

## Consolidated Water Power Company - 1894 to 1994

### **Prelude**

During the century of 1800 to 1900, loggers, settlers, business owners, entrepreneurs and people of many other persuasions moved into the central Wisconsin area. In 1827, Daniel Whitney and his nephew David, brought equipment up the Wisconsin near the Yellow River area and hired 22 Stockbridge indians to cut wood for shingles.<sup>1</sup> The actual site is unknown, but some accounts place it near the site of the former Germantown settlement. Much of this area is now flooded by Castle Rock Lake. Since it was illegal at the time to cut timber on Indian land, troops from Fort Winnebago at Winnebago City (Portage) came north, arrested Whitney and confiscated his shingles. The troops, sent by Major Twiggs, were led by Lieutenant Jefferson Davis, later to head up the Confederacy.<sup>2</sup> In 1831, Whitney made an agreement with the Menominee and set up a saw mill at "Whitney Rapids", just upstream of the present Nekoosa dam owned by Georgia Pacific.

In 1836, the Territory of Wisconsin signed a treaty with the Menominee chiefs which opened up a strip of land 3 miles wide on each side of the Wisconsin River, 40 miles long. This strip started at Point Basse (Nekoosa) and ended at the Big Bull Falls (Wausau). Joshua Hathaway surveyed the strip in 1839 and filed his completed survey in 1840.

In the late 1800's efforts were made to run river boats from Prairie Du Chien to Point Basse. These efforts, while heroic in some cases, were failures. The Wisconsin River with its shifting sand bars, periods of low flow and unpredictability doomed the attempted transportation industry. The only crafts that moved on the Wisconsin with regularity were the timber rafts from Stevens Point, Biron and other saw mills and they traveled only down stream almost completely at the mercy of the river flow. Later, tour boats began running in the *Dells of the Wisconsin* at Kilbourn City. (now Wisconsin Dells) Only the Dells boat tours are still around. The US Army Corps of Engineers studied the Wisconsin River after the Civil War, but felt it was too costly to make improvements other than wing dams to improve navigation on the river.<sup>3</sup>

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<sup>1</sup> Martin O. Lipke, *Early Days in Wisconsin*, Consolidated News, April 1930, pages 18,19

<sup>2</sup> Some authorities relate that Davis was actually cutting timber for the Army somewhere nearby and may or may not have actually evicted Whitney. However, there is agreement that Whitney's shingles were confiscated and used by the Government at Fort Winnebago.

<sup>3</sup> Testimony submitted in Docket DI-134 during the licensing of the Tomahawk Dam by the Federal Power Commission, July 15, 1939

Railroads coming into the area eliminated the rafting of timber by being more economical and safer. The rafts, while using the free power of the river, had a tremendous cost in lost, broken or ruined timber and a horrendous loss of life in the treacherous rapids from Wausau through the Dells. Also, there were many years when little lumber could be moved due to low water. Coinciding with the demise of the rafts came the opportunity to better use the power of the river. Hydro electric generation was in its infancy in the east and a new industry was looming on the horizon.

The area now known as Wisconsin Rapids become the site of sawmills, pulp mills, flour mills and even early power plants to provide electric lights. Since competition seemed to be growing for the right to use the power of the river, some of the "movers and shakers" of the time decided to band together and make better use of the resource.

### **The Consolidation**

In 1885, Chapter 158 of the State of Wisconsin, granted Marian Bensley and Welcome Hyde the right to build a dam across the Wisconsin River "starting near 9 acre island,<sup>4</sup> thence easterly to the east bank..."<sup>5</sup>. This dam was limited to 10 feet in height, required a slide at least 2 feet below the general height of the dam and such slide was to be at least 60 feet wide.<sup>6</sup> Amendments to this charter allowed B.G. Chandos and G.E. Hoskins<sup>7</sup> the right to raise the dam to a height of 16 feet, but required the same provisions for rafts.

On July 16, 1894 several men signed an agreement which stated in part, "the water powers at said cities (Centralia and Grand Rapids) would be of more value if consolidated and improved on one general plan."<sup>8</sup> This document, duly recorded 17 days later, on August 1,<sup>9</sup> set the stage for the Consolidated Water Power Company, formed from the holdings of several people with businesses using the power of the Wisconsin River around the present site of the CPI Wisconsin Rapids Mill and the Wisconsin Rapids Dam.

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<sup>4</sup> The present earthen portion of the Green Bay and Western Railroad bridge above the Wisconsin Rapids Dam crosses "9 Acre Island". The island is now covered by the Rapids pond.

<sup>5</sup> Chapter 158, Exhibit D-2, Section 1., April 4, 1885. This location is just upstream of the present Wisconsin Rapids dam.

<sup>6</sup> The slide allowed lumber rafts to pass over the dam.

<sup>7</sup> Chandos and Hoskins were two of the original signers of the "consolidation of the water powers" years later in 1894.

<sup>8</sup> See page 58 for a copy of the original document in its entirety.

<sup>9</sup> *CWPCo Board Minutes*, Book #1, March 2, 1895

In 1895 B.G. Chandos and G.E. Hoskins again were authorized to build a dam at the same location, this one not to exceed 20 feet in height. The new Power Company issued stock. Since the Wisconsin did not have boats moving up and down and the new Centralia Dam had been constructed across the river at South Side<sup>10</sup>, there was no reason why another large dam across the river could not be built. The same water could be used again and again to generate power.

Meanwhile, one of the parties involved in the consolidation could not agree with some of the terms,<sup>11</sup> and the fledgling company found itself in the court room. In 1901 the Supreme Court of Wisconsin ruled against the Consolidated Water Power Company.<sup>12</sup> Four days later the Nash interests were sold to Consolidated.

A local man by the name of J.D. Witter was involved in county politics and several companies, including the Jackson Milling Company, the Grand Rapids Pulp and Paper Company and the consolidation. The Jackson Milling Company operated mills in Centralia, Stevens Point and Amherst. The mill in Stevens Point was to play a part in the Consolidated Water Power Company years later. J.D. had purchased stock in the Bensley Mill earlier in 1895. Also in 1895, Nels Johnson of the Grand Rapids Pulp and Paper Company (today Biron Division of CPI) bought stock from B.G. Chandos. Both men then became principle parties in the final "consolidation" of the powers of the river passing over the *Grand Rapids of the Wisconsin*. From the involvement of J.D., the most important player came on the scene of the new consolidation. This man, J.D.'s son-in-law, who had studied to be a Latin instructor, was a furniture dealer in Rockford, Illinois. The man's name was George W. Mead and he was destined to take the shaky Consolidated Water Power Company and turn it into, not only a power producer, but a very successful paper company as well.

On November 10, 1902, the Articles of Incorporation were amended to include the manufacture of pulp and paper. The name of the youthful Consolidated Water Power Company was changed to the Consolidated Water Power and Paper Company. Thus the Consolidated Water Power Company ceased to exist as a separate entity until 1926, when the name was resurrected to incorporate several dams owned under the name of the Oneida Power Company.

The story of Consolidated Papers has been told and put into print many times. In this paper, we will remain with the core development of hydro power, which today rests with

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<sup>10</sup> Sometimes referred to as Hurleyville. Nekoosa dam was constructed in 1896. This dam also spanned the entire river.

<sup>11</sup> *Early History of Consolidated Water Power Company*, page 34 of this booklet, authored by Max Andrae, 1994

<sup>12</sup> *Consolidated Water Power Company v. Nash*, Volume 109, Page 490, March 19, 1901

two power companies. The first, the wholly owned subsidiary of CPI, Consolidated Water Power Company and the other, a subsidiary of CWP Co, the Wisconsin River Power Company, which was formed in the late 1940's with Wisconsin Public Service Corporation and Wisconsin Power and Light to develop Petenwell and Castle Rock. These projects were the last hydro plants built on the river, the second and third largest<sup>13</sup> in output and created the second and fourth largest lakes in Wisconsin.

Consolidated Water Power Company now owns and operates five hydro projects on the Wisconsin River. The company also operates and maintains the two large hydro developments of the Wisconsin River Power Company (WRP Co), which puts the power company in charge of nearly one hundred miles of the Wisconsin River. Major floods begin just upstream of that area, and the wisdom of having the large flowages for flood control has proved itself time and again. CWP Co and WRP Co also maintain directors on the Wisconsin Valley Improvement Company board, which regulates the river upstream of Dubay.

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<sup>13</sup> WP&L's dam at Prairie Du Sac is the largest in terms of generating capacity. It is also the most downstream dam on the Wisconsin.