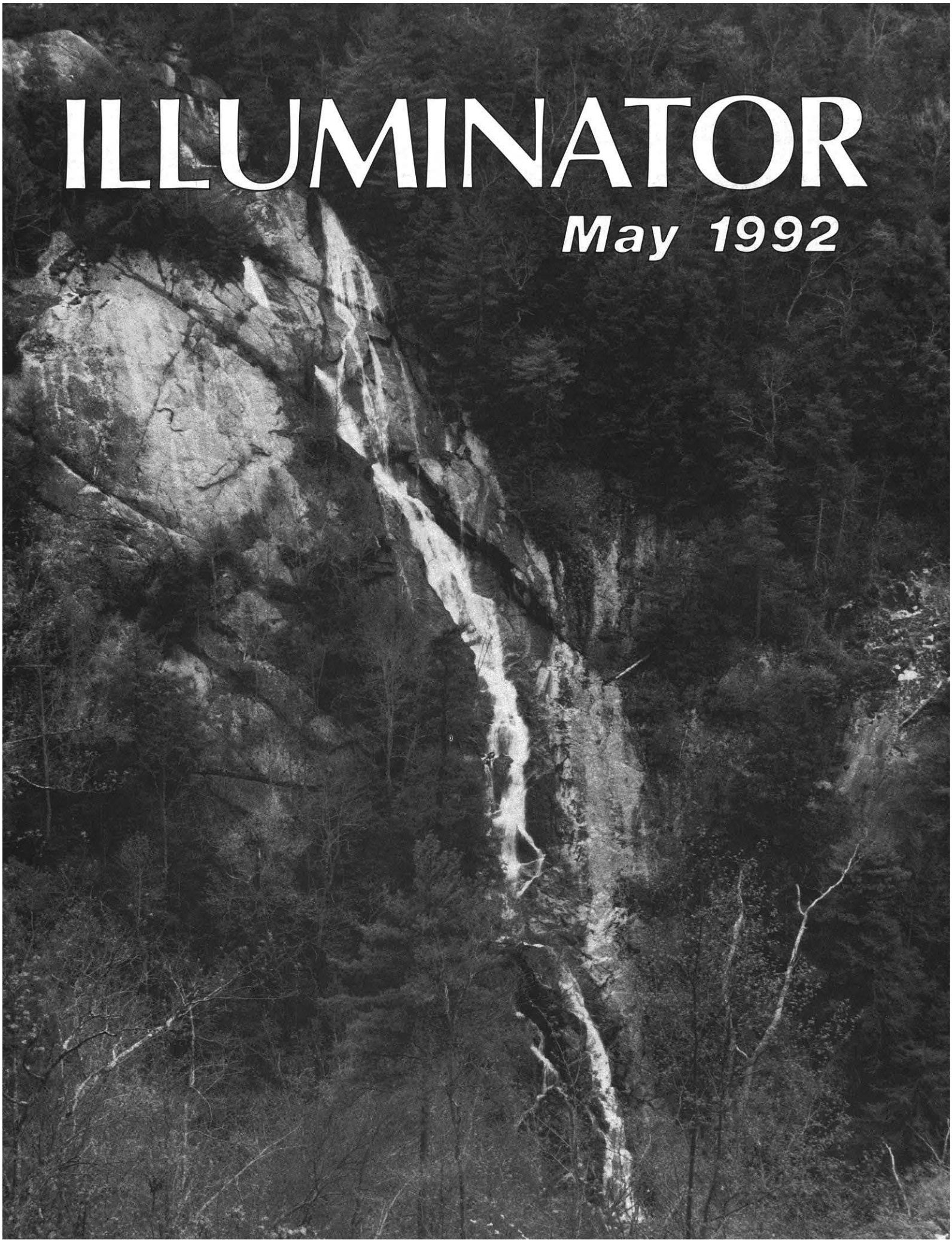

ILLUMINATOR
May 1992

THE INSIDE STORY

ILLUMINATOR

Vol. 43, No. 8, May 1992

Published for the employees of:

AEP APPALACHIAN POWER

AEP KINGSPORT POWER

Editorial Office: Public Affairs Department, Appalachian Power Company, P. O. Box 2021, Roanoke, Virginia 24022.

Articles may be reprinted with proper attribution.

We are equal opportunity employers.

News

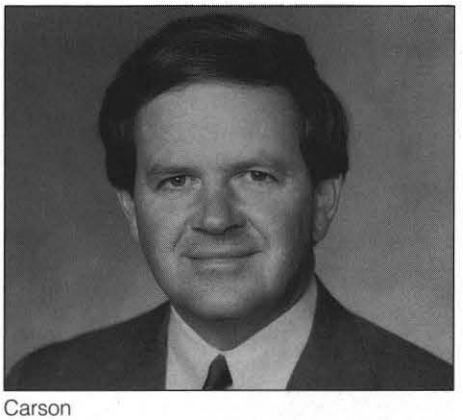
Benefits

Features

People

About the cover: This 200-foot waterfall, the second highest in Virginia, is located on the 90-acre tract of land in Montgomery County which Appalachian Power donated to the Virginia Chapter of the Nature Conservancy.

Rotenberry



Carson

Rotenberry, Carson are elected vice presidents of Appalachian Power

Thomas A. Rotenberry and R. Daniel Carson have been elected vice presidents of Appalachian Power Company, effective May 1.

Rotenberry, who was president and chief operating officer of Kingsport Power Company, will be the West Virginia vice president. He will be responsible primarily for Appalachian's government relations and economic development efforts in the state. He moved to the position formerly held by Richard E. Northup, who left the company in March to join a Charleston, W. Va., advertising and public relations agency.

Carson, who had been executive assistant to the president of Appalachian, will continue to be responsible for the company's General Office Rates and Contracts and Accounting Departments as well as hold overall responsibility for Virginia governmental affairs.

Rotenberry joined Appalachian in 1962 as a business trainee in Roanoke. He was a budget and special reports analyst and tax accountant before being promoted to administrative assistant to the executive vice president in 1968. The following year he became administrative assistant in General Office Real Estate and Right of Way and was promoted to assistant superintendent in 1972. He was named real estate and right of way superintendent in 1975, Beckley division manager in 1978, and Bluefield division manager in 1985. He had been president and CEO of Kingsport Power since 1988.

Rotenberry is a graduate of National Business College and holds a bachelor of science degree in business administration from Virginia Polytechnic Institute and State University. He attended the MBA program at West Virginia College of Graduate Studies, the AEP Management Program at the University of Michigan Graduate School of Business Administration, and the Program for Senior Executives at Massachusetts Institute of Technology.

Carson holds a bachelor of science degree in civil engineering from Virginia Polytechnic Institute and State University and a master of business administration degree from Lynchburg College. He was awarded a master of science degree in management from Massachusetts Institute of Technology in 1982, following a year of study on an Alfred P. Sloan Fellowship. He is a registered professional engineer in Virginia and West Virginia.

Carson joined the company in 1970 as a civil engineer in GO T&D Civil Engineering, Roanoke, and three years later was promoted to civil engineer senior. He was named administrative assistant to the president in 1978 and assistant manager of the Roanoke Division in 1982. The following year he was promoted to Abingdon Division manager and to executive assistant to the president in 1990. □

APCo donates land to Conservancy

Appalachian Power Company last month donated a 90-acre tract of land along Bottom Creek Gorge in southeastern Montgomery County to the Virginia Chapter of the Nature Conservancy. Appalachian acquired the property from Roanoke Traction and Light Company in 1928 as a potential hydro site.

The tract is an addition to the Conservancy's Bottom Creek Gorge Preserve, a 1,649-acre area protecting seven globally rare fish species and a rare fern normally found in the deserts of Arizona. The APCo donation added a stand of large Carolina hemlock trees to the preserve as well as a 200-foot waterfall, the second highest in the state.

The donation was announced during the Conservancy's annual meeting. Presenting the deed for the land to Michael L. Lipford, the Conservancy's director, Appalachian President Joseph H. Vipperman said, "Appalachian Power Company, its parent American Electric Power, and the other operating companies of the AEP System have a long history of commitment to environmental concerns. The donation of this land to the Nature Conservancy is Appalachian's most recent demonstration of that commitment but certainly not the first. For example, in 1967 our company donated more than 212 acres of land for the creation of the West Central 4-H Educational Center at Smith Mountain Lake. Two years later we provided to the Commonwealth of Virginia more than 422 acres of land on Smith Mountain Lake, which has become a beautiful and very popular State Park."

Lipford called the gift "a remarkable display of Appalachian's corporate environmental concern and its generosity." □

Disbrow seeks dialogue on energy issues

American Electric Power will seek enlightened national energy policies, balanced state regulatory practices, and effective internal cost controls to assure the company's future, Chairman and Chief Executive Officer Richard E. Disbrow told shareowners at the company's 85th annual meeting held in Columbus, Ohio, on April 22.

"We must be active participants in the dialogue at the local, state, and federal level on issues relating to our company and our industry," said Disbrow, who discussed AEP's role in shaping the future of the electric power industry.

Disbrow said the company remains committed to aggressive cost controls and operating efficiencies in order to keep AEP well positioned as a low-cost, stable, and reliable provider of electric energy, one that is well prepared to adapt to challenges electric utilities face in the future.

"As successful as we may be in improving our operations performance, the key determinants of our future success will be the attitude of the general public toward us and the actions taken in legislative halls and in regulatory hearing rooms," Disbrow said.

"Regulation, which was designed to fairly balance the interests of consumers and investors, has, in my view, sharply tilted toward short-term, lowest-price considerations to the long-run detriment of the adequacy, reliability and price of electric energy to consumers," he said.

Competition in the electric utility business, government regulation and environmental issues will dominate the industry's future, Disbrow said. He called for balanced regulation that would foster reliable, low-cost energy service for customers over the long-term, as well as caution toward proposals that could drastically restructure the utility business and pose unintended side effects for customers.

Regulators may allow new competitors to enter the business of generating electricity, Disbrow said, but he expressed concern over the high debt ratios that independent power producers would be permitted under existing and proposed legislation.

Pictured at AEP's 85th annual meeting in Columbus, Ohio, are Joseph H. Vipperman, president of Appalachian Power (left), and Thomas A. Rotenberry, president of Kingsport Power. Rotenberry has since been elected a vice president of Appalachian Power.

"Excessive leverage was considered bad public policy in the 1930s," Disbrow said. "I think it is fair to question why in 1992 it is now considered good public policy to encourage greater use of debt," he said.

Disbrow said he also hopes Congress will protect utility customers who could be hurt by proposals to open up power grids to anyone requesting access.

Uncontrolled open access to the grid could make electric service less reliable and increase costs for a utility's own customers, Disbrow said.

Nonetheless, some of the industry's new developments hold many potential benefits for customers, Disbrow said. Enlightened regulatory initiatives could help expand AEP's pilot energy conservation programs in an effective demand-side management initiative. Those AEP conservation pilot programs now include recycling unused second refrigerators, development of a new electronic light bulb and the ongoing development of TransTexT®, which allows customers to regulate the use of electricity in their homes.

"Even more than in the past, we will not be selling kilowatt-hours but rather the value and services that electric energy provides consumers," Disbrow said. "To accomplish this we must get to know our customers—residential, commercial, industrial and wholesale—better than we have known them in the past."

Disbrow said the company faces challenges on the environmental front not only to comply with the "acid rain" provisions of the federal Clean Air Act amendments of 1990, but also in shaping the current discussion of global climate change.

"There are questions about global climate change and demands that gaseous emissions to the atmosphere be frozen or curtailed," Disbrow said. "I hope that we allow scientific knowledge rather than emotion to dictate our course of action, if any.

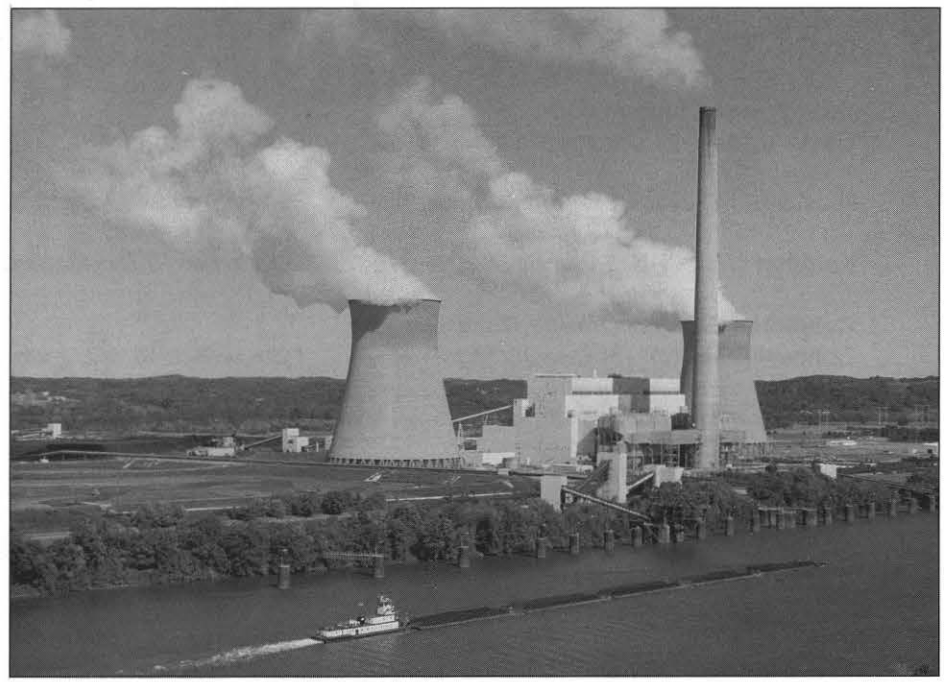
"There must be reasoned balance between the environment, energy use and economic growth for this nation to remain competitive in the world marketplace," he added. □

Lease financing makes scrubbers at Gavin least-cost clean air option, AEP says

American Electric Power announced last month it will use an innovative lease financing plan to lower the cost of installing flue gas scrubbers at Ohio Power Company's Gavin Plant in Cheshire, Ohio.

AEP's plan was filed April 29 with the Public Utilities Commission of Ohio. It concludes that scrubbers at Gavin, in combination with compliance measures at other plants, would be part of a least-cost strategy for complying with the Clean Air Act Amendments of 1990 over the long term. However, AEP officials identified several crucial regulatory rulings necessary before a final decision is made.

"Before proceeding with construction, we need to obtain all necessary environmental permits, assurance of Phase I extension emission allowances for scrubbing and a ruling from the PUCO that our proposed compliance plan is reasonable and prudent," said Richard E. Disbrow, AEP chairman and chief executive officer. "In the long run, the cost of building scrubbers appears to be marginally less than switching to low-sulfur coal."



The installation of flue gas scrubbers at Ohio Power's Gavin Plant appears to be the least cost option for complying the the Clean Air Act Amendments of 1990.

Under a plan developed by AEP, an unaffiliated company will own the scrubbers at Gavin's two 1,300-megawatt units, and Ohio Power will lease the scrubbers. Leasing will save $56 million annually over ownership during the first 10 years and $400 million over 18 years on a net present value basis.

"This form of financing avoids heavy up-front costs for our customers by leveling out scrubber lease payments over time," Disbrow said. "Our strategy of innovative financing, cost-effective construction and energy conservation will help us comply with the Clean Air Act at the lowest cost to our customers," Disbrow said.

Scrubber financing will involve Ohio Air Quality Development Authority tax-exempt bonds, which lower interest costs for the project, as well as the use of other long- and short-term debt.

Disbrow said scrubbing is marginally least-cost over the long term. "In the short term, fuel switching appears less expensive. But that advantage tends to narrow and then disappear over time. We need to consider overall, long-term costs."

AEP's systemwide analysis assumes both scrubber units at Gavin will be in service by September 1995. The study shows the scrubbing strategy, over the first 10 years, would require about $13-18 million more in annual revenues than switching to low-sulfur fuel at Gavin. That is a difference of about one-third of 1% of AEP's current annual revenues.

AEP also performed an analysis taking into account the net present value of 18 years of compliance costs. In that period, scrubbing at Gavin would save $121 million over fuel switching. Assuming high-sulfur coal costs rise more slowly and low-sulfur coal prices rise more rapidly, a decision to scrub could increase the savings from $121 million to as much as $244 million in net present value of the revenues AEP would need.

Disbrow said the company's analysis assumes permits will be received and a PUCO ruling on the compliance plan will be issued by July 1, allowing the start of scrubber construction.

"The need for cooperation from all interested parties, a clear outlook for emission allowances, and timely rulings from the U.S. Army Corps of Engineers and the PUCO are critical. Otherwise, the cost advantage of scrubbing could disappear," he said.

Regulatory delays could make the company lose much of the 1992 construction season. That would hike construction costs and eat up Gavin's emission allowances, reducing the potential savings. Under the worst conditions, lengthy delays could destroy the viability of scrubbers. Disbrow outlined how regulatory rulings could affect the utility company's systemwide compliance plan:

1. A permit from the Corps of Engineers is required to install a lime unloading facility and fill in about 13 acres of low-quality wetlands for a landfill to handle scrubber waste. The company proposes to replace the wetlands by creating 15 acres of new wetlands and enhancing another 5 acres. The Corps has scheduled a May 4 public hearing. The Sierra Club and Ohio Industrial Energy Consumers have challenged the permit applications.

AEP Phase I Acid Rain Compliance Strategy

Here is a summary of American Electric Power's Clean Air Act Compliance Strategy for SO_2 emissions at 12 of the System's 21 generating units affected by Phase I* and other compliance actions planned:

UNITS	COMPLIANCE STRATEGY	CAPITAL COST
Ohio Power Company		
Gavin Units 1-2, Cheshire, Ohio	Flue-gas scrubber	operating lease**
Muskingum River 5, Beverly, Ohio	Fuel switch to low-sulfur coal	$58 million
Kammer Units 1-3, Moundsville, W. Va.	Fuel switch to moderate-sulfur coal	$48 million
Columbus Southern Power Company		
Conesville Units 1-3, Conesville, Ohio	Fuel switch to nat. gas (w/coal backup)	$30 million
Picway Unit 5, Columbus, Ohio	Fuel switch to nat. gas (w/coal backup)	$10 million
Beckjord Unit 6***	Fuel switch to moderate-sulfur coal	None
Indiana Michigan Power Company		
Tanners Creek Unit 4, Lawrenceburg, Ind.	Fuel switch to moderate-sulfur coal	None
Continuous Emission Monitoring		
AEP System		$28 million
NO_x Controls**		
AEP System		$37 million

* 8 additional units at Cardinal, Conesville, Mitchell and Muskingum River Plants are affected in Phase I but do not require operating or fuel changes.
** Completed cost of scrubber projected to be $805 million.
*** Co-owned by Columbus Southern Power Company, Cincinnati Gas & Electric Company and The Dayton Power and Light Company.
**** For controls required by January 1, 1995.

If the Corps of Engineers requires an Environmental Impact Statement (EIS), the Gavin project could be delayed for at least 18 months, jeopardizing the viability of the scrubber option.

2. The company intends to take advantage of a provision in the Clean Air Act Amendments of 1990 that allocates up to 3.5 million reserve SO_2 emission allowances to utilities which plan to build scrubbers. The Gavin Plant could qualify for 760,000 reserve allowances. The U.S. EPA has designed a phone-in for utilities to allocate allowances on a first-come, first-served basis. However, the EPA has not issued its final regulations. It is expected utilities will apply for 4.5 million allowances, resulting in an over subscription.

   AEP's strategy calls for entering a pool agreement by July 1 with other utilities who would share allowances after the phone-in, which would assure the company of receiving about 75% of the allowances for which Gavin would be eligible.

3. The company has asked the Public Utilities Commission of Ohio to rule that the installation of scrubbers at Gavin is part of a lowest-cost compliance strategy and therefore is prudent and reasonable in accordance with Senate Bill 143, which was passed by the Ohio General Assembly last year.

So far, the company has spent or committed more than $50 million to keep the scrubber option open based on the request of the PUCO.

The plan calls for supplying Gavin with coal from AEP's Meigs mines as well as about 2 million tons annually from non-affiliated Ohio coal producers. "This arrangement would maximize the use of Ohio coal while keeping costs low for our customers," Disbrow said. "The Meigs mines would operate at a reduced level of approximately 4.5 million tons of coal per year," he said.

In addition, the company's proposed fuel switch at Ohio Power's Muskingum River Plant Unit #5 will result in reduced production at Central Ohio Coal Company, located southeast of Zanesville, beginning sometime in 1994. The plant's other four units will continue to use coal supplied by the surface mine operation at least until 2000. □

FEATURE

International implications of global climate change

(Second in a series)

Evidence that the 1980s were warmer than normal, combined with the theoretical projections of continued warming due to emissions of greenhouse gases into the atmosphere, have resulted in significant national and international attention to the global climate change issue.

Although there remains much scientific uncertainty about the degree to which the climate may be altered by man's activities, it is clear that any action, if action is appropriate, must be international in scope to be effective.

"Recognizing this, the United Nations established a two-step process to address the global climate change issue," said John M. McManus, director-acid rain compliance and special environmental issues. "First, the Intergovernmental Panel on Climate Change (IPCC) was formed in 1989 to assess the scientific evidence underlying the climate change theory, the effects of climate change and responses to mitigate potential change. In 1991, while that group continued its assessments, the U.N. formed the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC).

"The INC is charged with developing an international agreement to limit the emission of greenhouse gases, particularly carbon dioxide (CO_2). The INC has been meeting regularly, with a goal of a signed Framework Convention at the U.N. Conference on Environment and Development. This conference, also known as the "Earth Summit," will be held in Rio de Janeiro, Brazil, in June of this year," said McManus.

Many countries involved in the INC are pressing for commitments to carbon dioxide emission reductions as a response to the threat of global climate change. A proposal many countries support is that all countries should stabilize CO_2 emissions at 1990 levels by the year 2000. In addition, some nations are calling for a 20 percent reduction from 1990 levels by the year 2015.

The United States is opposed to these courses of action for several reasons, primarily because the proposals do not deal with all sources of all greenhouse gases but instead focus exclusively on CO_2. In a letter from Bush Administration officials, the U.S. states that this is "an inadequate response to climate change, does not invite participation on a global strategy from the maximum number of nations, and would have adverse economic consequences for the United States."

The countries involved in the negotiations can be divided into four general groups, each with a different position on the climate change issue:

Developed countries advocating a cautious approach. The U.S. is the only country adopting this position. The Bush Administration maintains that there is simply not enough scientific evidence available to justify what will be extremely costly measures to reduce CO_2 emissions.

The U.S. believes that curtailing emissions would impose substantial burdens on our economy, with the resulting environmental benefits uncertain. The U.S. continues to resist establishing targets (specific emission reductions, expressed as percentages) and timetables

International policy decisions about the issue of global climate change could have broad implications for the U.S. economy.

(dates by which reductions should be accomplished).

The U.S. does support development of a framework convention, which will involve a commitment to support and actively monitor the scientific understanding of the global climate and to develop flexible, country-specific plans for responding to possible climate change. It also supports "no regrets" strategies, including energy conservation and efficiency improvements that would slow the accumulation of greenhouse gases in the atmosphere. Finally, the U.S. supports a package of foreign assistance for the developing nations to help them invest in more efficient technologies.

Developed countries pursuing an activist approach. This group is comprised of the western European community, as well as Germany and Japan. The group supports a view that the scientific evidence generally points to a significant threat from climate change, and asserts that the benefits of averting the threat outweigh the costs of limiting CO_2 and other greenhouse gases.

Some of these countries may perceive that they are at particular risk from climate change. For example, the Netherlands and Italy could be seriously affected by sea level rise.

Other countries may see the possibility of enhanced financial opportunities and advantages in the international marketplace. France, Sweden, Japan and Germany have invested heavily in nuclear energy and therefore would not be as affected economically as the U.S. and other nations. They may also see expanded markets for such technologies. Japan may see market opportunities in energy-efficient technologies.

Countries unable to act. The radical political and economic changes in eastern Europe and the former Soviet Union may make it impossible, both economically and technically, for these countries to address the climate change issue. Although these countries have expressed concern about the issue, and have indicated they believe that other countries should make commitments, they are unable to commit themselves. These countries continue to stress the need for help from the West, particularly in terms of financial aid.

Developing countries. Developing countries currently account for about 29 percent of CO_2 emissions from burning of fossil fuels. If the effects of deforestation are added, the total rises to 40 percent or more. More importantly, the rate of increase of emissions in these countries is much greater than in the developed countries.

These countries believe that commitments to reduce emissions will severely limit their ability to develop. They reject any accountability and insist that the developed nations should bear the burden of solving the problem. In addition, they believe the developed countries should provide them with the technology and financial means to meet the "full incremental costs" of mitigating emissions while not interfering with their economic growth.

Economics of the issue — an expensive proposition

If the "targets and timetables" desired by many countries are implemented, the economic impact on the United States would be significant. According to McManus, "One concept being debated to force the reduction of greenhouse gas emissions is a 'carbon tax,' under which sales of fossil fuels would carry a tax based on the carbon content of the fuel." A number of studies have been conducted to determine the ultimate effects of such a tax on the U.S. economy, and a wide range of costs has been derived.

A Department of Commerce study concluded that the tax required to achieve a 20 percent reduction in emissions of CO_2 by 2020 was $720 per ton of carbon. Other major findings show that although all nations would experience losses in economic output, the U.S. would be among the countries most affected by a carbon tax. The average cost in lost gross national product per ton of carbon would be about $755 in the U.S., and this would be accompanied by a significant loss in employment—about 600,000 jobs.

A study conducted for the American Petroleum Institute showed that a tax of $200 per ton of carbon would be equivalent to $120 per ton of coal, $26 per barrel of oil, and $3.20 per thousand cubic feet of natural gas. Such a tax would have cost the average American family more than $1,000 per year in 1991. As a point of reference, if the coal AEP burned in 1991 had been taxed at $120 per ton, the electric bills for AEP's customers would have to have been doubled to cover the $5.5 billion tax.

Another study by the Department of

Energy estimates that a carbon tax to reduce CO_2 emissions 20 percent would cost $95 billion per year and would more than double the price of gasoline.

While these broad economic analyses indicate a large reduction in CO_2 emissions would result in major economic and employment impacts in this country, it should be noted that other studies have drawn different conclusions.

Some studies have looked at the availability of, and potential for, further improvements in energy efficiency technologies and the effect on CO_2 emissions of their widespread use. Such analyses suggest that a significant reduction in CO_2 emissions can be achieved by taking low-cost measures to improve the efficiency with which we use energy, coupled with measures such as reforestation to provide additional CO_2 sinks.

"Although there is clearly potential for improving energy efficiency in the U.S., it is doubtful that such measures alone would meet the types of targets and timetables being promoted in the INC," said McManus.

The U.S. position

The scientific uncertainties about global climate change and the uncertain benefits that would result from a reduction or stabilization of CO_2 emissions are the basis of the U.S. position on this issue. In addition, the U.S. believes that any actions taken should address all sources of all greenhouse gas emissions in the world.

Today, oil, coal and natural gas are the world's predominant sources of energy. Their supply is abundant and their price affordable. Substitutes to these fuels, at any price, are few in number and limited in application. The use of fossil fuels is likely to play a key role in economic growth for the foreseeable future, especially in developing nations which are expanding their energy use about 6 percent per year.

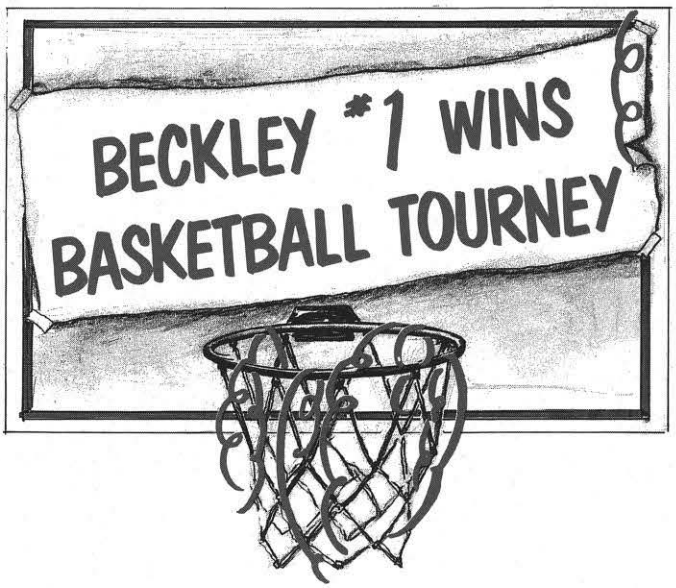
This increase in energy use is related to programs to improve economic prosperity in the developing world. This in turn will help provide the financial resources necessary to ensure that such prosperity is not achieved at the expense of the environment.

In the long run, countries with healthy economies are far more protective of the environment than those with fragile ones. Although environmental quality comparisons are not as easy as economic comparisons, wealthy nations spend a higher fraction of their GNP on environmental programs than do poorer nations. The greater the level of per capita income, the more frequently environmental standards are adopted and enforced.

In developing countries, it is impossible to separate the issue of economic development from the need to reduce carbon dioxide emissions.

Thus, global economic growth will be needed to pay for global environmental protection. While action may be needed to address the possible impacts of global climate change, actions that restrict economic development in any part of the world will be counterproductive.

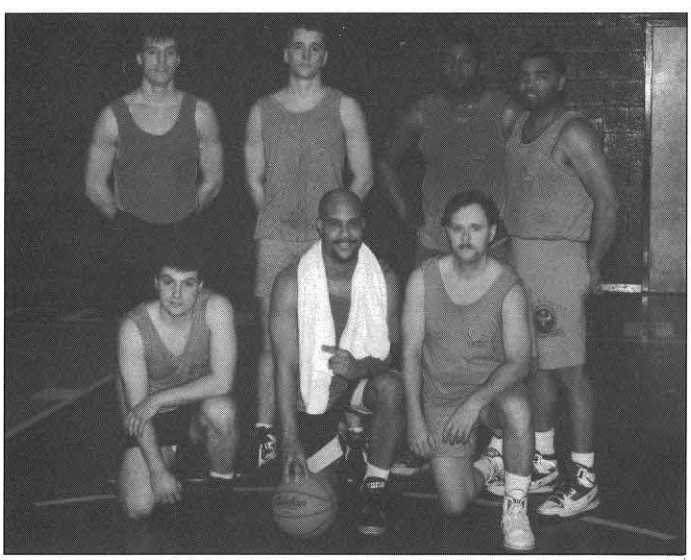
Indeed, policies such as a high carbon tax or stringent CO_2 reduction targets will make energy use prohibitively expensive and may limit the economic growth that is needed to encourage strong environmental protection measures. A sound global environment and strong global economy can be complementary, not contradictory, goals for the world at large. □



The Beckley #1 basketball team lived up to its name by winning the Beckley Division basketball tournament for the fourth consecutive year. They held on to their champion title by defeating Bluefield #1, CPM, Bluefield #2, and runner-up Mountaineer twice.

Beckley #1 team members won jackets; the second-place Mountaineer team received T shirts; and the three top teams (Beckley #1, Mountaineer, and Glen Lyn) were awarded trophies.

Eleven teams competed in the fourth annual tournament, held February 21-23 at Woodrow Wilson High School, Beckley.



Members of the Mountaineer Plant team, which was runner-up in the Beckley Division basketball tournament, are: front row, l. to r., J. T. Lloyd, plant engineer III; Keith Jackson, utility worker; and Steve Price, equipment operator B. Back row, l. to r., Lenny Ware, plant engineer I; Mark Hall, plant engineer I; Ray Minnis, equipment operator B; and Larry Howell, utility worker.

Company locations represented were Huntington, North Charleston, Beckley, Bluefield, Mountaineer, Centralized Plant Maintenance, Kanawha River, Clinch River, and Glen Lyn.

Bob Shiflett, Beckley line mechanic A, served as tournament director. □

Members of Beckley #1 team, which won the Beckley Division basketball tournament, are: front row, l. to r., Lou Prunesti, stores attendant B; Keith VonScio, marketing and customer services advisor; David Ransom, engineering technician senior; and Bob Shiflett, line mechanic A. Back row, l. to r., Lee Venable, Rainelle area supervisor; Gene Warner, meter reader supervisor; Jeff Maynor, electrical engineer; and Tony Combs, engineering technician senior.

The team from Glen Lyn Plant, which placed third in the Beckley Division basketball tournament, is composed of: front row, l. to r., Nathan Shrader, braker; Danny Mitchem, maintenance mechanic C; and Mark Repass, coal equipment operator. Back row, l. to r., Martin Benedum, plant engineer III; Freddie Terry, maintenance mechanic B; Mike Davidson, plant clerk B; and Dennis Fox, utility worker A.

BENEFITS

Long Term Care plan enrollment underway, additional coverage available

In 1991 the AEP System introduced its Long Term Care (LTC) plan in an effort to help meet important needs of AEP employees and their families. During May of this year, employees who have not already done so will have another opportunity to enroll in this plan. Those not included in this enrollment period are employees' parents and parents-in-law and retirees who were given a one-time opportunity to enroll when the program was introduced.

"Today, more of us are living longer and healthier lives than ever before. Yet as life expectancy increases, so does the likelihood that we will need some type of long term care if age, illness or disability makes us physically dependent on others," said Robert H. Strahan, assistant vice president-compensation and benefits for the Service Corporation.

"The Long Term Care plan offers protection against the high cost of having someone take care of you when you can no longer take care of yourself. The plan helps cover custodial care whether it is provided by a family member or a trained care provider."

The AEP System Long Term Care plan includes these advantages:

• **You don't have to be confined in a nursing home beforehand** to receive benefits. That's a major advantage over many other LTC insurance plans--and a major restriction you won't have to worry about.

• **You receive care where it's most convenient for you**--whether that's in an eligible nursing facility, at your home, or in an adult care center.

• **You can choose who provides your care.** The plan lets you decide who can give you the best care, whether it is a relative, a friend or a health care professional.

• **You can choose your own daily benefit option.** You can select a $60, $80 or $100 daily benefit option. Your home care/adult day care benefit will automatically be half of your daily benefit amount.

• **This plan provides you with coverage for Alzheimer's disease** and other organic brain disorders.

• **You won't have to fill out a lot of forms.** All it takes is one claim form and a toll-free phone call to begin the claim process.

• **Your plan is guaranteed renewable.** Your insurance coverage will continue as long as you pay the premiums, and cannot be cancelled on the basis of your age or if you use the plan.

For individuals who enrolled last year, the LTC plan offers an inflation adjustment feature to protect against the possible erosion of benefits that time and inflation can cause. This option is available to all enrollees, including parents, parents-in-law, and retirees.

Individuals electing the $60 nursing facility benefit/$30 home care benefit or the $80 nursing facility benefit/$40 home care benefit can increase their coverage in $20 increments, up to the daily benefit maximum of $100 for nursing facility care/ $50 for home care, subject to evidence of insurability. The $20 increase applies to the nursing facility benefit. Your home care benefit will increase to half of the new coverage amount.

In making your decision to apply for additional coverage, please remember:

• The premium for your existing Long Term Care coverage will not change. The premium for the new amount of coverage will be based on your age as of the effective date of the increased coverage.

• The effective date will be the first of the month following the date your application is approved by Aetna, which administers the plan, but not before July 1, 1992.

• If you are receiving Long Term Care claim payments or are in the waiting period to receive payments, you may not increase coverage at this time.

• If you and your spouse are enrolled in the plan and you want to increase coverage, both of you must increase coverage to the same level. Enrolled parents and in-laws may have coverage equal to or less than yours.

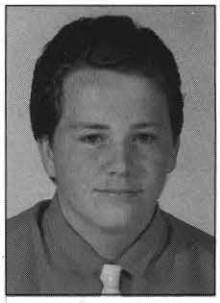
Employees who would like to enroll in the Long Term Care plan or increase their coverage should contact their Human Resource office for an enrollment form and premium information. The form includes a medical questionnaire which you must complete and have approved by Aetna in order for your coverage to become effective. Aetna must receive your completed form by May 31, 1992.

If you have any questions, please call Aetna's Long Term Care hotline at 1-800-537-8531. □

POWER PEOPLE

Abingdon

Officers of the Employees Benevolent Association for 1992 are **David Jones**, president; **William Clapp**, secretary; and **Susan Doss**, treasurer.



Craig, son of Robert Vanhuss, Clintwood general servicer, was selected to participate in Virginia's 1992 Summer Residential Governor's School for the Gifted to be held at the College of William and Mary. He also has received U. S. Achievement Academy awards for math, science, English, history, and leadership. A student at Wise County Christian School, he twice has been named to *Who's Who Among American High School Students.* □

Beckley

Kevin, son of Kevin Cordle, Oak Hill area servicer, was a member of the Catholic Crusaders who captured the championship of the third and fourth grade division of the Mt. Hope Youth Basketball League.

Sephra, daughter of Janet Snyder, customer services representative C, was named section leader for the clarinet section of the All County Junior High Band. **Jennifer**, daughter of Jimmy Dunford, stores attendant B, was named first chair, piccolo section, for the senior division of the All County Band.

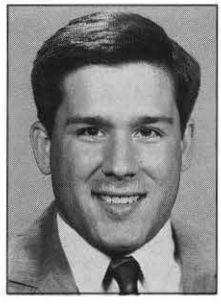
Jeremy, son of Ronnie Carte, Oak Hill line mechanic C, was named Sportsman of the Week by *The Fayette Tribune.* The Nutall Middle School student received the award after making six three-point goals in a basketball game.

Derek, son of Robin Hildebrand, Oak Hill customer services representative C, and his father **Jeff** won first place in the cake division at the 16th annual Seneca District Cub Scout Father-Son Bake-Off. The event, which drew 55 entrants in the cake division, was held at the Greenbrier Resort with pastry chefs serving as judges. □

Charleston

Wesley Davis, electrical engineer II, was named programs chairperson of the National Society of Black Engineers, Charleston Chapter. The Society's objectives are to encourage and advise youth in their pursuit of an engineering degree, stimulate and develop student interest in the various engineering disciplines, increase the number of students studying engineering at both undergraduate and graduate levels, develop the technical and professional skills of its members, encourage members to seek advanced degrees in engineering or related fields, and to obtain professional engineering certification, promote public awareness of engineering and the opportunities in the profession, and represent students and professionals on issues and developments that affect the careers of engineers. Wesley, one of the organizers of the Charleston Chapter, is participating in the Chandler Elementary School partnership program.

Who's News



Walt Sherry, energy services engineer I, was promoted to the rank of captain in the U. S. Army National Guard. □

General Office

Philip Ross, right of way maintenance coordinator, GO T&D Distribution, Charleston, was elected president of the West Virginia Vegetation Management Association. □

Huntington

Beth Ann, daughter of David Clatworthy, line mechanic A, was named to *Who's Who Among American High School Students.* She was nominated for the award by her teachers at Huntington High School, where she is a junior. Beth Ann is a flag captain for the band and a member of the Mountain Magic Drum & Bugle Corps and drill team. □

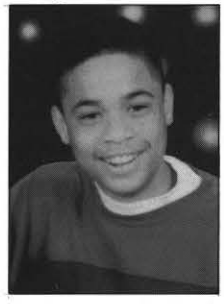
Bush anchors WOWK's Kidsmag

Bush

"I always thought it would be neat to be on TV," says 12-year-old Holly Bush, and now her dream has come true. The daughter of Huntington Division Manager Dave Bush, Holly was chosen anchorwoman and news reporter for the Kidsmag news program on WOWK-TV. Only eight of the more than 75 students who interviewed for the program were selected.

A sixth grader at Our Lady of Fatima School, Holly reviews books and reports local news stories in addition to serving as anchor. The experience has given her the desire to be a journalist someday. □

Logan-Williamson

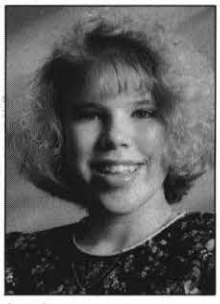


Timothy, son of Arlene Jacobs, senior telephone operator, was selected an All-American Scholar in math by the United States Achievement Academy. A ninth grader at Williamson Junior High School, Timothy was nominated by his mathematics teacher. □

Kanawha River

Laura, daughter of Edwin Shelton, placed first in sprint in the Awana Olympics at Cross Lanes Christian School. Her team placed second overall. □

Kingsport

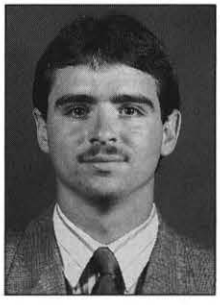


Jamie

Tracy

Jamie and **Tracy Strange**, daughter of Ronnie Hess, station mechanic A, were nominated as candidates for queen of hearts at Sullivan North High School. Jamie was elected freshman princess, and Tracy, a senior, was elected queen of hearts. □

Fulks earns PHR



Art Fulks, Philip Sporn Plant human resources assistant, has been certified as a professional in human resources (PHR) by the Human Resources Certification Institute. Certification is earned through a combination of education and experience and by passing a comprehensive exam covering all areas of human resources.

Fulks, who holds a degree in human resources management from Ohio State University, has been elected president of the Mid-Ohio Valley Chapter of the Society for Human Resources. □

Philip Sporn

Stephanie, daughter of Tony Kopec, performance superintendent, was runner-up in the Meigs County Spelling Bee. She also placed first in the Science Fair for the fourth grade at Salem Center Elementary.

The team of **Danny Taylor**, maintenance mechanic A; **Steve Fraley**, unit supervisor; **Fred Werry**, maintenance supervisor; **Jerry Davis**, equipment operator B; and **Don Hoffman**, equipment operator C, placed first in Ohio Power's Bowling Tournament. They also won the tournament in 1988. □

Pulaski

Brooks, son of Pam Hayes, customer accounts representative A, is a member of the chess team which captured the Minor League (10 and under) Tournament championship sponsored by the Town of Pulaski Recreation Department. The Bulls defeated the competition 37-23 in the championship game and finished the season with a 12-2 record.

Bradley, son of Chuck Talley, line superintendent, is a member of the chess team from Critzer Elementary School which won the elementary division title in the Virginia state chess championships. □

Births

John Amos

Hayley Michelle, daughter of **Dwight Kidd**, plant engineer senior, March 18.

Bluefield

Tyler Dwayne, son of **Donna Looney**, Grundy customer services representative B, March 10.

Central Machine Shop

Molly Beth, daughter of **Ronald Hull**, welder 1st class, March 3.

Charleston

Bryan James, son of **Craig Slater**, St. Albans line mechanic C, February 29.

Clinch River

Dennis Evan, son of **Stanley Campbell**, unit supervisor, March 23.

General Office

Hayley Nicole, daughter of **Howard Poage**, data processing operator A, GO Accounting, Roanoke, October 23, 1991.

Logan Thomas, son of **Judy Emery**, senior clerk, GO Hydro, Roanoke, March 2.

Kayla Anne, daughter of **Quinn Mongan**, environmental specialist II, GO Environmental Affairs, Roanoke, April 2.

Anne Claire, daughter of **Jill Conner**, secretary, GO Executive, Roanoke, September 9, 1991.

Roanoke

Devon Van, son of **Shelby Burch**, customer services representative D, March 6.

Philip Sporn

Breanna Marie, daughter of **Greg Taylor**, plant engineer I, March 15.

Christopher Aaron, son of **Pamela Heib**, utility worker A, March 19.

Justin Dan, son of **Jim Cotterill**, maintenance mechanic A, March 21. □

Weddings

Duffield-Hagy

Kimberly Beth Hagy to Daniel Jon Duffield, March 29. She is the daughter of James Hagy, Abingdon meter reader.

Chapman-Palmer

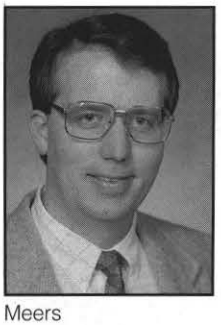
Bonnie M. Palmer to **Ernest L. Chapman**, John Amos Plant maintenance mechanic A, March 5. □

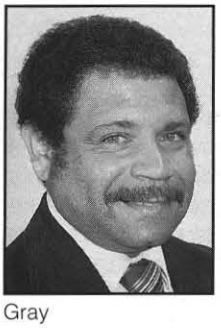
Wed 50 years

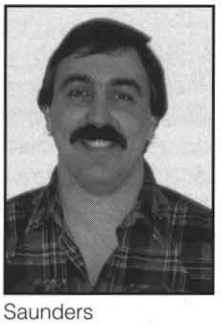
Robert and Juanita DeHart celebrated their 50th wedding anniversary on February 14. They have seven children and seven grandchildren. Robert is a retired transmission mechanic A, GO T&D Transmission, Turner.

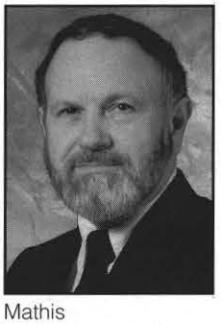
Promotions

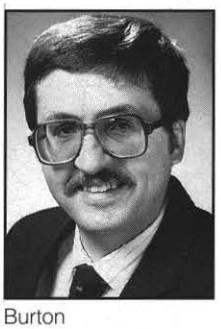

Pendleton

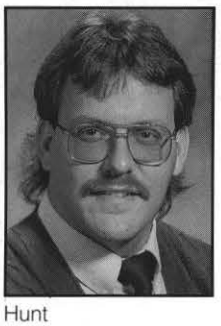

Meers

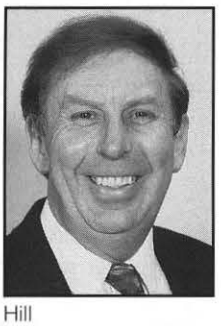

Gray

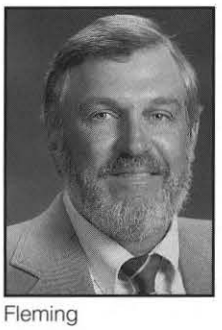

Saunders

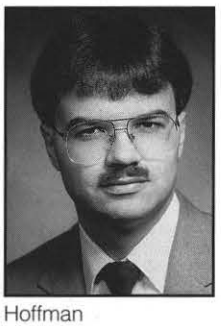

Mathis


Burton


Hunt


Hill


Fleming


Hoffman


Gilkerson


Parker

Roy Pendleton, Jr., assistant shift operating engineer, was promoted to shift operating engineer at Glen Lyn Plant on April 1.

Malcolm Meers, energy services engineer II, was promoted to energy services engineer I in Roanoke on February 1. He holds a bachelor of science degree in electrical engineering from University of Kentucky.

Ricky Gray, maintenance mechanic A, was promoted to utility supervisor at Glen Lyn Plant on April 1.

Russell Saunders, plant engineer II, was promoted to plant engineer I at Philip Sporn Plant on February 1. He holds a bachelor of science degree in industrial technology from Ohio University.

George Mathis, supervising drafter, was promoted to building supervisor in Logan on January 1.

Stuart Burton, plant engineer I, was promoted to plant engineer senior at Mountaineer Plant on March 1. He holds a bachelor of science degree in education from Bluefield State College and a bachelor of science degree in electrical engineering from West Virginia Institute of Technology.

Timothy Hunt, equipment operator A, was promoted to unit supervisor at Kanawha River Plant on April 1.

Steve Hill, utility supervisor, was promoted to maintenance supervisor at Glen Lyn Plant on April 1.

Keith Fleming, line mechanic A, was promoted to line crew supervisor NE in Christiansburg on March 14.

David Hoffman, plant engineer senior, was promoted to production superintendent-operations at Mountaineer Plant on April 1. He holds a bachelor of science degree in electrical engineering from Ohio University.

Claude Gilkerson, line crew supervisor NE, was promoted to line construction and maintenance represenative in Huntington on April 1.

Henry Parker, plant engineer senior, was promoted to supervising engineer-environmental at Glen Lyn Plant on April 1. He holds a bachelor of science degree in mechanical engineering from North Carolina State University.

Robert Schilling, unit supervisor, was promoted to assistant shift operating engineer at Kanawha River Plant on April 1.

Leon Peal, assistant shift operating engineer, was promoted to shift operating engineer at Kanawha River Plant on April 1.

Raymond Fletcher, crane operator, was promoted to utility supervisor at Kanawha River Plant on April 1.

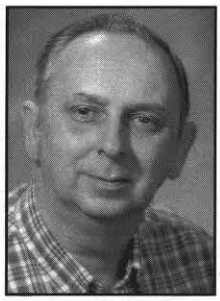
Wayne Spraker, meter electrician A, was promoted to meter electrician supervisor NE in Pulaski on March 28. He holds a diploma in industrial electronics and instrumentation from New River Vocational Technical School.

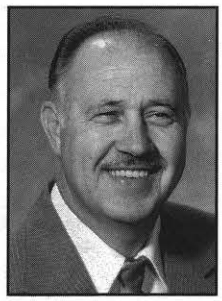
Ronnie Kelley, fleet maintenance supervisor, was promoted to fleet maintenance general supervisor, GO General Services, Roanoke, on April 1.

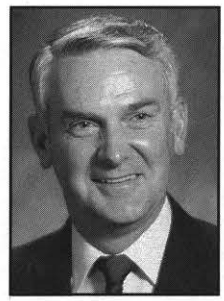
Charlie Ross, engineering technician senior, was promoted to engineering technologist I in Charleston on March 1. He holds an associate in science degree in drafting and design from West Virginia Institute of Technology.

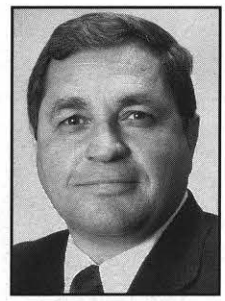
Edward Sheets, chief chemist, was promoted to supervising engineer-environmental at Kanawha River Plant on April 1. He holds a bachelor of science degree in chemistry from Morris Harvey College.

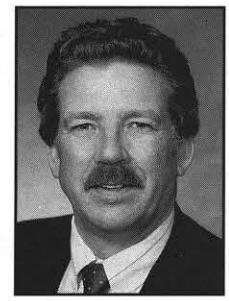
Lyle Hartsock, plant engineer I, was promoted to plant engineer senior at Clinch River Plant on May 1. He holds a bachelor of science degree in mechani-

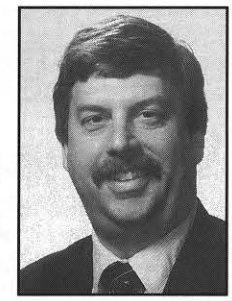

Schilling


Peal

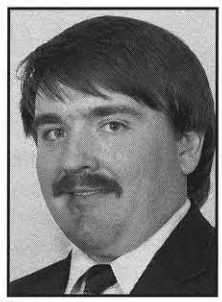

Fletcher

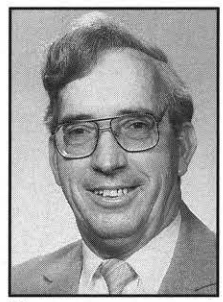

Spraker

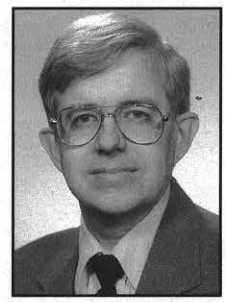

Kelley

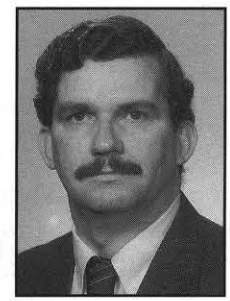

Ross

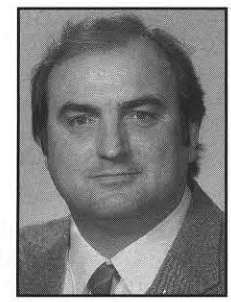

Sheets


Hartsock


Thompson


Beasley


Dingess


Wood

cal engineering from Virginia Polytechnic Institute and State University.

Dana Thompson, maintenance supervisor, was promoted to production superintendent-maintenance at John Amos Plant on March 1.

Jerry Beasley, winder 1st class, was promoted to production supervisor at Central Machine Shop on April 1.

Paul Dingess, production supervisor, was promoted to production superintendent at Central Machine Shop on April 1.

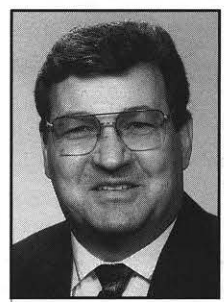
Lewis Wood, production superintendent, was promoted to production coordinator at Central Machine Shop on April 1.

Howard "Bud" Blackshire, Jr., production superintendent-maintenance, was promoted to maintenance superintendent at John Amos Plant on February 1.

Roger Cole, II, plant engineer II, was promoted to plant engineer I at John Amos Plant on April 1. He holds a bachelor of science degree in mechancial engineering from West Virginia University.

Jerry Perry, plant engineer II, was promoted to plant engineer I at Philip Sporn Plant on February 1. He holds a bachelor of science degree in mechanical engineering from West Virginia University.

Timothy Kerns, plant engineer II, was promoted to plant engineer I at Philip


Blackshire


Cole

Sporn Plant on February 1. He holds a bachelor of science degree in mechanical engineering from West Virginia Institute of Technology.

Gregory Taylor, plant engineer II, was promoted to plant engineer I at Philip Sporn Plant on January 1. He holds a bachelor of science degree in electrical engineering from Ohio State University.

Abingdon

Ernest Crain from line mechanic D to line mechanic C.
Ed Blevins from line mechanic A to general servicer, Marion.
Jack Stanley from line mechanic A to general servicer, Clintwood.
David Garrett from line mechanic A to general servicer, Lebanon.
Cecil Watson from line mechanic A to general servicer, Gate City.
Tony Miller from station operator B, GO Operating, Abingdon, to engineering technician, Marion.

John Amos

Gregory Dunlap from maintenance mechanic B to maintenance mechanic A.
Sandra Manning from stores clerk B to stores clerk A.

Beckley

Evelyn Martin from drafter to drafter senior.
Herb Stover from T&D clerk B to T&D scheduler B, Oak Hill.

Bluefield

Don Jones from line mechanic B to line mechanic A, Princeton.
Elizabeth Lester from customer services representative D to customer services representative C.
Mary Mash from customer services representative B to customer services representative A.
Linda Hess from customer services representative B to customer services representative A, Tazewell.

Central Machine Shop

Mike Loving from winder 2nd class to winder 1st class.
Curt Pennington from winder 3rd class to winder 2nd class.
Herman McCallister from machinist 2nd class to machinist 1st class.
Theo Gill from winder 3rd class to winder 2nd class.
Kenny Thomas from winder 2nd class to winder 1st class.

Charleston

Lisa Hughes from stenographer to secretary-stenographer B.
John Hughes from line mechanic C to line mechanic B, St. Albans

Clinch River

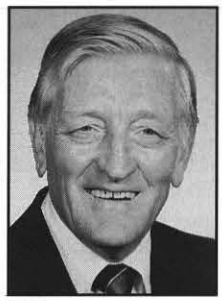
Travis Woods from utility worker A to equipment operator C.

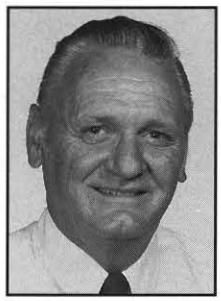
General Office

Pat Graham from classification and accounts payable clerk B to classification and accounts payable clerk A, GO Accounting, Roanoke.
Kitty Adams from purchasing clerk B to purchas-

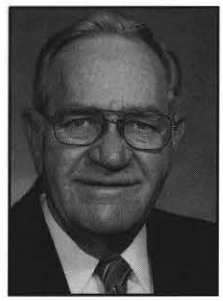
(please turn to page 17)

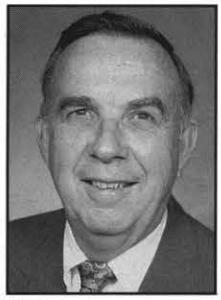
Retirements

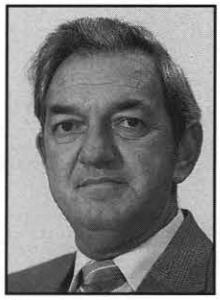

Weaver


Ham


Wynot


Amos


Webb


Freeman

What **Jack Weaver** expected to be a temporary job had stretched into a 41-year career by the time of his retirement on May 1 as a relay specialist in Charleston. Hired as a maintenance man helper in 1950, he also worked as a stationman C, B, and A, engineer B, and engineering technologist. "When I started, everyone worked out of the Virginia Street office," he recalls. "We used to cut grass on a softball field where the North Charleston office is now."

He adds, "I've had real good association with my co-workers and supervisors, and I appreciated the fact that I never lost a payday."

Retirement plans for Jack and his wife Charlene include visiting their five children, seven grandchildren, and one great-granddaughter, who are scattered throughout the United States. "We enjoy going to the beach," he adds, "and I'll play a little golf, too." □

Bill Ham has a new 28-foot motor home setting in his back yard, ready to roll following his early retirement on May 1. "Peggy and I will probably spend six or seven months out of the year on the road," he says. "We enjoy the coast and would like to go out West. Our only drawback is that we don't own a gas station!"

Prior to joining Appalachian, Bill worked for Volkswagen, Chevrolet, Ford, and Chrysler to get experience. "Back then I worked a flat rate and made big money, but I knew I couldn't keep it up as I got older. So I was thinking about the future when I came to work here in the Beckley office." Hired as an automotive mechanic B in 1969, he was promoted to automotive mechanic A the following year and has been automotive supervisor for the division since 1987. Bill adds, "I won't miss the responsibility, but I will miss the employees. You couldn't ask for a better group to work with, and I've made a lot of friends over the years. It's going to be a change; but, when it starts bothering me, I'll get in the motor home and leave for a while."

An Army veteran, Bill enjoys fishing as a hobby. He has one daughter, one stepdaugher, one granddaughter, and one step-granddaughter. □

Janet Wynot, Roanoke drafter senior, elected early retirement on May 1 after 41 years' service. "I was hired as a tracer in GO R/e & R/w, and I wasn't planning on staying," she recalls. "I took the place of Marion Paitsel (now retired) when he went in service. In the early 60's I was loaned to Roanoke Division and it was a nice place to work so I transferred. The most fun I ever had was working on the maps for Smith Mountain Lake."

A member of the Rockbridge Hunt Club and the Virginia Trail Riders Association, Janet enjoys competitive riding and plans to work two afternoons a week with the Roanoke Therapeutic Riding Program for handicapped children and adults. She bought herself a new horse as a retirement present. "I expect to travel a lot," she adds, "and plan to spend some time at Cape Cod, where I have a house. I also have a lot I want to do around my farm." □

"Working conditions have really changed for the better over the past 44 years," claims Roanoke General Line Crew Supervisor **Ralph Amos, Jr.**, who elected early retirement on May 1. "In the 40's and 50's, we had no bucket trucks so all poles had to be climbed. We had no modern hydraulic line trucks for digging pole and anchor holes or installing poles so everything was done by hand. We had a hand-cranked ladder truck for streetlight replacement."

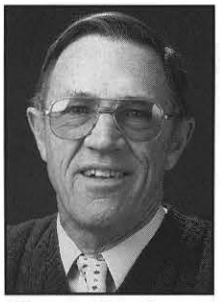
Ralph continues, "One big project I was involved in was the conversion of downtown Roanoke from overhead construction to an underground network system. During the flood of 1976, when our Walnut Avenue Substation was flooded, we had to use a rowboat to perform switching. Then during the flood of 1985 we had to evacuate the service center and operate from the Franklin Road office. And, of course, no one in the department will ever forget the great ice storm of '79."

Ralph adds, "Appalachian is one of the best, and our benefits are wonderful. I've had very good people to work with and will miss them. I enjoyed the work overall because there was something different every day."

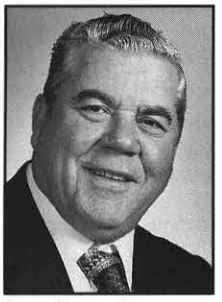
A Navy veteran, Ralph began his career in 1958 as a laborer and advanced through the positions of maintenance man helper B, maintenance man C and B, meter service helper, groundman, stationman B and A, and station foreman before being promoted to general line crew supervisor in 1977. "The Station Department was my first love, but I couldn't turn down the promotion," he notes.

Ralph and his wife Emily plan to travel some during retirement. "We don't have a lot of plans," he says. "We'll just take things on a day-to-day basis. Hopefully, I'll take up golf, but I'm going to enjoy doing what I want and getting up when I

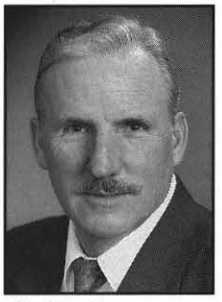
Service Anniversaries



Gleaves Shrader
meter elec. supv. NE
Pulaski
45 years

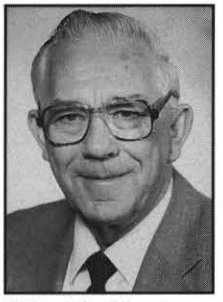


Sam Russell
line crew supv. NE
Kingsport
40 years

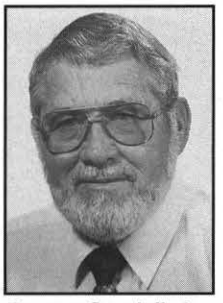


Jim Turpin
power engineer sr.
Bluefield
40 years

Edward Carr
maintenance supv.
Clinch River
40 years



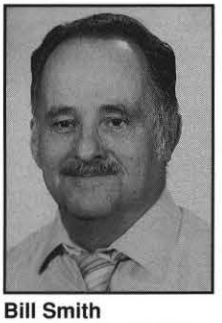
Gilbert Smith
trans. sta. supv.
GO-Marmet
40 years



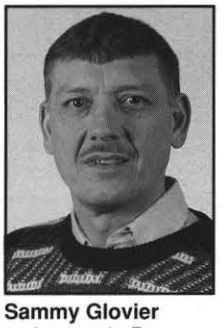
George Goodall, Jr.
trans. line crew supv.
GO-Charleston
35 years

Betty Freeman
secretary
Glen Lyn
35 years

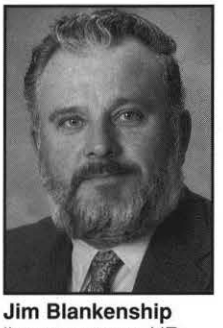
Ed Boush
stores acctg. supv.
GO-Roanoke
35 years



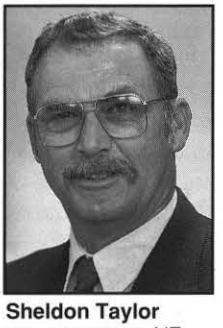
Bill Smith
regional dispatcher
GO-Turner
30 years



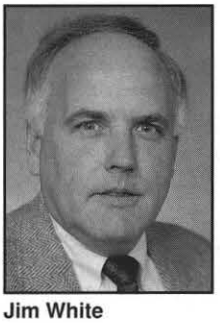
Sammy Glovier
maint. mech. B
Clinch River
25 years



Jim Blankenship
line crew supv. NE
Pulaski
25 years

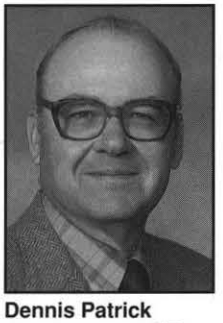


Sheldon Taylor
sta. crew supv. NE
Pulaski
25 years

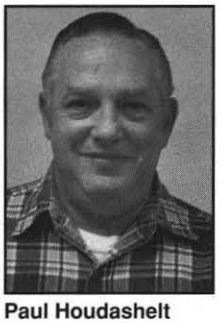


Jim White
buyer
GO-Roanoke
25 years

Bill Prillaman
meter electrician A
Fieldale
25 years



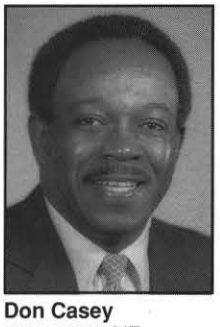
Dennis Patrick
sta. crew supv. NE
Roanoke
25 years



Paul Houdashelt
stores attendant
Philip Sporn
25 years

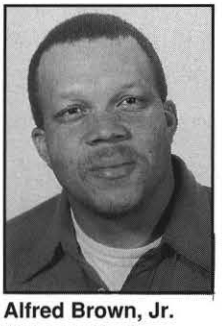
Joseph Elias
inst. mech. A
Philip Sporn
25 years

Carol Sherman
cust. serv. rep. B
Christiansburg
20 years

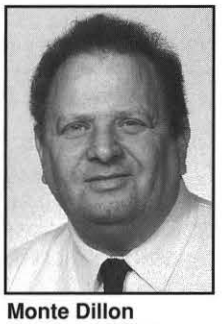


Don Casey
auto. supv. NE
Lynchburg
20 years

Vicki Rutledge
secretary
Roanoke
20 years

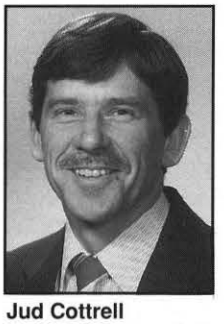


Alfred Brown, Jr.
trans. mech. A
GO-Charleston
20 years



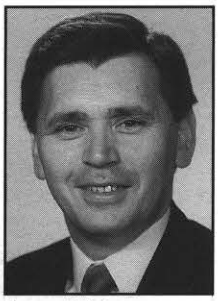
Monte Dillon
equipment op. A
John Amos
20 years

Brenda Colston
secretary-steno. B
GO-Roanoke
20 years



Jud Cottrell
maintenance mech. A
John Amos
20 years

Andrea Thompson
cust. serv. asst.
Roanoke
20 years



Duane Phlegar
asst. plant mgr.
John Amos
20 years

Abingdon

15 years: **John Henderson**, meter electrician A. 5 years: **Dean Murray**, line mechanic C, Marion. **Larry Thompson**, line mechanic C.

John Amos

20 years: **Thermon Taylor**, maintenance mechanic A. **Randall Gunno**, stores attendant. **Cleveland Stokes**, car dumper. 15 years: **Terry Burdette**, maintenance mechanic A. **Edward Rushbrook**, maintenance mechanic A. **Robert Hinckley**, control technician senior.10 years: **Johnnie Muck**, equipment operator C. **Terry Workman**, control technician. **Bobbie Scroggie**, plant engineer I. **Danny Johnson**, equipment operator C. **Ronald Wymer**, equipment operator C. **Robert Russell**, braker. **Francoise Nienke**, stores attendant (LTD). 5 years: **Frank DeStefano**, plant engineer I. **George Daniel**, braker. **Teresa Rogers**, plant engineer I. **William Meester, Jr.**, performance technician.

Beckley

15 years: **Matthew Saunders**, drafter senior. 5 years: **Darrell Akers**, automotive mechanic A. **Roger Pierce**, marketing and customer services advisor.

Bluefield

25 years: **Richard Brewster**, T&D clerk A. 10 years: **Jaime Beckelhimer**, meter reader, Princeton. 5 years: **Randy Bishop**, meter reader, Princeton. **Tom Newberry**, station mechanic C.

Clinch River

15 years: **Charles Miller**, human resources supervisor. 10 years: **Bobby Mullins**, equipment operator B. **Woodrow McClanahan II**, yard supervisor. **Gregory Mullins**, coal equipment operator.

General Office

25 years: **Winston Carter**, drafter A, GO T&D Engineering Graphics, Roanoke. 15 years: **Lois Arrington**, purchasing entry operator senior, GO Purchasing, Roanoke. **Howard Poage, Jr.**, data processing operator A, GO Accounting, Roanoke. **Gary Johnson**, hydro mechanic B, GO Hydro, Claytor. **Sharon O'Connor**, human resources clerk A, GO Human Resources, Roanoke. 5 years: **Timothy Clark**, customer accounting clerk B, GO Accounting, Roanoke. **Dennis Slaska**, engineering technician, senior, GO T&D Measurements, Roanoke. **Chet Cole**, transmission station mechanic C, GO T&D Station, Kenova.

Huntington

5 years: **Jon Pullen**, electrical engineer I.

Kanawha River

5 years: **Lin Calhoun**, chemist II.

Kingsport

20 years: **Lawrence Fletcher**, engineering technician assistant (LTD). 5 years: **Richard Parker**, marketing and customer services advisor.

Lynchburg

10 years: **Danny Pollard**, stores attendant B. 5 years: **Kenny Brown**, line mechanic C.

Mountaineer

15 years: **Will Darnbrough**, maintenance mechanic A.

Pulaski

15 years: **Gary Edwards**, meter electrician A. **Kenneth Belton**, line mechanic A. **Chester Robinson**, meter reader, Galax. 5 years: **Doug Burchett**, T&D clerk C. **Carolyn Quesenberry**, T&D clerk C. **Rhonda Miller**, marketing and customer services advisor, Galax.

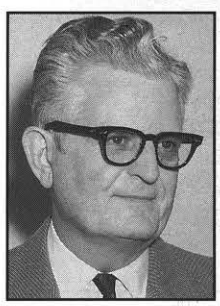
Roanoke

10 years: **Joey Smith**, line mechanic A. **Dwayne Moorman**, line mechanic A. **Frank Nichols, Jr.**, line mechanic A, Rocky Mount. **Bob Gardner**, meter reader. 5 years: **Clyde Bernard**, line mechanic B, Rocky Mount.

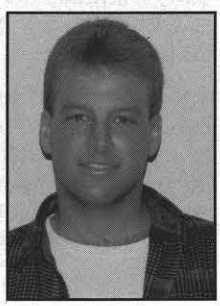
Philip Sporn

15 years: **Richard Gilmore**, coal equipment operator. □

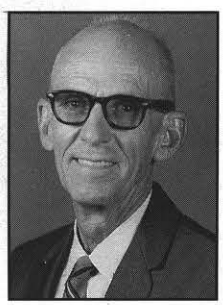
Friends We'll Miss



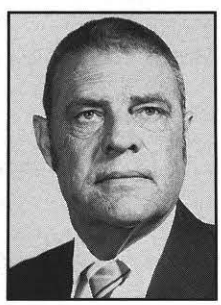
Sutor



Yates



Haley



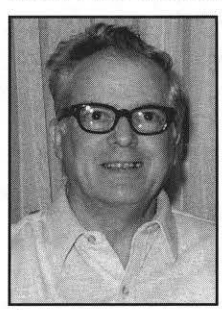
Sowers

Edward Lewis Sutor, Jr., 87, retired Lynchburg accounting supervisor, died April 6. A native of Lynchburg, Virginia, he was hired in 1927 as a payroll clerk and retired in 1970. Sutor is survived by one son.

William J. Probert, 67, retired manager of Ohio Centralized Plant Maintenance, died March 11. He was assistant plant manager of Philip Sporn Plant from 1974-1984. Probert is survived by his wife Marie, 50189 Cindy Drive, St. Clairsville, Ohio; four sons; and two daughters.

Jimmy Robert Yates, 22, Grundy line mechanic C, was killed in an automobile accident on March 14. A native of Richlands, Virginia, he was employed in 1991 as a line mechanic D. Yates is survived by his parents.

James Hubert Haley, Jr., 87, retired Lynchburg customer services representative, died April 15. A native of Washington, D. C., he began his career in 1925 in the Construction Department in Roanoke and retired in 1969. Haley is survived by one son, one daughter, two grandchildren, three sisters, and two brothers.



Jones

Charles M. Jones, 70, retired filter plant operator and sampler at Kanawha River Plant, died March 21. A native of Dante, Virginia, he joined the plant in 1953 and retired in 1971. Jones is survived by his wife Frances, 704 Red Oak Street, Charleston, West Virginia, one son, and one sister.

Paul Lewis Sowers, 66, retired Pulaski line superintendent, died April 18. A native of Floyd County, Virginia, he was employed in 1946 as a clerk junior and elected early retirement in 1986. Sowers is survived by his wife Dorothy, 1512 Overton Drive, Pulaski, Va.; one daughter; one stepdaughter; one granddaughter; one sister; and two brothers. One brother, Ralph Sowers, is a retired line crew supervisor NE in Gate City. □

Profits from system sales contribute to low electric rates

Opponents of Appalachian Power's proposed 765 kV transmission line from Oceana, West Virginia, to Cloverdale, Virginia, would have you believe that the sale of surplus generating capacity to other utilities is of no benefit to our customers. They couldn't be more wrong.

Historically, the marketing of power to other utilities has been an integral part of American Electric and Appalachian Power's overall operating strategy. Although the level of system sales has fluctuated significantly over the last several years, the profit realized on these sales has contributed to the low electric rates enjoyed by our customers.

Exactly what are system sales? They are power and energy transactions made with non-affiliated utility companies. These include short term, long term, and unit power sales.

Short term sales can be in the form of hourly, daily, and monthly transactions. These sales are made when there are severe weather conditions, when another utility is experiencing a temporary plant outage, or when it is more economical for another company to purchase energy from Appalachian than to generate on its own system.

Long term sales of a year or more are made to other companies to accommodate capacity needs when there are extended plant outages, delays in plant construction, or overall load growth which exceeds expectations.

A **unit power transaction** is the sale of the use of a portion of a power plant to another party. The buyer receives a percentage of the power from the plant and must share in the same percentage of the fixed and operating costs.

The goal of system sales marketing is to determine the appropriate set of terms and conditions which allow the company to maximize benefits under varying market conditions. This involves several facets, including:

- Analyzing the capacity and loads of companies within the market area;
- Forecasting system sales levels to use in coordination with other planning functions within the company;
- Making contact with representatives from other companies; and
- Negotiating contracts.

The marketing of system sales provides a benefit to all parties. The buying utility gets the benefit of reliable power and energy at a cost lower than it could have generated on its own system. The selling utility (Appalachian) receives increased profits which benefit the company and our ratepayers.

The process of ratemaking begins by determining the cost of providing service to a particular customer group, such as the Virginia retail customers. The process ends by setting electric service rates to recover that level of costs.

When the Rate Department prepares a cost of service study, all of the revenue received by Appalachian and all of the expenses incurred by the company in the course of doing business are included. Such costs as fuel, overhead and maintenance expenses, taxes—to mention only a few—are included. The cost of service study also includes the revenue from system sales and the cost of providing system sales. To the extent that the revenue from these sales exceeds the cost of providing the sales, the difference or "profit" on these sales benefits the company and its ratepayers.

The ratemaking process seeks to recover from customers revenues to cover only the costs of service, including a fair and reasonable level of profits. Since a portion of profits are contributed by off-system sales, the rates charged to the company's firm customers are lower than they otherwise would be if the system sales did not exist. In simple terms, system sales profits cause electric service rates for sales to the company's Virginia and West Virginia retail customers, as well as its wholesale and nonregulated customers, to be lower than they would be otherwise.

As an example, since 1986 Appalachian's Virginia ratepayers have benefitted in the form of lower rates by approximately $129.9 million in system sales profits. The company's West Virginia customers have benefitted by approximately $117.5 million. Similarly, the company's wholesale and nonregulated customers have benefitted on a proportional basis from system sales profits.

The system sales market is not a stagnant one. Over the last ten years, Appalachian has experienced significant swings in system sales activity. These swings have been caused by capacity additions at other companies (or long term outages), changes in oil and gas prices, government regulation, and overall conditions affecting the economy. The system sales market will continue to rise and fall as these factors change, thereby making the marketing of Appalachian's electricity a challenge for the future. This will be particularly true in the latter part of the 90's when Appalachian will only be able to make short term sales in off-peak periods because of generating capacity limitations. □

ILLUMINATOR

AEP APPALACHIAN POWER

Post Office Box 2021
Roanoke, Virginia 24022

DO NOT FORWARD
ADDRESS CORRECTION REQUESTED
RETURN POSTAGE GUARANTEED

Bulk Rate
U.S. POSTAGE
PAID
Roanoke, Virginia
Permit No. 241