

RELAY

THE OFFICIAL PUBLICATION OF THE FLORIDA MUNICIPAL ELECTRIC ASSOCIATION, INC.

March 1998



Tornado Ravages Kissimmee



Energy Technology Resource Center

Energy Efficient Solutions from TECO Energy

Your Resource for Success

The Energy Technology Resource Center (ETRC) is Florida's answer to showcasing, researching and evaluating the latest energy-efficient technologies.

With hands-on demonstration centers for foodservice, lighting and advanced technologies, an information center, computer center and state-of-the-art meeting and conference facilities, the ETRC is truly an innovation for your business success.

Discover equipment options

Evaluate and compare equipment efficiencies

Explore technical reports, online information and training opportunities

Register for ETRC seminars and conferences

See why businesses throughout the state look to the ETRC for all the right energy technology answers.

The logo for TECO Energy, featuring the word "TECO" in a large, bold, sans-serif font above the word "ENERGY" in a smaller, all-caps, sans-serif font. The logo is set against a dark rectangular background with a white border.

TECO
ENERGY

For more information, visit us online:

www.etcrc.com or call 813-202-1770.

RELAY is published monthly by the Florida Municipal Electric Association, Inc., and distributed free to public power officials, state legislators and regulators, associate member companies and electric cooperative managers.

Executive Director
Barry J. Moline

Editor
Stephanie L. Wolanski

Assistant Editor
Deidra L. Jones

417 East College Avenue (32301)
P.O. Box 10114
Tallahassee, FL 32302-2114
Telephone: (850) 224-3314
Fax: (850) 224-2831

BOARD OF DIRECTORS

Officers

President

Kevin G. Wailes, Tallahassee

President-Elect

Byron Knibbs, Orlando

Vice President

George Mathis, Clewiston

Immediate Past President

Peter A. Korelich, New Smyrna Beach

Secretary/Treasurer

Susan J. Freiden, Havana

Directors

Fritz A. Behring, Fort Meade

Anatole Bezugly, Lake Worth

Ted Biggs, Green Cove Springs

Elie J. Boudreaux, Fort Pierce

Jerry Conerly, Wauchula

Kenneth A. Cowen, Quincy

Francis W. Cox, Jr., Mount Dora

Joseph J. DeLegge, Bartow

Gerald K. Ergle, Ocala

Christopher Floyd, Leesburg

George D. Forbes, Jacksonville Beach

Elmon Lee Garner, Chattahoochee

Cleather H. Hathcock, Sr., Alachua

Brooks M. Holloway, Williston

Leonard Knowles, Key West

Michael L. Kurtz, Gainesville

James A. Lewis, Alachua

Steve Meisburg, Tallahassee

Robert R. Padron, Key West

Vicente R. Ruano, Bushnell

Dean G. Shaw, Ocala

Robert G. Siegel, Lakeland

Nicholas R. Sincore, Homestead

Charles W. Smith, P.E., Jacksonville Beach

Blaine Suggs, Newberry

James L. Swartz, Homestead

Rex Taylor, Vero Beach

William M. Weldon, Starke

James C. Welsh, Kissimmee

J. Paul Wetzell, St. Cloud

Harvey Wildschuertz, Lake Worth



MEMBER



FLORIDA MAGAZINE
ASSOCIATION

FMEA is an affiliate member of the American
Public Power Association (APPA).

March 1998



Tornado Ravages Kissimmee

CONTENTS

- 5 **Ohm Page**
Congress Slows as Florida Starts
Electric Deregulation Debate
- 7 **News Lines**
- 11 **Legislative Lines**
Deregulation Bill Filed in Florida Senate
- 13 **Feature**
Tornado Ravages Kissimmee
- 15 **Washington Report**
The IRS Finally Acts
- 1998 FMEA-FMPA
Annual Conference**
- 16 Program
- 17 Registration Forms
- 19 Hotel Reservation Form
- Training**
- 21 Safety Workshop
- 23 ECCS Mid-Year Workshop
- 24 **Opportunities**
Employment
Training
- 26 **Calendar and FMEA Information**



Printed on recycled paper

94 years old, and there's still a thing or two we could show you.

Training

- ◆ Power Plant Simulator
- ◆ Lineman
- ◆ Substation Apprentice
- ◆ Safety
- ◆ CDL

Testing

- ◆ Rubber Goods
- ◆ Bucket Truck
- ◆ Transformer

Consulting

- ◆ Wholesale Power Marketing
- ◆ Management Services
- ◆ Inventory
- ◆ Line Clearance
- ◆ System Control (SCADA)
- ◆ Fuel Procurement
- ◆ Billing & Meter Reading
- ◆ Safety Inspection

It's true that there's no substitute for experience. Which is why you should hook up with Lakeland Electric & Water. Since 1904, we've been providing dependable utility services to thousands of customers - making us the third largest municipally owned utility in Florida.

As a result, we have the expertise as well as the equipment to help you

remain competitive in your own market. From improving employee skill and performance levels to increasing productivity and avoiding costly mistakes, we can provide you with the innovative resources and technology you require - at a reasonable price.

For more information, or to join us for one of our training sessions, give us a call.

941-499-6391



**LAKELAND
ELECTRIC & WATER**

501 East Lemon Street, Lakeland, FL 33801-5079

OHM PAGE



Barry J. Moline
FMEA Executive Director

Congress Slows as Florida Starts Electric Deregulation Debate

The electric utility deregulation debate is slowing down in Congress and heating up in Florida. Congressional leaders are now saying there is just too much on their plate this year to begin restructuring the complex electric industry. It may be two or three years before Congress acts, with actual changes beginning a few years after that. The potential changes, and their impact on public power utilities, are still uncertain.

Recently, representatives of Florida's public power community and I visited Washington, D.C. to meet with Florida's congressional delegation and to take their pulse on the status of electric deregulation legislation. Key West City Electric System gets the award for best attendance — the entire board and general manager made the trek. Do you think their legislators know they're involved and concerned?

Every single congressional representative or staff member I spoke with said that the issue is either low on their agenda or not on the agenda at all. Furthermore, in this election year Congress is in session for only 80 days — not enough time to act.

Legislators predicted that the House of Representatives' Commerce Committee, where the deregulation debate is taking place, will be tied up with tobacco settlement issues and proposed changes to Medicare and Medicaid. Overshadowing all of this is the presidential investigation, which could drag on for quite a while.

If that is not enough for the debate to fizzle, the chief proponent of electric utility deregulation is retiring from Congress. Rep. Dan Schaeffer from Colorado has decided not to run for re-election. Without a strong leader to push electric deregulation, there is little chance for action.

Florida's congressional delegation is cautious about the benefits of deregulation. Most are satisfied with watching the California and New Hampshire experiments. Florida has a large percentage of residential consumers compared

to other, more industrial states. As a result, our congressional representatives want to be sure that consumers benefit. If the results are good, most concluded, the nation should move forward. But if consumers do not save money, they believe that watching and learning will be well worth the wait.

The City of Ocala recently invited a key member in the debate, Congressman Cliff Stearns, to come to Ocala. Rep. Stearns and members of his staff visired the city on Feb. 17 and spent two hours with the city council, utility staff and city representatives. Dean Shaw, electric utility director, and Councilman Gerald Ergle identified the value of Ocala's public power electric utility to the community. They estimated that if Ocala were served by a private utility, property taxes would increase significantly, and quite possibly, double. Stearns stated that he does not want deregulation

continued on page 12



FMEA representatives discussed private-use regulations during a meeting with U.S. Senator Bob Graham. Pictured left to right: Claude L'Engle, FMPA; Fred Bryant, FMEA general counsel; Sen. Bob Graham; Barry Moline, FMEA; Elie Boudreaux, Ft. Pierce Utilities Authority; Jim Welsh, Kissimmee Utility Authority; Virginia Rutledge, Orlando Utilities Commission; and Ron Brower, FMEA lobbyist.

Built to last.



[AA600P]



[TA40]



[LR111-55]



[D2055TR]



[AA600MH]



[D945TR]

SALES, SERVICE, AND RENTAL.

PROVIDING QUALITY TO OUR CUSTOMERS SINCE 1929.

CONTACTS: SOUTH FLORIDA, JOHN MIELE 1-800-501-8402
NORTH FLORIDA, CHUCK MARTIN 1-800-501-8079
FLORIDA PANHANDLE, RONNIE SWINOLE 1-800-501-8081

WEST PALM BEACH SERVICE CENTER
2570 OLD OKEECHOBEE ROAD, WEST PALM BEACH, FL 33409
(561) 686-8550

 **Atec**[®]

NEWS LINES



FPL Reports Record Profits while Reliability Suffers

While Florida Power and Light Co.'s (FPL) profits reached a record \$618 million in 1997, a recent report by the Florida Public Service Commission (PSC) says that FPL's distribution service quality has declined "by virtually every measure examined." The same employee layoffs that helped double the value of FPL's stock are blamed for the decline in the private company's reliability and service quality.

According to the December 1997 report,

"Review of Electric Service Quality and Reliability," the PSC attributes the decline in reliability and service to FPL's reductions in operations and maintenance spending, which was cut by over 20 percent from 1993 to 1996. FPL's average trouble call response time also suffered, increasing from 61 minutes in 1993 up to 81 minutes as of September, 1997.

The state's largest private electric company, FPL serves half of Florida's population. For the years

1992 through 1997, the PSC report says that they received a sharp increase in the number of service-related complaints from FPL customers. The state's second largest private power company, Florida Power Corp. (FPC) also declined in service quality and distribution reliability for the years 1992-1996.

The PSC report estimates that it will take 2-3 years for the two companies to begin to remedy their reliability and service quality problems. The

companies are required to establish specific performance goals for 1998-2000, and will be closely monitored by the PSC.

Reports on Florida's third largest private power company, Tampa Electric Company, did not "indicate any significant problems," while Gulf Power Company, the state's fourth largest private electric company, has "improved system quality and reliability" since 1992. Gulf Power Company is a wholly-owned subsidiary of the Southern Company.

Tallahassee Continues to Consider Options

In recent weeks, the city of Tallahassee has continued investigation of many different options for its electric utility future. Options include: (1) selling all or a portion of the city's electric and gas utilities; (2) forming partnerships with outside companies to enhance competitiveness; (3) establishing either a dependent or independent electric authority to manage electric and gas operations; and (4) keeping utility operations "as is." Meanwhile, the city's Purdom Unit 8 power plant proposal has continued to advance through the approval process.

Beginning on March 8, the city's daily newspaper, the *Tallahassee Democrat*, presented a series of in-depth articles examining Tallahassee's history and

options, political and taxation issues and reported on other Florida municipal utilities, including Gainesville and Lakeland.

On March 9, the city received the recommended order from the Administrative Law Judge on Purdom Unit 8. This is the last step in the Power Plant Siting Act certification process prior to action by the Governor and his Cabinet.

Then, on March 10, a town meeting on electric deregulation and the proposed sale of the electric utility drew a crowd of over 200 customers. The forum included presentations by city staff members, FMEA and a California-based consultant. Public comment during the meeting reflected Tallahassee citizens' high level of

satisfaction with the utility's reliability, responsiveness and service, as well as concerns about the city electric utility's future. Also on March 10, city commissioners held their annual day-long retreat, during which they discussed the city's options.

At a city commission meeting held on March 11, commission members voted 3-2 to place the electric utility sale offering memorandum on hold. The commission identified their continued intent to pursue this option at a later date, following a thorough review of all internal alternatives and extensive public involvement.

Also during the meeting, the commission authorized the limited authorization for engineering on Purdom Unit

8, following a presentation of the project's market study. Resource Data International's (RDI) independent market study identified Purdom Unit 8 as the most economic resource to meet Tallahassee's future needs.

Then, on March 18, city utility officials released a preliminary report investigating the establishment of either a dependent or independent electric authority to manage the city's electric utility. The report recommended the continued investigation and financial analysis of this option. The report is scheduled to be presented at a April 1 regular meeting of Tallahassee's city commission.

Customers Praise Key West Substation

Key West's City Electric System (CES) is receiving praise from customers and utility engineers about the new \$1.3-million Thompson Street substation, which was built four months ago to improve electric service to the community.

Joe Barker, whose home backs up to the substation, said "I think it turned out beautifully, it's very quiet." He added, "I went from being probably the staunchest concerned neighbor, to really feeling it was done right. The white, concrete wall even beautified our property . . . the end result was that we were quite pleased."

"The Thompson Street Substation has already improved the reliability of electricity to City Electric System customers in Key West," said Bob Srednicki, project engineer.

Terry O' Dell, substation supervisor, agreed.

"Just this week, we had the Thompson Street Substation pick up the load normally on the Key West Steam Plant Substation so crews could work in there," O'Dell said. "We needed to shut down the substation to perform essential maintenance to keep it functioning for the next two years, until the new White Street Substation is ready."

Before the new Thompson Street Substation was in operation, work on the Key West Steam Plant Substation was done piecemeal in the early morning hours when loads were low. The Thompson Street Substation has enabled extended maintenance at any time of day at the Key West Steam Plant.

In addition, Srednicki said CES decided to construct the new substation for four main reasons:

- ◆ improve reliability;
- ◆ prepare for increased electrical demand in the Key West area;
- ◆ prepare for the rebuilding of the Key West Steam Plant Substation; and
- ◆ reduce maintenance costs and improve data collection.

"The new substation has electronic devices that record data on loads," Srednicki said. "The historical data will help us plan maintenance, troubleshoot and analyze load trends."

The substation, which was constructed by Srednicki, Director of Engineering Dale Finigan and Scientific Industrial Development Corp., was designed to be "neighborhood friendly."

"We knew the substation was going into a residential neighborhood and we wanted it to impact the neighbors as little as pos-

sible," said Srednicki. The design includes features such as underground lines, a low-profile structure, and a solid concrete wall surrounding the substation.

The new Thompson 69 kV/13.8 kV substation serves more than 2,200 meters in the surrounding neighborhood. CES has 12 operating substations — eight are 13.8 kV substations and four are 4.160 kV substations. The four 4.160 kV substations will be phased out over the next five years as CES upgrades its entire distribution system to 13.8 kV and switches service from these substations to the 13.8 kV substations. Additionally, in the next two years, the Key West Plant Substation will be replaced by the White Street Substation. A brand new substation at Cudjoe Key will also be constructed within the next five years.

Retail Executives Form Institute

Senior energy executives from some of the nation's largest retailers have formed a new information-based group called the Institute for Multisite Energy Consumers (IMEC).

Citing deregulation, increased competition, rapidly changing technology and other factors, Howard Spellman, Food Maker, Inc.'s energy management director and IMEC's acting chairman, said energy

executives of multisite consumers need current, unbiased information in order to make informed decisions for their companies on energy purchases and utilization.

"Right now, there is a void that needs to be filled," Spellman said. "Most of the information comes from the providers of power. . . . As consumers, we need unbiased information so we can make the best decision.

That's why we need our own institute to help us sort through, analyze and organize the barrage of often conflicting and confusing information we have to deal with, and develop our own unbiased analyses that we can have confidence in."

Spellman indicated that the Institute would be necessary even if deregulation was not on the horizon.

"The fact is that the multisite consumer energy

manager's job has become more complex because competition and technology are demanding that companies look at every opportunity to find savings," he said. "Deregulation, while offering more opportunity, adds complexity."

From *Energy Marketing*, January/February 1998 issue.

JEA's Improves Key Account Customer Services

Jacksonville Electric Authority's (JEA) account executives in Customer Energy Services recently secured 111 service contracts with non-residential customers by increasing contract benefits and improving electrical service.

"Our 12 account executives are the single point of contact for our largest customers. They know the customer's history and needs and they can offer customized solutions to their energy needs," said Vickie Hansen, manager of Customer Energy Services. "Customers are more knowledgeable and sophisticated than ever before," according to Hansen. "The utilities that have established relationships with the customers will have a distinct advantage when deregulation and competition become a reality in their service areas."

Currently, JEA's Customer Energy Services provides five different contracts, designed to provide consumers with more energy options, which offer discounts for long-term service or for new businesses locating in less populated service areas. Customers can also receive a discount for choosing to curtail a portion of their electric service or allow Jacksonville Electric Authority (JEA) to inter-



rupt their service at peak demand times.

"Each of these contracts was designed to benefit the customer while helping JEA provide the best service at the lowest price," said Hansen.

In July of 1996, JEA signed its first service contract with the U.S. Navy. That 10-year, long-term service contract was a first for JEA and a first for the Navy. Since then, JEA has obtained contracts with schools, hospitals, churches, retail, manufacturing, and commercial and industrial customers, representing 471 MW of electricity demand.

Another part of the Customer Energy Services team is Power Quality. Four engineers provide technical assistance to Account Executives to resolve complex electric needs and enhance customers' productivity.

Scott Granacher, certified public account in Customer Services, completes the service approach by offering his financial expertise on rate analysis, service contracts and other customer needs.

From *JEA News Line*, Feb. 1998 issue.

Gaining Respect

Here are six management tips for winning respect and loyalty from those you work with — without using methods that instill fear and resentment:

◆ **Demonstrate the work ethic you expect from others.** No manager should ask people to do something that he or she will not do. If you expect your workers to work hard, you should be at least as dedicated, or more so.

◆ **Be evenhanded.** Don't play favorites among subordinates.

◆ **Set high ethical and moral standards,** and live up to them conspicuously. That

will send a clear message to others about the level of performance you expect.

◆ **Don't grandstand.** Refrain from lecturing, praising, or humiliating subordinates in public.

◆ **Always keep your word.** It's wiser to under-promise and over-deliver than vice versa.

◆ **Share the spotlight.** Don't hog the credit for every bright idea that comes from your work group. Give credit where credit is due, and much of it will reflect back on you.

From *The Working Communicator*, 1998 issue.

Hiring the Right Personality Type

Here are some of the most frequently used off-the-shelf personality tests used to evaluate applicants:

◆ **Minnesota Multiphasic Personality Inventory.** Designed to give broad assessment under wide-ranging categories, the inventory can also test for substance abuse. A new version eliminates some clinical questions that have given employers legal trouble. For more information, call (800) 627-7271.

◆ **The Myers-Briggs Type Indicator.** An old standby in the personality testing field, it's often used in training and development. This test classifies individuals among 16

personality types and analyzes key personality traits. For more information, call (800) 624-1765.

◆ **California Psychological Inventory.** This test seeks to gauge standard behavior, and borrows many questions from the Minnesota Multiphasic Personality Inventory. For more information, call (800) 624-1765.

◆ **Caliper Profile.** Designed to evaluate motivations, strengths, and weaknesses, this 186-question test is geared for management, supervisory and sales positions. (800) 922-7343.

From *Managers Edge*.

FSEC Establishes International Training Center

In response to a growing interest in international energy programs, the Florida Solar Energy Center (FSEC) has established a Renewable Energy Training and Education Center.

The new center will offer programs in energy efficiency and renewable energy technologies for educators, industry, government officials and other decision-makers around the world.

"The emphasis will be on a train-the-trainers approach," said FSEC Associate Director Ken Sheinkoph, who will coordinate the new effort.

"We'll teach key individuals who will then teach more people in their home countries. This ensures that installed renewable energy systems have the ongoing infrastructure needed for installation, operation maintenance and training." He added.

Locales targeted include Mexico and Brazil, as well as selected Caribbean, South and Central American Countries. Other efforts will

focus on areas such as the Pacific Rim, Africa and Eastern Europe, where interest in solar technology is high.



Support from the Florida Energy Office has led to expansion of the program into the Caribbean and meetings have been held with the Caribbean Action for Sustainable Tourism (CAST) group of the Caribbean Hotel Association. The new training center will work with CAST during the coming year, offering a wide range of programs on solar and renewable energy and efficiency technologies for hotels throughout the Caribbean. An important aspect of the project will be to assist Florida's industry in marketing their products and services in this region.

From *Solar Collector*, Feb. 1998 issue.

Advanced Technologies Underground System

Electric Power Research Institute (EPRI) researchers are investigating ways to help utilities accurately trace the performance and reliability of underground distribution cables. This advanced technology will use electrical diagnostic testing to enhance decision-making regarding maintenance or replacement requirements.

As new overhead facilities become more difficult to build, many utilities may choose to install transmission and distribution facilities underground. In addition, many existing underground systems are aging and will require extensive maintenance or replacement to maintain reliability.

Currently, there are two million miles of underground distribution cable installed in the U.S., much of which was installed decades ago. Age and environmental stress have taken their toll on the reliability of these cables. These older pipe-type cable systems are subject to oil-leaks that could lead to

expensive fines.

Along with providing electrical diagnostic technologies to solve the problem of poor underground cable, EPRI is also working on new methods of mitigating manhole fires and explosions. The production of noxious gases will be investigated to help prevent damage to underground vaults, reduce system outages and lower risks to utility workers and the general public.

Other advanced equipment for underground distribution systems includes a three-phase, pad-mounted transformer that eliminates problems associated with high harmonics. New underground distribution switchgear offers an alternative to pad-mounted gear. The transformers are insulated with SF₆ gas, and one person can quickly perform routine tasks such as switching, isolating grounding, voltage testing and phasing without being exposed to high voltages. The installation is also completely below-grade so that siting is easier.

Court Upholds EPA Rule Reducing Boiler Emissions

A federal appeals court upheld virtually all of an Environmental Protection Agency rule reducing limits on emissions of nitrogen oxides (NO_x) by certain coal-fired plants. In its Feb. 13 ruling, the U.S. Court of Appeals for the District of Columbia Circuit rejected all but one of many

industry arguments against the regulation covering Phase II boilers under Title IV of the 1990 Clean Air Act Amendments.

The three-judge panel upheld "the bulk of the challenged rule, concluding that EPA has not exceeded its authority and cognizant of the deference due to an

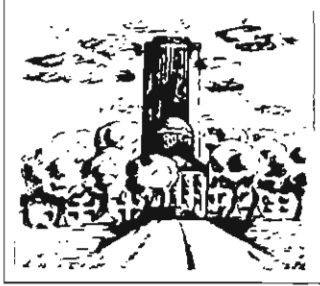
agency dealing with largely scientific and technical matter."

The court vacated that portion of the December 1996 rule that reclassified certain retrofitted cell-burner boilers as wall-fired boilers. The judges said the agency did not adequately justify that decision and

remanded the issue to EPA for reconsideration, or a more adequate justification. The new rules go into effect Jan 1, 2000. **R**

From *Public Power Weekly*, Feb. 1998 issue.

LEGISLATIVE LINES



Deregulation Bill Filed in Florida Senate

by William J. Peebles
FMEA Legislative Counsel

The advent of the 1998 Session of the Florida Legislature brought with it the filing of a bill proposing the deregulation of Florida's electric industry. The bill would require all utilities in the State to file plans for competition within their borders with the Public Service Commission. It provides a set of principles the commission is to apply in approving or denying the plans. It retains the current regulatory treatment for the distribution function of all utilities and provides an extremely limited recovery of stranded costs.

Never mind that the Senator who filed the bill is a longshot candidate for the United States Senate, running as a Republican against Democratic Sen. Bob Graham. Never mind that he has also filed bills calling for an elected Public Service Commission and proposing a moratorium on the use of Orimulsion as a fuel in Florida power plants. Instead, consider the following list of member companies of Florida ALERT, the Alliance for Lower Electric Rates Today, an association formed for the sole purpose of supporting a restructured retail electric market in Florida:

AmeriSteel
APEX Power Services Corporation
Arizona Chemical
Cargill Fertilizer, Inc.
Champion International Corporation
Enron Corp.
EquiPower
Florida Health Care Association
Florida Hotel & Motel Association
Florida Hospital Association
Florida Industrial Cogeneration Association
Florida Manufacturing and Chemical Council, Inc.
Florida Retail Federation
FMC Corp
Georgia-Pacific Corporation
IMC-Agrico Company
International Paper Company
PCS Phosphate
Publix Supermarkets, Inc.
Solutia, Inc.
Vastar Resources, Inc.

This list comprises more than twenty companies and trade associations willing to commit substantial resources to their cause. It may be that you, along with most Floridians, have never heard of some of these companies. However, consider that among the list of supporters are: a grocery store chain in which most Floridians have shopped at one time or another; and the trade association representing Florida's hospitals, where most of us will also visit at one time or another. These are not insubstantial economic forces in the State of Florida, nor are they insubstantial political forces in Tallahassee.

*Proponents of change in the industry
have money, political power,
economic power and a cause
with superficial appeal.*

Next consider the rhetoric of Florida ALERT. In a press release announcing the filing of the deregulation bill, ALERT says that "choice is the guarantor of efficient and fully competitive markets. All customers should be able to choose among a range of service providers, services, pricing options and payment terms." Discussing ALERT's membership, the press release says "They provide many high-paying jobs in their communities which bolsters (sic) their regional economy (sic)." The release goes on to say that "ALERT believes that all customers must share the benefits of electric competition." The rhetoric of competition is beguiling.

People who work in Florida's electric industry know that this issue is considerably more complex than portrayed by ALERT and other proponents of deregulation. But it's important to understand that what is appalling to you (who understands the complexity of imposing major change on such a fundamental infrastructure) may be appealing to policymakers with sometimes little else to go on but the

continued on page 12

continued from page 5

to harm local communities, and he reiterated his opposition to a federal mandate that would force electric restructuring on the nation by a date certain.

Fritz Behring, city manager of Fort Meade, took the time to visit Washington. Fritz wears many hats in Fort Meade, but recognized the value of making time to meet and discuss issues with elected officials. He and I met with Congressman Charles Canady, who welcomed us warmly. Because of the relationship established, I believe Rep. Canady would turn to Fritz Behring for objective information on electric restructuring issues.

They estimated that if Ocala were served by a private utility, property taxes would increase significantly, and quite possibly, double.

Jim Swartz of Homestead rurored an interested congressional aid for nearly an hour on how electric utilities operate. You can only build that kind of bridge when you commit yourself to communicate with legislators. Ted Biggs of Green Cove Springs, Bud Boudreaux of Fort Pierce, Jim Welsh of KUA, Virginia Rutledge of OUC, Tracey Danese of JEA and Claude L'Engle of FMPA made that same commitment.

In Florida, Senator Charlie Crist has proposed the "Florida Electric Industry Restructuring Act," Senate Bill 1888. The bill is mostly vague and gives authority for implementation to the Public Service Commission. While this bill may have only limited chance for passage, discussion is beginning in Florida.

The debate about electric utility restructuring is serious. You have the responsibility to forge strong relationships with your elected representatives. You must inform them of potential impacts on your community.

We need to follow the example of the city and utility officials who are making the effort to build and strengthen bridges with their legislators. Please make appointments now with your state representative to begin to discuss the issues and lay the groundwork. **R**

continued from page 11

blandishments and platitudes of those trumpeting the virtues of competition.

Proponents of change in the industry have money, political power, economic power and a cause with superficial appeal. And yet this is not necessarily enough to carry the day. Florida legislators are interested in doing the right thing. They are understandably concerned about tampering with an industry that has worked so well for so long. They are not persuaded that the models provided by the deregulation of the airline and telecommunications industries require Florida to rush into the deregulation of the electric industry.

To counter the advantages of the proponents of change, you have expertise, a local story to tell, a sense of urgency and a freedom from the bias and economic self-interest that the proponents labor under. But neither your expertise, nor your local story, are helpful if they are not communicated to policymakers.

"All politics is local."

— Tip O'Neal

Between now and next session you should establish a relationship with your local legislative delegation. You will find them eager to hear from you and to represent your views and interests in Tallahassee. But you have to tell them your story. FMEA is here to help in this regard. Barry Moline and I are happy to accompany you to those meetings or to counsel with you before the meetings.

Florida Municipal Power Agency (FMPA) General Manager Claude L'Engle is a veteran of the Florida's utility industry and of electric industry legislative battles. Since last fall, Claude and I have visited a number of legislators in their districts to brief them on the FMPA All Requirements project and to describe the benefits it brings to its members. Claude says that the difference in visiting legislators in Tallahassee and back home is night and day. In Tallahassee, their time is extremely limited and things move at a rapid, hectic pace. In their districts, legislators are relaxed and you have all the time you need to convey the complexity of this issue and its ramifications to your citizens.

Long-time Speaker of the United States House of Representatives Tip O'Neal said "All politics is local." In the debate over an issue of state and national importance like electric deregulation, this is only so if you make it so. **R**

FEATURE



Tornado Ravages Kissimmee

by Chris M. Gent
Manager of Communications
Kissimmee Utility Authority

Following 160 hours of tireless work, the power is back on in Kissimmee. In late February, dozens of crews from the Kissimmee Utility Authority (KUA) worked around the clock to repair the damage left by a devastating tornado that slammed Kissimmee during the early morning hours of Monday, Feb. 23. The storm has since been designated "the deadliest in the state's history" by the National Weather Service.

A tornado, classified as an F4 in strength, carved a 9-mile path through Kissimmee leaving 24 dead, 162 injured, 1,336 structures damaged or destroyed, and more than \$37 million in damage. At the height of the storm, 11,000 KUA customers were without electric service. By Tues., Feb. 24, the outage total had dropped to 7,800; 3,075 on Wed., Feb. 25, 1,600 on Thurs., Feb. 26, and most of the remaining customers had their service restored by Fri. evening, Feb. 27.

The outages were spread throughout KUA's 85-square-mile service territory — from Campbell City northeast to the Osceola County/Orange County line. The hardest hit areas included the Boggy Creek Road corridor and along Neptune Road, just east of downtown Kissimmee. The tornado's 220-mph winds snapped a 115-foot concrete transmission pole at its base and splintered two wooden transmission poles nearby. A total of two miles of distribution poles and lines were torn from the ground near the Florida Turnpike, requiring a complete rebuilding of the electric system in that area. Total damages to the electric system have exceeded \$1 million.

High winds also gashed the roof of a Sprint telecommunications office in Kissimmee destroying a \$5-million call-switching computer and cutting telephone service to more than 4,000 customers. As the power and phone systems failed, so did cable TV systems throughout Kissimmee, affecting another 6,000 customers.

On the afternoon of Feb. 23, KUA management and officials from the City of Kissimmee organized a community meeting to provide residents with updates on power restora-

tion and available emergency services.

Because the American Red Cross had not yet mobilized their feeding facilities, KUA contracted with a local barbecue restaurant to provide hot meals to those affected by the storm. Employees of the utility served over 1,200 meals at Cypress Elementary School — located in the heart of the affected area. A second community meeting was held the following Saturday and KUA provided a continental breakfast for those in attendance.

KUA developed a series of storm ads that ran continuously in the Orlando Sentinel, Osceola News-Gazette, and Osceola Star (Spanish-language publication) throughout the restoration process. One ad provided readers with steps on how to ensure that their home/business was safe to receive power. Another ad addressed the use of portable generators.

President Clinton toured the area on Wednesday and extended federal disaster aid to storm-battered residents. For security reasons, work by KUA crews was suspended for several hours while Clinton toured the Ponderosa RV Park.

KUA crews worked around the clock and, under a mutual aid agreement, four crews each from the City of Lakeland and the Orlando Utilities Commission (OUC) were called upon to assist KUA's crews with the rebuilding of the damaged distribution system. Offers of assistance poured in from other municipal utilities throughout the state, but additional assistance was not necessary.

Damage in many of the hardest hit neighborhoods forced KUA crews to walk door-to-door with a building inspector to ensure that each home was structurally safe to receive electricity. Because of building condemnations and others left with severe structural damage, over 600 KUA customers were not able to receive power in the immediate future.

The storm of 1998, and its devastating tornadoes, will long be remembered by Kissimmee residents. KUA employees will remember it as a time they made a difference in their community. Because even though the storm let up . . . we never did! **R**

QUALITY DISTRIBUTION EQUIPMENT REPAIR

We're Building Our Business on **QUALITY** and **CUSTOMER SERVICE**.



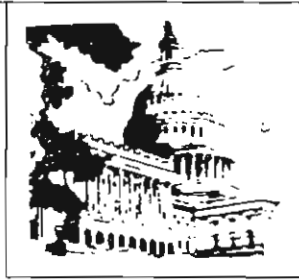
- Transformer Repair and Rewind
- On-Site Repair and Service
- PCB Testing and Retrofill
- Reconditioned Equipment Sales
- Regulator and Control Panel Repair
- Decommissioning Facility
- Full Service Pickup and Delivery
- Authorized by Cooper Power for
 - ▲ Recloser Repair
 - ▲ Recloser Parts Distributor

When you need **FAST, DEPENDABLE SERVICE**, give us a call:

Voice: (800) 726-5460 Fax (904) 892-6428

FLORIDA TRANSFORMER, INC.

P.O. Box 507, Defuniak Springs, FL 32435



The IRS Finally Acts

by Robert Varela
Editor, *APPA Public Power Weekly*

Like so many things that are long-awaited, the Internal Revenue Service's private use regulations are disappointing.

"It appears that the regulations provide greater flexibility than the draft rules proposed in 1994," APPA Executive Director Alan Richardson said. "At the same time, we remain concerned that these rules do not provide sufficient flexibility to permit public power systems to participate fully in open-access customer choice retail programs."

The department issued the regulations — which provide guidance on the tax code's restrictions on private use of output facilities financed with tax-exempt bonds — as both temporary final rules that will expire in three years and as proposed rules so the agency can solicit additional public comment.

Among the positive provisions of the rules for public power is language allowing public power systems to offer open transmission access — and participate in independent transmission system operations such as that established in California — without jeopardizing the tax-exempt status of bonds used to finance their transmission facilities. This special exception applies to open access in a manner consistent with Federal Energy Regulatory Commission rules, including the reciprocity conditions of Order 888, pursuant to a plan approved by FERC. It also applies to state orders and rules, pursuant to a plan approved by FERC, that are comparable to the federal commission's rules.

But even here the rules are only partly helpful. When asked about voluntary ISOs, Treasury Department official Edwin Oswald said that the rules were issued in response to the California ISO, and added that such questions were why they made the regulations temporary. Richard Johnson, the general manager of the Snohomish County, Wash., Public Utility District, said the private use regulations would not provide enough protection for its customer/owners to allow the PUD to join Indego, the proposed Northwest ISO.

Another caveat is that the exception for transmission facilities applies to existing facilities. For future bond is-

sues, "reasonable expectations about private business use of transmission facilities under nondiscriminatory, open-access tariffs must be taken into account," Treasury said.

Also cited as a plus for public power is a provision in the temporary rules easing the private-use restrictions to allow public power utilities to recover stranded costs. Under this exception, a contract to sell excess power is not treated as private business use — if five conditions are met. Among the five: if the contract is not for more than three years, if the public power system does not issue tax-exempt bonds to increase its generating capacity during that time, if all of the excess capacity resulted from open access, and if the recovered stranded costs are used to redeem tax-exempt bonds as promptly as reasonably practical. By "recovered stranded costs," Treasury means not only the funds from the three-year contracts but any other stranded costs recovered during the three-year period.

The stranded cost provisions in the regulations are useless as a practical matter, said Pierre Heroux, executive director and CEO of the Southern Minnesota Municipal Power Agency. Citing the requirement that any funds recovered for stranded costs be used to redeem tax-exempt bonds as soon as practical, Heroux said you can't separate moneys like that in the real world. "When we're selling power hour by hour we can't separate red dollars from blue dollars," he said. Even if that hurdle could be overcome, the stranded cost recovery provisions would kick in only after customers leave — a significant disadvantage for public power compared to private power companies.

On the negative side, the temporary regulations reverse 25 years of policy on wholesale requirements contracts. A requirements contract runs afoul of the private use rules if the issuer "reasonably expects that it is substantially certain that payments for output will be made under the contract," Treasury said. A retail requirements contract generally does not meet this substantial certainty standard, but whether wholesale requirements contracts do must be determined "on the basis of all facts and circumstances," such as whether the purchaser has a stable cus-

continued on page 24



Power Distribution Services, Inc.®

**Cost
Effective
Substation
Solutions**



Power Distribution Services, Inc.® (PDS) is proud to offer a full range of products and services for the electrical distribution market.

Substation Integrity Program Includes:

- Switchgear / Circuit Breakers
- Engineering Studies
- SF₆ / Oil Leak Seal Products and Services
- Power Factor Testing
- Transformer Oil Processing
- Oil/SF₆ Analysis Services
- Bushing Replacements
- Contact and Interrupter Replacement
- Complete Field Maintenance and Installation Services
- Training Programs
- Cable Fault Location Equipment
- High Voltage Test Equipment



800-306-4737

Power Distribution Services, Inc.® • 3210 Reynolds Road • Lakeland, FL 33803



S. INGRAM & ASSOCIATES
Cable/Communications Consultants
211 W. Hardin St.
Findlay, Ohio 45840

Phone: (419) 425-2709

Fax: (419) 425-1198

E-mail: swingram@aol.com

President: Stephen W. Ingram

- Feasibility and Planning Studies
- Consulting Services Relating To:
 - * Cable Television Industry
 - * Other Communications Concerns
- Planning, Design, and Engineering of Communications Systems
- Project Administration and Management
- Operations and/or Management of Completed Systems
- Training and Implementation For Those Entities Wishing To Maintain Operate The System In-house
- Assistance In Financing Projects

Visit our Web Site @ www.singram.com

◆◆◆ WITH OVER 80 YEARS COMBINED EXPERIENCE ◆◆◆

Caterpillar Generators

For All Your Power Needs

- Continuous Power
- Standby Power
- Load Management
- Rentals



Jacksonville (904) 737-7730
 Tallahassee (904) 562-1622
 Lake City (904) 755-3997
 Ocala (352) 732-4600
 Gainesville (352) 371-9983
 Perry (904) 584-2800

Tampa (813) 671-3700
 Orlando (407) 855-6195
 Brooksville (904) 796-4978
 Palm Bay (407) 952-3001
 Mulberry (813) 425-4951
 Sarasota (813) 753-7535
 Tarpon Springs (813) 938-1515

Your North & Central Florida CAT Dealers

PROFESSIONAL ADS

The total source for power industry services

Engineering • Design • Construction

Raytheon Engineers & Constructors

145 Technology Parkway, Norcross Ga. 30092-2913, Tel: 770-662-2464, Fax 770 662-2000

ASPLUNDH

*Serving Utilities and Municipalities
Since 1928*

Frank McTier Mgr ■ 3337 SE 54th Ave ■ Ocala, FL 34471 ■ 352-694-7151
352-694-7152 (Fax) ■ e-mail: mctier@asplundh.com ■ www.asplundh.com

Meeting Florida's Special Needs

Aventura
(305) 682-3800
FAX (305) 682-3660

Tampa
(813) 622-7676
FAX (813) 623-6445

**Stone & Webster
ENGINEERING CORPORATION**



**ELECTRIC
SUPPLY
OF TAMPA, INC.
UTILITY DIVISION**

4410 WEST CAYUGA - TAMPA, FLORIDA 33614
Phone: (813) 879-0049 Fax: (813) 879-0318
Toll Free (Phone: 1-800-508-5607 Fax: 1-888-879-0318)

'Providing Unparalleled Customer Service for Over 27 years'

JUNE 30-JULY 2



Mark your calendars now!
FMEA-FMPA ANNUAL CONFERENCE
JUNE 30-JULY 2
RITZ CARLTON, AMELIA ISLAND

FW&A

**FRED WILSON & ASSOCIATES
ENGINEERS**

ELECTRICAL & TRANSPORTATION DESIGN SERVICES

- Distribution
- Substations
- Transmission
- Relaying
- Highways
- Bridges

3970 Hendricks Ave. Jacksonville, FL 32207 (904) 398-8636 FAX (904) 398-2968

**Complete
Engineering, Design,
Environmental
and Information
Technology Services
to the
Power Industry**

Sargent & Lundy

9500 Koger Blvd.
Suite 200
St. Petersburg, Florida 33702
813-578-2500 • Fax: 813-576-9630

Complete Engineering Services

BLACK & VEATCH

Project Development • Consulting • Engineering • Construction

201 South Orange Ave., Orlando, FL 32801
2701 N. Rocky Point Dr., Tampa, FL 33607

(407) 419-3500
(813) 281-0032



KUETHER & ASSOCIATES
Division of POWER Engineers

People • Engineering • Integrity

Local Offices in
St. Cloud & Tampa

From Project Conception to Completion
407-957-4700 • Fax 407-957-6928



*Does your company's advertising
need a pick-me-up?
Call FMEA today about Relay Magazine
Advertising Opportunities: (850) 224-3314, ext. 208.*





CALENDAR

1998	
March	
24-25	FMEA Legislative and Regulatory Meetings and Rally, Ramada Inn-North, Tallahassee
25	FMEA Legislative Reception, Governors Club, Tallahassee
26	Effective Public Speaking Workshop, Ramada Inn-North, Tallahassee
April	
22	FMEA Enhancing Your Public Image Workshop, Gainesville
May	
12	FMEA Safety Committee Meeting, OUC Gardenia C.S. Center
13	FMEA Safety Workshop and Exhibit, Holiday Inn Central Park, Orlando
13	FMEA E&O Mid-Year Workshop, Holiday Inn Central Park, Orlando
20	FMEA ECCS Mid-Year Workshop, Gardenia Center, Orlando Utilities Commission
June	
4-5	Florida Association of Electric Utility Trainers 10th Annual Conference, Holiday Inn-Gulf Side, Key West
16-19	Southeastern Utilities Revenue Protection Association, Holiday Inn-International Drive, Orlando
30-July 2	FMEA-FMPA Annual Conference, Ritz Carlton Hotel, Amelia Island
July	
15	FMEA Enhancing Your Public Image Workshop, Orlando
September	
16	FMEA Enhancing Your Public Image Workshop, Key West
October	
15	Florida Association of Electric Utility Trainers Meeting, Orlando
November	
16-18	FMEA Energy Connections Workshop and Trade Show, Hyatt-Orlando Hotel, Kissimmee

FMEA General Information

Mailing address: P.O. Box 10114
Tallahassee, FL 32302-2114
Street address: 417 East College Avenue
Tallahassee, FL 32301
Phone: (850) 224-3314 Fax: (850) 224-2831

FMEA Staff

Executive Director:
Barry J. Moline (ext. 1)
Director of Customer Service and Training:
William L. Peebles, Jr. (ext. 2)
Director of Communications:
Stephanie L. Wolanski (ext. 5)
Office Manager:
Brenda S. Thompson (ext. 3)
Communications Specialist:
Deidra L. Jones (ext. 4)

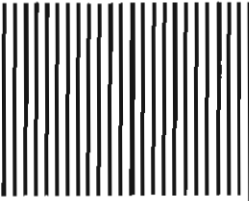
FMEA General & Regulatory Counsel:

Frederick M. Bryant
Mailing address: P.O. Box 1169
Tallahassee, FL 32302
Street address: 2010 Delta Blvd.
Tallahassee, FL 32303
Toll-free in FL: 1-800-377-3325
Phone: (850) 386-3300 Fax: (850) 386-3663

FMEA Legislative Counsel:

William J. Peebles, Esq.
Mailing address: P.O. Box 10930
Tallahassee, FL 32302
Street address: 310 West College Ave.
Tallahassee, FL 32301
Phone: (850) 681-7383 Fax: (850) 681-7271

Relay Magazine	(850) 224-3314
Advertising	x4
Circularion	x3
Editorial/Design	x5
Training	x2



Unprecedented change
is the only constant
in your business.

Our bankers know your business.
They understand the challenges you
face...and work *with you*
to anticipate and meet them.

Smith Barney's Global Energy and Power Group offers Public Power issuers innovative investment banking solutions, unsurpassed market muscle and personalized attention from teams comprised of both regionally-based Public Power specialists and New York-based energy and power industry professionals.

SMITH BARNEY

New York (212) 816-7762
West Palm Beach (561) 655-1122

Austin • Boston • Chicago • Dallas • Los Angeles • Miami • Philadelphia
Sacramento • San Francisco • Seattle • Tallahassee • Tampa

Dunlap & Associates, Inc.
Financial Consultants

Independent Financial Consultants to:

- ◆ Publicly Owned Utilities
- ◆ Cities, Counties and Authorities
- ◆ States, State Agencies and Departments
- ◆ School Districts, Special Authorities and Districts

*"With over 25 years experience in
Florida's public power industry."*

Craig Dunlap, President

Phone: (407) 849-0030

Clint Dunlap, Vice President

FAX: (407) 849-0102

Sue Miner, Associate

111 North Orange Avenue, Suite 825

Orlando, FL 32801

**Capital and Cash Flow
Financing for:**

- ◆ Public Power
- ◆ Water and Sewer
- ◆ Waste Management
- ◆ Infrastructure
- ◆ Economic Development
- ◆ Pollution Control
- ◆ Airports
- ◆ Variable Rates
- ◆ Education
- ◆ Sports Facilities



P.O. Box 10114
Tallahassee, Florida 32302-2114

Bulk Rate
U.S. Postage
PAID
Permit No. 38
Tallahassee, FL

Address Correction Requested

Please pass this issue
of *Relay* along to:

