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Business Columnist

Seattle Steam keeps things hot

Energy crisis? Pollution-control problems? How about this old Seattle Steam Corp., which since before the turn of the century has been warming downtown Seattle quietly and now provides clean heat to most of the boilerless and stackless central-city buildings?

C. W. Easton, 60, president, says even many customers and city planners know little about Seattle Steam, whose 20 miles of underground mains serve 600 premises in a franchised area from the waterfront up to Broadway and from the railroad-station area on the south to Blanchard Street on the north in the Denny Regrade district.



C. W. Easton

Over the years, the company has done almost no public advertising. Easton has seen little need. Customers are commercial and institutional, and competitors are other utilities.

THE THREE BIG Western Avenue chimneys marking its main plant between Union and University Streets and its peaking plant between Yesler and Columbia which also faces on Post Avenue epitomize the firm's low-profile approach to public relations.

The stacks aren't all that attention-getting. Although they put out some heat waves and sometimes some condensate, virtually no smoke or particulates are visible. The plants have a clean pollution-control record, Easton notes.

The big effort, says Easton, former 23-year Boeing employe who moved to Seattle Steam in 1964 after being production manager who rolled out the first Boeing 707, has been to modernize and expand continually.

There has been heavy investment in improvement of combustion and transmission efficiency, control of emissions and steam and condensate quality, and assurance to customers of uninterrupted heat supply.

From the area-pollution-control standpoint, Easton notes, "we've cleaned up the town by eliminating the need for hundreds of costly individual boilers and smoke stacks in our customers' buildings.

"It's more feasible to keep one big plant clean and efficient than to maintain a lot of little ones. And it makes it easier for the pollution-control people to keep an eye on things."

SEATTLE STEAM'S generators are fired both by oil and gas—the latter purchased on an interruptible basis. The firm is one of Washington Natural Gas Co.'s best customers.

Oil is barged by major suppliers to a sheltered slip at Pier 57 and thence piped to the main plant's 378,000-gallon tank or trucked to the Post Avenue peaking plant's 69,000-gallon tank. Waterfront park planners are shifting the barge unloading to the exposed pier front.

A 55,000-barrel-capacity tank (2.3 million gallons) at Eagle Harbor on Bainbridge Island holds additional standby reserves for "catastrophe" use only—assuring hospitals and other customers of heat.

The two plants have a continuous rated capacity of 873,000 pounds of steam an hour and a peaking capacity of 940,000 pounds for emergency runs. So far, biggest peak load demand was in the 1968-69 winter—707,000 pounds of steam an hour.

Policy, Easton says, is to maintain enough reserve capacity to compensate for possible outages of the largest generating unit. "We've been 100 per cent reliable," he says. "We believe we can't have a shutdown. "We have two mains going to each of the hospitals we serve to assure supply."

The company has no monopoly in its area. It competes with electric heat and direct oil-fired boilers. The service costs more than direct-firing, but there are savings on installation costs, space use, and upkeep for building owners, and there's the reliability factor.

It's difficult for a steam company to compete with low-rate all-electric systems, Easton acknowledges. But, he points out, compared with using gas and oil to make electricity for generating heat, direct conversion is several times more efficient. Transmission heat-loss in Seattle Steam's mains, he says, is estimated at only about 8 per cent average over the 20 miles.

EASTON HAS BEEN urging customers to reduce heat consumption to conserve fuel, and he says they are cooperating. "We're looking at a 10 to 15 per cent cutback," he says. "It's hurting our profits, but we must do it."

One move that would save vast amounts of fuel drain, he suggests, would be to cut out hot-water heating in most restrooms in buildings.

Costs, Easton notes, have risen drastically. Two years ago, oil was \$1.91 a barrel. Today it is \$6.96. Gas has been going up steadily, too. Easton is expecting another big increase as a result of Canada's recent price boost.

The company has a fuel-differential in its charges to customers, but has raised its base rates only once since 1951 despite higher labor and other costs.

This has been accomplished by increased efficiency of the 30-employee operation and by not taking increased profits in proportion to the increase in customers.

"The customers are sort of captives, and we try to be reasonable," Easton says. "We just want a reasonable return."

THE STEAM operation originally was a coal-fired sort of step-child of Puget Sound Power & Light Co. and showed a loss on the books when Seattle City Light took over in-city P. S. P. & L. properties in 1951.

City Light didn't want the steam operation, so a group of Seattle businessmen formed Seattle Steam Corp., sold stock to some of the building-owner customers, converted to oil and put the company in the black within two years.

Though an engineering report had assumed the steam mains were corroded and collapsing, they weren't. Easton says 80-year-old pipes recently dug up were in excellent condition.

The company had several hundred stockholders a year ago, with control among some 20 big users of steam. Then came K. P. K. Corp., a Chicago real-estate-development firm with four principals; with an offer the owners couldn't refuse.

The now outsider-owned central-city heating system continues its upgrading program. Next summer it will install another big new boiler.

And is K. P. K. interested in other Seattle properties? "Of course they are," Easton says.

And how does a former Boeing engineer like running a steam company? "It's challenging and more fun than any job I've had," Easton says.