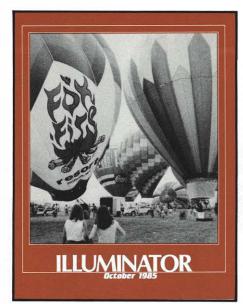


ILLUMINATOR

October 1985



Roanoke Marketing and Customer Services Advisor Tim Lawlor has discovered that hot-air ballooning is a pleasant way to spend a Saturday morning. Actually, Tim is interested not so much in the sport as he is in the picture-taking opportunities it affords. He won a prize for this photo taken at Virginia's Hometown Balloon Classic held in Roanoke, VA, during August.

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IABC

International Association of Business Communicators

The inside story

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AEP Savings Plan										
Date	Fixed Income Fund		Equity	Fund	AEP Stock Fund					
	VPU	UCPD	VPU	UCPD	VPU	UCPD				
1/31/85	\$2.0617	.4850	\$2.9918	.3342	\$2.1977	.4550				
2/28/85	2.0823	.4802	3.0320	.3298	2.2055	.4534				
3/31/85	2.1045	.4751	3.0412	.3288	2.2723	.4400				
4/30/85	2.1263	.4703	3.0325	.3297	2.2991	.4349				
5/31/85	2.1491	.4653	3.2147	.3110	2.4785	.4034				
6/30/85	2 1715	4605	3 2694	3058	2 5583	3908				

3.2603

.3067

2.5166

.3973

VPU - value per unit

7/31/85

UCPD — units credited per dollar

2.1947

.4556

HOW TO READ THE ABOVE CHART: The first column lists the days on which unit values are figured; the second shows the market price or value of each unit on that day; and the third indicates how many units you could have bought for \$1 on that day. For example, if the market value or "value per unit" of the Equity Fund were 50¢ on the valuation date (last day of each month), then "units credited per dollar" would be 2.000. This also holds true for the AEP Stock Fund and the Fixed Income Fund.

Update.

EPA asked to reconsider Kammer regs

Ohio Power Company last month asked the U.S. Environmental Protection Agency for reconsideration of that portion of its newly adopted tall-stack regulations related to the company's Kammer Plant. The petition, filed September 3, asked that the EPA reaffirm its 1982 ruling approving the full height of the stack serving the 630,000-kilowatt plant.

Two days later, Ohio Power appealed the same regulations, as they relate to Kammer, to the U.S. Court of Appeals for the District of Columbia.

Both actions were taken, according to F. Darryl Kidwell, Ohio Power public affairs director, in a concerted effort "to prevent further economic hardship in the Upper Ohio Valley."

The new stack-height rules with respect to Kammer could be interpreted as requiring the installation of flue-gas scrubbers at a cost greater than that of the original plant, or switching to highercost, low-sulfur coal. "If either happens, the cascading economic effect could be devastating," he said.

Most of Kammer's capacity is used to serve Ormet, Inc., Ohio Power's largest customer and operator of one of the nation's largest aluminum-reduction complexes. Ohio Power's rates to Ormet are based on Kammer's production costs, which, in turn, are largely based on the price of coal from Consolidated Coal Company's adjacent Ireland Mine.

Increased costs thus could jeopardize Ormet's continued existence as a competitive aluminum producer, which, in turn, could jeopardize 1,900 jobs at Ormet, 270 at Ireland and 250 at Kammer, as well as others in allied businesses.

New summer peak

The American Electric Power System established an internal summer peak of 14,262,000 kilowatts at 2 p.m. Tuesday, August 13. The previous summer peak, 14,236,000 kw, had been set August 22, 1983.

The historic internal high of 16,250,000 kw, recorded January 21 this year, was a winter peak. □

Phadke is first holder of AEP chair at VPI & SU

Dr. Arun G. Phadke, a former consulting



engineer in the AEP Service Corporation's Information Systems Department, has been appointed American Electric Power Professor of Electrical Engineering at Virginia Polytechnic Institute and State

University. He is the first holder of the chair, sponsored by AEP.

Phadke, recognized as a leading expert in the area of power system protection and the simulation of such systems, served as an AEP staff engineer from 1969 until 1976, when he was named a consulting engineer.

Since joining Virginia Tech in 1982, Phadke has generated external research funding of more than \$1.1 million — much of it directed toward development of a real-time power system protection simulator. This simulator is an expanded version of one implemented earlier by Phadke while at AEP. Sponsorship of his research has come from organizations in Belgium, England and Canada as well as in the United States.

He has published 18 technical papers in the Transactions of the Institute of Electrical and Electronic Engineers, 11 of them while with industry and seven since his arrival at VPI. He was elected a Fellow of IEEE in 1980, while with AEP, "for contributions to the applications of digital computers to power systems."

Phadke received his bachelor of science degree in electrical engineering in his native India, his master's in electrical engineering from IIT in Chicago and his doctorate in electrical engineering from the University of Wisconsin. He was a member of the faculty there prior to joining AEP.

Tax benefits expected to cease on AEP's DRP

American Electric Power Company last month told its shareowners that it expected the AEP Dividend Reinvestment Plan to cease to be eligible for certain tax benefits in 1986-87.

Since the Congress passed the Economic Recovery Tax Act in 1981, eligible participants in utility company dividend reinvestment plans have been able to exclude from taxable income up to \$750 of qualified reinvested dividends. For married couples, the exclusion has been \$1,500. The provision runs out December 31, however.

In the meantime, legislation has been introduced in the House (H.R. 754) that would: (a) make the provision permanent after 1985, (b) increase the exclusion amounts to \$1,500 and \$3,000, and (c) extend the benefit to corporate dividends generally, rather than only to eligible utilities.

Even with passage of the legislation, AEP's DRP plan would not be eligible for the tax benefit, at least for now. Gerald P. Maloney, senior vice president-finance of the AEP Service Corporation, explains:

"Such favorable tax treatment requires the issuance of **new** company stock for dividend-reinvestment purposes. In the case of AEP, we may not require the additional equity capital associated with such issuance over the next few years. Rather, we plan to provide the stock necessary for dividend-reinvestment purposes during the next two or more years by purchasing shares on the open market."

Maloney continued, "It is quite likely, however, that at some point we will resume issuing new stock in order to raise additional equity capital. At that time, then, the effects of the proposed legislation, if enacted, would be beneficial and desirable for AEP's more than 300,000 shareowners."

You're In Charge!

"Out of control" — most of us know that this is the problem with today's medical costs. And many of us also feel as if we have no control over the quality and risks associated with the health care we receive. How do we know if surgery is really necessary, if costs are too high, if the doctor is right?

The truth is that you can be in charge of your health and your medical costs. How to take charge — and how to work with other people, especially your doctor — is the subject of a special employee information meeting being held for all employees throughout the Company.

There's no question that medical costs are increasing dramatically at a rate far faster than inflation. Hospital room rates have led the way, with increases of over 200% in the last ten years. There are three main reasons for these increases:

- Equipment and Technology: To retain doctors and attract patients, hospitals sometimes purchase the most sophisticated equipment and technology available — even if they are already available at a nearby facility.
- Government Reimbursement Rates: The government has recently reduced the amount it will reimburse hospitals for Medicare and Medicaid patients, forcing some hospitals to make up lost revenue by charging more to their other patients.

Consumer Awareness: Consumers are often not aware of the cost of medical services received and feel that "someone else" is paying the bill. They do not consider the impact of the rising cost of medical services on their employer's ability to provide comprehensive medical coverage.

But we all pay the bill eventually—through higher prices in the products and services we buy. Increased health care costs mean increased insurance premiums for business organizations, which in turn pass the cost on to consumers through higher prices.

Our Company's medical plan encourages you to be a wise consumer of health care services in several ways:

- Pre-admission testing permits you to have tests performed before surgery on an outpatient basis in the hospital instead of being confined to the hospital for the tests.
- Hospice care coverage provides for the treatment of a terminally ill patient in a hospice facility or as an outpatient.
- Outpatient emergency accident treatment pays for services performed in a doctor's office or an Urgent Care Medical Center and eliminates the need for you to go to a more costly hospital emergency room.
- Convalescent care and home health care allows you to leave

the hospital early without compromising needed medical attention.

 Outpatient surgery coverage enables you to have surgery performed in a doctor's office or on an outpatient basis in a hospital, thus avoiding the room and board charges associated with a hospital admission.

I'M IN CHARGE is the theme of the upcoming presentation. It features Gregory Harrison, "Gonzo Gates" of TV's Trapper John, M.D. You will view a videotape about how to take charge of your health care by working with your doctor to answer these questions:

- Is this the right doctor?
- Do I understand what's happening to me?
- Do I need these drugs?
- · Do I need these tests?
- Do I really need surgery?
- Do I need to be hospitalized?
- How can I prevent this in the future?

Following the videotape, you'll be able to practice what you've learned by participating in several exercises.

After attending I'M IN CHARGE, you'll know how to talk with your doctor, what questions you should ask and how to ask those not-so "dumb" questions you fear. In short, you will be in charge of your health!

INFORMATION

Benefit

New interest rate set for Fixed Income Fund

A new guaranteed interest rate of 11.25 percent has been established for employee contributions to the Fixed Income Fund of the AEP System Employees Savings Plan.

The new rate is applicable to all contributions made during the period November 1, 1985-October 31, 1986. It then will continue to apply, until October 31, 1992, on contributions made during that 12-month period.

The rate is the result of a new agreement with Prudential Insurance Company of America and is pegged to current interest-rate levels. The previous rate, which began November 1, 1984, and will run to October 31, was 13.10 percent. That rate was guaranteed by Metropolitan Life Insurance Company and will continue to apply until October 31, 1991, on the money contributed during the 12 months now ending.

The actual yield earned by investors in the Fixed Income Fund is a "blended rate," i.e., a weighted average rate determined by the amounts of contributions earning the various contracted rates established since the Savings Plan began in 1978. Over the 12-month period ended July 31, 1985, the value of the fund increased 12.2 percent.

Eligible employees may invest up to 16 percent of their salaries in the Savings Plan, on either a beforetax or after-tax basis, and the company matches the first 6 percent 50 cents on the dollar. In other words, for every \$2 invested by an employee (up to 6 percent of salary), the company adds \$1 of AEP stock to his or her account. Earnings on all contributions, the employee's and the company's, are added to the employee's account.

The Savings Plan is made up of three funds, and the employee participant may elect to invest in one or equally in two or all three. They are: the Fixed Income Fund, which has its earnings guaranteed; the Equity Fund, a portfolio of securities, and the AEP Stock Fund, which consists entirely of AEP common stock.

Savings plan statements sent semi-annually

Beginning this year, participants in the AEP System Savings Plan will receive two semi-annual statements from Bankers Trust, the plan's trustee, rather than an annual statement.

Previously, the annual statements showed plan year and investment fund data as of December 31. The semi-annual statement will show that information as of both June 30 and December 31 each year.

Employee contributions are divided among the plan's three funds as follows: AEP Stock Fund, 7.9 percent; Equity Fund, 16.6 percent, and Fixed Income Fund, 75.5 percent.

As of June 30, market value of the plan was \$256,943,672. Of this, \$97,372,796 was in the AEP Stock Fund, \$27,258,075 in the Equity Fund and \$132,312,801 in the Fixed Income Fund.

Who is your beneficiary?

Has your personal or family situation changed since you named a beneficiary for your AEP System benefits plans or your personal life insurance? If so, you should review all your beneficiary designations — and your will — to be certain your elections are as you currently wish them to be.

Employees may withdraw funds from savings plan

Participants in the AEP System Employees Savings Plan in 1982 are eligible for this year's annual "partial distribution," to be held in November. During that month, employees may elect to withdraw a portion of the funds in their accounts. Distribution of the funds will take place in February.

The withdrawal provision gives participants the opportunity, once a year, to take out all contributions — both their own and the company's — that were made during a given prior year, plus the earnings on such contributions through the current year. Employees who do not wish to withdraw the entire amount will be able to specify the amount they wish to receive, with a minimum withdrawal of \$300.

To be eligible for the November election period, an employee must have been a participant in the Savings Plan at some time during 1982. To make a withdrawal, he or she must notify the Personnel Department and complete an election form during November.

The withdrawal is voluntary and carries no penalty. But, a decision to withdraw, once made, is irrevocable, and funds withdrawn cannot be reinvested in the Savings Plan. In some cases, the partial distribution may be subject to income taxes.

The partial distribution provision is explained in the AEP System Employees Savings Plan booklet on page 10. Employees with questions should contact the Personnel Department.

INFORMATION

Benefit

How Reagan's tax-reform proposals would affect AEP Savings Plan

In 1978, the AEP System adopted its popular Employees Savings Plan. As of July 1, a total of 16,283 employees were eligible to participate, and 14,245 of them (or 87.5% of those eligible) were doing so. Their average contribution to the plan was 8.3% of their salary.

In 1983, the System added a "401 (k)" feature that allows employees to make **before**-tax contributions to the plan. As of July 1, a total of 5,595 employees (or 39.3% of the participants) were taking advantage of the 401(k) feature. Their average tax-deferred contribution was 9% of their salary.

As part of his evolving tax-reform program, President Reagan last month made four proposals that would have major impact on the AEP System Employees Savings Plan.

They are:

- 1. Elimination of the 401(k) feature, which would require that all contributions be based on after-tax dollars.
- 2. Treatment of distributions from the plan of contributions made after 1983 first as a taxable distribution and second as a non-taxable return of contributions.

(Currently, distributions to an employee whose cumulative contributions exceed cumulative withdrawals are considered a non-taxable return of contributions. This ordering rule has allowed employees to withdraw prior-year contributions with no tax consequences.)

- 3. Elimination of the provision allowing 10-year "averaging" for lump-sum distributions.
- 4. And imposition of a non-deductible excise tax of 10% or 20% (depending on the distribution's purpose) on early

distributions. These generally would be any taxable distribution taken by an employee prior to reaching age 59%.

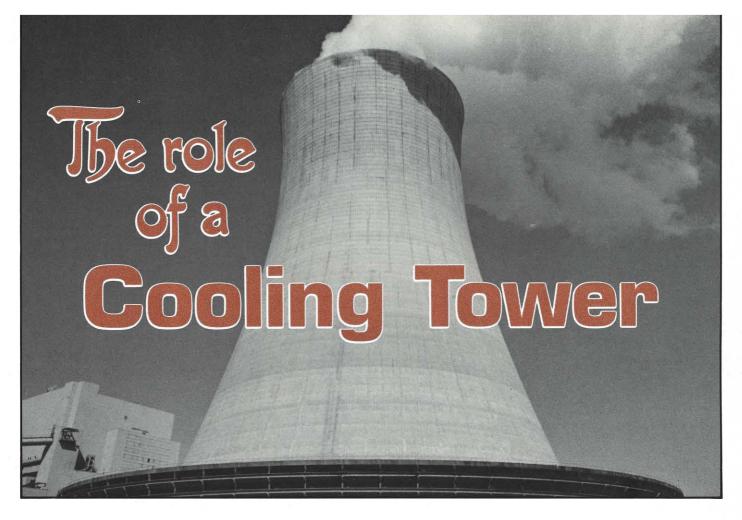
William L. Scott, manager of the AEP Service Corporation's Tax Division, in analyzing the effects of the Reagan proposals, summarized:

"Since our employees are able to contribute before-tax dollars, increased contributions can be made and significant savings can be accumulated for retirement. However, with elimination of the 401(k) provision, the employee's opportunity to accumulate a substantial investment for retirement will be severely diminished.

"Although it appears that elimination of the 401(k) provision would result in the most severe impact on AEP System employees," he continued, "these other proposed changes could also impair the ability of our employees to save."

Officials of Buck Consultants, Inc., the AEP System's actuarial consulting firm, echoed Scott's analysis. "We are particularly concerned about disincentives that the proposal would have for Section 401(k) and savings plans. Under current law these plans play a major role in encouraging savings by employees. We believe the President's proposal would reduce savings under these plans at a time when the nation's overall savings rate is low in relation to other industrialized countries," a Buck statement said.

Congress is currently, and likely will be, considering these and other tax reform proposals during the remainder of 1985. □



When Joe Average sees a cooling tower, he immediately thinks of nuclear power.

That's because, ever since the accident at the Three Mile Island nuclear plant in Pennsylvania in 1979, most people associate a cooling tower — that tall, hyperbolic-shaped structure from which rise big puffy clouds of vapor — with the generation of electricity from nuclear fuel. Because Three Mile Island has three such towers, the news media have made the cooling tower the symbol for nuclear energy.

But there is no special relationship between the two.

Some nuclear plants are served by cooling towers, but some aren't. Some coal-fired plants are served by cooling towers, but some aren't. Likewise, plants fueled by oil or gas. In other words, any plant in which a fuel is used to produce **steam** which, in turn, is used to generate electricity may or may not employ a cooling tower.

A cooling tower serves two important functions in the generation of electricity:

1. One function is to provide an adequate supply of cool water to the power plant for the purpose of condensing its steam. The curved contour of the cooling tower creates an upward natural draft of air. This draft cools the water as it circulates in the base of the cooling tower. The cool water then enters the plant via a closed piping system. Steam that has done its work driving the turbine (which in turn spins the generator to produce electric energy) is then condensed back to water by contact with the cool water piping system, then is transformed back into steam by passage through the plant's boiler for further work in driving the turbine. The water from the cooling tower and the water used for steam, each in its own closed piping system, never come in direct contact. And the vapor that

one sees coming from the top of the cooling tower is just that — pure water vapor, created by the evaporation that takes place in the cooling process.

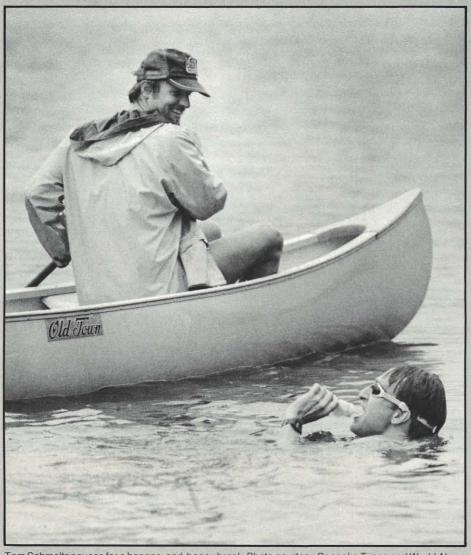
2. The second function is environmental in nature. By constantly being recirculated, from cooling tower to power plant and back to cooling tower, the cooling water never reenters the river or lake from whence it came. Thus, no "heat" is added to the body of water that could be harmful to its aquatic life. (Older, smaller power plants take cooling water directly from the river, use it to condense steam, then discharge it back into the river — at a temperature several degrees higher.)

The American Electric Power System pioneered the use of the natural-draft cooling tower in the Western Hemisphere in 1962. This initial installation was at Kentucky Power Company's Big Sandy Plant. Today, the AEP System operates 13 such cooling towers — more than any other utility in the United States — and has one more under construction. (Two other plants employ mechanical-draft cooling towers.)

Ten of the 13 natural-draft cooling towers are on the Ohio River, two on the Big Sandy River and one on the Muskingum River. All told, they serve (or will serve) 13,195,000 kilowatts of generating capacity — well over half of the System's total capacity in service and being built.

Ironically, all of AEP's cooling towers serve coal-fired plants.

On the other hand, the AEP System's one nuclear plant — Indiana & Michigan Electric Company's 2,130,000-kilowatt Donald C. Cook Plant on Lake Michigan — does **not** utilize a cooling tower. It doesn't need one. The lake is so big, the water supply is ample; and the lake is so cold, the discharge of heat into it has virtually no effect.



Tom Schmaltz pauses for a banana-and-honey break. Photo courtesy Roanoke Times and World-News,

Schmaltz swims Claytor Lake

"Three years ago I put a map of Claytor swimming that distance every day. Also, Lake on my office wall, and the guys came in and wanted to know why," recalls Tom Schmaltz. "I told them that someday I planned to swim the length of Claytor. They questioned my ability to do it because, at the time, the fartherest I had swum in one day was six miles. They told me that was a lot different from the twenty-one mile length of Claytor."

Tom never gave up on his idea, however, and on September 9 he accomplished his goal. Tom entered the water at the dock in Claytor's picnic area and ten hours and forty-five minutes later climbed out at Allisonia.

What made him take on the lake? Tom replies, "First of all, if you finish, you have this terrific feeling of accomplishment. It was the first crossing, as far as I know, which is fairly significant. And it's kinda unique in that not everybody goes around I wanted to generate a little bit of publicity for swimming.

"Swimming is a sport that has fascinated me ever since I first started reading about it. There was a time when they had huge prizes for marathon swims. Back in the '20s, the prize money ran into the tens of thousands of dollars, but that has died out now. The high water mark of marathon swimming was a thirty-five hour, sixty-mile swim in Lake Michigan in 1963. So compared to other marathon swims, mine was kinda a cake walk. But the ten hours and forty-five minutes was enough for me. I just about had reached my physical limit. As marathon swimmers go, I am a stick. The great swimmers are really big guys."

Tom, obviously, is no stranger to the water. He is a former James Madison

University swim team captain and continued the sport while he was earning his doctorate in botany from Virginia Tech. He also is a former Virginia AAU Masters Open Water Champion.

Although Tom was the one to swim Claytor Lake, he is quick to point out that he couldn't have done it without the help of quite a few people. "First of all, the crew involved Bobby Wright and Heather Griffin, former swimming companions of mine who live in Blacksburg. Paul Askew, Claytor hydro plant supervisor, was my chief logistics coordinator. It helps a lot having the head man at Claytor behind you. The Roanoke Valley Aquatic Association and Lancer Lot provided pool time and some coaching. And, too, it is somewhat of a strain on the family to have daddy gone every night, but they put up with it. Each swimming program that I was brought up through added a bit. I just tried to put it all together. And, of course, the whole Environmental Department was very supportive."

Tom's first attempt to swim the lake was made three weeks earlier, but he was forced to leave the water after about twelve miles. "I had no idea that was the weekend Hurricane Danny would come through. We didn't cancel the swim even though it almost could be classified as a foolhardy attempt. We figured it would be an adventure whether we made it or not. But the rain lowered the water temperature beyond what I could bear. The ideal conditions are low flow, full pool lake, and warm temperature."

He continues, "The second swim went pretty smooth although we encountered some hardships. I periodically got cramps and had to stop and massage. I got sore, of course, because that is part of the game. There are very few forms of exercise you can do for ten hours that you don't get sore. We underestimated the current on the last couple of miles. Bobby got in and swam occasionally, and that helped a lot. We pushed hard the last two hours and fifteen minutes, and it took a lot out of us.'

Tom concludes, "When you get out and are done, you shake everybody's hand. But the greatest feeling is when you are in the last few miles, and you know you have it. That's what gets you through the pain and makes it all worthwhile."

What's next for the man who thrives on challenge? "The next thing is to qualify for the Boston Marathon. Tell Jesse Ruble (Bluefield line mechanic A) to watch out!" Jesse has already qualified to be in the marathon next spring.

Anyone who knows Art Stair, retired Kingsport residential services coordinator, is aware of his passion for model railroads. So it came as a surprise to no one that, when Art became interested in woodworking two years ago, his first pieces were toy train cars

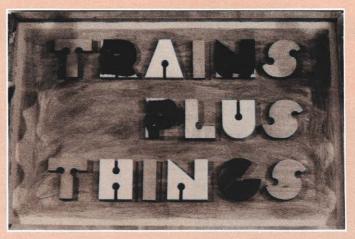
"I've made things all my life,"

Art says. "I built my house and all my train layouts. But after I bought a band saw, I started making toys for the grandchildren. I gave away around seventyfive toys to friends and relatives. But when strangers who saw the toys started wanting me to make some for them, I decided to put a price tag on the toys.

"I have four different sizes of cars, and I price them according to the time it takes to make them. Most of the cars will cost \$5.00: some will cost \$9.00. The cattle car costs \$9.00 and an engine costs \$11.00 or \$12.00. I have a policy that after the first \$35.00, I will take twenty percent off of everything else someone buys. I spend about two hours making a \$5.00 car. See how much money I am making on it, not counting the scrap wood? It's not a money-making deal, that's for sure!" he laughs.

"Last winter I made 250 train cars, and I have them for sale at the Exchange Place in Kingsport and the Cherry Tree Craft Shop in Jonesboro, both historic locations. I got the idea of going to craft shows, so I participated in the Kiwanis Club Appalachian Trade Festival over Labor Day weekend at Gray. That turned out to be more of a flea market than a craft show, but I made some good contacts. I had personal invitations to go to about five other craft shows. I turned down one of them and two are too far away, but I am going down to Greeneville, TN, and to the Rogersville Heritage Days in October." Art adds, "At a craft show, you see people you haven't seen in a long time. I don't care whether they buy or not; but, if they are interested in my stuff, I will sit there and talk to them all day long. I really enjoy it."

Art makes ten different pieces, counting the caboose and engine: a tender that Art Stair with some of the wooden toys he has made



goes behind the engine, boxcar, gondola, cattle car, animal car, tank car, pickle car, and log car. "The gondolas come in different sizes and shapes, some with coal and some without," he says. "I don't make any flat cars because I feel like I am cheating somebody to charge them for something without sides. I will make about fifty undercarriages at a time. Every car I make sits on that undercarriage so they will couple together."

All of Art's cars are made freehand. "I have messed around with model railroading all my life, and I don't copy anything. I know what I want. I just start cutting it out. I will use a ruler once in a while to draw a straight line to follow with the saw," he notes.

"I tell everybody who has ever bought one of my cars that I will repair it if it breaks. But I don't expect to have to do much repair. The glue I use, Page's regular carpenter glue, is as strong as the wood itself."

Art adds, "If I used metal, I could go into a lot more detail. But my favorite toys, the little

trains, have no metal or paint. They are basically for children three months to three years. I put my trademark on the bottom of every piece — a star. It is not my name, of course, but it is close to it."

Not all of Art's trains end up in a toy box, however. "Last Christmas a school teacher bought a seven-car set for her husband to put on the mantel." he recalls. "And recently I sold a seven-car set to another teacher. She was buying it for her husband to put on his television set. But when she took the cars home. her husband took them to the office and put them on his desk. And he's a 60year-old grandfather," Art says with a smile.



Plummer earns commercial pilot license

"I've always had a fascination with airplanes," claims Danny Plummer, Abingdon line mechanic A. "When I was a kid, I made paper airplanes in school. Then I got little gas-powered airplanes to fly. After some friends took me riding in a small plane, I made up my mind to get a pilot's license.

"I took my first lessons in 1977, and then quit for a year because I couldn't afford to fly. I still can't afford it," he says with a smile. "Then I got a grant to go to Virginia Highlands Community College, so I took aeronautical science and learned how to fly at the same time.

"I never will forget the day I soloed. My instructor said, 'Let's go around the field and do a couple touch and gos' - that's when you come in for a landing and take off again without coming to a complete stop. He said, 'you did fine, take me back to the terminal.' I thought that was all we were going to do that day. But when he got out, he said 'now you're on your own.' I asked him to go with me one more time, but he said 'no.' I worked up my nerve and took off, but the airplane seemed to perform differently because I was flying by myself. It is a feeling I can't explain. It was a thrill I'll never experience again.'

Danny continues, "I got my private pilot license on New Year's Day of 1981. Then I took some trips and always seemed to get in bad weather, so I

decided I needed to get an instrument rating. An instrument rating is an acknowledgement by the Federal Aviation Administration that you can fly a plane by reference to instruments alone. It typically means you have no visual ground reference."

Once Danny earned an instrument rating, his next challenge was to earn a commercial rating, something he accomplished this summer. "With a commercial rating, I can help defray some of the expense involved — to pay for my flight time," he states. "One of the requirements for getting the commercial rating is to have ten hours in a complex airplane. A complex airplane is one that has retractable landing gear and flaps, and variable pitch prop. I don't have a multi-engine rating yet, so I can't fly multi-engine airplanes, but I will get that, too.

"Another good thing about having a commercial rating is that you are required

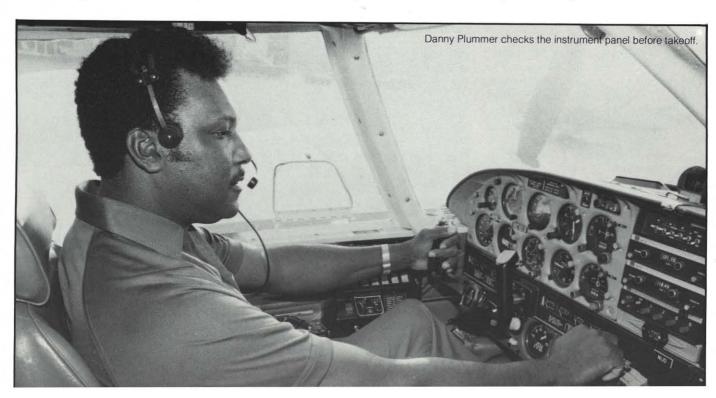
"All of us are human and prone to error, but it's just like safety here at work. You have to concentrate on what you are doing."

to have a medical checkup every year, which will lower my insurance premiums."

Danny continues, "The thrill I get out of flying is worth every bit of time and money I have put in it. A lot of people consider flying an airplane dangerous, but the training I have received enables me to handle the airplane under all circumstances. If you follow the guidelines, flying is the safest way to go. It is very seldom that an airplane engine is going to quit unless it runs out of fuel. If everybody maintained their car the way an airplane is maintained, they wouldn't have to buy but one car.

"All of us are human and prone to error, but it's just like safety here at work. You have to concentrate on what you are doing. If I work on a distribution line which operates at 7200 or 12,000 volts, I am going to check my equipment first. When I fly, I always preflight my airplane. Airplane piloting and my line mechanic's job go hand in hand."

Danny notes, "My family hasn't quite accepted me in the role of pilot yet. I had my mother with me when I was flying over Lake Michigan one time, and she kept looking out at the water and asking if we were high enough. She just didn't quite trust me. But it's great when my wife, daughter, and I can go places in a couple of hours that it would take us all day to reach by car."



Unique training facility in Ashland

Every line mechanic surely has had a day of bitter cold or blustery wind when he would rather not climb that pole or go up in the bucket to see what the matter is. Wouldn't it be nice if he could bring the pole down to his level and keep warm and dry, too?

Well, no one has figured out a way to give him those ideal working conditions, but someone has found a way to give him a bird's-eye view of some poles without leaving the ground — or going outside.

Ashland Division has built an indoor training facility equipped with 20 poles of just about every type of service. The lines, which are not energized, are set right at eye-level in the upper floor of the Cinderella building adjacent to the company's main office building. (The building is so called after the children's clothing manufacturer formerly located there.)

The mastermind behind the project was Dale Hughes, Ashland line crew supervisor. Hughes is quick to point out, however, that he had much help from crews during inclement weather and that "the idea came from thousands of people over the years."

"We always knew we needed a training facility," Hughes said, "and right when I mentioned using this building to Don McGinnis, Ashland division manager, line mechanics were taking tests that showed weakness in some areas. So the company was looking at more training."

With McGinnis' approval, the work proceeded, and costs were kept low by the use of scrap or used materials.

Hughes said special care was taken to incorporate set-ups for the areas in which line mechanics specifically needed more training, such as loop feeds for underground transformers, transformer banks, map reading, and switching and sectionalizing.

Poles were set up according to the design specified by standard work orders, and a map was drawn showing the location and type of every pole. Also displayed in the room are six types of meter installations, reclosers cut open to show the inside, and a unit for underground service.

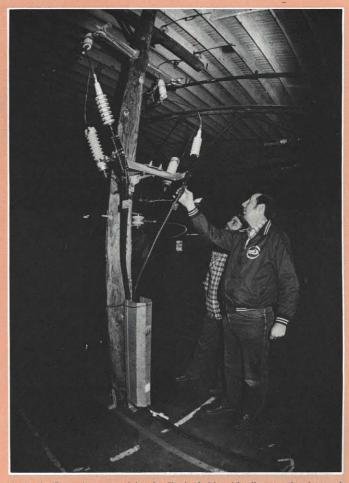
"It really was a group effort," Hughes said. "Engineering had to write the work orders, the storeroom helped us get the materials, and the meter department wired the meters. The building maintenance group helped a lot too."

Part of the beauty of the new facility is its versatility and the range of jobs that can be illustrated through it — including some that are not frequently done.

"We're finding out through our testing program a lot of our experienced line mechanics have never seen some of these jobs," Hughes said. Depending on the size crew a man works in, he may be accustomed to doing only certain types of jobs.

"We can do probably 85 percent of our linework here in demonstration," Hughes said. "And if we wanted, we could take every bit of material off the poles and let a man build it again according to standards."

Although the facility is geared mainly toward line mechanics and servicers who most directly do this type of work, it can also be used by employees in other fields. For example,



Kentucky Power's new training facility in Ashland for line mechanics and servicers is a long-awaited asset. A fisheye-lens view shows Larry Gray, right, and Randy Stratton checking pole equipment at eye level.

technicians and engineers who do design work may seldom get to see the actual installations.

Dispatchers who receive calls about equipment failures, and clerks and accountants who work with equipment records are dealing every day with things many of them have never seen. An accounting section has already toured the facility.

And as McGinnis sees it, uses of the building may be expanded further.

"Any employee we have working for us could benefit by going over there and looking at it," he said. "We have so many terms in our industry that I wonder if all our employees really understand what a capacitor, reclosure, lightning arrestor, three-phase or single-phase line really is."

He has offered the use of the facility to the Pikeville and Hazard divisions, as well, and would eventually like to see it used by other companies.

"I believe it is a unique facility," McGinnis said. "To my knowledge, there's nothing like it in the AEP System. I'm excited about it because I think it could be adapted for an AEP training center. There are few places where you could find a training facility like this with a hotel and restaurant within a block of it."



"CWIP," once merely an acronym for Construction Work In Progress, now stirs bitter debate among regulators, consumer groups and utilities. Why so? "CWIP" as used today generally refers to the inclusion of plant under construction in the rate base, thus qualifying the investment for the current recovery of **financing costs** from ratepayers. This treatment is comparatively new in the ratemaking process.

But, first, some background . . .

Traditional ratemaking procedures allow utility companies to charge customers for costs associated with plant investment when facilities are complete and in service. i.e., the historical definition of "used and useful." During the construction period, in the absence of billings to customers, the utility is permitted to add to the construction costs an Allowance For Funds Used During Construction ("AFUDC"), which represents the cost of borrowed funds (interest) and dividends paid on common and preferred stock issued in connection with construction. Since no cash earnings are available during construction, payments of interest and dividends related to construction projects are accomplished by the issuance of additional securities. thus compounding the financing costs in the manner of compound interest. When the plant is completed and declared to be in service, the total constructed cost appropriately includes not only direct labor and material costs but also the total financing costs.

The actual amount of AFUDC that can be applied to construction is based on a rate determined by a Federal Energy Regulatory Commission (FERC) formula, but, for purposes of this discussion, the following generally reflects the derivation of the AFUDC rate.

Assume \$1 million is spent on a construction project with 60% provided by debt securities at 10% interest and 40% through the issuance of common stock at a cost of 15%. The composite financing costs and AFUDC rate would be determined as follows:

by Peter J. DeMaria, Executive Vice President & Chief Accounting Officer American Electric Power Service Corporation

The derived AFUDC rate thus is \$120,000 divided by \$1,000,000 or 12%.

For each \$100 of direct labor and materials costs, \$12 would be added to construction annually to reflect the financing costs.

To relate this process to one's own personal experience, consider the following:

You contract with a builder for the construction of a new home. You might arrange for him to provide all of the cash required and to pay the interest associated with the building loan during the construction of your home. In this case the price of the house will include his labor and material costs plus his interest costs involved in financing the construction. Upon completion of the house, you would obtain your own loan in the amount of the completed costs.

On the other hand, you might agree to pay the interest costs to the builder on a current basis, i.e., as the builder pays them. Under this alternative, the completed cost would exclude interest incurred during construction (since you've already paid it), thus resulting in a lower purchase price and a smaller loan requirement. The smaller loan requirement in turn might result in a lower borrowing rate to you or even make the difference as to whether or not the mortgage can be supported by your level of income.

When this principle is applied to the construction of a power plant over a period of eight to ten years and deals with principal sums in the billions of dollars, the effect of interest and its compounding on completed cost is enormous.

Historically, the traditional process worked. Construction periods were relatively short, and financing costs were relatively stable, so that utilities could complete projects with financing costs representing minor portions of plant in service.

However, the 1970s brought new and ominous cir-

cumstances — the oil embargo, rapidly escalating inflation, and new and more stringent environmental requirements — that contributed to sharply increased financing costs further exacerbated by prolonged construction periods. Now, it became increasingly difficult to issue more securities to pay for earlier financing costs. Each new increment of debt and equity securities brought ever higher costs and the spiral continued. The result: severely cash-strained utility companies with the need for unprecedented rate increases when the new facilities were declared in service. These unusually high rate-increase requirements, when approved by regulatory authorities, became known as "rate shock" not unlike the "sticker shock" experienced by automobile buyers in the late 1970s.

As an example of the dramatic effect on completed-plant costs of inflation and extended construction periods, the following tabulation compares the total costs of the first 1.3-million-kw generating units at the General James M. Gavin Plant in Ohio and the new Rockport Plant in Indiana, including common facilities and their respective percentages of AFUDC, placed in service 10 years apart:

(\$ in Millions)

		"Direct"					Constr. Months
	Service	Costs*	AFUDC	T	etal	AFUDC%	
Gavin 1	10/74	\$283	\$ 37	\$	320	12%	43
Rockport 1	12/84	825	306	1	.131	27%	92

*For this example, "direct costs" refer to all costs other than AFUDC, whereas these amounts include other overheads and allocations in addition to direct costs.

AFUDC capitalized to Rockport Unit No. 1 not only exceeds the "direct" costs of Gavin Unit No. 1 but actually approximates the total cost of the Gavin unit.

The "CWIP" Controversy

In recognition of the financial plight of most electric utilities with plant under construction, the FERC, after a protracted proceeding, issued a final rule in 1983 that allows a portion of construction work in progress in the rate base. Simply, this means that qualifying electric utilities are permitted the opportunity to recover currently the financing costs associated with their construction activity. No recovery of the principal sums ("direct costs") is allowed until such time as the project is in commercial operation. The current cash recovery of financing costs in lieu of the traditional capitalization and subsequent recovery of the non-cash AFUDC results in:

- 1. Lower capitalized cost of the facility when available for service, since no AFUDC would be added to plant to the extent cash revenues were allowed.
- Better quality of earnings for the utility (because of greater current cash earnings), resulting in lower financing costs.
- No additional earnings for the investor but rather a shift from non-cash earnings otherwise represented by AFUDC.

While current customers pay slightly more during construction because of the CWIP inclusion in rate base (in our homeowner's example, the payment of interest to the builder currently), numerous studies sponsored by FERC and the electric utility industry have proven that rates will be lower over the plant life than under the non-rate base method. This is so because of the absence of compounding of related financing costs. Furthermore, the earlier and more gradual increased payments by consumers mitigate rate shock by avoiding the sudden and very significant rate increases required when the project is included in rate base, absent CWIP treatment.

Adversaries of the CWIP rule lean on the "intergenerational equity" argument. That is, why should customers pay today for tomorrow's facility?

FERC studied the issue carefully. The answer is clear. Just as there must be a balance between ratepayers and investors, there must be a balance between present and future ratepayers. If there is to be continuity of adequate, reliable electric service as and when needed, it is reasonable that some portion of the increased cost of future service be borne by present ratepayers.

The notion is not unique. You can be sure that current gasoline prices include recoveries of exploration and drilling costs associated with **future** oil production. Most of us pay taxes for funding our educational system long before and after our children have been participants.

The FERC rule on CWIP has reawakened the argument that utilities build for the sake of increasing profits, and opponents charge that CWIP in the rate base will only encourage further building. The fact is that the CWIP rule permits recovery of only financing costs, leaving the investor at full risk for the principal amounts.

Over the past two years, the controversy has heightened to the extent that federal legislation has been proposed that would severely limit inclusion of CWIP in the rate base. These efforts are significant — and dangerous —in that not only would they deny ratepayers and utilities the economic benefits of CWIP, but they would set a precedent that would invite those dissatisfied with the outcome of a particular commission rulemaking to seek remedies through legislative means rather than the administrative and judicial processes provided by law.

But of equal concern is the fact that, without CWIP treatment, few electric utilities can afford to build the more efficient, more capital-intensive power plants required to meet future load growth. Instead, in the interest of protecting financial integrity, companies would tend to "play it safe" and install smaller, less efficient generating capacity.

In the end, who pays? What is needed is a rational approach to regulation that looks beyond the short-term limited interests of some to the longer-term interests of many.

CWIP is an answer — in fact, it's a necessity. \Box

Weddings.







Smith-Helm



Roberts-Syck



Stanley-Wilkerson



Stewart-Null



Bucklen-Kegley



Lipscomb-Whitlow

Brenda Lee Saunders to Frank Allen Jewell, September 21. Brenda is the daughter of Jerry Saunders, statistical accountant, GO Accounting, Roanoke.

Katherine Vincent Helm to Steven Howe Smith, August 17. Katherine is the daughter of Fred O. Helm, Huntington division manager.

Diana O. Syck, Williamson customer accounts representative B, to Randy M. Roberts, Williamson line mechanic A (LTD), September 7.

Glenda Paige Wilkerson to C. G. Stanley, Jr., Lynchburg meter reader, August 10.

Alma Null to **Joe Stewart**, Central Machine Shop power equipment mechanic lst class, August 17.

Mary B. Kegley to Larrie Bucklen, Pulaski marketing and customer services representative senior, August 24.

Tanya Marie Whitlow to Tracy Dean Lipscomb, July 20. Tanya is the daughter of Richard Whitlow, transmission station supervisor, GO T&D Station, Kenova. Tracy is the son of Gordon Lipscomb, control electrician A, GO T&D Station, Kenova.

Claudia Lindsey to Michael A. Fotos, III, May 25. Michael is the son of M. A. Fotos, Jr., Huntington division superintendent.

Kimberly Ann Goodwin to Michael Allen Austin, June 1. Kimberly is the daughter of David L. Goodwin, Lynchburg line crew supervisor exempt.

Donna S. Copenhaver to Frank M. Hanson, III, Abingdon customer servicer, August 5.

Debra Burton to **Milton B. Clark**, customer accounting clerk A, GO Accounting, Roanoke, August 17.

Erica Wilder to **John Boggess**, Charleston energy services engineer, August 24. □

Wed 50 years



Orban and Alta Hesson celebrated their fiftieth wedding anniversary with a reception given by their family at the Kanawha City Church of Christ. Orban is a retired Cabin Creek Plant maintenance superintendent. The Hessons have three children, ten grandchildren, and four great-grandchildren.

Births_

John E. Amos Plant

David Lane, Jr., son of **David Garton**, braker, July 19.

Patrick W., II, son of Patrick Miller, utility worker, July 25.

Justin Darrell, son of John Zickafoose, maintenance engineer, August 30.

Matthew Ryan, son of Raymond Carroll, performance engineer, August 8.

Terrance, son of Tellis Ramsey, equipment operator C, August 15.

Kelly Ann, daughter of **Jeffrey Clark**, utility worker, August 19.

Beckley

Samuel Paul, son of Cindy McGhee, junior stenographer, August 1.

Bluefield

Sydney Camille, daughter of **Alex Yazdani**, electrical engineer senior, August 16.

Centralized Plant Maintenance

Brian Keith, son of **Michael Buckle**, maintenance supervisor, August 12.

Charleston

Adam Gregory, son of Roger Harrison, meter electrician C, August 22.

Robert R., son of Jerry Garretson, Montgomery meter reader, August 18.

Golden anniversary



Dorothy and Frederick Whitaker were honored with a dinner at the Red Carpet Inn on August 31, given by their son Gary in honor of their 50th wedding anniversary. They were presented gifts of gold by their grandchildren, Amy and Chip, and a painting by their son. Dorothy is a retired personnel assistant in Pulaski.

General Office

Christopher Ryan, son of **David Bradford**, forms and office supply clerk, GO General Services, Roanoke, August 27.

Tyler Wade, son of Danny Thomas, communication clerk A, GO T&D Communication, and Teresa Thomas, general bookkeeper, GO Accounting, Roanoke, July 14.

Marc Danill, son of Linda Smith, tape librarian C, GO Accounting, Roanoke, August 19.

Huntington

Racine, daughter of **Hubert Gue**, line mechanic C, July 11.

Laura Ashley, daughter of **Douglas Bryant**, Point Pleasant office supervisor, July 23.

Kanawha River

Kristen Michelle, daughter of David Hastings, maintenance mechanic C, July 22.

Kingsport

William Glenn, son of Roger Hubbard, servicer, July 29.

Logan-Williamson

Christopher Michael, son of C. R. Ball, Jr., Williamson station crew supervisor nonexempt, August 21.

Mountaineer

Tyler Brent, son of Carl Legg, coal equipment operator, July 25.

Roanoke

Bradley, son of **Douglas Turner**, station mechanic A, August 7.

Diane McKenzie, daughter of Charles Echols, Jr., marketing and customer services advisor, August 14.

Ryan Neil, son of Randy Hartberger, line mechanic B, July 27.

Philip Sporn

Stephen Justin, son of **Rodney Riggs**, unit supervisor, June 25.

Richard Keith, son of Richard Kent Johnson, utility worker A, August 4. □

Friends We'll Miss_



Ferguson



Adams



Witt



Bocock

Asa E. Ferguson, 85, retired master maintenance man at Clinch River Plant, died August 23. A native of Lebanon, Virginia, he began his career in 1920 as a power house engineer for Kentucky Power Company and retired August 1, 1965. Ferguson is survived by his widow Golden, 902 England Lane, Flatwoods, Kentucky.

Aubrey G. "Tex" Adams, 71, retired Roanoke streetlight attendant, died September 14. A native of Lawrenceburg, Tennessee, he began his career in 1948 as a laborer and retired May 1, 1976. Adams is survived by his widow Estelle, Route 2, Box 133, Hardy, Virginia; two sons; one daughter; three grandchildren; and two sisters.

Oscar Douglas Witt, 42, maintenance mechanic A at Centralized Plant Maintenance, died August 22. A native of Louisville, Kentucky, he was employed in 1977 as a maintenance man B. Witt is survived by his widow Roberta, P.O. Box 156, New Haven, West Virginia; one son; and one daughter.

Forrest L. Bocock, 75, retired Bluefield power engineer senior, died August 24. A native of Dublin, Virginia, he was employed in 1935 as an agricultural engineer and retired May 1, 1975. Bocock is survived by his widow Frances, 2613 Center Drive, Bluefield, WV; one son; one daughter; and five grandchildren. His son, Richard Bocock, is office supervisor at Amos Plant.

Retirements.



"I have worked ever since I was 15 years old, and I'm looking forward to retirement," claims Reba Hanshaw, customer services clerk A in Huntington. "I worked parttime at a jewelry store while going to school, and then I worked as a bookkeeper in an optical firm. I decided if I were going to be working the rest of my life, I had better find a job with more security. I don't have any regrets about choosing the power company because I have really enjoyed working here. I like everybody and am going to miss the people I worked with." Reba

had 37 years' service when she retired October 1. "I plan to move to Orlando, Florida, near my sister-in-law and nieces. I'd like to take up golf again and will probably get involved in meals on wheels." In Huntington, Reba is a member of the Eastern Order, Guyandotte Chapter 89, American Legion Auxiliary; VFW Auxiliary; and the Jefferson Avenue Central Methodist Church.



"The power company has been part of my life ever since I can remember," says Kingsport Personnel Director **Keene White**. "My father began working here in 1917, and I started in the accounting office in 1939." When Keene retired on October 1, he had 46 years' service, more than any other employee has ever accumulated. "Most of my career has been working with employees in one way or another. That was a source of great satisfaction. Being involved in the formation of our employee assistance program was more personally satisfying

than any other activity. Another great thing was the constant challenge of new opportunities." Keene's retirement plans include extensive travel, which also will give him an opportunity to pursue his interest in photography. "We will visit our son in Texas this fall; our daughter in Kansas before too long; and, next spring, our youngest son, who is working in Israel. We tentatively plan to make a trip to the British Isles next summer."



"I've pumped many a gallon of gas in my years with Appalachian and have met a lot of nice people while doing so," says Roanoke Automotive Attendant Henry Murphy, who retired October 1. "I had the pleasure of serving most all of the high officials down the line, and I met a lot of people from across the system, too. Some mighty fine folks work here, and everybody has been wonderful to me — especially the people in my department." He adds, "It seems like I've been working most of my life. I was born in the country and, as a young boy, I

would go out and work on people's farms. After I got some age, I worked in the Navy Yard until the war came and I went in service. After that, I came to Roanoke where my wife was teaching school. Now I'm ready to do what I want to for a change. I plan to do a little visiting and working around the house, and I have a little place out in the country where I can raise a garden. I have four girls in Washington, one son here in Roanoke, and one son in California. My first trip will be to the west coast."



"I have enjoyed my 36 years with Appalachian and feel fortunate to have worked for a fine company like this," states Roanoke Customer Accounts Assistant Sam Martin, who elected early retirement on October 1. "When I went to work at Rocky Mount in 1949, it was just a collection office. The company was in the midst of its rural electrification program, and people were having their houses wired and coming in to make applications for service." He continues, "I've spent my entire career in the customer accounting department, and

the use of the computer is the biggest improvement I've seen." Sam concludes, "I'm looking forward to retirement. I've had '60' in mind for years; and, when my wife retired from her Federal job in December, that influenced my decision. I'm a tinkerer, and I can occupy myself I am sure. One of the things we want to do is visit Hawaii." During World War II, Sam served in the China-Burma-India Theater with the 14th Air Force, known as the Flying Tigers.

Who's News.

Beckley

Cheryl, daughter of Larry Lilly, station



mechanic A, has been nominated for recognition in the 1984-85 edition of "Who's Who Among American High School Students." She is a senior at Shady Spring High School.

Paul Elliott, Oak Hill line crew supervisor, coached the Senior Little League Twins to the 1985 league championship. His son, Mike, was a member of the team, playing second base and shortstop.

Brian, son of Ray Vest, administrative assistant, was awarded four individual trophies while participating in the Dave Barksdale Basketball Camps. He won the one-on-one competition, foul shooting and lay-up competition. He also received the Ty Cobb trophy, given to the camper who showed hard work and dedication to the game of basketball.

Mike, son of Charles Thomas, line crew supervisor, will attend Guilford College on a football scholarship. Mike, who graduated from Woodrow Wilson High School, is expected to play defensive back or wide receiver.

General Office

Heather, daughter of Donald Dent,



station design supervisor, GO T&D Engineering, Roanoke, won a bronze medal in the 50-meter freestyle event for girls age 9-10 in the 1985 Roanoke Valley Athletic Association city-county

championship swim meet. She is a member of the North Lakes Swim Team. Five employees played on the First Baptist Church softball team which had a 9-9 season, allowing them to go to the Roanoke City Church League playoffs. They are Dave Barger, engineering technologist, GO T&D; Dave Brammer,

station clerk A, GO T&D; Brad Clemmo, electrical engineer, GO T&D; David Campbell, office messenger, GO General Services; and Eddie Allie, Roanoke customer accounts representative A.

Dave Barger, engineering technologist, GO T&D, Roanoke, was elected president of the Friday Night Mixed Church Bowling League at Lee-Hy Lanes. He also won a trophy for being in the winning foursome for the second flight of the four-man Best Ball Golf Tournament at Pipestem State Park. He had a score of one over par 73. □

Logan-Williamson

Tina, wife of Cliff Nicholson, Williamson



engineering technician senior, received an Appalachian honors scholarship to Pikeville College. She holds an associate of science degree in business management from Southern West Vir-

ginia Community College.

Donnie Robins, personnel supervisor, has been selected as secretary of the Logan Lions Club.

Gary Watson, line and station superintendent, eagled the 413-yard #5 hole at Madison's Riverview Country Club. Gary's tee shot left him 165 yards short of the flag, and he finished off the hole with a 7 wood. This is the second eagle Gary has scored.



Steve Summers, Williamson power engineer, raised a 3 lb. 8 oz. zucchini which took third place honors at the Putnam County Fair. □

Centralized Plant Maintenance



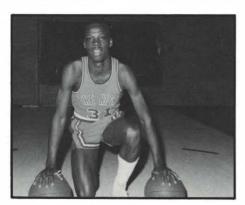
Gary Arbogast has completed basic training at the U.S. Army Training Center Engineer, Ft. Leonard, Missouri, and was one of four to receive a promotion. The son of Olla Arbogast, maintenance mechanic A, Gary was presented the Commanding General's Award for military excellence. The award is presented to the graduating soldier in each company who best exemplifies outstanding qualities of honor, initiative, enthusiasm, and loyalty and who has displayed the greatest amount of discipline, esprit de corps, and endurance. Gary also displayed the greatest proficiency in the overall training, which includes physical conditioning, drill and ceremonies, rifle marksmanship, tactical training, and other fundamental soldiering techniques.

Charleston

Jim, husband of Sue Pryce, secretary, won first place in the Class C-Street Prepared category of an autocross sponsored by the Sports Car Club of America and Pizza Hut as part of the 15th Annual Sternwheel Regatta Festival. Jim drove a Honda CRX-Si.

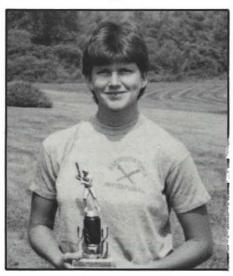
Rev. Charles Schnell, head meter reader, served as chaplain of the 3rd Annual Mountain State Gospel Music Association Sing at Camp Whitney, Clendenin, WV. Over 250 music groups and 700 people from Ohio, Kentucky,

and West Virginia attended the threeday event. This is the largest gospel music association in the United States.



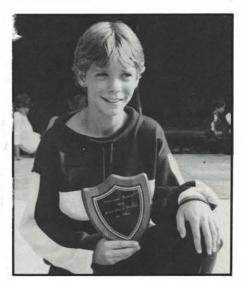
After two seasons of making the West Virginia Conference basketball team, Keith Tyler was selected by the National Association of Intercollegiate Athletics as one of several conference members to make a six-week goodwill basketball visit to Australia. Their itinerary took them to game competition and clinics for elementary, junior high, and high school cagers. Keith, a junior at the University of Charleston, is the son of Sandra Wright, customer accounts representative C.

Lynchburg



Kaye Mitchell, station mechanic C, played third base for the Lawson Ford coed softball team which won the Virginia state championship in the Class B Division. Kaye's team went on to win the regional tournament, competing against teams from Delaware, Pennsylvania, and the winning team from the Richmond Metro Tournament.

Pulaski



Sam, son of Barbara Pope, Wytheville meter reader, received a check and plaque for placing first in the break dancing contest at the Wytheville Chautauqua Festival. He also was the winner in the dance division of the area Junior 4-H Share the Fun Day.



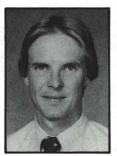
Williamson City Patrolmen Alex Bucci and James Pack handcuff Barbara Aliff before taking her to jail.

Williamson office supervisor jailed

Williamson Office Supervisor Barbara Aliff was arrested on August 2 on a charge of high cholesterol and taken to a makeshift jail in the Cinderella Theater Building. Judge Clyde Warren (husband of Retired PBX Operator Emma Warren) set bail at \$200 in pledges to the American Cancer Society.

Barbara's cell was equipped with a telephone and within the hour she was back at work, having raised \$206 in cash or pledges to obtain her release. Fellow employees, who already had paid \$15 for her warrant, responded with contributions of \$96. More than \$4,500 was raised for the Cancer Society during the one-day event.

Two APCo men are certified as registered engineers





Vinson

Tamagni

Mark W. Vinson and Armand J. Tamagni, Jr., have been certified as registered professional engineers in the Commonwealth of Virginia. Both are meter engineers senior in GOT&D Meter, Roanoke. Vinson holds a bachelor of science degree in electrical engineering from Virginia Polytechnic Institute & State University. He joined Appalachian in 1976 as an electrical engineer and was promoted to his present position in April 1984.

Tamagni is also an electrical engineering graduate of VPI&SU. He was employed in 1977 as an electrical engineer and was promoted to meter engineer senior in April of this year. □

Class of 1985

Donnis Ford Ferguson, daughter of



William W. Ford, Jr., Lynchburg marketing and customer services manager, associate in arts in business administration-computer, National Business College (with highest honors). She also received the

M. A. Smythe award in computer science and the leadership award. □

Bluefield

1st Lt. Pamela Byrd has assumed command of the 492nd Replacement Detachment, USAR, in Beckley. Prior to assuming command, Byrd was the executive officer for her unit. This past summer she was the Class A agent

officer for annual training at Fort Dix, NJ. She is the wife of Paul Winkler, parttime custodian at Welch.

Division Manager Tom Rotenberry was elected to a three-year term on the board of directors of the Greater Bluefield Chamber of Commerce.

KPCO participates in Fun Fest

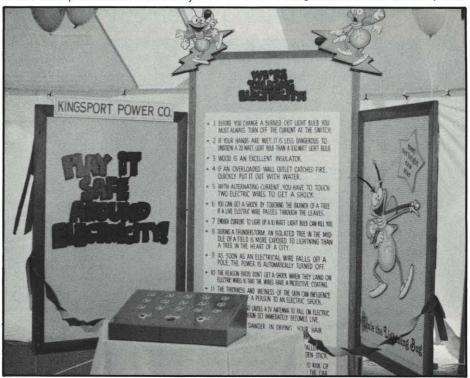
Power company employees participated in several events during Kingsport's Fun Fest '85, sponsored annually by industrial and commercial firms of the Tri-City area.

Debra Jennings, cashier C, was the company's entrant in the Ms. Hayseed contest. Three employees ran in the "Midnight Road Race", which got underway at 12:01 a.m. on July 27. G. L. Williams, line mechanic A, completed the five-mile course in 32 minutes; R. R. Trent, line mechanic B, in 34 minutes; and Bob Bennett, junior personnel assistant, in 36 minutes.

The company's display for the Tent Event was designed and built by Paul Miller, engineering technologist, and Jerry Hagood, station mechanic. The display, featuring Louie the Lightning Bug, consisted of a quiz on electrical safety.



Debra Jennings vied for the title of Ms. Hayseed.



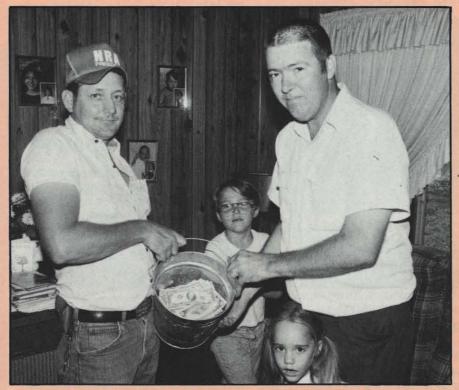
Louis the Lightning Bug promoted electrical safety during the Tent Event.

Glen Lyners show they care

When Coal Sampler Gary Comer underwent brain surgery in late July, fellow employees at Glen Lyn Plant showed their concern in a unique way.

Custodian Dean Boggs spearheaded a drive to help the family, which includes six children, with medical expenses. In a week's time, the 133 employees donated \$1,092. After the initial donation, another \$374 was raised by employees tossing change in a fivegallon bucket located in the Maintenance Shop.

"There are no words to express my family's gratefulness," Gary said. "I thank everybody from the bottom of my heart." He is doing well and expects to return to work in early Fall.



Custodian Dean Boggs left, presents Coal Sampler Gary Comer with a bucket of money employees raised in his behalf.

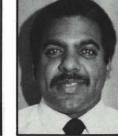
Flag raising ceremony at Point Pleasant



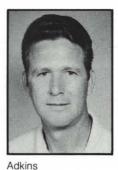
Huntington Division's Point Pleasant office, which opened 28 years ago this month, is now flying an American flag donated by Congressman Bob Wise. A flag raising ceremony was conducted by an honor guard from the Point Pleasant post of the American Legion. Others attending the ceremony included D. A. Bryant, Point Pleasant office manager; Q. H. Wickline, retired marketing and customer services representative and Legionnaire; J. J. Wedge, mayor of Point Pleasant; Bob Kinnett, manager, Centralized Plant Maintenance; Congressman Bob Wise, D-WV; Steve Carpenter, Point Pleasant area manager; Charles Lanham, president, Citizens National Bank; and James Casey, delegate. Hubert Shabdue, economic development consultant, was instrumental in acquiring the flag.

Promotions.













Lingar

Miller

ant Bluefield

Susan Ellison from junior clerk to T&D clerk C.

Central Machine Shop

Charlie Shannon from power equipment mechanic 3rd class to power equipment mechanic 2nd class.

Clinch River

William McCarty from utility worker B to utility worker A.

Centralized Plant Maintenance

Debra Carder from field clerk B to secretary/ stenographer.

General Office

James Atkins, III, from engineering technician to engineering technician senior, GO T&D Communication, Abingdon.

Randy Jones from transmission station mechanic C to transmission station mechanic B, Charleston

Jackie Coleman from transmission station mechanic B to transmission station mechanic A, GO T&D Station, Charleston.

Clay Peters, II, from tracer to drafter C, GO T&D Civil Engineering, Roanoke.

Larry Houston from engineering technologist to communication specialist, GO T&D Communication, Bluefield.

Aaron Giles from station construction representative to station construction representative senior, GO T&D Station, Roanoke.

Glen Lyn

Mark Perkins from utility worker B to utility worker A.

James Robinett from utility worker B to utility worker A.

Huntington

Michael Mitchell from line mechanic B to line mechanic A.

Richard Sowards, Jr., from line mechanic D to line mechanic C, Point Pleasant.

Susan Bauer from cashier C to T&D clerk C.

Richard Spurlock from line mechanic C to line mechanic B.

Dallas Fuller from line mechanic A to general servicer.

Claude Woods from engineering technician to engineering technician senior.

Kanawha River

T. J. Hunt from equipment operator B to equipment operator A.

Glen McMillion from utility worker A to equipment operator C.

Kingsport

Parthenia Deal from customer accounts clerk C to customer accounts clerk B.

Logan-Williamson

Willie Hatton from collector to customer accounts servicer, Logan.

Mountaineer

Rich Houdashelt from maintenance mechanic C to maintenance mechanic B.

Pulaski

Beverly Reynolds from stenographer to secretary-stenographer B.

Roanoke

Travis Williams from office messenger, GO General Services, Roanoke, to meter reader, Roanoke.

Cathy Fisher from customer accounts representative C to customer accounts representative B.

Philip Sporn

Vicky Lynn Nazarewycz from stores clerk B to stores clerk A.

David Eades from maintenance mechanic B to maintenance mechanic A.

Jimmie Goodnite, II, from maintenance mechanic C to maintenance mechanic B. □

Charles S. Lingar, personnel assistant senior, was promoted to personnel director of Kingsport Power on October 1. He holds a bachelor of science degree in industrial education and a master of arts in guidance and counseling from East

in guidance and counseling from East Tennessee State University. He has attended the AEP Management Program at the University of Michigan.

Charles Wilber Miller, maintenance mechanic B nonexempt, was promoted to personnel assistant exempt at Philip Sporn Plant on September 1. He holds a bachelor of science degree in business administration from Rio Grande College.

David T. Bush, Roanoke energy services supervisor, was promoted to Huntington marketing and customer services manager on October 1. He holds a bachelor of science degree in electrical engineering from Virginia Military Institute and has attended the AEP Management Program at Ohio State University.

Bernard G. Adkins, line mechanic A, was promoted to line crew supervisor nonexempt in the Milton area of Huntington Division on January 12.

John E. Rowan, Jr., line mechanic A, was promoted to line crew supervisor nonexempt in the Tazewell area of Bluefield Division on August 10.

Robert W. Strope, performance engineer senior, was promoted to performance supervising engineer at John E. Amos Plant on September 1. He holds a bachelor of science degree in mechanical engineering from West Virginia University.

Michael B. Jones, electrical engineer, was promoted to electrical engineer senior in the Point Pleasant area of Huntington Division on April 1. He holds a bachelor of science degree in electrical engineering from West Virginia University.

Service Anniversaries_



Alvie Napier maintenance supv. John Amos 40 years



Arnold Hatfield buyer GO-Roanoke 40 years



Bob Biggs purchasing supv. GO-Roanoke 35 years



Janet Wynot drafter B Roanoke 35 years



Dale Brown inst. mechanic A Glen Lyn 35 years



Duard Garrison maint. supervisor Glen Lyn 35 years



Stu Foehr eng. technologist Charleston 35 years



Richard Baumgardner line mechanic C Huntington 35 years



Willis Dudding asst. shift op. eng. John Amos 35 years



Stella Clyde secretary-steno. A Huntington 35 years



Albert Rookstool asst. shift op. eng. John Amos 30 years



Tom Brotherton maint. mechanic A Glen Lyn 30 years



Bob Coffman R/w administrator GO-Roanoke 30 years



Shorty Brewer trans. gen. supv. GO-Bluefield 30 years



Jim Maile payroll cont. supv. GO-Roanoke 25 years



Rufus Anthony cust. accts. servicer Roanoke 25 years



John Paul Sauer conveyor operator Philip Sporn 25 years



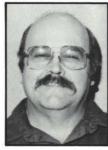
Frank Oresta fleet maint. supv. GO-Bluefield 25 years



Jerry Fernatt survey party chief GO-Roanoke 25 years



Pauline Harkleroad cust. accts. asst. Kingsport 20 years



Charris McDaniel stores attendant Philip Sporn 20 years



Landon Stepp reg. asst. chief op. GO-Sporn 20 years



Virgil Boeh rec. stor. cen. clk. GO-Roanoke 20 years



Velma Call statistical acct. GO-Roanoke 20 years



Arthur Walker area servicer Charleston 20 years

Abingdon

10 years: Ernestine Hibbitts, customer accounts representative B, Clintwood. Robert Vanhuss, line mechanic A, Clintwood.

John Amos

15 years: Buck McDaniel, plant safety coordinator. 10 years: Richmond Hicks, maintenance mechanic B. Jack Bailey, maintenance mechanic A. David Raynes, maintenance mechanic A. 5 years: Nancy Keeling, plant clerk C.

Central Machine Shop

10 years: Roger Williams, power equipment mechanic 1st class.

Charleston

20 years: Frances White, customer accounts representative B, Montgomery.

Clinch River

30 years: Don Jonas, senior chemist. 15 years: James Singleton, maintenance mechanic B. Fred Garrett, II, unit supervisor. Jackie Fields, instrument mechanic B (LTD). 10 years: John Owens, maintenance mechanic C. 5 years: Donald Moore, Jr., utility coal attendant.

General Office

15 years: Joyce Terry, secretary/stenographer B, GO Operations, Roanoke. 10 years: Ann Flanagan, cash clerk A, GO Accounting, Roanoke. 5 years: Cynthia Saunders, mail clerk, GO General Services, Roanoke. Jeff Anderson, transmission station mechanic B, GO T&D Station, Bluefield. Judy Emery, hydro clerk B, GO Hydro, Roanoke. Tim Mallan, environmental engineer, GO Environmental, Roanoke.

Glen Lyn

15 years: Gerald Lewis, maintenance mechanic B. Roger Wheeler, equipment operator A. Danny Meadows, equipment operator A. Joseph Ogle, Jr., maintenance mechanic B.

Huntington

15 years: Ron McComas, line crew supervisor NE. Brent Bias, station mechanic A. 5 years: Loren Michels, auto mechanic A.

Kanawha River

15 years: Donald Burnside, plant clerk B.

Kanawha Valley Power

10 years: **Bob Legg**, hydro mechanic B. 5 years: **Alan Caldwell**, hydro mechanic A.

Kingsport

15 years: Denver Head, line mechanic A.

Logan-Williamson

15 years: Thomas Hale, meter reader, Madison 10 years: Amalva Elmore, drafter C. 5 years: W. E. Adkins, line mechanic B, Williamson. James Hager, meter reader, Madison.

Lynchburg

5 years: **George Murphy**, **IV**, marketing and customer services representative.

Mountaineer

15 years: Dave Hall, unit supervisor. Herman Ohlinger, control technician senior. Ray Proffitt, maintenance mechanic A. 5 years: Bill Hosaflook, training coordinator. Jim Jenkins, control technician. Mary Gilmore, equipment operator B (LTD). Jeff Woodall, coal equipment operator. Gary Dunn, equipment operator B. Steve Atkinson, maintenance mechanic B. Tim Howard,

coal handler. John Petty, maintenance mechanic B. Jim Warren, maintenance mechanic B. Sam Carpenter, control technician.

Pulaski

15 years: E. A. Bishop, line mechanic B, Christiansburg. 10 years: Ricky Painter, line mechanic B, Galax. 5 years: Jerry Blevins, engineering technician, Wytheville. Karen Mabry, engineering technician, Christiansburg.

Roanoke

10 years: Mary Smith-Slocum, station mechanic A. 5 years: John Dudley, meter reader. Charles Echols, Jr., marketing and customer services advisor. Douglas Carter, marketing and customer services advisor. Deborah Leigh, marketing and customer services advisor.

Philip Sporn

15 years: Robert Keith Arms, instrument mechanic C. 5 years: Charles Frederick Sargent, plant janitor. Tony Allen Roach, maintenance mechanic B. William Colonel Ward, equipment operator B. Jimmy Dale Goodnite, II, maintenance mechanic B. Jill LaValley, personnel clerk B. □

Newcomers

Abingdon

Donna Gentry, junior clerk, Gate City.

Beckley

Arnold Burgess, Jr., tracer.

Bluefield

Tim Craig, line mechanic D, Peterstown. Kevin Standifur, electrical engineer. Melinda Presley, department assistant — marketing and customer services. Jerry Lee Waller, energy services technologist, Welch.

Central Machine Shop

Charles King, machinist 3rd class.

Charleston

John Witt, custodian. Charles Shamblin, meter electrician C. Karla Meadows, cashier C. Doug King, department assistant — marketing and customer services. Terry Moore, meter electrician C. Donavan Bailey, custodian. Howard Parsons, custodian. John Hughes, line mechanic D.

General Office

Cheryl Reeves, junior clerk, GO Accounting, Roanoke. Mary Robertson, electrical engineer, GO T&D Station, Roanoke. Joe Coley, Jr., electrical engineer, GO T&D Station, Roanoke. Everett Dailey, transmission mechanic D, GO T&D Transmission, Turner. Jeffrey Marlowe, communications engineer, GO T&D Communications, Bluefield. John Polascik, electrical engineer, GO T&D Station, Huntington. David Gay, electrical engineer, GO T&D Station, Huntington. Ren Bocanegra, office messenger, GO General Services, Roanoke. Bryan Adams, electrical engineer, GO T&D Station, Bluefield. Margaret Whitlock, junior stenographer, GO General Services, Roanoke. Kathleen Foley, communications engineer, GO

T&D Communications, Roanoke. **Thomas Elgin,** transmission mechanic D, GO T&D Transmission, Charleston.

Huntington

Judy Combs, cashier. John Berry, line mechanic D. Timothy Provaznik, parttime meter reader.

Kanawha River

John Conn, utility worker B. Timothy Tench, utility worker B. Gregory Payne, utility worker B. John Bowen, utility worker B.

Kingsport

Norman Rochowiak, custodian.

Logan-Williamson

Phillip Burgess, station mechanic D, Logan.

Lynchburg

Allen Jones, electrical engineer. James Urquhart, custodian. Brian Lecik, engineering technician. Michael Davis, tracer.

Roanoke

Donna France, junior clerk, Fieldale. William Thurman, Jr., line mechanic D, Rocky Mount. William Hicks, line mechanic D. Michael Mercier, electrical engineer. Larry Mayhew, Sr., line mechanic D. Victoria Pruitt, junior stenographer. Eugene Klick, line mechanic D. Martin McGee, engineering technician. Thomas Trotter, engineering technician. James Tyree, Jr., department assistant — marketing and customer services. Gregory Wilkinson, meter reader, Fieldale. David Humphreys, department assistant — customer accounts. Rosemary Barger, parttime cook. J. Watson Boxley, III, department assistant — marketing and customer services, Fieldale. Elizabeth Swain, parttime junior clerk. □

To catch a thief

A funny thing happened to GO Methods Engineer Mike Rock on his way to lunch recently. He set out to meet his mom and buy a wedding present for his sister. But, upon arriving at Roanoke's Tanglewood Mall, Mike soon became involved in an adventure reminiscent of the Keystone Cops.

Here's how Mike related the incident to co-workers: "I was in the parking lot waiting on my mom, and I heard somebody yell, 'help, stop him.' I looked up and a man ran by me with a girl chasing him. He was headed for the end of the parking lot, so I jumped in my car to try to head him off. I put the red light on my car for identification (Mike's president of the Troutville Rescue Squad). I knew he would know I wasn't a policeman, but I thought he might think I was a security guard and stop.

"When I got to the end of the lot, I couldn't find him. I was getting ready to go back to my parking space when I saw a group of people around a car, trying to stop it. The car backed up and went down one of the parking aisles, so I pulled my car across it to block the way. I thought, 'I wonder if this guy is stupid enough to ram me?' I had the aisle blocked enough so that he had to slow down to squeeze between my car and one that was parked.

"The girl who was chasing him turned out to be a security guard; and, when she saw my two-way radio, she asked me to call the sheriff's department and give them a description of the car and the license number. My rescue squad radio is dispatched through the Botetourt County sheriff's office, so I asked them to relay the information to Roanoke County. By the time I got back to my parking space, went in Brendles and met my mom, I heard some of the employees say that the man already had been caught. The man had done some shoplifting in another store and ran through Brendles on the way out. That's why the Brendles employees were after him."



Mike Rock

Mike adds, "Several people told me they don't believe they would have gotten involved in chasing a shoplifter. What I did was spur of the moment, but the whole time I was doing it, I was running scenarios through my mind. When the man went by me, he didn't look like he had a weapon. I wasn't going to push him; I was just going to slow him down so somebody else could catch him. Believe me, I am a cautious person. I don't take chances without thinking about them first. It just seemed the natural thing to do. Since I have the two-way radio in my car and have direct access to the sheriff's department, I always try to help people when I'm out on the road."

ILLUMINATOR

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