and energy efficiency, and they didn't need another authority telling 'em what that should be.

Now, Bonneville was locked in; we were to work in cooperation with the Council, and there was no question at all but what that those mandates on the Council were in effect, *de facto* mandates on Bonneville. And so there was no problem with Bonneville. I'm sure some of the bigger public utilities, like Seattle City, like maybe Eugene Water and Electric Board and some of the big P.U.D.s in Washington state, they may have dragged

⁴⁹ Earl Gjelde is the President and C.E.O. of Summit Power Group. He has served on numerous energy-related boards, and was Deputy Administrator, Power Manager and Chief Operating Officer of the Bonneville Power Administration from 1980-1982.

their feet just simply because they like their autonomy. They had been very autonomous. Nobody had been telling them what they had to do, and they weren't about to accept a new, yet untested authority. And that's what the Council was seen as. So there was probably some resistance there but Earl Gjelde will have negotiated that thing through. From *my* standpoint as the administrator at that time, because I had said in the very beginning that I wanted the Council to be strong, effective and respected. You know, if I were to in any way fail to want to work cooperatively with them on implementing their mandates as you know, Bonneville could say, "Yes, these are the best decisions," then I would have been going against my own statement that in some way I was opposed to the Council, which I wasn't at all.

MOR: Well, I found it kind of interesting, partly because it seems like Bonneville was in the position of sort of being the frontline defender almost of some of the Council's policies.

JOHNSON: And we became that. We became that. But, you know, the reason why is because of Dan Evans in my conversations where we said, you know, I made it abundantly clear to him that if the Council came up with a number of proposals that I couldn't live with (when I say I couldn't live with it, that flew in the face of prudent utility practice, the kinds of things that I was accountable for legally). When I say "I," I'm talking about the United States federal government through Bonneville. Then I would have to reject the recommendations. So I implored, particularly Governor Evans (Chairman Evans), "Let's work cooperatively. Let our staffs get together; let's debate the issues on a Socratic process. Let's just raise all of the issues we possibly can, come up with the best possible decisions to serve the energy needs of the Pacific Northwest. Then I can eagerly implement your recommendations. But if you come up with a bunch of recommendations that I can't be comfortable with and can find fault with in my judgment," then I said, "I will reject 'em all."

It was just that simple. And he knew it and I knew it 'cause he knew that the Council wasn't responsible for anything, no legal liability for anything. They couldn't be sued,

nothing. So from them mandating Bonneville to do things that Bonneville could be sued over really created one of the great anomalies, one of the great problems in the relationship between the Council and Bonneville. So my urging to Dan was, "Dan, make it easy for me to agree with you. Make it easy for me to agree with you and I'll keep an open mind. You keep an open mind; let's make sure our staffs do." So that's sort of the chemistry of how that whole thing came together.

MOR: I saw reference to that. That other point you just mentioned to that the Bonneville was subject to all sorts of legal constraints that the Council didn't have to worry about because they weren't actually implementing their plan; you were. Well, we talked a little bit about your interaction with Dan Evans and some of the other people.

JOHNSON: You know, let me let me back up just a minute. This may be useful for the record. When I first got to Bonneville there were certain people in the agency in high positions that pooh-poohed the Council, that it was some kind of a compromise in the bite of the line as they were rushing to conclude the legislation in the Congress and get it completed before Jimmy Carter's term ended. You know, they threw this together, quote, unquote. So I began to pick up this "Don't pay much attention to it, Peter. It was just a, you know, a last-minute move and it'll probably go away." I didn't accept it that way at all. And that's when I was talking to Kai Lee⁵⁰ about this, the political science behind this thing.

You know what? What were we looking for? How were we going to make this thing fly? This is new. It's never been tested before. This kind of a configuration is new. So there were people in Bonneville who were opposed to it, mostly because they figured that it was just sort of an idea thrown together in the 11th hour that would probably go away. But also, Bonneville for years had been such an autonomous agency serving the electric energy needs of the public agency customers in the Northwest and merchandising on a wholesale basis. The power from the federal Columbia River power system, that they had gotten

⁵⁰ Kai N. Lee served as a professor at the University of Washington in Seattle from 1973-1991. During this time, he sat on the board of the Northwest Power Planning Council.

spoiled. They had gotten to the point where, you know, they felt they were above criticism. But it was a stroke of good fortune that occurred in my behalf. At the time I didn't realize it, but most of the old guard, the people who were assistant administrators in charge of transmission, in charge of power management and charge of finance, they all resigned summarily. It might have been because they saw disaster coming.

And I don't know whether it was WPPSS, they were concerned about or the Council. I think it was mostly WPPSS, but there was a wholesale resignation from the top ranks of Bonneville at my coming. They'd given their notice before I was named, but they were gone by the time I got there. So my chief engineer was a brand new man. My power manager was a brand new man, as well as the two or three key people immediately behind these folks who were number one in Bonneville in terms of advising the administrator on how we should come down on decisions. So I had new people to work with, and I found them by and large having an open mind. They said, "The simple fact remains that there is a council; we're going to work with it. We're going to find a way to do this; we're going to cooperate with 'em. The best way to do this is to make sure that we are communicating and understand what each of us is trying to do. There's going to be controversy, yes. But that controversy will be beneficial for the region." So the old guard expressed opposition to the Council. The new guard had an open mind which made it much easier for me in retrospect, now that I look back on it, to truly create the kind of environment that would be compatible with this new entity, the Council.

MOR: Well, it's interesting you brought up Kai Lee, because that's just what I was going to ask you about. So you met with Kai Lee early on? This would be years before he was a Council member.

JOHNSON: Before he was a Council member.

MOR: I have a note that this meeting was suggested by Earl Gjælde.

JOHNSON: Yeah. Earl Gjelde said, "Peter, you should call Kai Lee because he's one of the people who we consulted with when we were negotiating the Regional Power Act." You know, it was a very complex act. It was billed as the most complex piece of legislation ever passed by the United States Congress. Whether that's true or not, I don't know. But it was billed that way. Well, one of the things was, you know, how about this council? What will what will be its interface in its relationship with this federal agency? It's a state agency; Bonneville's a federal agency. Council's not responsible for results; Bonneville is responsible for results. How in the world are we going to bring about what we want? And that is a heavier hand in the decisions of this federal agency by the governors and by the governors' authorities within each of the four Northwest states, 'cause I saw this as an expression by the governors and by the Congress, the Senate and the House, that we want a greater play from regional authorities like governors and governors' department heads in the decisions that are made by Bonneville.

And that was the call; that was what I saw. And so talking to Kai Lee, I said, I asked him, I said, "Now, explain to me exactly,, in in the world of governments and in all of the concepts of control governance of an institution and its interrelationship with other institutions, how does this thing come down? Describe to me what took place in the way of debate in the Congress. And Kai was very high on the Council. He said, "The Congress certainly had in mind establishing great authority in this council because they were clearly disappointed with the decisions that had been made by Bonneville, particularly as it relates to WPPSS." They were sort of blaming, I think, the whole WPPSS problem on Bonneville, and that's not without some justification. So our hands were being slapped and when I say "our," Bonneville hands were being slapped and they were going to have to share in the decision making process with this Regional Planning Council. That, you know, I don't know where that takes me, exactly. Does that trigger another question in your mind?

MOR: No, I just was curious about that meeting with Kai Lee.

JOHNSON: Well, I talked to him on the phone; I never met with him personally. He may have come down one time. He may have come down to Portland, and we met face to face, and we did as a matter of fact. But that was a second meeting; I talked to him twice and I kept urging him, because he was a professor of political science at the University of Washington. And I kept asking him, I said, “Now, define for me so I can really be comfortable with the relationship between these two institutions and how it was in the minds of Congress, as well as the sponsors in the governors’ offices, that this thing would come into play. Well, you know,” I said, “is it supposed to be a board of directors?” And he said, “Well, in a sense, yes. In another sense, no.” I reminded him that I’d been told by my mentor, Senator James McClure, that I was to consider it only advisory.

And I said, “That doesn’t seem quite right. You know, how is it going to be able to accomplish the grand obligations and challenges that have been put to it If it’s only advisory?” I said, “It’s got to be something more than that. But what more than that is it? And Kai really couldn’t give me very good answers because he said, “This is an experiment; it’s never been done before. There are some other instances around the country where something remotely similar has occurred and they’ve all failed.” That was his comments. “They’ve all failed. So this is, we’re going it alone.” That’s pretty much his bottom line. We’re going it alone. But he was a strong supporter of the Council and the concept of the Council and putting more authority into the power of the state governments.

MOR: Another early meeting, I guess, that you had, also suggested by a member of your staff, according to my notes, anyway, Mike Katz. Suggested that you sit down and meet with Roy Hemmingway,⁵¹ who is one of the two Oregon members that — and I guess you did meet with him at Henry Thiele’s⁵² was it? In Portland?

JOHNSON: Henry Thiele’s and I — Yeah. Mike Katz. Mike had a nice relationship with Roy Hemmingway. Roy Hemmingway, very bright guy, very dedicated to the Council and

⁵¹ Leroy H. Hemmingway (born in 1946) has been involved with Oregon public utilities and energy policy since the early 1970s. He represented Oregon on the Northwest Power Planning Council from 1981 to 1986.

⁵² Henry Thiele Restaurant, or Henry Thiele’s, was a restaurant located in Portland, Oregon.

anxious to put some stops on the authority of Bonneville or some controls anyway. And but he and I, you know, he just seemed to be on the attack all the time. So I finally got to the point where I told Mike (he was on the Council) and I told Mike Katz, my liaison with the Council, a very, very capable guy. Mike Katz is somebody we should interview, you know, to really get some flavor of a lot of these things. He's very, very fine resource to us. But anyway, he said, "Peter, you know, you can't ignore Roy and you ought to talk to him. You know, I'll get you guys together so you can talk and try to understand one another better."

So we got together and we started talking and Roy wouldn't say anything, and so I'd talk some more and Roy wouldn't say anything. So we went for a full hour plus at lunch. Mike Katz spoke quite a bit. Roy Hemmingway probably didn't speak three sentences in a whole period. And I tried to explain what I thought we were heading for and what I was trying to do to get there. And Mr. Hemmingway just sat there and stared at me as much as — I felt like he was looking upon me as the enemy. When we parted, we shook hands, but I wasn't sure about what he still felt that way.

MOR: [Laughs] But you'd already had some — I mean, part of the reason for this meeting was that he'd already been on the attack previously in public meetings and whatnot?

JOHNSON: He wasn't attacking me personally; I just was the figurehead. I was the Bonneville administrator and that was the figurehead for Bonneville. He had been — attack is the wrong word, let's say, intelligently critical of Bonneville. Roy meant well and he's very bright and he always could bring up very significant and substantive issues. So he concentrated primarily on raising critical questions about some of the judgments that Bonneville had made in the past, as well as what it was considering at that particular time.

MOR: And did your relationship with him, did it improve at all as a result of that meeting?

JOHNSON: Really never improved. You know, I never was able to establish a one-on-one like I did with Dan Evans. Dan Evans and I shook hands; we could talk anytime about any subject, and I could — what was the judge's name that I'm so fond of?

MOR: Herb Schwab.⁵³

JOHNSON: Herb Schwab. I could talk to him anytime, anywhere. And we could be totally candid, totally up front. But with Roy, I don't think I ever spoke to him again after that breakfast. We just never ran into each other and for one reason or another, he left the Oregon — he ceased being a member of the Oregon contingent. And I don't know who took over after him, but he didn't serve there for a great length of time, a few years. But something happened and he left early or he wasn't replaced. That might have been it.

MOR: I don't remember exactly what happened there either. It might have been. Yeah, I'm not sure. But of course, he's gone on now to be an advisor to Governor Kitzhaber⁵⁴ and now sits on the Oregon Public Utility Board, well chairs it. So he's still involved in these issues. Oh, yeah! Charles Collins.⁵⁵

JOHNSON: Chuck Collins. [I] had a nice relationship with Chuck. Chuck from the state of Washington. He took over. He stepped in, and he was the strongest chairman after Dan Evans. Bob Saxvik was from Idaho, was in there for a while, but that was just a period of pause. You know, he just sort of plateaued for a while; not much happened. But then Chuck Collins came along and he — a good thinker, a responsible person, and I respected him. We didn't agree on everything. But nonetheless, I felt when he brought up an objection of Bonneville behavior, it generally had merit and I looked into it. And so Chuck Collins was

⁵³ Herb Schwab (1915-2005) was a lawyer and judge in Portland. He served as the first chief judge of the Oregon Court of Appeals until he retired in 1981, after which he served on the Northwest Power Planning Council. He also served as mayor of Cannon Beach.

⁵⁴ John Albert Kitzhaber (born in 1947) was a Democratic politician and served as the 35th and 37th governor of Oregon.

⁵⁵ Charles Thomas Collins (born in 1941) represented Washington on the Northwest Power Planning Council from 1981 to 1986. He subsequently served on the Washington State Commission on Student Learning, and later remodeled buildings in Montana.

— following Dan Evans, probably the next strongest leader to step into the chairmanship responsibility of the Council.

MOR: And would you characterize your dealings? Did you have a lot of interaction with him or not?

JOHNSON: Not a lot. You know, one of the things that was good, Michael, is I had a strong staff and this Mike Katz was our liaison to the Council 'cause I wanted to keep a constant contact with those people; I wanted to know where they were going, what they were thinking, what their priorities were, where we could help 'em, where we might be running up against a potential conflict of some kind. So this Mike Katz attended virtually every meeting. So he would talk with Chuck Collins; he would talk with Roy Hemmingway; he would talk with Dan Evans and others at every meeting they ever attended. And this was deliberate on my part. I wanted somebody who was alert and was very pro-Council. Mike Katz was very solidly in support of the creation of this institution. So I could rely on Mike keeping me posted almost on a daily basis. When Mike was not at a Council meeting, I would take time out of my schedule in the day to walk down the hall, sit down in his office and say, "Bring me up to date on the Council. Where is it? Where is it going? What are its priorities? What, where are there potential conflicts? You know, I want to know about 'em so I can deal with 'em in advance."

And Mike Katz was just excellent as a communicator. He seldom put his spin on an argument. He could be very objective. Now, he had an opinion, but he didn't bring me a bias in his reporting. And so he was highly trustworthy and he was trusted by all members of the Council. The Council, I think, said, "You know, this man, Mike Katz, he's not only bright, but he's very responsible and we can rely on him as our liaison with the administrator, as well as others in the Bonneville offices." Bonneville is a pretty big outfit. It had, I think, 3,000 regular employees and 6,000 total on contract including the salaried employees. So it's a very, very big bureaucracy. So on many occasions at Council meetings, other Bonneville assistant administrators, other people in executive positions

would go and either make presentations, they would listen; they would participate in dialogue and so forth. So it was not — I didn't feel it was my responsibility to be there all the time because I was being kept informed of our progress.

MOR: What do you think accounted for Mike Katz's strong support or belief in the Council given that it was coming from the Bonneville organization?

JOHNSON: Mike's a very...

[End of Tape 5, Side 1]

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Tape 6, Side 1
2002 September 9

MOR: Well, I was just asking you about the surcharge.

JOHNSON: This is a little unfair of me, but that's the kind of recommendation that Roy Hemmingway would have made. He was so anxious for this thing to move forward and get done and catch up with where we should have been. That's the kind of recommendation that I think Roy might have sponsored. But I think it was the conscience of most members of the Council as well as Bonneville, that it was far better to initiate incentives than to apply punishments for the adoption or the pursuit of some of these new rather revolutionary ideas in the utility business. And so we proceeded that way with incentives. We tried to incentivize the adoption rather than to force it through penalties. And I think Dan Evans was of the same ilk.

MOR: Maybe rather than examining any more of the specific policies, at least for now, I might just ask you a little bit about some of your own personal interactions and experiences during those days. You had mentioned to me that you were making multiple trips to Washington, D.C., that you'd go there maybe once a month. Is that about right?

JOHNSON: Yeah.

MOR: And that you would meet regularly with certain people back there, including Senator Hatfield? And I guess Scoop Jackson, when he was still living, anyway, and Tom Foley⁵⁶ and also Congressman Weaver,⁵⁷ who I guess was not necessarily a great supporter of either the Council or Bonneville in those days. So I was just curious maybe

⁵⁶ Thomas Stephen Foley (1929-2013) represented Washington's fifth district in the U.S. House of Representatives for from 1965 to 1995.

⁵⁷ James Howard Weaver (1927-2020) Oregon's 4th congressional district in the U.S. House of Representatives from 1975 to 1987. He was known as an advocate for environmental protections.

talk about your relationship with some of people in Washington, maybe starting with Senator Hatfield. What sort of relationship did you have with him?

JOHNSON: Senator Hatfield had promoted a fellow by the name of Lee Johnson⁵⁸ to be the Bonneville administrator.

MOR: Right, in opposition to your own candidacy.

JOHNSON: In opposition to me, and he was very serious about it. And Lee Johnson is a Princeton graduate; he's a bright guy. And he had been Attorney General and he was, I'm sure, a friend of Senator Hatfield's. And so Senator Hatfield felt he'd be a very appropriate administrator. And he also was a little bit sensitive to the fact that there'd never been anybody from Idaho or Montana with just Oregonians and Washingtonians who traded off having whoever was going to be the administrator. And it was Oregon's turn because Scoop Jackson had named my predecessor. And so it was Oregon's turn.

So in the beginning, Senator Hatfield was quite disappointed with McClure and McClure pressing forward. McClure was chairman of the Energy and Natural Resources Committee, which gave him the upper hand. He also had a good relationship with President Reagan, but actually Mark Hatfield had a better relationship with President Reagan. But in the end, Edwards was his name. Secretary Edwards was persuaded by McClure. McClure just literally put down his hand and said, "My candidate, Peter Johnson, is who I'm recommending and I expect you to name him." So I was called by this fellow Edwards. He was an orthodontist out of, I think, Georgia or North Carolina (someplace on the East Coast). And he invited — he said, "You have been appointed the Bonneville administrator."

⁵⁸ Robertson Lee Johnson (1930–2009) served one term in the Oregon House of Representatives (1966–1968) before being elected twice as the state's Attorney General (1969-1977), and a partial term as Judge of the Oregon Court of Appeals (1977–1978) resigning to head Governor Vic Atiyeh's executive staff. He sat as an Oregon Circuit Court Judge for Multnomah County from 1983 until his retirement in 1995.

Well, this offended Mark Hatfield in the beginning, so I had some difficulty getting in to see him because immediately it's my style to get into a conversation and get to know people. And that's the way it always worked and I had every intention of doing it there at Bonneville. And the senator was always busy, and it was not easy; if I saw him, he'd never give me more than maybe three or four minutes, just sort of a handshake, "Hi, how are you?" and some small talk. And that was the end of it. But progressively over time. — And I think he liked the way I dealt with the nuclear problem and with WPPSS. The word got back to him through his staff; he always had strong staff.

Senator Hatfield always had the strongest staff alongside Scoop Jackson. Scoop Jackson also had strong staff. Much stronger than Senator McClure, for instance. But anyway, Senator Hatfield's staff began to say, "Hey, this Johnson isn't all bad, you know; he's doing the things you'd want him to do." So it wasn't long before I was able to have conversations with Senator Hatfield and they grew warmer and warmer and warmer. So in the end, like I say, he was promoting me along with Hatfield to be Secretary of Energy. We established a very sound professional relationship.

Weaver. He was a demagogue. You know, he's a very, very radical person; I think probably somewhat unstable in his own psychological being. He could throw — he could get into a tirade at the drop of a pin, for heaven's sakes! He became very, very difficult because he was anti-nuclear, just strongly anti-nuclear. And so anything dealing with WPPSS that Bonneville was involved with made that person "Black Bart." You know, you were the wrong guy; you were a bad guy.

So Senator Weaver — not senator. Congressman Weaver took me on right in the beginning and called me back to meetings. He was, you know, had been reelected. And so he was given a minor chairmanship of a House committee, but it was one that had jurisdiction over Bonneville. And so he would call me back on a regular basis, frankly, just to embarrass Bonneville. He would just keep blaming Bonneville for everything that went wrong with WPPSS. And it became very strenuous. And I remember one time I tried to meet him nose-to-nose by accusing him of being unfair. And he jumped up out of his seat

and shouted at me, he says, 'I'm asking the questions, not you; keep your mouth shut!'" [MOR laughs]

So he was not the easiest guy in the world to deal with. But in the end he signed a document that was prepared when I'd left Bonneville, saying that I'd done a hell of a good job. I'll show it to you. It's on — I've put it on the wall down here 'cause it means so much to me. It was a very complimentary letter saying how much the congressional delegation appreciated the way I ran Bonneville, signed by Hatfield. Scoop Jackson didn't sign it because he was gone. But Weaver signed that bloody thing. But as a matter of fact, he put his name at the top of the list above McClure and everybody else, which offended these other senators. [Both laugh] Anyway, in the end I ended up getting along with Weaver, but it was difficult getting there.

Senator McClure pretty much gave me free rein and I appreciated that because, you know, he couldn't be familiar — he had a lot of other things on his agenda and he couldn't be familiar with every problem that I ever faced or every detail. But sometimes I would call him four or five times and he'd never return my phone call! But I knew his secretary and receptionist, and I would call her when I really had a hot item that I needed to talk to the senator about. I'd call her; I'd say, "I need to talk to the senator; I need to talk to him, and within the next three hours, you've got to get me on the phone with the senator."

So I was successful communicating with Senator McClure. Mostly, he was laissez faire; he was hands off. He did not press his will on me. I'll give you one example where I think he did me a great service and he did the Northwest at the time, a great service. I went in there one time with a vast analysis that had been prepared by staff saying that eventually we're going to lose all of the aluminum plants. The way energy is going and the demands for energy are going, we're going to run our prices up on world markets. We can't even be competitive with our aluminum ingots now. And therefore, we're going to systematically lose one aluminum plant after another. At the time, we were serving 30% of the world's needs for aluminum, which were located in the Pacific Northwest.

And Senator McClure listened to all my arguments. Oh, they were brilliant! I just went on and on. It must have been for 15, 20 minutes. And he finally got to the end and he leaned forward in his chair and he looked at me in the eye and he said, "Peter," he said, "You're the Bonneville administrator not to come and tell me why we're going to lose all of those aluminum plants. It's your job to see that we don't." That's all that was said; that was the end of the conversation. [MOR laughs]

I knew what my marching orders were. So we went back and created the variable rate. I don't know whether you ever heard about that, but we came up with a rate that varied with world prices. Turned out to be a bonanza for Bonneville, and we didn't lose any aluminum plants. So the Senator McClure gave me some a good admonition. He said, "Johnson your job is to make sure we don't lose 'em." So I had a good relationship with Senator McClure, and I appreciate it because he was respectful of the tough calls that I had to make. He even did not stop me. A lot of people tried to get him to join with others and fire me when I did a few things like stop the construction on the nuclear plants. And he refused to do that because I had explained [to] him. I had kept him briefed on everything I was doing and why. So he knew that I was on solid ground.

MOR: And what about Jackson? Did you have much of a relationship...

JOHNSON: Oh, Scoop Jackson was just a wonderful man. And I just feel like I've been robbed because I didn't get a chance to get to know him better. By his reputation you know, he just stood like a giant. But the first time — one of the first times I went back to Bonneville, back to Washington as Bonneville administrator, I called up and I asked if I could meet him, sit down and visit with him. And he granted me that wish and I came in, [he] had a beautiful office, I think it was in the Hart Office Building, one of the first and most, the highest, most prestigious offices. It was awesome to walk into this, the presence of this very, very outstanding man.

But we sat down and he wasn't very tall and he went into his office overlooking Washington, D.C., and he excused all of his staff. He said, "I won't need you for a while

here.” And he had a big easy chair with wings on it. And he went over and he took off his shoes, sat down, curled up his legs, sat down on his on his legs or his feet. He said, “Now, Peter,” he says, “Tell me about yourself and tell me about Bonneville. Tell me about yourself and tell me about Bonneville.” He won my heart, soul, support and every other thing right there. Right there. We talked for a half hour, 45 minutes, and I learned a lot. And it was clear to me there were certain things very important to him. So immediately they became very important to me. Do you follow me? That’s the way the system works.

I was highly influenced by that man’s integrity and his vision, and I was grateful for the opportunity to meet him and have that opportunity. There was another time. Probably the only other time I really saw him was in a very desperate meeting when the nuclear plants were — when the WPPSS default was unfolding. We had a meeting. He called me to Washington. Senator McClure did, because he was chairman of the Energy, Natural Energy and Natural Resources Committee. Scoop Jackson had been the previous chairman. We got together in the Vice-president’s hideaway in the Capitol building, and there are there wasn’t over a dozen of us in there (staff, and Senator Scoop Jackson and Hatfield and McClure) and McClure wasn’t too sure of himself because he’d just become the chairman of this energy committee, that Energy and Natural Resources Committee. And so I explained and my staff Earl Gjelde was with me. We explained the dilemma of the default that was unfolding with WPPSS. And Senator McClure turned to Senator Hatfield and he said, “What do I what do I do here? Scoop, what do I do here?” And Scoop got a big smile on his face and he says, “Jim, the decision is yours, not mine. Remember, you used to throw the rocks at me; now you’re going to have to catch the rocks that are thrown at you. You make your own decision.” It was *wonderful*. It was the initiation of Senator McClure as the chairman of a major committee. [Both laugh] That just tells you what kind of a guy Jackson was. One [inaudible] but he had a smile on his face; it was not cynical at all. It was just the way the game is played in Washington. He taught me a lesson, but he also taught Senator McClure a lesson right there. You couldn’t help but love such a guy.

MOR: And then he died so suddenly. Just a bolt out of the blue, I guess, almost. Resulting in (of course) the loss of Dan Evans as the chair of the Council, too.

JOHNSON: So I might tell you quickly about Tom Foley; would you like to hear about that?

MOR: Absolutely. I was going to go there next.

JOHNSON: Years ago, when I was running Trus Joist Corporation, in the city of Spokane (where Tom Foley came from) they had an exposition, a world exposition where they were going to bring products and services in from Canada to the United States and everything else. But they had a very limited budget and they wanted to develop pavilions where different countries could show off their goods and their wares and the things that they wanted to present. And they were just having a terrible time coming up with a structure that would be inexpensive enough yet of a quality that would meet the needs of this exposition.

And they learned about Trus Joist Corporation headquartered in Boise, Idaho and our unique technologies. So they invited us up there to create a pavilion that could be constructed, where these different countries could show their goods and wares. But then after the exposition was over, they could be dismantled and sold to farmers as grain bins. And we designed just exactly that. It was a brilliant design where it would have this double value, double value. And Tom Foley never forgot that. And so when he learned that that guy that helped make the Spokane Exposition a success was now the Bonneville administrator, we immediately hit it off on a good foot.

And progressively he moved up through the positions until he finally became the Speaker. And he and I just had a wonderful relationship. He insisted that I come and see him every time that I came to Washington, D.C. And one time I didn't go there because I was busy with lots of other things and I didn't have an issue that I thought he'd be concerned with. And lo and behold, I get back to Portland, Oregon, and I get a phone call.

“Where were you? You were in Washington, weren’t you? Why didn’t you drop by?” That was the last time I failed to drop by, but I’d go in to his — He had a wonderful sense for aesthetics. I don’t think he was an artist himself, but he was certainly a connoisseur of fine art. And he’d go into the basement of the Smithsonian and find art that had been stored there. It was never used, but it was more on the abstract side. And he and his wife would take these, borrow them and he’d put them in — I think he was the minority whip at that particular time. It was in this beautiful, beautiful office. So I’d come in and I was sort of interested in art too.

So we’d talk about all of these paintings that he had on the wall and the other objects that he had in his office. He had a dog that would come in and out as we were visiting. But Tom Foley and I, we’d sit back in comfortable, easy chairs and talk just like you and I are right now. You know, it was really an interesting, wonderful relationship. And it was clear to me what he had on his mind. I would seek his advice on major decisions that I was going to make, get his reaction, ask his personal counsel. And he always gave it to me willingly. But he never you know, he never tried to trump me. He never tried to force me or push me in this way or that. He said, you make the best decision. And, you know, I appreciate you asking my advice, which I did regularly. I did that with just about everybody I could get my hands on. [Sid?] Morrison (that doesn’t sound quite right). There was a congressman from the state of Washington. Oh. Norm Dicks.⁵⁹ You know, I’d go see him regularly.

Al Swift,⁶⁰ that’s the guy that I went to see often. Al Swift from the state of Washington, a brilliant congressman. You know, he’s the one that taught me the tyranny of expertise. The tyranny of expertise. He said always when he goes into hearings, he hears from the experts and the experts say, “This is the only way it can be.” So he called it the tyranny of expertise; he taught me that. And, you know, there’s a lot of wisdom in that. You can get trapped by the scientists that say, “This is the only way it can be”. And they

⁵⁹ Norman DeValois Dicks (born in 1940) served as the U.S. representative for Washington’s 6th congressional district, between 1977 and 2013.

⁶⁰ Allan Byron Swift (1935-2018) was an American Emmy award-winning broadcaster and politician who served as a member of the U.S. House of Representatives from 1979 to 1995. He represented the Second Congressional District of Washington as a Democrat.

fail to use judgment and they expect you to follow their advice and that tyranny of expertise. Anyway, Al Swift is somebody I never failed to see. And he and I had a superb relationship. He's a Democrat. You know, Foley was a Democrat, Jackson was a Democrat.
[Both laugh]

MOR: Weaver was a Democrat.

JOHNSON: Weaver was. All of 'em! You know, most of the people that I saw were. I never saw Steve Symms;⁶¹ I considered him a jackass from Idaho. I'm glad I'm on the record because that's exactly what he is or was when he was a senator. I never saw him; I never went to see him. Of course, he was never active in a committee that had any authority over Bonneville anyway. So it was natural that I wouldn't go see him.

MOR: But he was a Republican I assume, so a member of your own party. But you still wouldn't see him, eh?

JOHNSON: That's right, he was. I found myself spending more time with my Democrat friends than I did with my Republican associates.

MOR: Bonneville had a man in Washington, George Bell, is that right?

JOHNSON: Yes.

MOR: And I assume you would interact with him then also?

JOHNSON: Yeah. George Bell. Neat, neat gentleman. An engineer by training. He'd been with Bonneville for a number of years. He had taken over the Washington, D.C., office. And

⁶¹ Steven Douglas Symms of Idaho (born in 1938) served as a four-term congressman (1973-1981) and two-term U.S. Senator (1981-1993), representing Idaho.

the first time I went back to Bonneville, particularly to get signed in by Secretary Edwards, named the administrator. We met on the first floor of the Hilton Hotel and we hit it off immediately. We just hit it off immediately. We were going to meet by the phone booths. So I went over to the phone booths and here was this tall, handsome gentleman. And he looked at me and I looked at him and I said, "That's George Bell right there. I just know he is." So I went over and said, "You, George?" He says, "You, Peter?" I said, "Yes."

We shook hands and we were a team from there on. And he served us very, very well in Washington, D.C. And then he came back to Bonneville. He wanted to return to Oregon because he was an Oregonian, he and his wife. And so he and I had a lot of interface when he was in charge of the administrative activities of Bonneville, particularly upgrading our data processing system. He and I worked very closely on that in a very meaningful and productive way.

MOR: Actually, maybe I'll let you off a little too easy on Sam. Why did you have such a negative opinion of him?

JOHNSON: He was one of these people that felt that government had no place in the American scheme of things. And his favorite campaign pronouncement was, "I'm going to — put me in Washington so I can take a bite out of the apple." Well, his family were wealthy fruit growers in Idaho, so he was going to take a bite out of an apple. But the Apple was the government and not his father's orchards. I thought the man was a demagogue. He was so not even conservative; you can't call him conservative. He just had this antipathy toward any and all government, but there are so many things that only the government can do. We have to recognize that.

So my object and purpose in going and serving in the Reagan administration was to prove to myself and hopefully others that where government existed and could play a role that private utilities or private interest couldn't, that they could do it every bit as efficiently as a private company, as a stockholder company. And I felt we proved that in Bonneville. You know, I created phantom competitors and we upgraded our efficiency

levels in all fields to a level superior to most investor-owned utilities. There's only one that I thought matched us, and that was PacifiCorp in Portland, Oregon. The rest of 'em, I thought, were laggards. We in Bonneville were more efficient than they were. So I went to government to serve my government, not to tear down Bonneville, but to run it as efficiently as possible, to meet the need that it served in the Pacific Northwest. Steve Symms, his whole bent was, whatever you do, get rid of government everywhere you can. Follow me? And he was blind to that. He was hooked on it, just like a sucker swallow a great big worm.

MOR: So maybe a couple other Idaho personalities that you must know at least a little bit. Well, one of 'em I'm sure you know, because he served on the Council and you've already mentioned his name and that's Bob Saxvik.⁶² Now, he was the chair of the Council for a while, but you were saying he wasn't as effective a chair as either Evans or Collins after him, but he was very long-serving Council member and I guess was very tight with political establishment here in Idaho, at least the governor's office when he was appointed and some maintained pretty close relations with more than one governor, I guess, because he served on the Council for so long. What was your own opinion or relationship with Saxvik like?

JOHNSON: Governor? Excuse me; Bob Saxvik was a fellow who'd been active in the Republican Party for a long time. And, you know in every party, there are those people who just enjoy it and they're good at it. They serve in many, many roles or willing to do almost anything that they're that their boss (whoever is the elected official) wishes them to do. Their loyalty is unquestioned. And I'd have to say, Bob Saxvik was a loyal, "I'll do anything you ask me to do, Governor" kind of a guy. And he was AA, for instance, (administrative assistant) to, I think, Governor Andrus, a good Democrat governor, a very capable Democrat governor, and intensely loyal to Governor Andrus. Andrus was a hands-on governor; he didn't delegate a heck of a lot to anybody. And so he wanted somebody

⁶² Robert Saxvik (1930-2016) served three terms in the Idaho State Senate (1971-1976), then as Chief of Staff for Idaho Governor John V. Evans (1978-1981) and represented Idaho on the Northwest Power Planning Council formed in 1981. He served as Chair, and then Vice-chair of the council until his retirement in 1996.

that would be sympathetic to his point of view on that Council. And so Bob wanted that position; it was a high paying position, one of the highest paying positions in the state of Idaho that you could be named to. And so it was important to Bob Saxvik for that reason I think too, more than the governor could pay him in any state office. And so that's where Bob ended up. I think he had also served Governor Evans, who was a Democrat governor earlier in his — Excuse me. Yeah — in his career. So he was fast with the inter....

MOR: He was appointed, I think, originally by Evans maybe. I think he might have been appointed to the Council originally by Evans.

JOHNSON: Oh, do you think so?

MOR: Well — or was Andrus the one that appointed him?

JOHNSON: I think Andrus.

MOR: No, I think you're...

JOHNSON: Yeah. Andrus was Secretary of the Interior under Carter. Then he returned to Idaho. But he did not return — He didn't run for governor for about four years. Who was the governor during that time? It *could* have been Evans! It was Evans because Evans asked me to do a favor for him too, to run a governor's management task force, which I did for him.

MOR: Right. We talked about that earlier in this history.

JOHNSON: And that was one of my introductions to government and politics. But yeah, I think it was Governor Evans who named Sax, and then, of course, Andrus was close to Evans and they were all in that close fraternity. And so Saxvik served for a long time. I

would — He wasn't the most brilliant thinker, original thinker on the Council, but he was a steady head. He was a steady head. I don't think he was inclined to radical positions or behavior. I think I called it a plateauing, sort of a slowing down of the pace of the Council when he served as its chairman.

It didn't move forward as aggressively as it did, for instance, under Chuck Collins or under Dan Evans. It was on the move under those, and it had a steep learning curve. With Saxvik it sort of took a second breath. And maybe with the benefit of hindsight, that would have — it was a good thing to happen at that particular time. I can't remember. He was not considered a strong leader; I didn't consider him a strong leader. He certainly wasn't in *my* pocket. Quite the contrary, he was constantly making pronouncements, challenge the administrator to this or that or the next thing. But we got along. I got along actually better with Dan Evans and Chuck Collins.

MOR: Someone else who had probably had nothing whatsoever to do with the Council or any of these issues. But just sort of curious because he's kind of a major figure in this state and I know shares an interest with you in the area of skiing at least. And that's J.R.Simplot.⁶³ Do you know him?

JOHNSON: I know J.R. well. I should say. I know him through a long association, rather indirect. I've never been employed by him. I've never worked with him. But my wife and I had dinner with him just two weeks ago here in McCall. He owns that piece of property you can see down the lake from here about a mile. And he loves McCall. He's 93 years old now. And I knew him through his son. One of his sons was my age. And years ago, his son took me for a ride in a seaplane, a Piper seaplane. And we crashed in the lake right out in front of his place. Damn near killed both of us. But we survived. So I've known Jack, you know, for a long time, and he's really quite an entrepreneur. Quite an entrepreneur.

⁶³ John Richard Simplot (1909-2008) was best known as the founder of the J. R. Simplot Company, an Idaho-based agricultural supplier specializing in potato products. At the time of his death, he was the oldest billionaire on the Forbes 400.

MOR: His career is amazing.

JOHNSON: Yeah.

MOR: I figured you probably would have crossed paths with him at least. Just a few more names on the list here. We talked about this off tape before the interview began, but Randy Hardy,⁶⁴ who succeeded you years later as administrator at Bonneville and has had a long career in the public power industry before that and I guess continuing now as a consultant these days. I actually wasn't aware that he first came to work for Bonneville under your watch, I guess. And I don't know, maybe he was so far down the organization you didn't, at that point have much interaction with him. But I'm just curious to what you can tell me about him in those early days at Bonneville.

JOHNSON: Okay. That's a good question, Michael. And you played right into what I wanted to volunteer anyway. One of the first things that I decided I wanted to do when I came to Bonneville, they had never engaged in strategic planning. They'd sort of fumbled around with budgets and projections and things, but they'd never done any strategic planning. So I said, "This is a discipline that we must learn and practice." And I had to overcome a lot of opposition in the bureaucracy because...

MOR: Hold on one second.

[End of Tape 6, Side 1]

⁶⁴ Randall W. Hardy was the BPA administrator from October, 1991 to September, 1997. He is credited with pulling the organization back from the brink of financial ruin. His efforts to position the Northwest for deregulation were praised.

Tape 6, Side 2
2002 September 9

MOR: There was a lot of opposition to strategic planning because Sterling Monroe, my predecessor, had said that he was going to engage the agency in strategic planning. This was long before I got there. And what he did is he went out and he hired a motivational speaker, somebody who comes in and fires the tape up for about 24 hours.

JOHNSON: And you told me a little bit about this last time.

MOR: They all got together in the conference room and here came this clown on the stage, trying to spirit all of these very professional people up to a higher level of performance. And he had just zero in terms of credibility. And so when I came and said, "We're going to do some strategic planning," they said, "Oh, we're not interested at all. We're going to oppose it; it's going to be a waste of our time. You know, let us tell you what Sterling did, and it turned out to be a debacle." Well, that didn't sell me; I was going to strategic plan.

And the next thing I ran into was the (what do you call it?) the protocol of the hierarchy. You know, who's invited to strategic planning and who is not. Well, at the time, Bonneville had a few people that were close to retirement. They were coasting until they would retire. They were clearly not original thinkers or not out at the leading edge of the agency. So, much to the consternation of the bureaucracy, I called my first strategic planning session and we met on the deck right down there that you saw a minute ago. I got a picture downstairs I should show you of all of the people spread out across the deck. That was going to be our first strategic planning session. And I made it a mandate. I said, "I'll take all of the assistant administrators and the general counsel, but I'm going to selectively pick talents that I see in the organization who are going to become our future leaders," one of which was Randy Hardy.

So, Randy, he was down in the organization; he was way down in the organization. But I saw a talent that we in Bonneville would want to have available to us sometime in the

future. I didn't know when or how, but nonetheless, Randy came to that first strategic planning session. We spent three days right down here on our deck developing...

MOR: So he was here; he was part of the McCall group, then!

JOHNSON: He was part of the — there were only 24 of us out of a group of 3,000. And he was one of 'em. But so were a few others; so was [Sue Hickey?], and so was [Janet MacLennan?]. She was in charge of the Fish and Wildlife Program for a while and a guy by the name of Walt Pollock, who I don't think you may not know him, but...

MOR: We should probably talk about him 'cause you mentioned him before, too.

JOHNSON: He was a brilliant comer in the organization. So I had about five or six people that I invited up here who I just realized were comers. And Steve Hickok was one of them — not Steve Hickok. Steve was here, too, because he was an assistant administrator. Randy Hardy was one of 'em.

JOHNSON: And what was Randy like in those days?

MOR: Quiet. Yeah, he listened; he was a great listener. Often to get an input from the people at this planning session, we'd go through a discussion of this, that, or the next thing. Who's our competition? You know, what is the value that we add and how can we optimize the value we add to this economy in the Pacific Northwest? We'd talk about it for a long, long time. Some people were very willing to express themselves and others were more taciturn; they didn't say much. And Steve — excuse me, Randy was in that group. You know, he listened; he watched. He was very attentive to everything going on.

Randy is a very intelligent guy, very bright, very bright, great capacity, you know. Randy has got a wonderful mind. So he was just soaking things up, not only the story about Bonneville because he was new to Bonneville, just like I was. He'd only been there a short

while, but he was also looking at my style, I think, a little bit, you know, “where’s this guy Johnson coming from?” But I would regularly go around and I’d say, “Okay, I want each of you to express what you think of this subject we’ve just discussed.” So I’d make every one of them say something. And Randy always said something very apropos, very appropriate, on target, and he was clearly a comer. But we recognized this, that Earl Gjelde helped me pick out these comers. He knew ‘em better than I did. I said, “Give me the five strongest people who are going to someday have major responsibilities in the future. And one of those he mentioned was...

MOR: Was Randy Hardy.

JOHNSON: Was Randy, yeah.

MOR: And what was Randy’s responsibility at B.P.A. at that time?

JOHNSON: I can’t even remember! He was in the agency. He wasn’t in conservation. He was probably in — I’m guessing he was probably in power management in some fashion. He may have helped in negotiating the contracts, but he was new to the utility business. Remember, he’s a White House fellow but he wanted to get out of Washington, D.C. He wanted to get into an operating unit someplace, and he chose Bonneville.

MOR: Jack Robertson,⁶⁵ somebody else...

JOHNSON: Dear friend, dear friend. Jack, I had a young man by the name of Roy Eugiren, who was my only person I could take with me when I went. Do you want to know how to spell that? E-U-G-I-R-E-N. And Roy was a young man that I brought with me. I could bring just one person as sort of an assistant. Civil service wouldn’t let me bring in anyone else. Immediately there was just myself and this young man and Roy Eugiren and in, of course,

⁶⁵ Jack Robertson (1915-1995) was Acting Administrator of the B.P.A. for several months in 1991, 1997, and 1998.

a big organization. Roy served with me for two years, and he was very valuable. He was sort of our public affairs man, public affairs man. He's very astute politically because he'd been an associate attorney general in Idaho, had great political skills, and he knew he was going to leave after about two years. So he said, "Peter, you need a backup." And he says, "In my conversation with the staff at Senator Hatfield's office, the guy who wants to come West; he's a Westerner to begin with. He's a Portland native is Jack Robertson. But right now, you know, N.B.C., the National Broadcasting Company, is trying to spirit him away to be an employee of theirs in Washington, D.C., to do lobbying for *them*. But Jack doesn't really want that position. He's willing to take less money if he can get a key assignment at Bonneville."

So one thing led to another. I met Jack; we hit it off immediately, and it wasn't long before we were able to work out with the civil service that he would come and get a high (what would you call it?) station in the civil service hierarchy. And so he moved and rather quickly took over the position that this Roy Eugerin had served, my public affairs man, public relations man. But "public affairs" is a better word than "public relations." You know, he's the guy that led me to the public involvement discipline which ultimately ended up in the article that I wrote for the *Harvard Business Review*, how I turned a critical public into useful consultants. Jack Robertson was my teacher. He's the one who really brought to reality the value of consulting people before making decisions, constituents and interested parties. So Jack Robertson and I hit it off handsomely and we remain close friends to this day.

MOR: Again, another one came out of Senator Hatfield's office then.

JOHNSON: Yeah, another key guy right out of Senator Hatfield's office.

MOR: And then Walt Pollock was another one of these five that were identified?

JOHNSON: He's one of the five that we had on the on the deck right downstairs here, just an absolutely great guy. And he should have been the administrator one day. He was a talent that would have done a brilliant job as the administrator. He left Bonneville, though, about the time Gary — excuse me, about the time Randy Hardy took over. And he went to work for Portland General Electric and I think that turned out to be a good career for him. But he never reached an executive position where he could be the boss, and that's unfortunate.

MOR: Another name that pops up with respect to Bonneville is Ed Mosey. Now was he...

JOHNSON: Ed Mosey was my media relations person and he and I remain close friends to this day. I had to move a person out of that position. His name was Gene Tollefson, who had been associated with Scoop Jackson and my predecessor, Sterling Monro. And he played too strong a hand in the media area. He tried to put words in the administrator's mouth, and he was a very liberal person, exceedingly liberal. And as far as he's concerned, public power should rule the world. And he had no place in his mind, you know, investor-owned utilities were all black and bad. So he presented real problems to me. And I got Earl Gjelde to help me transfer him to a place where he could write the history of Bonneville. And I've got his books, as a matter of fact, pretty darn good. He did a good job of writing a book.

MOR: I've seen his book as well.

JOHNSON: That's Gene Tollefson. But I moved him out of my media relations man and moved Ed Mosey up, and Ed Mosley and I just hit it off like that [Snaps fingers]. And he did a great job of helping me communicate with the media. To begin with, I stumbled a few times and started off not too comfortably with the media, but under his tutelage and my own growing experiences, I was able to establish A-1 relations with the electronic media, the print media, all representatives of the world of journalism.

MOR: You described to me last time your sort of first encounter with the local media in Portland.

JOHNSON: Yeah, when they came up, “Are you going to take all the power from Bonneville back to Idaho, television cameras right in your face?”

MOR: Or what is the guy from Idaho doing sitting in the administrator’s chair?

JOHNSON: That’s right. What gives you the thought that you should be the administrator of an Oregon and Washington enterprise?

MOR: So I guess your relationship with the media had nowhere to go but up from there!
[Laughs]

JOHNSON: That’s right. And it became very, very good, thanks in large part to Ed Mosey, a very professional guy. He had been a journalist and a writer for *The Oregonian* for many years and was highly esteemed there. He had his master’s degree in journalism out of University of Oregon.

MOR: It’s also kind of curious about Bonneville’s and your relationships with some of the other (for lack of a better word) institutions or other bodies that were involved in things. Probably the most central one might be the Army Corps [of Engineers]. I know that the Army Corps was responsible for implementing some improvements at the dams, fish springs and whatnot. And sometimes there was a little bit of inertia there. And I’ve also heard from others that the Corps, maybe because it’s a military organization is less flexible maybe than some other branches of the government. So what was what was your own experience with the Corps?

JOHNSON: My relationship with the Corps was good. I always met the general. It was always a general, a brigadier general or above that was in charge of the Corps in that area. We had people who worked constantly with the Corps, particularly when it came to shaping power releases and one thing and another, water releases. We worked with them when they developed their budget. We challenged their assumptions in their budget because the budget of the Corps and the Bureau of Reclamation on those dams, which are all part of those 30 dams on the federal Columbia River power system. We would pay all their bills. You know, they were supported by the Bonneville cash flow.

So whatever the budget was, annual budget of the Corps of Engineers, Bonneville had the authority to challenge it, to negotiate and so forth. And then their budget, together with Bonneville's budget, would go forward to the Congress, where it would be presented to the House and to particularly the Senate, Senator Hatfield's Committee and then the House. The Corps is very hierarchical. How does that word go? It's hierarchical, like a pyramid. There's the general and then everybody; it's a military configuration designed to protect discipline in the times of war.

Okay, we never had times of war [Laughs] at any of the dams on the Columbia River. But nonetheless, the Corps is a very professional organization. And incidentally, I had done some work for them. When I say "I," the company I worked for was in the construction business, and we had done a lot of relocating of railroads and the interstate highway along the Columbia River in connection with the John Day Dam when it was constructed by the Corps. So I knew how the Corps worked. I knew how professional they were and when I would meet, for instance, with the new commander, general, whatever they called him, I'd always, you know, begin the conversation with my respect for the Corps and the way it did business, his professionalism and one thing and another. But there was really very little day-to-day contact with the general. He was doing his thing, running the dam, making sure it was maintained properly, making sure that the turbines ran. That was his business; that was his charge and responsibility. And they did a good job and a professional job; it just didn't take a lot of interface with me.

MOR: Were there any of the generals that you had a real personal relationship with?

JOHNSON: Never got a real strong, close personal relationship with any of the generals. They were pretty much remote and removed, but from time to time, once in a while, we'd have to write a joint letter to somebody, maybe the Congress or something like that. Then I'd see the draft; the general would see the draft. Seldom did we get together to talk about it. Our staffs within Bonneville and within the Corps were drafting and going through the iterations and of whatever this communication was going to be. And then I'd sign it and the general would sign it and it would go forward to whatever party was involved, other party. I never established a close relationship with any of the generals. I knew them; I'd met them. I knew their names. Occasionally we'd run into one another at a hearing, for instance, called by a member of the congressional delegation. We'd end up crossing paths, but it would be just happenstance.

MOR: You mentioned earlier that PacifiCorp was one of the more well-organized and capable utilities in terms of engaging with these issues. And I guess I've heard that before, especially, well, one other comment I heard about PacifiCorp was that they were back in Washington at the time that the Power Act was being negotiated and were probably the only utility that was really interacting back there directly in a meaningful way that most of the other utilities either were depending on PNUCC⁶⁶ to represent them or were not very effectively representing themselves. And that was told me by someone else. And you made a similar comment. So I wonder, what is it about PacifiCorp that sets it apart from the other utilities, would you say?

JOHNSON: It is leadership. I think so much comes to focus in leadership. You either have or you don't. And Don Frisbee⁶⁷ was one of the nation's premier utility executives at that time. He had a wonderful write-up in *Forbes Business* magazine as being the consummate

⁶⁶ Pacific Northwest Utilities Conference Committee

⁶⁷ Donald Calvin Frisbee (1923-2015) joined Pacific Power and Light in 1954. Later he was President, C.E.O., and Chairman of the Board of PacifiCorp.

utility executive. He could diversify and make money in his diversifications. But it's quite by happenstance, but I got to know Don Frisbee through a common friend. His name was Macgregor, who used to be my boss, but he served on a Standard Insurance Company board in Portland, Oregon. Are you acquainted with the Standard Insurance Company over there? And then I was subsequently invited on that board, too, after I went off the Bonneville administratorship. So I served on Stan Corp's board for 13 years, almost 15 years. I just went off this year because I turned 70 years of age.

But anyway, I met Don Frisbee through that, and to this day he remains a close personal friend of mine. And within the last month I've rendezvoused with he and his wife and two friends up on the Olympic Peninsula just to get together and break bread and have a conversation. He's now 78 years old but he's writing a book on ethics, business ethics. He's so offended by what's been happening in the commercial and corporate world. That's the kind of guy he is. His conscience is of that cut. But I established a nice relationship with him and used to (it was rather awkward in the beginning) we used to rendezvous with him, have lunch in the Hilton Hotel, not lunch, breakfast. We'd meet 7:00, 7:30 in the morning for breakfast, and he became sort of a mentor, a teacher. And he'd say, "Peter, this is what you've got to do here. This is what you've got to do there." Now, he wasn't telling me what decisions to make. He just said, "This is the way the utility game is played."

I had similar meetings with members from the public power community too, but none of 'em turned out to be as beneficial to me as this meeting with this Don Frisbee. He's a very open-minded guy, had a wonderful staff, but it was always just the two of us that would meet. And one of the things that drew us together particularly was in the beginning when the WPPSS debacle was unfolding and the default was in the making on those, that two and a quarter billion dollars in municipal bonds. We wanted to put a stop to it; we had to put a cork in the bottle, slow things down. And so, one of these breakfasts with Frisbee, I said, "You know, Don, what are we going to do? You know?" And he said, "Well, maybe we should create a blue ribbon committee to critically assess this." So that immediately made sense and so he and I at that breakfast delegated that I would go up

and see Governor Spellman⁶⁸ in the state of Washington. He'd go see Governor Atiyeh⁶⁹ in Oregon. And we would put together a encourage them to sponsor a blue ribbon committee to critically review the alternatives available to the parties to try to save this collapsing WPPSS organization.

That's just the kind of thing that would come up. And we became very good professional friends until I stopped the nuclear plant, W.N.P.-3 at Satsop. He owned 10% of it; he sued me for \$3 billion. Okay, so this shows the relationship we had. We met one day informally, not in a clothes closet someplace. Just simply we ran across each other. And after he had sued, I said, "Don," and I said, "You know, we are now going to be fighting for the interests of our respective organizations. And the last thing we can do is in any way compromise that. We can't talk until this issue is behind us. This litigation is behind us."

Two years we never talked except one time when he tried to coerce me into a decision by some pretty nasty tactics. But we were out for our respective institutions. He was out for PacifiCorp; I was out for Bonneville. And so for two years we didn't talk. But as soon as we settled that lawsuit, that \$3 billion lawsuit, we settled it through a public process. This was, you know, Jack Robertson taught me. After that was done, everybody came out a winner. Believe it or not, it won a \$3 billion [lawsuit]. It was just a smokescreen. But nonetheless, everybody won. Bonneville won. The public power community won and the investor-owned utilities won.

MOR: You told me about that; it was taking that California power and trading it out with the...

JOHNSON: Exactly. We just had an opportunity to use actually gas-fired turbines to firm up non-firm energy, which we then could sell at a higher price to California. California bailed us out of our dispute again. [Both laugh] But anyway, as soon as that was over, I called up Don on the phone. I said, "Don," I said, "Time you and I got together for dinner

⁶⁸ John Dennis Spellman (1926-2018) served as the 18th governor of Washington from 1981 to 1985 and as the first King County, Washington Executive from 1969 to 1981.

⁶⁹ Victor George Atiyeh (1923-2014) served as the 32nd Governor of Oregon from 1979 to 1987.

and we need another tennis game.” We used to always play tennis. I’ll tell you another thing that he did. There was a guy by the name of John Ellis, who was a chief executive officer of Puget Sound Power and Light, which is another investor-owned utility up in Seattle, big utility.

And this John Ellis and I, for some reason or other, just didn’t hit it off in the beginning. He took after me because I was challenging whether we really needed the nuclear plants. I just raising the issue and he came off and he said, “That’s not your decision to make; we’re making ‘em. You forget, you know, running any kind of a critical review as to whether we need ‘em.” So he and I didn’t hit it off very well. As a matter of fact, it got so sore, one time I thought he was going to get up and challenge me to a fight.

We were in a meeting in Seattle, and he became very annoyed at some of the things that I was saying ‘cause I was challenging the decisions that had been made by my predecessor. And so we broke off communications and I told Frisbee, I said, “You know, that guy, he’s just a radical. I can’t reason with the guy; his mind’s made up; he’s not flexible. He’s just another attorney. I’m not going to talk to him anymore. I’m going to write him off as irrelevant. And Frisbee said, “Johnson, you can’t do that. He is a major player in the utility community in the Pacific Northwest. You don’t have the privilege of writing him off and refusing to talk to him.” And he was right, so I established sort of a two-bit relationship with John Ellis. But in the end, again, when I was when I was leaving Bonneville, our relationship became just like two brothers almost, this guy, John Ellis. But in the beginning we didn’t hit it off and Frisbee said, “Johnson. You and Ellis got to do business together and you haven’t the privilege of, ignoring him.”

MOR: When you were in the middle of the of this two-year period when you felt you couldn’t talk to Don Frisbee in the lawsuit and he engaged in these quote unquote, “nasty tactics.” What was the essence of that?

JOHNSON: I will tell you this; this is wonderful. In connection with slowing down the nuclear plants they challenged us in court and the thing went to a sort of a preliminary

hearing before the judge. That's all I remember. There was a judge and I had to go to Seattle. And it wasn't discovery; it wasn't a deposition. It might have been a deficit deposition. Now that I think back because it was a preliminary action, it wasn't an interrogatory. It may have been a deposition that was being taken in connection with this litigation, the \$3 billion litigation. Well, what Frisbee did is it was in an open room where people could come and listen, you know, and it would have been advertised in one thing and another. Well, I got up there; I was prepared. I was ready to answer the questions one thing and another.

I got up there, went to my front seat, and I sat down where I was going to testify. But there were chairs close by. Well, just before I was ready to testify, in walks Don Frisbee, John Ellis, Wendell Satre, and a guy by name of Bob Short, who was the head of Portland General Electric at that time. All of the chief executive officers who were litigating against me came in, sat down as close as you and I are sitting together right now within three feet of me and looked at me in all my testimony.

MOR: Just stared you down, huh?

JOHNSON: Just stared me down in all of my testimony, and it was a deliberate tactic. And it is not without precedent; people do this all the time, try to unnerve the witness. Well, that just told me these guys aren't going to get away with this stuff, you know? So I just steeled myself and ignored them and went ahead. And as a matter of fact, I became a little a little harsher in terms of my judgment and criticism of the investor-owned utility community and their behavior.

MOR: In that testimony?

JOHNSON: Yeah. It offended them, made them very angry. They began to shuffle in their chairs. They couldn't say anything; they couldn't ask questions. They were just sitting there

trying to stare me down, trying to unnerve me. So that was a tactic that Dodd did. [Both laugh] I've never forgiven him for it but we laugh a lot about it.

MOR: Well, there's still a couple of minutes of tape there — You know, I'm starting to run out of questions here. Is there any, with respect to — I've got more questions, actually. But with respect to your actual hands-on period there when you were at Bonneville, I'm starting to run out of questions in that area. So is there any other relevant experience that doesn't have to relate necessarily the Council, but to your time at Bonneville that we haven't touched on that yet? Any story or stories that come to mind?

JOHNSON: Not really. I think you've just done a good job of bringing in a lot of information. But, you know, that was a very active five-and-a-half-year period. And I hope my recollection is very, very clear. But sometimes, you can't fully trust it. There's some things I just was unable to recall. I will say, here's something that I think of now that we're talking about the Council. One of the worries that I had was that when the Council was formed, that rather than truly, you know, advancing and pursuing a utility conscience, you know, how can we optimally serve the electric energy needs of the Northwest? That it would become a means by which state governments always pinched for finance, always pinched for funds, would access the Bonneville budget and begin demanding things, having little or nothing to do with the utility business or fish and game, fish and wildlife.

And that hasn't occurred, thank goodness. You know, the conscience and the direction of the Council has remained fish and wildlife and it has remained energy efficiency, conservation, certainly, as well as long-range planning, forecasting. But I was worried that it would become very, very political and it wouldn't be long before the members of Idaho and Washington and Oregon and Montana would be cutting deals between themselves, sort of pork barrel stuff, and that they would be able to put enough pressure on Bonneville to build a road someplace, had nothing to do with engineering, but it would help the governor of Washington. Follow me?

MOR: Sure.

JOHNSON: That it was an invasion of the funds that were coming into Bonneville that should pay for highly efficient energy production. That never occurred. It was a fear I had, but it never occurred.

MOR: Well, that's interesting. That's an interesting comment because I've — well, actually, I think I am just about I am on...

[End of Tape 6, Side 2]

Tape 7, Side 1
2002 September 9

MOR: This is a continuation of the oral history with Peter Johnson on September 9th, 2002.

In the break we just took, Peter, you showed me that photograph down at the foot of the stairs here of yourself, along with lots of important people at the dedication of the second powerhouse of Bonneville Dam. And that reminded me that that was also a topic I wanted to discuss with you. That was a project that I guess occurred when you were still there at Bonneville. And it was a project not without some sensitivity attached to it, since it resulted in the relocation of a community and probably had some environmental impacts as well. And so what was that project like for you and for Bonneville at that time?

JOHNSON: That project was well along when I became the administrator. The decisions have been made; the money had been appropriated. The construction had been done; the contractors were in place. I was aware of the fact that the original design of the Bonneville Dam was such that there was more water that could be used for the generation of power. There was a chance for more turbines than had been originally designed. And so this was nothing more than moving forward and capturing that power because the hydropower is very, very low cost, no cost for fuel, low overhead. A lot of capital expenditure but I think the money that was probably funding that came from the United States Congress and the interest rate was low. So it was going to be another great resource to meet the needs of Northwest ratepayers. Now, it was finished while I was there. I can't remember the year; it might have been 1983 or thereabouts.

MOR: I think that's about right.

JOHNSON: And so I was still a relatively new administrator, but I was the administrator. And of course, this celebration of opening this dam, cutting the ribbon, so to speak, was a major event for a number of very important political authorities in the Pacific Northwest,

particularly Scoop Jackson, Mark Hatfield and [Sid?] Morrison and even Bob Dole,⁷⁰ 'cause Bob Dole at that time was beginning to make his moves to run for the presidency. But nonetheless, all of those gentlemen showed up at the ceremony, including the head of the United States Army Corps of Engineers. He was a major general, I think, maybe a lieutenant general. Anyway, that photograph captured the moment of the actual dedication where a representative of the Indian nation spoke. Scoop Jackson spoke; Hatfield spoke. You know, everybody took advantage of the political opportunity presented by this yet additional resource to the federal based system that would be managed by Bonneville. And of course, I was honored to be seated in the same area. So the picture means a lot to me that I was that close to such distinguished people.

MOR: And your wife, Carolyn's on stage too!

JOHNSON: Yeah, Carolyn was right there, a big smile on our faces. [Both laugh] I had a wonderful time. It was quite a moment. It was quite a moment. You know, the pomp and ceremony of government is altogether different than business. You finish a factory in business and you don't pay much attention to it. You start producing something. But when something like this occurs in government, the politicians want to get every mile they can out of the publicity and recognition, which is perfectly natural. I think it's a nice way for things to happen. And this is one of the first times I'd seen such a major program. This is a multimillion dollar, hundreds of millions of dollars to construct this second powerhouse. So we were celebrating the moment of its christening. And so everybody was there and there was a lot of pomp and ceremony, even balloons, if I recall right.

MOR: But the project itself wasn't much; there wasn't much left for you to do on it by the time you got there.

⁷⁰ Robert Joseph Dole (1923–2021) represented Kansas in the U.S. Senate from 1969 to 1996. Prior to his 27 years in the Senate, he served in the United States House of Representatives from 1961 to 1969. Dole was also the Republican presidential nominee in the 1996 election and the vice presidential nominee in the 1976 election.

JOHNSON: No. The major decisions as to why we should do it, how we should do it had been met. As a matter of fact, I think there were some pickets that were trying to express their frustration with the fact they'd been overlooked or ignored or dealt with in insensitive ways. But they were just a trickle. There were just a handful of people way outside. I'm just trying to think if there were, there might have been some Indian protests, but I'm not sure of that. I know there was an Indian spokesman who came and gave a chant and blessed the development.

MOR: Yeah, that was actually another question. Now that I'm reminded that I was going to ask you. And that was the extent to which, as Bonneville administrator, you might have had involvement with the tribes or with any of their organizations, such as the CFITFC⁷¹ organization, the Columbia River Inter-tribal Fish Commission. Was there much of that for you at that time?

JOHNSON: Janet [McLennan?] was the person who was in charge of relations, you know, in charge of the Fish and Wildlife program for Bonneville. And once again, it was just like with conservation. It was it was not my [Phone rings] — turn this thing off now.

[Tape stops]

I had very little relation directly with the Indian tribes. Janet [MacLennan?], who ran a small shop — We did not increase the Fish and Wildlife Department within Bonneville, if at all, significantly during the time I was there. Again, because I felt that the primary work on Fish and Wildlife programs should be done by the Council. That was their mandate. And what we needed were some very, very capable people who understood the utility business, who could work with the Council and help edit some of the things that were moving forward and might ultimately result in recommendations in their program.

⁷¹ CRITFC, the Columbia River Inter-Tribal Fish Commission coordinates management policy and provides fisheries technical services for the Yakama, Warm Springs, Umatilla, and Nez Perce tribes.

So I was some distance from that activity. It was primarily driven by biologists, fish biologists, wildlife biologists, and I did not — from time to time an Indian tribe would ask to have an audience with me. And I never failed to grant them that opportunity as quickly as possible. They'd come into my office; they were always very, very polite. One of them spoke and they spoke intelligently about whatever their concern was. They didn't come to negotiate; it was primarily to advise, to counsel, to plead for something that they felt strongly about. But that's about the long and the short of it.

I never had a chance to establish a close working relationship with any chief or representative of an Indian tribe. I think that it wouldn't be unfair to express (in my judgment) that the Indian tribes had perhaps wisely hired brilliant and capable counsel to represent them in their demands, not only with Bonneville, but with the federal government and all other parties where they felt they were being infringed as sovereign nations. And so their whole relationship was a little bit removed. And I never got right down to negotiations with the Indians. That that never occurred.

MOR: You were at Bonneville for five-and-a-half years.

JOHNSON: I call it five-and-a-half. I came in May of 1981 and I left in August of 1986.

MOR: And was it your decision to leave or...?

JOHNSON: Yes. I was getting very tired and there was a quality about my behavior that I didn't like. When I first became administrator, I had an open mind. I'd listen to anybody on everything. The public power community would come in and sometimes I thought with almost childish demands, but I had a patience that just wouldn't end. I would help them articulate their concerns so I could be sure I understood them and my staff understood them. And so I just had infinite patience to deal with issues and crises and one thing or another. But, you know, after the WPPSS situation and being burned in effigy at Hanford, that that took a lot out of me. And that wasn't the only time.

The second time I stopped a nuclear plant at Satsop, I was met with frightful and nasty rhetoric from particularly representatives of the building crafts, the construction crafts, the union heads. And there was a Seattle meeting where they got up and they called me every four-letter word in the book, not once, but over and over and over again. I have to tell you this; it'll be a good anecdote.

I had to sit right out in front. Somebody said, "They're going to shoot you, Peter. You know that you won't get out of here alive!" But I stood right — you know, I went right up in front of 'em and I said, "You tell me what you want me to know." But I had a wonderful gentleman. He was my financial adviser from Wertheim and Company in New York City. Name was Ed Kresge, and he was sitting next to me because he was expected to answer some of the questions about being unable to finance these projects. Bonneville had been kicked out of Wall Street and we couldn't finance anything and WPPSS bonds. So he was there and he stayed for about 15 minutes. And then he got up and he ran. He literally ran and hid behind a curtain because he thought for sure that I was going to be either shot, mobbed or [Both laugh] beat up in some fashion. But that takes a lot out of you. You know, you can take so much of that.

MOR: And these union reps, they were upset because it was a big loss of jobs.

JOHNSON: Big loss of jobs.

MOR: Big construction projects were being...

JOHNSON: Big loss of jobs, and I understood that. I tried to show their show my empathy but I also tried to explain why I had no alternative, and that this is the way the system works, is the way a market system works. You know, and I've said, "These qualified people, today the economy is strong. They're going to be able to find probably better jobs very quickly. They're mobile; they know they move. They've moved to Satsop, which is a rather remote place. They'll find good and gainful employment, I'm sure. Take a little while. I'm sorry for

the disruption, taking their children out of school one way or another. But, boy, I'll tell you, they didn't bend them one inch. They were ready to eat me up and spit me out. And you can take so much of that, you know, and then it sort of wears on you; gets worse.

MOR: So I guess that's the downside of being in a high profile, visible public position or leading a somewhat public life.

JOHNSON: And, you know, another thing too. I think this fellow, Mike Katz. "Peter," he said "different things have distinguished different administrators. But the word that describes you best of anything else is that you were courageous." But when you're courageous, you know, in the face of such adversity, you don't do it without some suffering. But I was absolutely determined what I thought was right. I was going to do what I thought was right and turned out that it was right. But not many people agreed with me at the time, particularly the union bosses. And so they were very angry.

But the other thing I mentioned earlier, my patience began to run out and I knew it. I could feel it. You know, I was unwilling to suffer the pleadings of fools. I hate to say that, but there were some people would come into my office and just make totally unreasonable demands. And for a long time, I was able to just converse with them and talk to 'em and help them see the other side of the issue. Got to the point where I said, "You're absolutely wrong. You know, I don't have any more time to listen to those arguments. They lack merit!"

Well, that's no way to be an administrator, and I realized that I was wearing out. I was wearing down. And I have never left an employer with a bundle of problems; I've solved the problems. So we had solved the WPPSS problems. We'd solved Bonneville's fiscal problems. We'd come up with a variable rate to save the aluminum companies, at least for a while, and I'd stabilized rates. What more did I really have on my agenda to accomplish while I was there? And so that seemed to be a propitious time to yield to new management, new ideas, creative and somebody maybe a lot more creative than me. I

timed it very carefully. My letter of resignation to Secretary Harrington⁷² was prepared a couple of months in advance of my yielding it and giving it to him. But I made sure that I left the organization in tiptop shape before I submitted my resignation. And the transition was one of the smoothest transitions ever made from me to Jura.⁷³ You know, they named him within two weeks, I think. Took 'em six months to name *me*, almost six months.

MOR: And this was partly because you had allowed it sufficient time for this smooth transition? Is that it?

JOHNSON: Oh, when I came in?

MOR: No, when you left.

JOHNSON: Oh, no. When I left, you know, I did not recommend my successor. I felt that was a decision had to be made by the powers that be. And that was the particularly the senators. But they would consult with the congressmen and they would consult with the governors. But it was not me as the former administrator to name my successor. It would have been indiscreet, but I made sure that there was talent. There were two or three names, you know, in Bonneville that could be considered. There were people outside, including Chuck Collins, whose name came up as a candidate. I think Roy Hemmingway would love to have had that appointment.

You know, a lot of names were batted around. But Jim Jura was an Oregonian. This met Hatfield's requirement, and they moved very quickly to name Jim Jura because I'd exposed him. He knew everything we were doing; he had helped on the strategic planning sessions. He had helped, you know, he knew everything I knew. So it was easy for him to step into that position. My management style is, I think you'd describe it as very open. I delegate a lot and I communicate and keep a lot of people in the circle of not only the

⁷² John Stewart Herrington (born in 1939) served as the United States Secretary of Energy under Ronald Reagan from 1985 to 1989.

⁷³ James J. Jura was the B.P.A. administrator from July 1986 to August 1991.

problems, but the opportunities that are presented to the agency. My style was different probably than Randy Hardy's. He played his cards much closer to his vest, and I was very open.

MOR: In the case of Jura, now was he somebody that you were, in effect, grooming to possibly take over that?

JOHNSON: I groomed everybody, you know? Walt Pollock — you know, by that time, Randy Hardy had left. He was in charge of the P.U.C. for a while. P.U.C.? No. PNUCC! Pacific Northwest Utilities Conference Committee, committee commission, whatever it's called. Then he went to Seattle City Light. I think he was at Seattle City Light at that time. But he was a candidate, too. His name came up, but I was grooming Ed Sinkewicz, who was my power manager. I was grooming Walt Pollock. I was exposing everybody to everything that they should know in order to play a pivotal role in the future destiny of Bonneville. And Jura was one of those people. Jura was my administrative assistant. Oh, another guy that was a candidate was Bob Ratcliffe, who was my deputy.

MOR: Right, the chief counsel. Was he or no?

JOHNSON: Pardon?

MOR: Was he the chief counsel?

JOHNSON: Or he was general counsel when I first came and then he was named by Hatfield to be my deputy. When Earl Gjelde went to Washington, D.C. with Hodel. You see, Earl Gjelde and Hodel were very close, and Earl Gjelde went and followed Hodel to Washington, D.C., and ultimately became the Deputy Secretary of Interior. He really rose to the highest levels of Washington, D.C., bureaucracy.

But — excuse me, Bob Ratcliffe said, “I don’t want to be the administrator, but I want to be able to influence the administrator. I like being the deputy.”

MOR: So he didn’t want the administrative position himself.

JOHNSON: He declined it. Hatfield actually tried to get him to take it. He offered it to him and said, “If you’d like to be the administrator, you know, I will sponsor you for that position.” And Bob Ratcliffe said, “No, that’s not — I’m not seeking that position. I don’t want I don’t think I’d be good in that responsibility. I’m a better advisor.” That’s generally what he said.

MOR: Well then, after you resigned, what did you do next? Head back here?

JOHNSON: Yeah, came back to McCall here in 1986. I was going to pursue something that I’d always had to postpone in my life, and that was a creative career. I use that word just a broad creative career. I didn’t know exactly what I had in mind. I wanted to see if I could learn to paint with oils or watercolor. So I took lessons. I actually began taking lessons when I was in Portland. My wife and I would go down to Portland State and take night classes in life drawing. But then I got back to Idaho and I took some more lessons and I actually did some painting.

And then I took up sculpting. And I’ve shown you my two of my sculptures but I did some others, too. And I enjoyed that ‘cause I wanted to make statements that went beyond the moment. You follow me? You know, when you’re at Bonneville, you fight the battle every day, and then the world moves on. And it’s sort of — you’re an active contributor for the moment, but that’s the end of it. But in art, if you can create something of beauty, it will survive you. It will survive you. So my little girl on the rock, I hope survives for a long time. Because people now stop by — just before you got here, you know, there were two boatloads of people came through here and they had stopped to take pictures of my little sculpture on the rock. And a lot of ‘em tell me they see themselves in it. They see their

children in it; they see some young girl contemplating, meditating, wondering who she is, why she feels this way growing up.

So to me that's something I wanted to do. It's altogether different than going out and making a profit for a corporation which is made today and forgotten tomorrow. You know, closing nuclear plants, it's made today; it's forgotten tomorrow. It's just the duty of the moment and — which is very, very important in our society. And one thing another, somebody has to do those things and I'd done them, and I didn't want to do any more.

Until (as I told you) the opportunity to serve as a Secretary of Energy arose because Senator McClure and Senator Hatfield and Domenici⁷⁴ from I think New Mexico were sponsoring me to Governor — excuse me — to Governor-elect George Bush senior.⁷⁵ But George Bush knew Admiral Watkins,⁷⁶ very close. (They were close personal associates.) And so I was not successful, and neither were Hatfield or McClure successful in getting me named. I think they had too many people from the West Coast. They had Hodel, Secretary of Energy. This guy Harrington was from California. So they had all of these people who had been from the West Coast. They needed somebody from the East Coast. That was one of the arguments that was given. But this guy Watkins, the very, very competent gentleman, brilliant admiral, and with much distinction. So that's about the only political thing. There have been other overtures to do things, run for office, seek appointments, one thing or another, which I've sidestepped. But here's an interesting thing. When I was a candidate to be the Secretary of Energy, one of the inquiries made by the White House was to the National Academy of Sciences.

And the National Academy of Sciences ended up, they looked into my background, where I came from and all that kind of thing. And they knew about this process of evaluation board that I did for Hodel, where we chose one fuel-enrichment technology over another. And they liked the way I conducted as the chairman of that committee. So they invited me to go on two committees. The first one was the Future of Nuclear Power

⁷⁴ Pietro Vichi Domenici (1932-2017) was a U.S. Senator from 1972 until 2009. He chaired the Committee on Energy and Natural Resources during latter years of his tenure.

⁷⁵ George Herbert Walker Bush (1924-2018) served as the 41st president of the United States from 1989 to 1993.

⁷⁶ James David Watkins (1927-2012) was a United States Navy admiral and former Chief of Naval Operations who served as the United States Secretary of Energy from 1989 to 1993.

Development Committee. So I and about 24 other people from around the country, most of 'em scientists and Ph.D.s, were named to look into all nuclear reactor alternatives and recommend to the federal government and to the Department of Energy where research and resource dollars should be allocated.

And so for two years, I'd go to Washington, D.C. This is pro bono; they'd pay my expenses, but there was no compensation involved. But I felt very honored to be a part of this very select group; there was a German and there was a Frenchman and there was a Canadian as well as Americans. And we looked into the future of nuclear power for the next 50 years out through 2050. And I still think that the conclusions we came to were very insightful. And if we ever renew the nuclear option, it will be because at least many of the recommendations that we made will have been followed. If they don't follow those recommendations, I think nuclear will remain in the backwaters of alternatives and unlikely to ever surface again.

And the second committee, which was called a National Energy Modeling System Committee, where the federal government has an information agency in the Department of Energy that does all of the modeling of energy needs and imbalances or balances throughout the world: oil, coal, gas, conservation, hydro, everything you can possibly think of globally, globally. Energy Information Agency, I think that's what it's called. And they came to the National Academy of Sciences. They said, "Would you come up with a recommendation of a modeling system that we can rely on better than the instruments we have presently to project energy strategies globally?"

And we came up with that. And the guy that — I was the chairman of that committee, there were only about 16 of us on that group. Most of them, again, Ph.D.s. and professors at the distinguished universities. One of our strongest guys was the head of the nuclear power program at M.I.T. [Massachusetts Institute of Technology], for instance, but that was on the nuclear program. But the guy that really came up with a brilliant idea on this national energy modeling system was a gentleman by the name of James Sweeney⁷⁷ at Stanford.

⁷⁷ James L. Sweeney (born in 1944) is Professor of Management Science and Engineering; Senior Fellow of the Stanford Institute for Economic Policy Research; Senior Fellow of the Hoover Institution on War, Revolution and Peace; and senior fellow of the Precourt Institute for Energy.

Brilliant, brilliant fellow with computer modeling. And he came up with the system that prevails to this day, and that was about 1993, 1994. I've got the books right over here that were published. They publish a book on our recommendations, and I felt very honored to be asked to chair that committee and to be a member of the Nuclear Power Committee. So those two things happened.

MOR: What were the recommendations that came out of the Nuclear Power Committee?

JOHNSON: That we pursue a 500 megawatt passive plants, passive safety plants. By passive safety, I mean that there is no need for a human judgment. There's no need for an electrical system to be reliable or a hydraulic system to be reliable, that we would rely upon physics, just simple physics, heat, light and so forth. And so whenever an accident occurred in a nuclear power plant, it would be shut down safely by natural phenomenon as opposed to something controlled by man or a utility system or an electrical system or a hydraulic system. And Westinghouse and General Electric had come up with a 500 megawatt —

We wanted smaller units. Most of the units had gotten grown units, meaning nuclear generators had grown to 1000 megawatts and more, up to 1200 megawatts, all on the rationale that the economy of scale would deliver the power for less cost. That turned out not to be the case. The bigger they got the more complex they were and the more costly they were. So we went down to what seemed to be an optimal model, which is about 500 megawatts. It could be located closer to loads around the United States and the world for that matter. And they were of this passive energy design. And both Westinghouse and General Electric had passive energy designs, and that's what we recommended. Now, they still had some research and development to do, but they were well along with the Department of Energy. And I think they actually, they never built one, but they proved the physics and it was ready to go. But there was just nobody willing to invest in a nuclear power plant at that time. This is about 1993. Now, the Bush administration now is trying to resurrect nuclear, but they're doing it the wrong way, so they're not going to get anywhere.

MOR: And what do you mean by that?

JOHNSON: Oh, they're coming off with a whole new technology. I think they call it a fluid ice bed methodology, which is going to raise all kinds of new questions: control of waste, disposal of waste, safety training. You know, it's a new scheme. And that's one of the mistakes we made at Hanford years ago. Everybody who had an idea on how to build a nuclear generator was given \$10 million and told to go out in the desert and do it. So we have all of those wastes all over Hanford, none of which really came off. Finally, you know, a group got together and came up with the light water reactors made by Westinghouse, particularly (some by General Electric) and they turned out to be pretty good. That's what France has. France has the Westinghouse design light water reactor.

But one of the major problems with nuclear is it was launched commercially by President Eisenhower. You know, Atoms for Peace, it was part of the Atoms for Peace program, and it was launched before it was technologically proven. It was launched when it was in sort of a quasi-research and development mode. All of the answers and all of the questions hadn't been asked nor answered. And so as a consequence, they were trying to invent on the fly, ran the costs up, ran the control mechanisms to almost comical levels: safety people stumbling over themselves, competing with one another as to who should really be making the call on sensitive issues. So it was commercialized before it was ready.

MOR: Well, I've heard of the reactor design that apparently your committee had proposed and had understood that that was sort of what the industry was looking at for a while anyway, as possibly the future of nuclear power.

JOHNSON: They may come back to that because it was brilliant; it was brilliant. Passive, we called it the passive choice, the passive reactor choice.

MOR: No need for control rods to go in and [scram?] the reactor or anything.

JOHNSON: No con — everything would be taken care of automatically if there was an incident. Then you could come in; you repair it; you do whatever is necessary.

MOR: Let me just turn the table.

[End of Tape 7, Side 1]

Tape 7, Side 2
2002 September 9

MOR: Well, so you got dragged back into these other involvements. What I actually what I want to ask you about now is (before I ask you how you got back to the artistic side here at McCall) what I want to ask you about now is, you must be a somewhat interested observer to what's happened to the Council and to Bonneville, for that matter, in the years since. Given that some of that history is pretty interesting. I guess what I'm thinking of more than anything is in the early to mid-1990s, a lot of things happened. There was the endangered species listing of several fish which totally preempted a lot of what had been going on before.

JOHNSON: Council was almost shunted aside on fish and game, fish and wildlife.

MOR: And NMFS [National Marine Fisheries Service] rises, is ascendant now maybe in that some of the same things the Council was doing earlier. And then of course there was the very interesting period during 1994 when the Council released a fish and wildlife plan that called for breaching of some of the Snake River dams and/or the John Day Dam, or if not breaching at least drawdowns of the reservoirs. And the Council undertook that in a very politically turbulent environment. I believe that the entire Northwest congressional delegation signed a letter that was sent to the Council advising them not to adopt this plan, and they adopted it anyway. And I think it was Cecil Andrus as a lame duck, dismissed a non-loyal appointee of his...

JOHNSON: Good friend of mine.

MOR: Yeah, replaced him with somebody else who would still vote for, give them the six votes for the 1994 fish and wildlife...

JOHNSON: Jay Webb. He fired Jay Webb right out from under him.

MOR: So let me hear your version of these events and your own thoughts.

JOHNSON: It was sort of Black Friday. You know, that was unfair and unfortunately, I had a hand in it. You know, the judge had come out with Walsh (I think his name was) who was saying that, "You haven't done enough; you've got to do a lot more." So the Council sort of overreacted to that. And let me tell you a little bit about Andrus. The way I read him, he felt that a lot that was going on in the Columbia River system, which includes the Snake and the Clearwater and the Selway and some of the big rivers in Idaho that all of decisions would be made to the benefit of Oregon and Washington and that Idaho was being sort of left out.

And as far as he's concerned, the fish, the anadromous fish resource in Idaho for sports fishermen and for the Indian tribes was very, very important as far as he was concerned. There was no limit to what we should go in order to restore the anadromous fish in Idaho. So he was very pro-Idaho, in his judgment. He wasn't the scientist; he was looking to get something back for Idaho. He thought Idaho had been deprived of again and again in Oregon and Washington, dividing up the spoils of the Bonneville (what would we call it?) crown jewels.

So he was going to take out a couple of jewels himself if he could. And he interpreted that to be taking out those four Snake River dams. And he was doing it a lot because of the impetus of this (I think) Judge Welch (I may be wrong on that name) who'd made this decision that you're not doing enough under the Endangered Species Act. And you have to do whatever is necessary to restore what is endangered. I argued with Jay Webb; he's a personal friend of mine who lives in Boise. He's an attorney. And I said, "Judge Welch is wrong; this is all wrong. You shouldn't let the governor get trapped in this thing. It's a bad decision; it's a no-win situation." I gave him all these arguments. And so he was leaning toward voting against taking out the four dams.

And when Andrus learned about this, he summarily fired him. He called him in, took away his assignment and name somebody else a dupe. And of course, the Council went

ahead and made that vote. I still think that's the wrong decision. I don't think that's the way to cure the anadromous fish problem. But anyway, it was very uncomfortable for my friend Jay Webb, and I felt somewhat guilty because I had argued openly with him that it was not a good decision for Idaho or for the governor. But that wasn't Governor Andrus' interpretation. And incidentally, Governor Andrus is a close personal friend too. [Both laugh]

But nonetheless, our mutual friend Jay Webb got caught in between us and he was let go. I think that the Council began to lose some credibility at that point. And there's some other things that have occurred and I've not followed 'em. You asked how close have I followed subsequent events of Bonneville and the Council. And it is not been to a high degree. You know, I've pursued other things and I've not tried to — I don't want to meddle because I just don't know enough to really get into those affairs. But I've chosen not to get into the Council, excepting I did hear one time where Oregon, I think was angry with some of the decisions that were being made. And so they were going to boycott the Council; they were going to leave. And I don't know that they ever did, but I think that's come up again. I think just recently there's been a threat that some members (I don't know whether it's the Oregon contingent or somebody else) are just summarily going to walk out, which would just literally bring the Council down. But that's the nature of its fragile political nature. I was happy. When I left, I thought we were — Bonneville and the Council were getting in sync. And I've trusted that that more than not, has continued to exist, excepting maybe for the four Snake River dams, because Bonneville was being very cautious on that and so it was Idaho Power Company.

I served on the board of Idaho Power Company, incidentally. After I left Bonneville, about five, six years later, I was invited to go on the board of Idaho Power, which I did. And immediately everybody said, "Well, let's take out the Hells Canyon complex, let's take out Hells Canyon, Brownlee and Oxbow Dams." Those are the Idaho power dams. And again, that was not a very friendly proposition, but one for the — I'll call it the purists, and I'm going to call 'em unrealistic purists. So let's remove back to the world as existed before we came.

Unfortunately, we're dealing with the world as we've made it. We've made these dams. There's all kinds of commerce that depends on 'em. People have moved in and created communities. You know, you can't move the clock back to what you think it might have been years and years ago. We have to deal with reality, you know, the world as we've made it. So I thought that trying to remove those four dams was not the best decision that would help us get to a point where we could really say we're doing the right thing by salmon and helping to remove them from the endangered species list.

MOR: And at least for a while, I think it had a pretty big impact on the Council's effectiveness, too, because I think it...

JOHNSON: It knocked them out of the saddle. About that time the Endangered Species [Act] came along, NMFS stepped in and said, "We're going to come up with a biological (that's what they called it, their biological study or something like that), which was their analysis of what had to be done in order to save the anadromous fish. And I think they utterly ignored the Council. I think the Council was just sort of an insignificant voice out on the periphery. That's unfortunate; that's *not* the way it should have been. It should have been solved by the Pacific Northwest, just exactly like the regional — excuse me, Northwest Power Act prescribed.

The Council made up of these state authorities were going to come up with a Fish and Wildlife program. That's the way it should have been; NMFS should have been voted out. Endangered Species Act, I think, should have been critically reviewed. That's my personal opinion. I don't think it was a — the course it's taken has solved little or nothing. I think it has undercut the Council, which was again, an experiment. And it may still be an experiment now because it's sort of been knocked off the stage.

MOR: It also led to a split (maybe you might call it) in the Council, whereas there's always been this tension in the Council where the upriver, two upriver states haven't necessarily shared the same interests as the two downriver states, and most of the power generated

from the hydro dams go to the two downriver states, and very little of it goes to Montana and Idaho. So there's always been that tension there. But in the wake of the 1994 Fish and Wildlife Plan, they were totally deadlocked for years. And I think maybe they might be moving out of that now, but I'm not certain. It also led to Ed Sheets' departure, and I don't know that we've talked about him much in this interview, but he's...

JOHNSON: I know Ed Sheets; I respect Ed sheets, but he was very hands-off. He was very distant; he was sort of a background phenomenon. And I don't think I had a conversation with Ed Sheets in all the time he was in his position. I never had a conversation with him. It was — what's the young man's name? I've mentioned him before and I'm not thinking of it right now.

MOR: Litchfield?

JOHNSON: Pardon?

MOR: Jim Litchfield?

JOHNSON: Yeah, Jim Litchfield. I dealt with him. You know, he was a spokesperson; he was right up front. And they had people in various key positions, very competent people. And most of our negotiations and most of our interface and conversation was with those people. I don't think Ed Sheets ever came to my office and I never went to his. I'd see him at meetings; you know, we'd come to a conference on this, that or the next thing, maybe put on by the PNUCC, their annual meeting. Well, he'd be there, so we'd shake hands, say, "Hi, how are you? What are you up to?" But he never came to my office, nor did I go to his to discuss business between the Council and Bonneville. Never did. He was a very background guy.

MOR: And became a controversial figure, I think after the 1994 Fish and Wildlife decision at the Council.

JOHNSON: He had his supporters, but he had his detractors too.

MOR: Right. I think in particular, the Montana delegation really wanted him out of there at that point.

JOHNSON: I had no quarrel with Ed; he seemed a competent, very professional guy. Yeah, but we never established a close relationship.

MOR: Well, maybe a final topic that I'll ask you to speculate on, since I know you weren't directly involved in any of this, but you when you took over as B.P.A. administrator, you entered a world where it was almost a world coming to an end at that point, but a world where utilities still were regional, if not local entities and where they were subject to regulation. And that's the way it had been for years. And then in the mid-1980s we had this this move towards deregulation of the electric power industry. And then since then, we've seen things like the Enron collapse⁷⁸ and other things that maybe rightly or wrongly, are blamed, at least in part, on the deregulation of the utility industry. But nonetheless, things have changed quite a bit. And I just wonder what your own thoughts are in terms of how this is going to impact the Northwest and the future of electric power generation and distribution here.

JOHNSON: I believe in the market system as a discipline for any country, any people in achieving the fairest and the most efficient allocation of limited resources. That's people; that's natural resources, that's capital and everything. It's the most efficient way. So philosophically, I would believe in deregulation because that is seeking to move back to a

⁷⁸ The Enron scandal was an accounting scandal involving Enron Corporation, an American energy company based in Houston, Texas. In 2001, the company declared bankruptcy and its accounting firm was effectively dissolved. In addition to being the largest bankruptcy reorganization in U.S. history at that time, Enron was cited as the biggest audit failure.

free-market system of resource allocation. So philosophically, I believe in that as being a better way to allocate resources than through a socialist or a communist system of government. So you know that maybe that's the reason I'm a moderate Republican.

But I personally think that this guy Watkins and the people who were advising him, he knew nothing about business. He was an admiral; he knew how to run ships. He knew nothing about business or a market system. And I think the way we went about deregulating electricity will be an albatross around our country's neck for years. I think it was a lot of — they tried to move too quickly. They didn't understand what they were seeking. It — ill-designed scheme, demanding that utilities, for instance, sell all of their resources like Pacific Gas and Electric in Southern California Edison, who subsequently went bankrupt because the price started bumping around on 'em.

MOR: The California models, bad.

JOHNSON: It was just — they're two of the proudest utilities in the world! Two of the most efficient utilities in the *world* were bankrupted within a year and a half or two with deregulation because they did it wrong. The people who set up the legislation, they worshipped the free market system but were ignorant of how it works. And I think right now, look at Portland General Electric. Enron, you know, has raped it! And right now, it's in nothing but deep trouble again.

PacifiCorp, it went off the tracks. Idaho Power Company now is in difficulty. You know, every utility in the country! I don't think any of 'em have survived the impact, the adverse impacts of this ill-considered, overzealous deregulation procedure. I wish in retrospect that I could have been the Secretary of Energy, because I do understand the market system. I've had to survive in it. That's what I brought to Bonneville, which I think helped it run very, very efficiently. And I would have been able to design a system which had a much, much better chance of bringing about the efficiencies of a market allocation of resources for our whole country without destroying this long regulated, distinguished, fixed-in-place utility system that we have!

And the P.U.C.'s, you know, I don't know whether you ever heard of it. What do they call it? The utility compact? No. Anyway, it is the understanding between a P.U.C. that regulates an investor-owned utility. The investor-owned utility gets a monopoly and then the P.U.C., the Public Utility Commission in Oregon, Idaho and everywhere else becomes the conscience of a market. So they're the ones who ask the critical questions: You really need this resource? Is this expenditure appropriate? So this is the way we kept reliable, trustworthy and quality energy capability, availability. At the same time, kept the economy of certain efficiencies. There's no denying it became a little bit inefficient and in some cases quite inefficient.

And the utilities, the investor-owned utilities became czars. The head of a utility was a czar, and they exercised their authority in that fashion and they became self-serving in many, many respects, building nuclear plants, even though there was all the evidence in the world that it was not really an attractive alternative. But if they could get that money into their rate base, they could make more money for their stockholders. You follow me? It became sort of an anti-market allocation of resources. It was contrary to the logics of a market. So it needed reform, but not to be wiped out, which was the tack that was taken. Wipe it out and create something new and we're going to suffer the penalty of this for a long time to come.

The next thing that's going to happen, we're going to — if our economy — when and if our economy starts booming again, when it begins perking up, we're not going to have adequate resources. Costs are going to go off the scale again. We're going to precipitate something not unlike we've just gone through, because when that price dropped, the economy dropped. Of course, it all ties in to 9/11,⁷⁹ you know, the tragedy of that event. But everybody building resources stopped; all of the companies that were building resources stopped. Bonneville didn't build any; Idaho Power isn't building any, and PacifiCorp isn't building any.

⁷⁹ The September 11 attacks, commonly known as 9/11 were four coordinated suicide terrorist attacks carried out by the militant Islamist extremist network al-Qaeda against the United States on September 11, 2001.

A couple of utilities are buying or building these gas-fired generators. But right now we are falling behind in terms of having adequate generation to meet load in a healthy economy. And when that healthy economy comes, we're going to suck it right back down by our lack of cost-effective electric generation. I'm very disappointed and discouraged with the way the Republican Party has manipulated this thing. Of course, Clinton⁸⁰ inherited it because it was Bush senior that kicked this thing off with Secretary Harrington or Secretary Watkins. But it was done very poorly, very unwisely, and we're going to suffer the consequences. It's not unlike the airline industry and deregulation of the airline industry. They're all bankrupt, just having a hell of a time.

You know, this this deregulation, just for the sake of deregulation, is monkey business. It's a false pursuit or a goal. It's not thought through. It's a bunch of people who really think shallow and business for business sake: to hell with government; get rid of government; reduce government. You know, business can solve all of our problems. That's absolutely untrue! Look what happens when you unleash business. Look at the greed that you're seeing unfold in our utility industry as well as across this landscape of American commerce. It's unforgivable! Simply because human beings will be human beings. You give em too much power; their greed will take over, same as if it was a socialist country or something else. You need the balance between government regulation, government discipline, government presence and the private sector initiative. You get great entrepreneurial initiative through the private sector, which you don't get in government. You don't find entrepreneurs in government. It's a balance between these two that's really been the dynamic health and strength of America. And right now we've got too damn much worship of business in the private sector as solving all of our problems and it can't do it. Now you're getting into my politics now and my philosophies, but that's where I stand.

MOR: It seems like you've got some historical evidence on your side. I mean, the electric power industry for years...

⁸⁰ William Jefferson Clinton (born in 1946) served as the 42nd president of the United States from 1993 to 2001.

JOHNSON: Very, very disappointed.

MOR: Delivered a good product at a reasonable price and made reasonable profits under regulation and now in the dereg...

JOHNSON: And that could have been tweaked. That could have been tweaked in a fashion that would have really brought the best out in that organization. I've written a manuscript that talks about how government can be managed efficiently. And I'm going to work on that in the next couple of three years, hoping I can get it published. Incidentally, you asked about some of the other things that I've done. You know, there's art, sculpting, painting, sculpting. I love to play the piano.

I learned to play *Rhapsody in Blue*, the original score by Gershwin, 'cause I wanted to do that 'cause my father, when he was still alive, he asked me to (because I played piano when I was a kid in high school), and I got too busy and I couldn't do it. So I went back and I learned *Rhapsody in Blue*. And then I've written two articles for the *Harvard Business Review* that have been published, and then I have a book I don't think I've ever shown you. It was published by the University of Idaho Press that deals with — it's called *Raising the Roof*, and it deals with a structure that I that we built when I was the C.E.O. of Trus Joist Corporation. I'll show you the book after we get off the tape. So I've done all those creative things along with the National Academy of Sciences and I've done some other civic things here in Idaho.

MOR: I'm glad you mentioned all these things. I see them here on your résumé, and I'd like to — as I mentioned to you earlier, I would like to maybe document a little bit of just your personal situation here in your beautiful home on the banks of the lake here. And maybe we can talk a little bit more about your sculpture and your other artistic endeavors while we actually videotape a few minutes around the premises, if that's all right with you. But before we do that, I wanted to just we got about five more minutes of tape here. I

wanted to ask you a little bit about your family. You've got some children. How many children?

JOHNSON: My wife and I have four daughters and they now have their families and so we have 10 grandchildren. I'm very proud of my family; you know, they seem to be very solid. They're in good relationships and good marriages. I think they've done a great job of nurturing their offspring, their children. They range in age (the grandchildren) now from 22 (almost 23) down to nine; from nine to 22. Our grandson, who was the firstborn, graduated from University of Puget Sound this last spring and he's now working in California for Gallo Wine. Has a very fine job doing a very fine job. My daughters, two of 'em are professionals; they're in careers. Two of them are homemakers. And they're all four, homemakers with their children. But two of them have chosen to be active in community affairs.

MOR: And your daughters names?

JOHNSON: First daughter is Linda. Linda Carol. Second daughter is Laura Roxie, R-O-X-I-E, that was my mother's name. Third daughter is LeeAnn. And our fourth daughter is Lisa June. June was the name of my mother-in-law, my wife's mother. And they all live in Boise now. They're in good health and we have a very close family, and yet not too close. You know, they're very independent; they do their own thing. They have their own friends. But this place here in McCall serves as a camp where we can all get together in the summertime and do things together, go on fishing trips, swim, waterski, kayak, whatever they want to do. I have a shell outside, a single scull that some of 'em row. So, you know, this is a great location to bond family and to get — the cousins get along well together because they've grown up together right here and had shared experiences.

MOR: And which of the two daughters have careers?

JOHNSON: Well, LeeAnn the third girl is in charge of the tennis program for southwest Idaho. She played for Stanford; she went to Stanford and played on the Stanford tennis team. And so she now manages the whole tennis program for south southern Idaho, going clear up to central Idaho. And my youngest daughter is a cosmetologist and she loves making people happy by — she's an artist and so she loves to make people happy by fixing their hair in a fashion that pleases 'em. So she's got that; she doesn't do it full time. She's got a daughter. She works three or four days a week. She does it to keep her hand in that particular profession. And she enjoys it a lot, mainly because she says you can't believe how happy people are when you do a good job of giving 'em, doing up their hair, particularly women.

MOR: And I've seen some evidence around your house that your daughter, Linda, is also an artist.

JOHNSON: Oh, dear me, she's the best! She's just excellent. I'll show you some of her things when we go downstairs. For instance, this picture of the cabin in the winter over here; you can see that.

MOR: Oh yeah, that is beautiful.

JOHNSON: That's hers. Yeah.

MOR: And Carolyn, what is she up to these days?

JOHNSON: Carolyn's been very active in civic activities. When she was president of the Boise Junior League years ago, and she worked on a lot of productions when they built the big performing arts center in Boise. The Morrison Performing Arts Center. It's a big, beautiful facility, just like we have in Portland. Schnitzer? What do they call it over there?

MOR: Yeah, that's right, Arlene Schnitzer Hall.

JOHNSON: And she was active in that. She has been active in many programs now in McCall. She's was president just up until last year — For ten years, she was president of the Hospital Foundation, raised two or three million dollars during the time she was there. She serves on another civic organization downtown, and she's the director of that, has been for 13 years. She's a very active participant in civic affairs, civic activities.

MOR: Okay, Peter, well, I want to thank you very, very much for this oral history. And we'll conclude the audiotape portion of it. And then just do this last little bit of video documentation and then I'll let you get a little peace and quiet around here. [Laughs]

JOHNSON: Michael, I appreciate your — I think it's good, very good what the Oregon Historical Society is doing. I applaud their interest in this program; I think is very interesting. And what you're gathering, I hope, will one day serve people well in their research and they can decide and interpret what they think *really* happened.

MOR: All right, great. Peter, thank you.

[End of Tape 7, Side 2]

[End of Interview]