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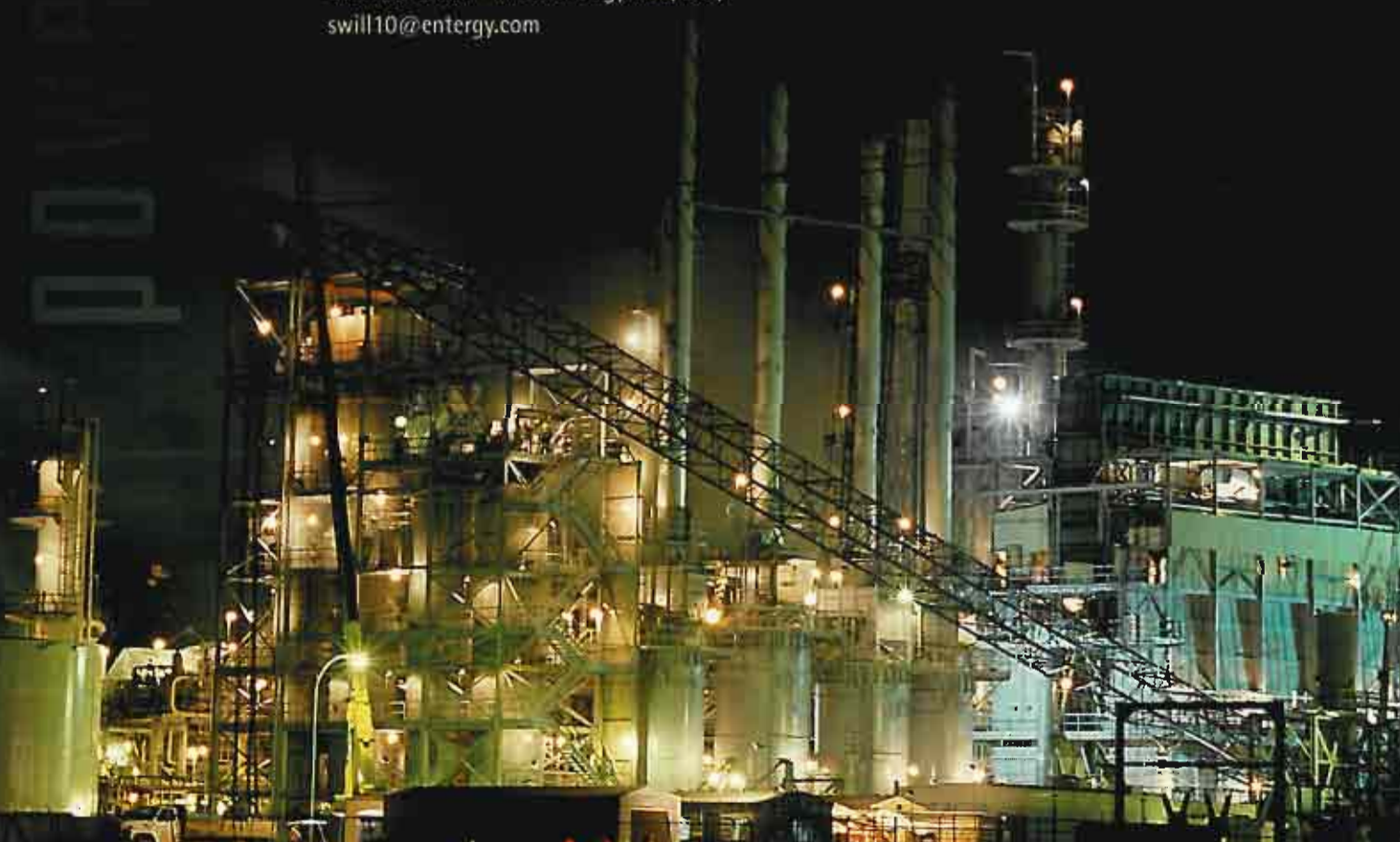
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RELAY

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The Fight Continues in Washington and Begins in Tallahassee

The electric restructuring debate is heating up in Washington, and in Tallahassee, the legislature is beginning to seriously address statewide deregulation.

The consensus opinion on the chance for action in Congress depends on who you ask. Influential members of Congress publicly state that they are optimistic. In private, however, they admit that chances to pass a bill are slim. However, it's best to take the pulse of the issue in the office of a member of Congress who's not in the debate at all. That's because they get the "cut to the chase" news at party caucus meetings. Their conclusion: no action this Congress.

No action, however, does not mean no movement. Each debate moves us closer to full-blown restructuring. It is imperative that you remain engaged and stay in regular contact with your representatives and senators. Now is when they need to hear from you — not at the last minute when you put a list of local concerns before them.

In Tallahassee we've begun the serious business of discussing a broad, statewide energy policy study. It would include electric deregulation, plus many other topics including the future of fuels such as natural gas and oil, renewable energy, and energy conservation.

Florida

A study bill has been proposed: S. 2020. The big debate is whether or not the bill will include a one-year moratorium on merchant plant development. (S. 2020 does not include a merchant plant moratorium.) Obviously, merchant plant developers are



Barry J. Moline
FMEA Executive Director

fighting a moratorium, and large incumbent private utilities like the idea of a delay in merchant plant start-up. I guess the hard part is lobbying for a longer head start. We don't see a compromise that both sides like, so the outcome will be important to watch.

Federal

There are a dozen bills in the Congressional hopper. Here is a synopsis of bills filed in the House of Representatives:

H.R. 2944, the Electricity Competition and Reliability Act, Rep. Joe Barton (R-TX) — Comprehensive federal electric restructuring bill. No mandate for retail competition or for RTO formation. Includes H.R. 721. Repeals PUCHA. Passed out of Energy and Power subcommittee, but will be greatly amended.

H.R. 721, the Bond Fairness and Protection Act, Rep. J.D. Hayworth (R-AZ), Rep. Robert Matsui (D-CA) — Provides private use relief to public power utilities. (Identical to S. 386)

H.R. 667, the Power Bill, Rep. Richard Burr (R-NC) — removes Federal impediments to retail competition. Repeals

The big debate is whether or not the bill will include a one-year moratorium

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we've begun the
serious business
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a broad, state-
wide energy
policy study.**

PUHCA. No RTO provision.

H.R. 1587, Electric Energy Empowerment Act of 1999, Rep. Cliff Stearns (R-FL) — Encourages states to establish retail competition, but does not mandate. Extends FERC control over public power utilities.

H.R. 2050, Electric Consumers' Power To Choose Act, Rep. Steve Largent (R-OK), Rep. Steve Markey (D-MA) — Gives states opt-in or opt-out option to retail choice by Jan. 1, 2002. If state does not file option, then retail competition is mandated by Jan. 1, 2002. Includes H.R. 721.

H.R. 1253, The Private Sector Enhancement and Taxpayer Protection Act of 1999, Rep. Phil English (R-PA) — Restricts the ability of municipally owned utilities to issue tax exempt bonds and subjects certain revenues of municipal utilities to federal income tax.

The following bills are filed in the U.S. Senate:

S. 386, the Bond Fairness and Protection Act, Sen. Slade Gorton (R-WA), Sen. Bob Kerry (D-NE) — Provides private use relief to public power utilities (Identical to H.R. 721).

S. (2098), Electric Power Market Competition Act, Sen. Frank Murkowski (R-AK) — Does not include a mandated date cer-

tain for retail competition, nor does it contain broad anti-public power provisions designed to "level the playing field." Leaves decisions regarding stranded cost recovery to the states.

S. 1273, Federal Power Act Amendments, Sen. Jeff Bingaman (D-NM) — Allows states to implement retail wheeling without a mandate.

S. 1284, Electric Consumer Choice Act, Sen. Don Nickles (R-OK) — Repeals PUHCA. Requires customer choice by Jan. 1, 2002.

S. 516, Electric Utility Restructuring Empowerment and Competitiveness Act, Senator Craig Thomas (R-WY) — No mandate for retail wheeling. Gives states authority to regulate all retail electric service and distribution service. Gives FERC oversight of public power transmission facilities.

S. 2071, Electric Reliability 2000 Act, Sen. Slade Gorton, (R-WA) — Aims to establish a base from which the industry and the federal government can develop the rules that will govern the power grid. Establishes a reliability organization to oversee operations of the national bulk power system under FERC authority. The new organization will create and enforce national reliability regulations.

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CES Board Supports Mentoring Program

The Utility Board of the City of Key West recently passed a resolution to encourage and allow City Electric System (CES) employees to participate in the Take Stock In Children mentoring program. The Utility Board is encouraging employees to serve as volunteer mentors for students who are selected to receive scholarships through the Take Stock In Children program.

"This is a great opportunity for CES to participate in a program that benefits the youth in our community," Raymond Rodriguez, general manager, said. "Our employees will be given time to mentor students and to help the students stay focused on completing high school and then attending college.

With the Utility Board's recent resolution supporting the program, CES will now begin recruiting employees to participate in the mentoring program for the 2000-2001 School Year, Rodriguez said. Take Stock In Children is a state-wide program that offers college scholarships for at-risk students. In Monroe County, the Monroe County Education Foundation, supported by the Monroe County School Board, sponsors the program.

KUA.net Establishes Internet Explorer Post

In mid-February, KUA.net, the Internet division of the Kissimmee Utility Authority (KUA), established the nation's first Internet Explorer Post in conjunction with the Central Florida Council of the Boy Scouts of America. The KUA Board of Directors officially welcomed Post 2803 at its January meeting. The



Explorer program — a branch of the Scouting program — is a worksite-based club for young men and women, ages 14-20, to gain practical knowledge of and experience in a career that they are interested in pursuing. The program also incorporates life skills, service learning, character education, and leadership experience.

There are currently three other Explorer posts in the U.S. that focus on computers and computer technology. These posts are located in California, Missouri, and Wyoming. KUA.net's Explorer Post 2803 is the first in the nation to combine computer and Internet technology. KUA.net's Post 2803 is made up of 23 students from Osceola and Orange county high schools. The students meet bi-weekly at KUA and tackle a different project at each meeting. Recent projects included the assembly of working computers using raw components and the ongoing development of a Post 2803 web site. The group also invites a guest speaker to each meeting.

"We are thrilled that KUA and KUA.net have agreed to develop and support the nation's very first

Internet Explorer Post," said Jerry Brady, regional administrator for the Explorer program. "We're not just breaking new ground but exposing students to state-of-the-art technology."

OUC Baby Bond Investment Pays Off

February 8 was payday for the nearly 2,000 people who invested in "Baby Bonds" issued by OUC a decade ago. The bonds matured on that date, resulting in solid earnings for investors and continued improvements at the city-owned utility. OUC mailed checks to everyone who purchased the 10-year bonds, which carried a tax-exempt interest rate of 7.1 percent. At that rate, the bonds doubled in value over the term of the program. Interest was earned and compounded semi-annually.

"This was a fantastic opportunity for the public to make a sound return on investment while sharing in the success of OUC," said Bob Haven, OUC's general manager and CEO.

The \$32 million worth of Baby Bonds came in denominations of



\$250, with a maximum purchase amount of \$10,000 per investor. This allowed more people in the community to participate in the tax-free financing of ongoing improvements to OUC's electric and water systems. Tax-free municipal bonds typically are offered in denominations of \$5,000 or more and purchased by banks and other large investors.

Reliant Receives County Approval for Power Plant

In late February, Reliant Energy received authorization from the Osceola County Commission for the conditional use of more than 440 acres of land in Osceola County to construct a 460-megawatt, natural gas-fired power plant near the town of Holopaw.

"Reliant Energy Osceola is a key part of our Florida strategy to selectively develop power-generation capacity to meet growing demand for electricity," said Doug Divinc, senior vice president generation development, Reliant Energy Wholesale Group. "This plant will augment and complement area growth while providing power to the local grid at times of 'peak' demand for electricity."

The Commission voted 4-to-1 in favor of the Reliant Energy Osceola project, which will provide Osceola County with more than \$1.5 mil-

lion in annual tax revenues and produce a \$10.9 million economic impact from the construction of the facility.

The site is strategically located near existing electric transmission lines and an underground natural gas pipeline. The project will be a peaking unit, which means it will only produce power during periods of heavy electricity usage.

JEA Helps Jacksonville Curb Crime

Community Watch is a new community crime prevention program designed jointly by JEA and the Justice Coalition to curb crime. By utilizing the eyes and ears of thousands of employees from various companies to report suspicious activity or emergencies, Community Watch will accomplish its goal to make Jacksonville the safest city in the nation.

Many local companies, like JEA, have employees who drive company vehicles in the neighborhoods of Jacksonville every day. These Community Watch participants have been trained in reporting suspicious activity, crimes, or other emergencies, to the Jacksonville Sheriff's Office by cell phone or two-way radio systems.

Motorola and Ericsson donated 500 cellular phones to the Community Watch program. BellSouth Mobility, AT&T Wireless Service, Sprint PCS, Powertel, and ALLTEL donated wireless communication service for use of the phones.

With the vast coverage provided by these companies, their employees, vehicles and equipment, as well as the unprecedented level of support from the wireless industry

and local law enforcement, JEA believes that its Community Watch enjoys the widest level of participation of any program of its type in the nation.

Tallahassee Residents Give City High Ratings

Eight percent of Tallahassee residents give the city positive ratings when evaluating the quality of municipal services, according to a recently released 2000 Resident Opinion Survey. This represents the highest rating ever given to the city and is up a full 10 percentage points from the 1999 survey. The city has conducted periodic surveys since 1975 to obtain citizens' views on the effectiveness of city government, as well as residents' opinions and attitudes toward several community issues of interest.

The 2000 survey was conducted by Kerr and Downs Research, and included a sampling size of 806 Tallahassee residents, closely approximating the overall demographic breakdown of the city. Survey interviews were conducted by telephone Jan. 5-23. The Resident Opinion Survey provides a public assessment of city services and programs. It also allows city staff and commission members to measure public perception of customer service and communications efforts, and to restructure programs to more effectively meet the needs identified.

Eight out of 10 residents (80 percent) gave either excellent or good ratings to city government, with the excellent ratings up six percentage points from the 1999 survey. Nearly 70 percent also gave city personnel positive marks on responsiveness to customers. These figures confirm

that citizens continue to be the beneficiaries of the city's ongoing focus on customer service initiatives, combined with proactive communications programs designed to keep citizens informed.

There's also good news in that half of the survey respondents indicated they receive a good value for services provided by the city. In 1999, resident responses were evenly divided over whether the services were fairly priced or "about right" (44 percent), or cost too much (45 percent). This year, while 50 percent thought that city taxes and user fees were about right, the percentage of those who indicated taxes and fees were too high decreased to 38 percent. Meanwhile, 63 percent of the respondents said they felt the city valued them as a customer, approximately the same number as a year ago.

TECO and EPA Reach Agreement

The U.S. Environmental Protection Agency has reached a \$1-billion agreement with Tampa Electric Company (TECO) to eliminate 120,000 tons of airborne pollutants over the next ten years. TECO will also pay a \$3.5 million civil penalty for past pollution and will spend \$10 million on short-term pollution control measures and environmental mitigation.

"The (pollution) reductions we're talking about are huge," said EPA Director Carol Browner. "Nitrogen dioxide, a precursor of smog, will be cut by 91 percent at the two plants, with significant reductions in microscopic soot and virtual elimination of releases of sulfur dioxide."

John Ramil, president of Tampa Electric, called it "a good settlement for everybody involved" and said it

will result in TECO burning 3-million fewer tons of coal a year.

The agreement between TECO and the EPA was originally hampered when Florida Department of Environmental Protection (DEP) Chief David Struhs offered an alternative solution to TECO's environmental issues. Struhs offered a solution of his own that the EPA claimed undermined their original proposals and let TECO off too easy.

Like the state deal, the federal settlement will require TECO to convert its Gannon plant to natural gas and install scrubbers at Big Bend, for an estimated \$1 billion. But the federal settlement will require TECO to keep its Big Bend scrubbers, which trap sulfur dioxide, operating at all times.

Under the state deal, TECO would have paid no fines. The federal settlement will require TECO to pay \$3.5 million in penalties for violating the Clean Air Act. And while the DEP deal would have achieved an 80 percent reduction of key pollutants; the EPA agreement sets a 91 to 99 percent reduction of key pollutants. The DEP would have allowed TECO to retain pollution credits. Under federal law, if a power company reduces emissions below certain levels, it earns credits that can be sold to other companies throughout the country. But EPA officials will require those credits to be retired, reasoning that TECO profited for years by violating the law.

Further, DEP's deal was contingent upon TECO obtaining a rate increase from the Public Service Commission. EPA insists on the cleanup regardless of the utility's rate concerns. Both the DEP and EPA deals call for TECO to fund a

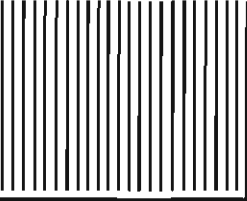
\$2-million pollution study and to spend at least \$8 million testing new pollution control equipment.

Massachusetts Municipals Can Now Provide Telecom Services

Municipal electric utilities in Massachusetts can now provide telephone and Internet services. Following legislation passed in February, cities and towns will be allowed to issue bonds to pay for the new business ventures and the municipal's telecommunications businesses will be regulated by the State Department of Telecommunications and Energy.

"This is a tremendous victory for public power in Massachusetts," said Walter McGrath, general manager of the Braintree, Mass., Electric Department. "Providing telecommunications, cable and Internet services can enhance the position of the municipal within the community. This makes the notion of 'one-stop-shopping' a reality." "Many municipals are positioned to offer additional services to their community," said Joseph Blain, general manager of the Taunton, Mass., Municipal Light Department. "We hope to build upon the long-standing relationships we have with the customers," he said. Several municipal utilities in the state already offer telephone and Internet access. Two cities, Middleborough and Shrewsbury, already offer long-distance phone service. ■

—Public Power Weekly, Feb. 21, 2000 issue.



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INNOVATIONS

Advanced Gas Turbine Introduced

In late February, General Electric (GE) and the U.S. Department of Energy (DOE) introduced a new gas-fired turbine that is predicted to use 5.3 percent less fuel than the most technologically advanced turbines. The new machine is the product of a jointly funded effort between GE Power Systems and the Department of Energy.

Designed to work in a combined-cycle power plant, the "H System" will be the first gas turbine to top the 60 percent efficiency threshold of turbine technology, DOE said. Because fuel represents the largest single cost of running a power plant, an increase of 10 percentage points in efficiency can reduce operating costs by as much as \$200 million over the life of a typical gas-fired, 400-to-500-MW combined-cycle plant, the agency said.

The new locomotive-sized turbine also operates cleaner than any of today's gas turbines. Its nitrogen oxide emission levels of 9 parts per million will be half the average of the turbines now in use. In addition, the H System turbine will produce the fewest tons of carbon dioxide per kilowatt of electricity of any gas turbine available today, DOE said.

U.S. Energy Secretary Bill Richardson said the new system represents the wave of the future for an electric power industry intent on raising efficiencies and cutting emissions. "This will be the first gas turbine to top the 60 percent efficiency threshold, or what is regarded to be the 'four-minute mile' of turbine technology," Richardson said.

Natural gas turbines are expected to make up more than 80 percent of the power-generating capacity to be added in the United States over the next 15 years. Globally, power generation from the turbine market could approach \$100 billion over the next decade.

The DOE spent \$100 million for research and development for the new design, and GE spent another \$200 million. The new system produces a kilowatt-hour of electricity on 5,685 British thermal units (Btus), compared to nearly 6,000 BTU's for older gas systems. In comparison, coal plants use around 10,000 BTU's to generate the same amount of electric power.

Using Powerlines to Communicate

A dramatic increase is predicted in the amount of information being exchanged over the already heavily used Internet infrastructure over the next several years. Two companies in the United States and Europe are developing a new technology that could possibly solve this problem by enabling the transfer of digital information over powerlines.

"Most utilities don't understand that they're sitting on a gold mine," said Phil Hunt, a powerline communications expert and senior manager at Cisco Systems, Inc, an Internet technology company. "They have a great business. We're trying to show them that."

Electric wiring is the most common form of a home connection, more than telephone and cable television wiring. With the infrastructure already in place, it has become a developmental race to see who can perfect the new technology first. Nortel's joint venture with a British energy company fell by the wayside late last year, claiming that what they were developing was technologically possible but not economically feasible.

Veiba, a German energy conglomerate and Enikia, a U.S. networking company, have pooled their forces to form a new communications company called Oneline AG. This new company plans to unveil its system in Europe this summer for trial runs in which a user plugs a computer into a wall socket to be connected to the Internet.

Media Fusion, a Texas-based company, is also developing new powerline technology to break open the broadband race. In Nov. 1999, they patented their Advanced Sub-Carrier Modulation™ technology that solves the problems of line noise, electrical load imbalances and transformer interference problems that have hindered other powerline communications companies in the past. Media Fusion claims long distance signal carriage without regeneration and near light-speed propagation. They also claim the elimination of network storms, re-transmission due to dropped packets and data loss. The most significant advance is the transfer of information at 2.5 gigabits per second, about 1,000 times faster than a cable modem on a system they claim has nearly unlimited bandwidth.

Superconducting Cables Unveiled

What was once science fiction became reality recently when the world's first high-temperature superconductor (HTS) power delivery system to provide power for industrial use was dedicated by Southwire Company in Georgia. The system, which includes a trio of 100-foot HTS power distribution cables, provides electricity to three Southwire manufacturing plants in Carrollton, Ga.

This is the first time a company has made the difficult transition from laboratory testing to a practical field application regarding superconducting cable. Helping Richards throw a series of switches activating the system were U.S. Secretary of Energy Bill Richardson and Georgia Governor Roy Barnes. "This is an exciting step toward the first practical deployment of superconducting technology, which promises to do for electric transmission what fiber optics is doing for communication," Richardson said.

Nearly immune to resistance, superconducting power cables lose only about a half-percent of power during transmission, compared to 5 to 8 percent lost by traditional power cables. HTS cables also deliver more power, about three to five times more power than traditional power cables. As the rapid growth of urban areas increases demand for electricity, while limiting the space for overhead and underground cable installations, the ability of HTS cables to transmit more power using the same amount of space as traditional cable will be increasingly important. The world market for HTS materials is predicted to be \$30 billion by the year 2020.

While they will not replace overhead lines, HTS cables can be used underground in areas where more power is needed but space for additional lines is not available. HTS cables could also be used to construct power distribution rings around moderate-sized cities, where lower-capacity cables could tap in and carry power to customers throughout the community.

"For years, superconductors have represented the promise of more energy-efficient and cost-effective electrical power delivery," Richards said. "The live installation of this HTS system is a giant step forward in making that promise a reality."

Southwire's partners include the U.S. Department of Energy, which has co-funded the project, and Oak Ridge and Argonne national laboratories. Industrial partners include Intermagnetics General Corporation and EURUS Technologies, Inc. Electrical utility partners include Southern Company, Georgia Transmission Corporation and Southern California Edison.

Pond Scum May be a Good Thing

Hydrogen may be an ideal fuel when the supply of oil and natural gas runs out, but the problem has been finding a way to produce it cheaply. Scientists now say the answer may be ordinary pond scum.

Green algae, a simple plant that grows all over the world, has the unique ability to convert water and sunlight into hydrogen gas, researchers said recently during the national meeting of the American Association for the Advancement of Science.

Now scientists have found a new way to force the algae to make hydrogen gas on demand, a process that could lead to an almost limitless supply of fuel that burns without pollution and produces only water as a waste product.

Tasios Melis, a researcher at the University of California, Berkeley, said that the algae, one of the most ancient plants known, evolved the ability to live in two radically different environments. In experiments, Melis said his laboratory first grows algae cells in the ordinary way, giving the plant sunlight, nutrients and water. The plant happily reproduces, growing millions upon millions of new cells. Then, the researchers cut off the supply of sulfur and oxygen to the algae, forcing it to click the metabolic switch to its hydrogen-producing life style.

"Within 20 hours, the algae turns on its switch, converting from oxygen production to hydrogen production," said Melis. "We have to seal the culture to prevent exposure to oxygen. Then we collect the hydrogen as it bubbles out of the culture."

The gas comes out as pure, pollution-free hydrogen, he said. Melis said the hydrogen-making process has operated experimentally for up to four days, the time it takes for the algae to exhaust its internal resources. The researchers then converted back to normal photosynthesis and the plant revives itself, ready to start another cycle.

"This has the promise of generating fuel from some of nature's most plentiful resources — sunlight and water," said Melis in an Associated Press report.

Hydrogen has long been promoted as a fuel to replace fossil energy sources. In the space program, hydrogen and oxygen are combined to make rocket propellant, which is used in the main engines of the space shuttle. ■

2000 FMEA-FMPA Annual Conference

The Registry Resort, Naples, Florida

Program Highlights

Tuesday, July 11

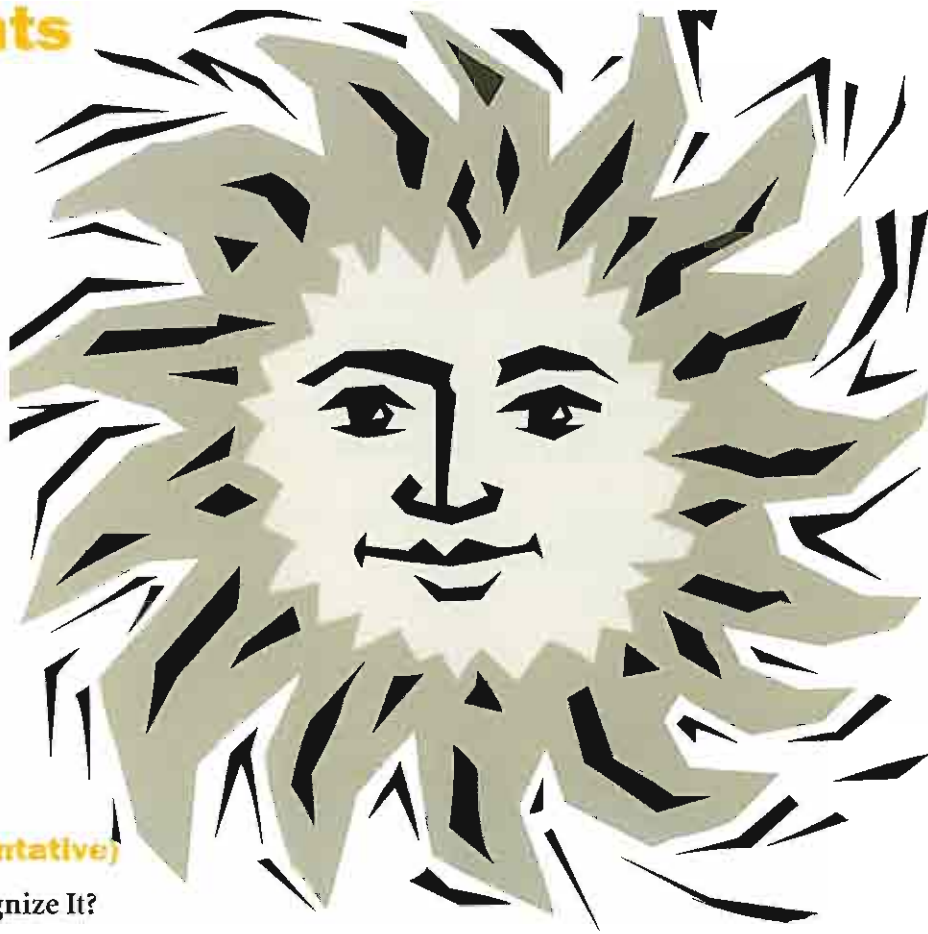
Registration opens at 1 p.m.
FMPA Executive Committee Meeting
FMPA Board Reception and Dinner

Wednesday, July 12

Golf and Tennis Tournaments
Ice Cream Social
General Session (1-5 p.m.)
Welcome Reception

Thursday, July 13

Fellowship Breakfast
FMEA & FMPA Business Meetings
Morning General Session
Three afternoon Breakout Sessions
Legislative Luncheon
FMEA-FMPA Reception and Banquet



Session Topics (tentative)

The Future Electric Utility: Will You Recognize It?

Zero to 400,000 Customers: SCANA's Success
in Gas Customer Choice

Florida Electric Restructuring: The Regulatory Vision

Employee Development: How GenXers Will Shape Your Future
Legal Seminar and Roundtable Discussion

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Conference Registration Form

2000 FMEA-FMPA Annual Conference July 11-13, 2000 ♦ Registry Resort, Naples, Florida Preregistration Deadline: June 9, 2000

Important: Please duplicate and complete this form for each person registering. Admittance to all functions will be by ticket and namebadge only. Please use separate form for spouse/guest registration, the Young People's Supper, Fellowship Breakfast, additional banquet tickets and tennis tournament. Use golf registration form to register for golf tournament. Spouses/guests must register to receive namebadges and attend social functions, the spouse/guest program, and the annual dinner.

Please Print or Type:

Name _____ Nickname for Badge _____

Job Title _____ Utility/Company _____

Mailing Address _____

City _____ State _____ Zip (+4) _____

Telephone (_____) _____ Fax (_____) _____ E-mail _____

Registration Fees

Registration fees are per person, and include namebadges, admission to general session, and one ticket for each social function. Spouses/Guests must register to receive namebadges and attend social functions. Preregistration deadline is June 9, 2000.

Registration Description	Cost Before June 9, 2000	Cost After June 9, 2000	Amount
FMEA-FMPA Municipal Member	\$225	\$250	_____
FMEA Associate Member	\$250	\$275	_____
Non-Member	\$400	\$425	_____
Total Due: \$			_____

Payment Information

Payment enclosed. Enclosed is a check for \$ _____

Please charge my: Visa MC Card No. _____ Expiration Date _____

Cardholder Signature _____

Please invoice Utility/Company listed above (for the total listed on this page only).

Cancellations: Cancellations and refund requests for individuals unable to attend the conference must be requested in writing and received by FMEA before June 30, 2000. Because of hotel guarantee requirements, refunds of registration fees, tickets and special events will not be made after that date.

Acknowledgements: Please make checks payable to: Florida Municipal Electric Association.

Checks and credit card payments will be acknowledged; tickets and badges for preregistered attendees may be picked up at the FMEA-FMPA Registration Desk.

Special Accommodations: If you require special accommodations at this conference, call the FMEA office at (850) 224-3314, ext. 3.

For FMEA Use Only

Received _____ Amount _____
Check # _____ Dated _____
Ack. Sent _____ Bal. Due _____
Date Billed _____ Notes _____
Visa/MC _____ Approval _____

Please return by June 9, 2000 to:
Annual Conference Registration
Florida Municipal Electric Association
P.O. Box 10114
Tallahassee, FL 32302-2114
or FAX to: (850) 224-2831
Questions: (850) 224-3314, ext. 3

Spouse/Guest Registration & Ticket Purchase Form

2000 FMEA-FMPA Annual Conference July 11-13, 2000 ♦ Registry Resort, Naples, Florida Preregistration Deadline: June 9, 2000

Important: This form is for registration for Spouses/guests, tournaments and for purchasing tickets to other events. Spouses/guests must register to attend social functions and the annual dinner. Admittance to all functions will be by ticket and namebadge only.

Please Print or Type:

Name of main registrant from Conference Registration Form (required) _____

Utility/Company _____ Telephone (_____) _____ Fax (_____) _____

Spouse/Guest Registration

Spouse's registration includes one ticket to each of the following conference social functions: Wednesday Welcome Reception, Thursday Lunch and Thursday Night Banquet.

	Cost Before June 9, 2000	Cost After June 9, 2000	Amount
Spouse/Guest Registration	\$100	\$125	\$ _____

Spouse/Guest Name _____ Nickname for Badge _____

Tickets & Tournaments

Admission to the following is by ticket only, and fees must accompany this registration form.

Participants in the golf and tennis tournaments must be registered for the conference or as a spouse/guest.

Additional tickets to Thursday Night's Banquet @ \$65 each No. Tickets ____ @ \$65 each \$ _____

Fellowship Breakfast tickets @ \$28 each No. Tickets ____ @ \$28 each \$ _____

Young People's Supper (children ages 5-12) @ \$25 each No. Tickets ____ @ \$25 each \$ _____

Names of children attending: _____

Tennis Tournament @ \$25 per player No. Players ____ @ \$25 each \$ _____

Names of Tennis Players: _____

Golf Tournament (See separate golf registration form.)

Payment Information

Total Due: \$ _____

Payment enclosed. Enclosed is a check for \$ _____

Please charge my: Visa MC Card No. _____ Expiration Date _____

Cardholder Signature _____

*Payment for spouse/guest registration fee, the Young People's Supper, Fellowship Breakfast, additional banquet tickets and tennis tournament must accompany this form.

Cancellations: Cancellations and refund requests for individuals unable to attend the conference must be requested in writing and received by FMEA before June 30, 2000. Because of hotel guarantee requirements, refunds of registration fees, tickets and special events will not be made after that date.

Acknowledgements: Please make checks payable to Florida Municipal Electric Association. Checks and credit card payments will be acknowledged; tickets and badges for preregistered attendees may be picked up at the FMEA-FMPA Registration Desk.

For FMEA Use Only

Received	_____	Amount	_____
Check #	_____	Dated	_____
Ack. Sent	_____	Bal. Due	_____
Date Billed	_____	Notes	_____
Visa/MC	_____	Approval	_____

Please return by June 9, 2000 to:
Annual Conference Registration
Florida Municipal Electric Association
P.O. Box 10114
Tallahassee, FL 32302-2114
or Fax to: (850) 224-2831
Questions: (850) 224-3314, ext. 3

2000 FMEA-FMPA Annual Conference Golf Tournament

Naples Grande Golf Course

Wednesday, July 12, 2000 ♦ Tee-time: 7:30 a.m.

The FMEA-FMPA Golf Tournament is a "Captain's Choice Scramble" tournament, featuring a one-score per team format. This is an enjoyable "team" approach to golf. Total number of tournament participants is limited, so please sign-up early.

Rules of Play

1. Teams must use at least four tee shots by each team member, and record the players' drives used on the score sheet.
2. Each golfer registering to play may select one other player for his foursome. The other players will be designated by the golf committee, and will be chosen to balance the teams. Ladies and men will be paired in the same foursomes unless otherwise requested.
3. Golfers registering to play must indicate their average score as well as the average score of their preferred other player.
4. Prizes will be awarded to each player of the three teams with the lowest score (First-, Second- and Third-place teams). In the case of a tied team score, the cards will be matched in a "play-off" starting with No. 1 handicap hole, No. 2 handicap, etc.
5. Prizes will be awarded for the longest drive, longest putt, and closest to the pin, with those holes predetermined and well-marked prior to the beginning of play.
6. Each golfer playing in the tournament must be registered for the conference. Payment of \$65 per golfer is required with this form. Cancellation must be received in writing prior to June 12, 2000, to receive a refund. No refunds will be given after that date, but substitute players are allowed with approval of the Golf Chairman.
7. Golfers needing special accommodations or assistance should contact Golf Chairman Norm Brody (888) 836-0634. For general conference registration questions, contact Cheryl Anderson, (850) 224-3314, ext. 2.

\$100,000 Hole-In-One Contest, sponsored by Dunlap & Associates, Inc.

Tournament Fee: Golf Tournament fee is \$65 per person. Conference registration is required.

Please Register:

Name _____ Average Score _____
 Utility/Company _____ Telephone _____
 Mailing Address _____ Fax _____
 City _____ State _____ Zip _____
 Please pair me with _____ Average Score _____

Payment Information: *(Payment must accompany this form.)*

Check enclosed. Enclosed is a check for \$ _____
 Please charge my: Visa MC Card No. _____ Expiration Date _____
 Cardholder Signature _____

Please return this form with conference registration and payment to:
Golf Tournament Registration
Florida Municipal Electric Association
P.O. Box 10114
Tallahassee, FL 32302-2114

For FMEA Use Only

Received _____	Amount _____
Check # _____	Dated _____
Ack. Sent _____	Notes _____
Visa/MC _____	Approval _____

Hotel Reservation Form
2000 FMEA-FMPA Annual Conference
July 11-13, 2000 ♦ Registry Resort, Naples, Florida

Hotel Reservation Deadline: June 11, 2000

Telephone Reservations: (941) 597-3232 (Request In-house Reservations)
or Fax Reservations to: (941) 597-9151

Room Rates:	Gulfview Room	\$ 112
	Garden Suite	\$ 180
	Superior Tower Suite	\$ 260
	Deluxe Tower Suite	\$ 290

All rates are subject to 9 percent state and local taxes. The special group rates are extended three days before and three days after the conference group dates of July 10-16, 2000. Extensions prior to or past the event dates are subject to room and rate availability. Reservations received after June 11, 2000 are subject to room and rate availability. Reservations must be guaranteed with a deposit equal to first and last nights' room and tax. Deposits/guarantees may be made by check or credit card.

Cancellations: Reservations may be cancelled or modified at any time up to 72 hours prior to expected arrival without charge or penalty. No-shows will be charged one night's room charge plus tax.

Tax Exempt Status: In order to qualify for tax-exempt status, a copy of your Florida State Tax-exempt Certificate and a photo ID must be submitted upon arrival. A check or credit card from your tax-exempt organization or a personal check or credit card will be accepted.

Arrival/Departure: Check-in time is 3 p.m. Check-out time is 11 a.m.
Requests for late check-out should be directed to the front desk on the day of departure.

Type of Accommodations:

- Single (King) Double (Two Queens) Garden Suite Superior Suite Deluxe Suite
 Non-Smoking Handicapped

Arrival Date/Time _____ Departure Date/Time _____

Name _____ Company Name _____

Address _____ City _____ State _____ Zip _____

Telephone (day) _____ (evening) _____ Fax: _____

Share Room with _____ No. of Children _____ Ages _____

Special Requests: _____

Check enclosed for deposit. Amount Enclosed: \$ _____

Credit Card Guarantee: American Express VISA MasterCard Diners Club

Credit Card Number _____ Expiration Date _____

Signature _____ Date _____

Mail this completed form to: In-house Reservations Dept. **or Fax to: (941) 597-9151**
Registry Resort
475 Seagate Drive **Questions? Call: (941) 597-3232**
Naples, Florida 34105

Restructuring Heats Up

By Amy S. Zubaly
FMEA Legislative Coordinator

The 2000 Florida Legislative session has convened. This is the last session prior to term limits taking effect, so many legislators won't be returning. Therefore, several might try to "make their mark" by passing controversial legislation to be remembered by. And the one question everyone seems to be asking is "When is electric restructuring coming to Florida?" Well, the answer may be soon.

Electric restructuring legislation is being debated in Congress and in states nationwide. Comprehensive electric restructuring bills have been introduced

in both the U.S. House and Senate, but political leaders have conflicting opinions on its passage. The Chairs of the bills' primary committees are optimistic on legislation being passed this year, but other congressional members say that the passage of electric deregulation won't happen; especially given it's an election year. Senate majority leader Trent Lott said that he didn't think electric deregulation legislation would make it through the whole process this year. "When you look at the things we must do and you look at how much work has been done in the committee, I just don't believe we are quite ready to move that one this year," Sen. Lott said.

Nationwide, twenty-one states have already passed electric deregulation legislation. Although customer choice has been implemented in these states, most of them won't be at 100 percent customer choice until 2003. Several

other states have initiated studies examining the impact electric deregulation would have in their states. Many of these studies are ongoing, while others have already concluded that deregulation is not in the best interest for their states at this time.

So, where does that leave Florida?

Legislators believe the time to study energy policy in Florida is now. SB 2020 and HB 1517 are placeholder bills for what will be legislation to create a commission to study the future of energy policy in Florida. Senator Tom Lec (R-23), the Senate bill's sponsor, has coined the commission "The Energy 2020 Study Commission" with hope that it will lay the founda-

the Senate bill's sponsor, has coined the commission "The Energy 2020 Study Commission" with the hopes that it will lay the foundation for Florida's energy policy for the next 20 years.

tion for Florida's energy policy for the next 20 years. The controversy is in the makeup of the commission and what should be included.

FMEA supports a comprehensive study of the electric industry, but not just on deregulation. Issues relating to the impact of deregulation, such as stranded costs, market power, and taxes, must be part of a study. However, in order to determine what the full impact of electric deregulation on Florida would be, we should wait three or four years until the results from the other states will be in.

Other sectors of the electric industry have differing views on what should be studied. Independent power producers and large users of electricity are ready for deregulation now. TECO Energy, who initially staunchly opposed anything relating to deregulation, now says that they support a study of electric deregulation that is workable for all interested parties. Florida Power Corp. and Florida Power and Light would support an energy policy study, but only if the legislature would enact a moratorium on merchant



plants. Without a moratorium, they oppose a study.

The issues are complex. Issues such as merchant plants, merger review, gas pipelines, impact on taxes, protecting consumers, fair and equal access to transmission lines, environmental impacts and reliability are just a few of the issues that would need to be a part of a comprehensive energy policy study.

Deregulation will also have local impacts. We need to make sure ALL customers benefit — large and small, rural and urban, young and old. Our local tax base needs to be maintained in order to keep our high level of city services. Municipal electric utilities need to be able to retain our large and small customers, provide reasonable rates and continue to offer a high quality of service.

The debate about electric utility restructuring is complex and serious. You have the responsibility to build strong relationships with your legislators. Now is the time to strengthen those relationships and begin to discuss the issues and inform them about potential impacts on your community. ■

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Deregulation and Price Discrimination

By Robert Varela
Editor, Public Power Weekly

Price discrimination, electronic redlining and price fixing as the fruits of retail electric competition? That gloomy scenario is offered by economist Eugene Coyle in a recent study sponsored by APPA. One reporter took one look at the report and promptly accused APPA of being “anti-competition.”

But take a close look at Coyle’s study, just as he urges us to take a close look at retail electric competition and not rely on the blithe assumption that “competition will benefit everyone.” The title of the report, *Price Discrimina-*

tion, Electronic Redlining and Price Fixing in Deregulated Electric Power, may suggest a diatribe against deregulation and big business, but Coyle provides a thoughtful mix of rigorous economic analysis — drawing on a branch of game theory called the theory of the core — and empirical evidence. He does not rely on villains or strawmen — quite the opposite.

“Competition can bring benefits to consumers,” Coyle says, and explains how (more about that later).

Coyle’s main concern is that deregulation will produce winners and losers, in the form of price discrimination that targets small businesses and residential customers. The problems arise from the fact that the electricity industry (1) has high fixed costs (power plants are expensive) and (2)

sells an undifferentiated commodity (the only exception being “green” kilowatts). Textbook competition doesn’t work in industries with either of those characteristics, let alone both, Coyle says.

High overhead costs need to be spread over large amounts of sales, and low prices are necessary to make large amounts of sales, Coyle says. But if all sales are made at low prices, profits disappear. The solution is price

discrimination. “The industrial customers will get bargains, power priced below average cost, but small customers will be forced to pay much more than average cost.” But going after only the largest and most affluent consumers, Coyle says, “means ignoring or deliberately avoiding the rest.” Computerized “data mining” of large data bases makes electronic redlining of customers possible, he says.

The airline industry’s experience is chilling. After the airline industry was deregulated, it “took a few years — and economic growth — before the excess capacity was reduced, for the airlines to rationalize capacity, to work out an oligopolistic detente, and to find an apparently legal way to cooperate on prices to eliminate cutthroat competition,” the study says. The behavior of airlines holds four lessons for deregulated electricity, Coyle says:

- ♦ prices are extremely discriminatory;
- ♦ airfares since deregulation have risen sharply, faster than the Consumer Price Index and faster than regulated electric prices;
- ♦ oligopolistic pricing among the majors dominates the industry; and
- ♦ predatory pricing, particularly at “fortress hubs,” is common.

Antitrust enforcement and market power remedies are not the answer, Coyle says. Even

The industrial customers will get bargains, power priced below average cost, but small customers will be forced to pay much more than average cost.

if there are many suppliers, "price discrimination is required by the cost structure of the industry," he concludes. "In short, 'competition' as a means of social control over abuses cannot work in electric power. Only structural forms can protect consumers . . . Lists of principles and rules of fairness cannot do the job." (This is not to say that antitrust enforcement and market power remedies are unnecessary; they are absolutely vital to ensure a competitive wholesale market.)

Two structures hold promise for protecting consumers from high rates due to price discrimination, Coyle says. One is a publicly owned utility. The other is public aggregation, specifically the opt-out approach of the "Community Choice" model adopted in retail competition laws in Massachusetts and Ohio.

As more states move to retail competition, the evidence mounts that Coyle is right. In California, the only companies still trying to sign up residential customers are those able to differentiate their product—the "green" power marketers. More recently, DTE En-

ergy, the marketing arm of Detroit Edison, announced that it was ending its residential and small business operations in New Jersey and Pennsylvania—but the company emphasized that the move would not affect its efforts to market electricity and related energy services to industrial, commercial and institutional customers in the same states and throughout the Great Lakes and Mid-Atlantic regions where deregulation has occurred. To date, consumers have not been hit with higher prices, but that's due to mandatory price freezes or reductions in state restructuring laws, not to competition.

The message is clear: the big dogs eat first. The remaining question is whether they will do so at the expense of the little dogs. Coyle argues persuasively that they will, unless lawmakers clear the way for structures to protect consumers, such as publicly owned utilities and public aggregation. ■

**The message is clear:
the big dogs eat first.
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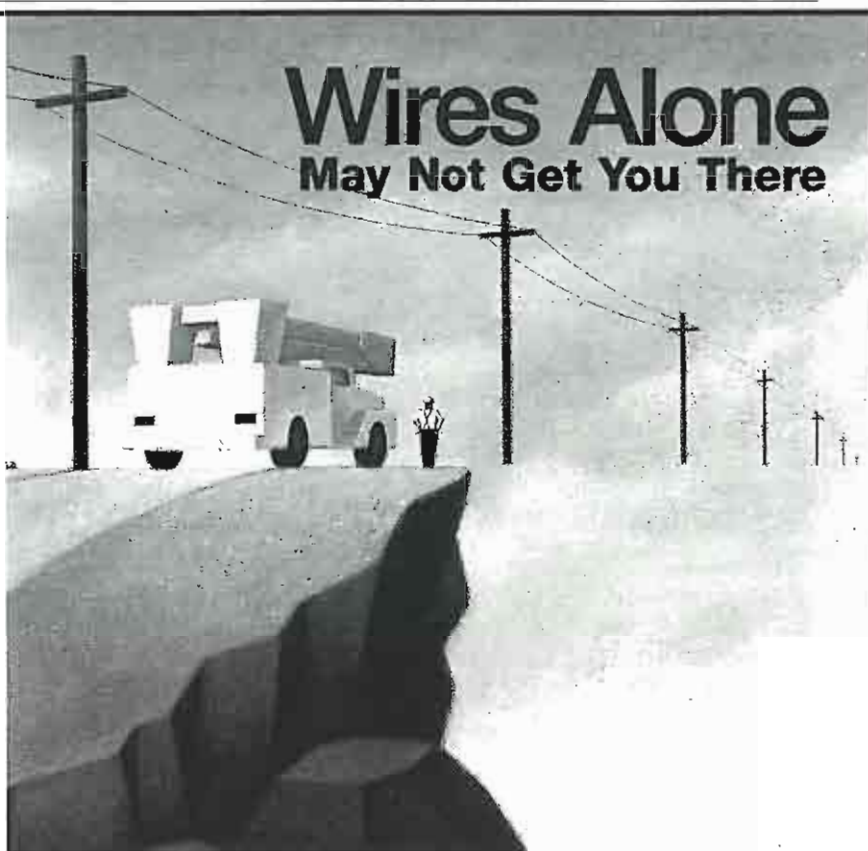
THE INDUSTRY IS CHANGING and so are customer expectations. Customers want simplicity, convenience and high-quality service from their utility.

Hometown Connections helps APPA members compete successfully in changing local electric markets by offering three types of value-added products and services:

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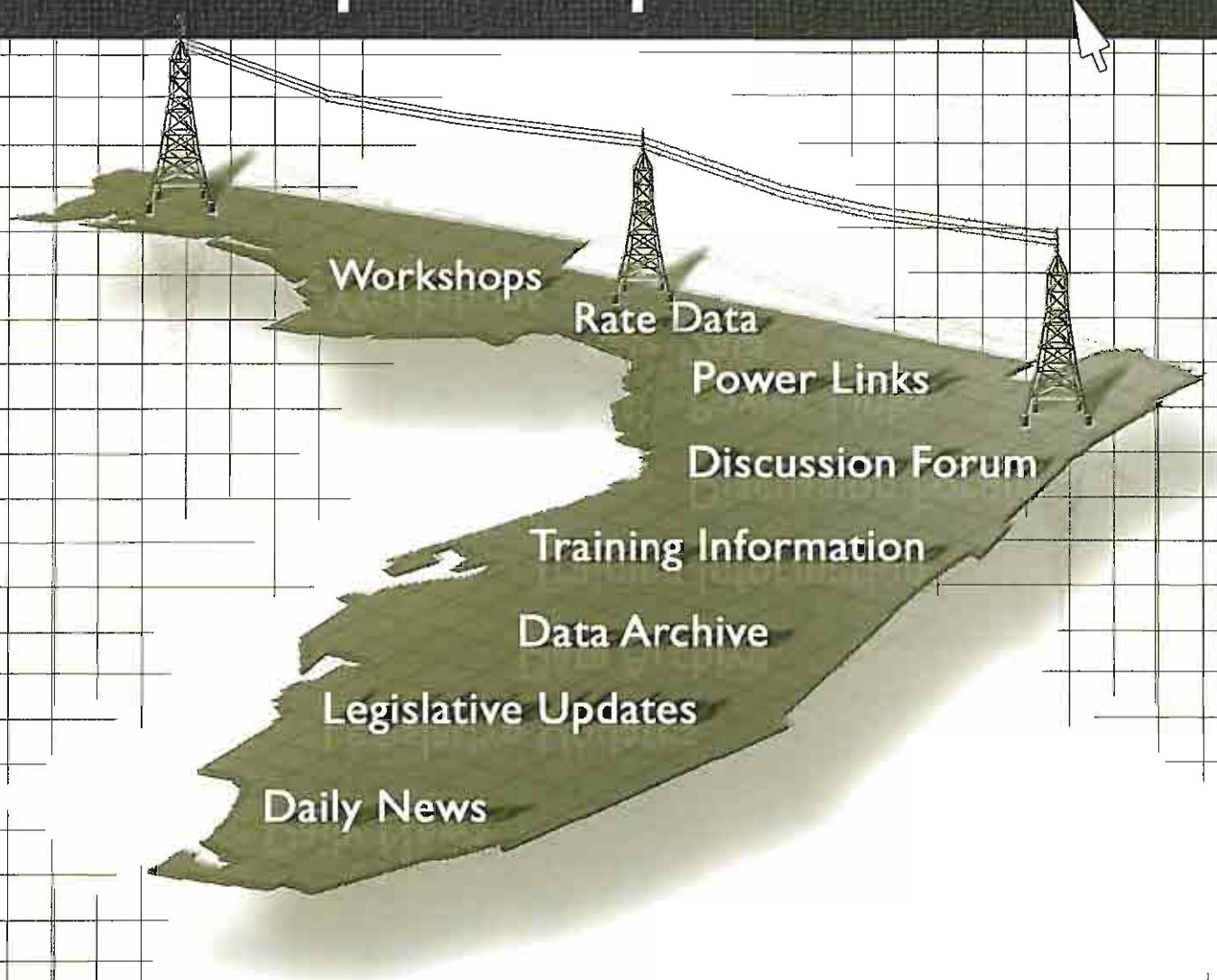
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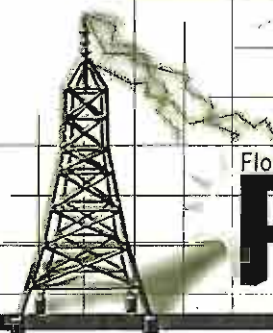
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Consumers Want Choice AND Regulation



In a national survey released March 9, 77 percent of American consumers support competition in the electric utility industry, and they have strong opinions about how it should occur. Public Opinion Strategies, an Alexandria, Virginia-based firm, conducted the survey on behalf of the Electric Consumers' Alliance (ECA).

Consumers believe restructuring should be determined at the state level and will consider switching providers when given the option. They support the

idea of buying groups, but believe participation should be voluntary, and favor allowing electric utilities to continue to serve their current customers.

"Consumers want choice, but they want it on their terms, and not as something that is forced upon them," said Robert K. Johnson, ECA Executive Director. "Choice is not choice if the federal government tells consumers how and when to choose. We are pleased that our annual survey shows, once again, that an overwhelming majority of Americans agree."

Johnson also said that the survey results show that there is a role for federal legislation but that role should be supportive, rather than invasive.

ECA's "National Electric Deregulation Study" also found that:

- While many would consider switching providers if their rates could be lowered, they still believe that their electric utility companies should be able to sell to customers they currently service.

- By almost a four-to-one margin, Americans think their state government would do a

better job than the federal government introducing competition and choice.

- Although a majority (54 percent) generally favor the idea of buying groups, most are not sold on the idea for themselves (41 percent).

- With respect to improving the transmission line system given limited space available, 64 percent suggest offering incentives to companies so that the electric system can grow as needed.

- About half of Americans report some familiarity with the deregulation of utilities, with over three-quarters supporting the effort.

- Americans don't believe that deregulation will have much impact on the reliability of service they currently receive. Sixty-six percent believe that there will be no change as a result of deregulation, while 16 percent say reliability will get better and 15 percent believe it will get worse.

- When Americans have a question related to deregulation, they are most likely to call their electricity company directly.

The ECA says that among its concerns
continued on page 25

Americans think their state government would do a better job than the federal government introducing competition and choice.

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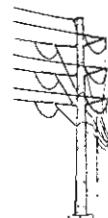


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Lakeland Electric

Lakeland Electric, Florida's third largest community-owned utility, serving over 100,000 customers, has an immediate openings for the following positions:

Relay Technician — Candidates must be qualified with a minimum of three years experience in testing, troubleshooting, and maintaining electromechanical, static, and microprocessor-based protective relays and relaying control systems in electric utility applications. Must have high school diploma or GED. Salary: \$33,592-47,278 DOQ.

Substation Engineer I, II, or III — Candidates must be experienced in the electrical and physical design of 15kV to 230kV distribution and transmission substations. Must have a BSEE and be capable of obtaining a Florida PE license with sufficient experience. Salary: \$37,045-63,357 DOQ.

Lakeland Electric offers competitive pay and an attractive benefits package. Submit resume with SSN, transcripts and salary history to: City of Lakeland, Civil Service Department, 500 N. Lake Parker Avenue, Lakeland, FL 33801-2097. Fax: (863) 834-8785 or E-mail: lsila@city.lakeland.net. Websites: www.civilservice.lakeland.net and www.landlanelcric.com. EOE-DFWP.

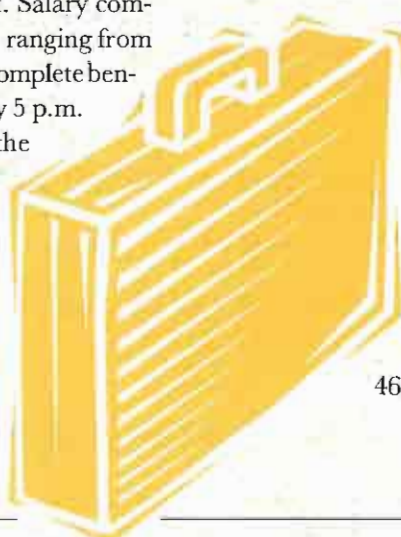
Electric Utilities Director

The city of Jacksonville Beach is seeking an Electric Utilities Director to oversee its electric utility system. The right candidate will be efficient, innovative, customer service-focused and able to lead the City in a competitive environment. This coastal utility has 73 employees and 31,000 customers. A degree in Management, Engi-



neering, or related field is required, as well as 10 years experience in electrical utilities management. Salary commensurate with abilities, ranging from \$52,582-\$85,260, with complete benefit package. Respond by 5 p.m.

on May 30, 2000, to the Personnel Department, City of Jacksonville Beach, 11 North Third Street, Jacksonville Beach, Fla. 32250, (904) 247-6263 EOE, V.P. Accommodation for qualified individuals with disabilities.



TRENDS continued from page 23

regarding electricity restructuring, reliability is paramount.

"Electric restructuring should be done for consumers, not to consumers," ECA officials said, "and every component of any proposed legislation should be measured by that yardstick."

The Electric Consumers' Alliance is a broad-based coalition of more than 275 consumer, government, and business organizations from all 50 states, representing rural, low-income, senior, minority, disabled, small business and residential consumers. ECA was formed in 1994 that to provide a unified voice for consumers on electricity issues. ■

TRAINING

Advanced Public Utility Accounting

The American Public Power Association has scheduled a 3-day class on Advanced Public Utility Accounting, May 15-17, 2000 in Orlando, Fla. Designed for utility accounting and finance personnel, it will be taught by Martin Coe of Coe & Associates. The course location is the Omni Rosen Hotel, (407) 996-9840, with a per night room rate of \$119 (mention APPA). Course reg-

istration fee is \$575 before April 17 and \$675 after April 17 for APPA members. For more information contact APPA's education department at (202) 467-2922. ■

Electric restructuring should be done for consumers, not to consumers.



FMEA

FLORIDA MUNICIPAL ELECTRIC ASSOCIATION, INC.

CALENDAR

2000

March

- 28-29 **FMEA Legislative Rally**, Tallahassee
29 **FMEA Board of Directors Meeting**, Tallahassee

April

- 11-13 **APPA Engineering and Operations Conference**, Anaheim, CA
11-13 **APPA Human Resource and Training Conference**, Austin, TX

May

- 9 **Geographic Information System (GIS) Forum**, Orlando
10 **ECCS Mid-Year Workshop**, Location TBA
16-18 **Electric Utility Operations Workshop (Electricity 101)**, Cocoa Beach

June

- 7-9 **Florida Association of Utility Trainers**, Annual Conference, Jacksonville
12-14 **APPA National Conference**, Orlando
27-28 **Advanced Revenue Protection Workshop**, Location TBA

July

- 11-13 **FMEA Annual Conference**, Naples
13 **FMEA Board of Directors Meeting**, Naples
13 **FMEA Legal Seminar**, Naples

October

- 23-25 **FMEA Energy Connections Workshop**, Daytona Beach, (tentative)

November

- 7-8 **Geographic Information System (GIS) Roundtable**, Location TBA

December

- 8 **FMEA Board of Directors Meeting**, Orlando

FMEA GENERAL INFORMATION

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