

Vol. 44, No. 6 JUNE 2008 Newsletter of the Northeast Public Power Association

Inside	
Executive Director's Report2	
Member Notes3	
Safety & Training Update 5	
Around New England 6	
PURMA Report8	
Employment9	
Calendar12	

FERC Commissioner Spitzer to speak at Annual Conference

Marc Spitzer, Commissioner of the Federal Energy Regulatory Commission, will speak to NEPPA members during the association's Annual Conference, to be held on August 10 – 13 at the

Mount Washington
Hotel in Bretton Woods,
New Hampshire. Mr.
Spitzer is one of five
Commissioners appointed by President Bush
to serve as the chief
federal regulators over
the interstate transmission of electricity, natural
gas, and oil. His term as
FERC Commissioner will
expire in 2011.

Prior to his appointment as FERC

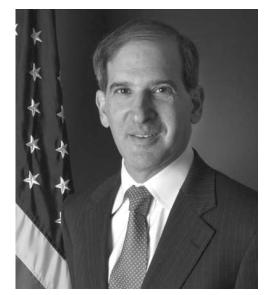
Commissioner, Spitzer served as Chairman of the Arizona Corporation Commission, where he focused on policies encouraging expansion of natural gas infrastructure, specifically distribution and storage; creating a demand side management policy; enhancing state renewable standards; and advancing consumer privacy concerns in telecommunications. Commissioner Spitzer was elected to the Commission in 2000, and in 2002 was elected Chairman by his colleagues. He has received

recognition for his leadership of the Arizona Commission from 2003-2005.

In 1992, Spitzer was elected to the Arizona State Senate, where he served as Chairman of the Judiciary and Finance Committees and was elected by his peers to the position of Senate Majority Leader in 1996.

Commissioner Spitzer was born in Pittsburgh, Pennsylvania and grew up in Philadelphia.

He graduated from Dickinson College in Carlisle, Pennsylvania, and attended the University of Michigan School of Law. He is married to the former Jacqueline Raub of Phoenix and has a son, Bennett Alexander.







Executive Director's Report

The next generation of public power leaders



by Patrick Hyland

As most public power officials can attest, finding and recruiting young people to work for their hometown electric utility is not an easy task. The explosion of new technologies and the digital economy have opened doors to new and exciting careers for young men and women which didn't even exist 20 years ago. Also, for many high school and college students, working for a "hometown" utility company is precisely what they do not want to do, as the larger world of global business and emerging markets beckons.

Despite these changes in the labor markets however, the search for young and talented individuals to work for public power utilities must continue. Like many other industries, electric utilities must cultivate and recruit young workers as well as more experienced ones. With their youthful enthusiasm and energy, they bring the new ideas, attitudes and initiatives which are so important to service organizations.

Recently, NEPPA has been invited to participate in several career orientation programs for both high school and community college students. Staff from NEPPA and several of our member systems have spoken to groups of students about the special qualities of public power and the career options which are available in the public power industry. We have also been able to show several of these groups the new video on lineworker careers in public power, recently completed with a grant from the American Public Power Association DEED program. The response to the video has been very positive, and the level of interest expressed by the students has been high.

What we are also learning through these orientation programs is that the concept of public power takes some time to explain, but that once it is understood, it holds a powerful attraction on many young people. For many of them, the idea of a

Continued next page

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Annual subscription rates: NEPPA member utilities, \$35 (first 20 subscriptions included in dues), non-members, \$53. Extra subscriptions available to utilities for \$17.50 and associate members for \$35.



The Northeast Public Power Association is an organization representing and serving consumer-owned electric utilities in New England.

NEPPA members tackle human resource challenges

At least one thing was clear when
NEPPA human resource professionals got
together in early May: they all face similar
challenges while trying to comply

challenges while trying to comply
with the many federal, state and local
rules and regulations governing

personnel issues in the workplace. The group roundtable
hosted by NEPPA provided
an opportunity for HR managers from around New England to
share their ideas, "best practices," and local policies,
while offering advice to
those who are new to their
positions.

The group discussed a wide variety of issues, ranging from civil service

eligibility, use and accrual of sick time and computer use policies, to the Family Medical Leave Act, workers compensation, and the special challenges posed by generational differences in the workplace. Also, special issues related to union contract negotiations were discussed, as several participants were dealing with the formation of new unions in their organizations.

The group agreed to meet again on a quarterly basis, and possibly invite guest speakers to address specific HR issues and regulations. Any NEPPA member interested in participating in future roundtables should contact Sheila Boone at the NEPPA office and they will be notified of future meetings.

Member Notes

Nesco Sales and Rentals

Nesco Sales and Rentals of 3113 E. State Road, #124 Bluffton, IN, has joined NEPPA as an associate member. The main contact is Joe Leman, Marketing Manager. He may be reached at (800) 252-0043. Nesco Sales & Rentals has over 1,000 new & used bucket trucks, digger derricks, truck cranes, pressure diggers, aerial

platforms, sign trucks, pullers/tensioners, reel trailers, pole trailers, underground equipment, cable rodders, cable pullers, mini diggers, service trucks, utility trucks, augers and more. They not only sell and rent this equipment, but offer leasing and rent to purchase options.

Next generation Continued from page 2

secure job with a local company that delivers a valuable public service is too good to be true. More than one student has asked us after a career information session: "Where do I sign up?"

The next generation of public power

leaders and workers are already living in our communities. We just need to take the time to meet them, tell them the public power story, and show them where to sign up.

New company launched to serve public power systems

After almost 25 years working for New England public power systems, Chuck Underhill has left the Vermont Public Power Supply Authority and formed his own company. The company is called Rates by Design, and offers a somewhat unique approach to providing support functions for small to mid-sized municipal electric departments. We caught up with Chuck and asked him a few questions.



Underhill

Q. What is the operating premise behind Rates by Design?

A. It has been my experience that small to mid-sized utilities often have a more difficult time obtaining some of the support functions they need to operate efficiently and cost-effectively. Although any size municipal enterprise can take advantage of the services, Rates by Design seeks to make some of those functions cost-effective for what I believe is an underserved sector of the utility industry.

Q. What can Rates by Design do for the customers you see as being underserved?

A. Rates by Design can serve these systems in the areas of revenue requirements, revenue forecasting, and cost allocation, by providing some of the support services to help reduce costs. In addition, more traditional consulting support is available to help facilitate the use of the core services. These include load forecasting, rate design, specialized tariffs for alternative rate structures, including real time pricing, economic development rates, incentive rates, and energy efficiency and demand side management programs, including green pricing and net metering.

Q. How does Rates by Design differ from a more traditional support structure for these systems?

A. Rates by Design will make the basic financial tools available to these systems for use by their in-house staffs or outside auditors. The tools are templates written in Microsoft Excel. In addition, we can provide affordable support to the staffs of these systems to assist in learning to use the templates or to have the templates populated with the systems' own data; this includes on site training, data entry, data analysis, and reporting to the systems' governing boards.

Q. How will these templates be available for the systems to use?

A. We will offer a subscription service with annual fees targeted by size. Size will be determined by either number of customers or by annual kWh sales. The fee will contain both fixed and variable components. In addition, the templates can be customized to meet the needs of individual utilities (at what I believe is a reasonable fee). By spreading my development costs over a broad base and charging a modest subscription fee, I believe I can make the templates affordable and available to more systems.

Q. What templates are you looking at as your core templates for potential utility customers?

A. The basic template is the revenue requirements template. From that template, the revenue forecasting and cost allocation templates are derived. Those three are

Continued on next page

Safety & Training Update

Blunt appointed permanent full-time training director

Effective May 26, Rockie Blunt was appointed full-time NEPPA director of training and education. Since early April, Blunt has been working with NEPPA as training consultant, developing several new training programs for our members, while meeting members and staff.

Blunt will be responsible for overall planning and management of association training programs, including the development of several new programs which are included in the NEPPA strategic plan. He will be the first point of contact for staff

and members on all training and education issues.

"I am very pleased to have Rockie Blunt joining NEPPA as a full-time Training Director, said Executive Director Patrick Hyland. "I am confident that his experience and talent will help us meet the ambitious goals for member training and education which have been established in our strategic plan. Rockie is equally pleased to be part of our association and looks forward to working closely with the NEPPA membership."

Lineworker Prequalification Program scheduled for July

This program assists member utilities evaluate the basic skills and aptitude that candidates for the Apprentice Lineworker Program need to succeed. Participants will be tested in mathematics, mechanical, and climbing skills and is conducted at the NEPPA Training Facility in Pascoag, RI.

The program is scheduled for July 7-8 and the cost of this program, which can take up to two days, is \$750 per participant.

Written evaluations of all participants is provided.

Please contact Sharon McDonald at 508.482.5906, or smcdonald@neppa.org.

Rates by Design Continued from previous page

the core templates that would be available, at least for now. While the templates can be used as tools to inform and guide the systems, they will still require some background work by the systems themselves to develop information to populate the templates. For example, the revenue-forecasting template will still require that the systems prepare a capital budget and have cost projections for power supply and operations out over the forecast period. Rates by Design would also offer support services for those templates, including load forecasting, rate design/review, and specialized rates for large customers or innovative services.

Q. How do you expect systems will use these templates?

A. I am hopeful that the templates will be straightforward and intuitive enough that in-house staffs will be able to use them, either straight out of the box or with a minimum of training. In addition, a number of systems rely on their outside auditors to perform some of the revenue requirements studies and the auditors should be able to use these templates.

Q. How can municipal utilities get more information?

A. I expect to have a web page up and running very shortly with contact information on it (www.ratesbydesign.com). I can also be reached at ratesbydesign@comcast.net or (802) 793-0230.

Around New England

NEPPA members receive national recognition for reliable electric operations

Four Massachusetts public power utilities have earned Reliable Public Power Provider (RP3) recognition from the American Public Power Association for providing consumers with the highest degree of reliable and safe electric service. Recipients in the platinum category include Braintree Electric Light Department (BELD), Danvers Electric Division, North Attleborough Electric Department and Westfield Gas & Electric.

Terry Huval - director of utilities for the Lafayette, La. Utilities System and chair of APPA's Board of Directors - presented the designees during the association's annual Engineering & Operations Technical Conference in Indianapolis, Ind., on April 23.

"RP3 designees exemplify the highest standards of utility operations," said Paul Allen, vice president of engineering at the Nashville, Tenn., Electric Service and chair of APPA's RP3 Review Panel. "These utilities are leading the way in providing reliable and safe electric service to their communities."

The RP3 award recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, training and system improvement. Criteria within each category are based on sound business practices and represent a utility-wide commitment to safe and reliable delivery of electricity.

"We're thrilled to join the ranks of RP3 designees around the country," said BELD General Manager Bill Bottiggi. "This recognition is a testament to the quality work our employees do every day."

This is the third year that the RP3 award has been offered. Located in

Washington, D.C., APPA is the national organization representing more than 2,000 not-for-profit, community- and state- owned electric utilities.

APPA is the national service organization for the nation's more than 2,000 community- and state-owned electric utilities serving 45 million people.







(top to bottom)
Principal Engineer Weijun Li
accepts BELD's RP3 award
from chair of APPA's RP3
Review Panel Paul Allen,
and chair of APPA's Board of
Directors Terry Huval. (Photo
courtesy of APPA.)

Director of Engineering and Operations Hamid Jaffari accepts the RP3 award on behalf of Danvers Electric.

Lauren Wright of
Customer Accounts &
Community Relations
states that on behalf of
Westfield Gas & Electric she
is proud to be among the
2008 Reliable Public Power
Provider Recipients.

2008 NEPPA Annual Conference

Fun for all ages!

Mt. Washington Resort Bretton Woods, NH August 10-13

Conference will feature an outstanding speakers program, t While the 2008 NEPPA Annual Conference will feature an outstanding speakers program, there will be time.... here will be time in between sessions and speaker presentations to enjoy some of the activities that The Mount Washington Resort and Hotel offers. The hotel conducts historic tours, guided hikes, wine tastings, culinary demonstrations, and scavenger hunts, and children ages 4 to 12 can enjoy a vast array of activities under the guidance of experienced Kids' Club counselors. Babysitting services are also available. There are riding stables, tennis courts, three indoor pools, a fitness center and an arcade on site.

While the 2008 NEPPA Annual

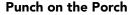
Nearby are the scenic state parks of Mount Washington, Crawford Notch and Franconia Notch. A wide variety of natural

and man-made attractions is within minutes, as is the shopping mecca of North Conway and the famed Mount Washington Cog Railway.

Golf

The NEPPA Annual
Conference Golf
Tournament will be held
at the resort on August
12, with a 1 pm shotgun
start. Originally opened in
1915 after it was designed
by the legendary Donald
Ross, the Mt. Washington
Golf course is undergoing
a \$7 million renovation and
expansion which will bring
the course to championship

golf standards. The historic course, which is scheduled to reopen on August 1, will offer stunning mountain views and scenic vistas of the Presidential Range. Golfers will play shots over and around bunkers crafted with classic touches and find a variety of recovery shots in the closely-cropped areas surrounding the putting greens.



The hotel's Veranda reaches almost ¼ mile around the hotel and offers spectacular views of the surrounding mountains. NEPPA has planned a *Punch on the Porch* event on Monday afternoon from 3-5 that will feature fun for the whole family.

Punch on the Porch

Punch
Lemonade
Freshly popped popcorn
Whoopie Pies
Tarot Card Reader
Chair Massages
Moose Scavenger Hunt
(for adults and kids!)

Monday afternoon, 3 - 5 pm On the Veranda







PURMA Risk Management Report

Liability - part II

PURMA (The Public
Utilities Risk Management
Association) is a regional
association serving the risk
management and insurance needs of public power
systems throughout New
England. As affiliated service
providers to the northeast
public power community,
PURMA and NEPPA collaborate on a variety of informational and educational
activities.

Commercial General Liability policies contain a defense provision, which provides the insured defense of claims and payment of damages if the policy applies to the alleged claim. An insurer's obligation to defend its insured is contractual and is defined by the terms of the policy. A liability insurance policy almost always defines the insurer's duty to defend in terms of its duty to indemnify by providing that it will defend claims or "suits" seeking damages covered by the policy. In other words, the insurer will defend suits seeking damages that it may have to indemnify.

The defense obligation is found in the insuring agreement of most liability policies. Although the precise language may differ somewhat, the standard commercial general liability policy form requires the insurer to pay on behalf of the insured certain specified damages, and to defend the insured against suits seeking those damages. Since one of the insured's purposes in purchasing liability insurance is to avoid the potentially substantial costs of defending not only covered claims but also frivolous claims, the policy promises to defend suits "seeking" potentially covered damages, without regard to the truth of the allegations or the merit of the suit.

An insurer must defend any suit which alleges damages covered by the policy and for which the insured potentially is liable. That said, the insurer must defend whenever the allegations against the insured could result in a judgment the insurer would be obligated to pay. Where there is doubt about whether a defense is owed, the uncertainty must be resolved in the insured's favor.

It is not uncommon for an insurer to defend claims in the early stages under a "reservation of rights", which reserves the insurer's right to later deny the claim and to collect its defense costs. The duty to defend provision of a commercial general liability policy is provided under Coverage A (bodily injury and/or property damage) and Coverage B (personal or advertising injury).

There is no duty to defend provision under Coverage C, since the insuring agreement under C provides that the policy will pay medical expense for bodily injury caused on or adjoining the insured's premises or arising out of the insured's operations, regardless of fault. Although the intention of this coverage is designed to reduce the number of lawsuits by appeasing an injured party by paying

Continued on the next page



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Employment

For complete descriptions of the employment opportunities listed below, go to www.neppa.org and click on Employment on the navigation bar. Deadline for listings in the July News Line is **June 16.**

Town of Danvers - Electric Division

Power Supply Engineer

Hudson Light and Power Department

Electrical Engineer

Ipswich Municipal Light Department

First Class Lineworker

Peabody Municipal Light Plant

First Class Lineworker/Troubleman Senior Electrical Engineer

Eastern Maine Electric Cooperative

Chief Financial Officer

Kennebunk Light and Power District

Electric Line Worker

MMWEC

Controller Senior Engineer

Good stuff - free

Littleton Electric Light and Water Department has the following items available at no cost.

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Contact:

Joni Silveria, Sr. Administrative Assistant Littleton Electric Light and Water Departments PO Box 2406 39 Ayer Road, Littleton, MA 01460 Tel: (978) 486-3104, ext. 132 Fax: (978) 742-4918

PURMA

continued from page 8

for medical expenses, the value of this objective is questionable for businesses attracting scores of visitors or where the nature of the activity is prone to injuries. Some opt to restrict the "no-fault" payout on their policy by removing this coverage.

Unless the duty to defend is provided "in addition" to the policy limits, the duty to defend by the insurer ends when the applicable limits of the policy are used up. After the exhaustion of primary policy limits, duty to defend is transferred to the excess liability insurer.

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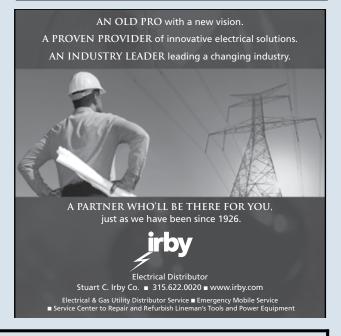


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NEPPA Calendar

June 4-5

Apprentice Lineworker Skills Assessment Rodeo

Pascoag, R.I.

June 10

Board of Directors Meeting

Holiday Inn Boxborough, Mass.

June 10 – 11

Safety & Operations Conference

Holiday Inn Boxborough Woods Boxborough, Mass.

June 17-20

Apprentice IV

NEPPA Training Facility in Pascoag, RI.

July 7 – 8

Line-Worker Prequalification Program

NEPPA Training Facility in Pascoag, RI.

July 10

General Foreman/Crew Leader Roundtable

TBA

August 10 – 13

Annual Conference

Mt. Washington Resort Bretton Woods, N.H.

September 4

GF/Crew Leader Roundtable

TBA

October 3

Annual Membership Meeting

Chocksett Inn Sterling, Mass.

October 28 - 30

Crew Leadership

Stowe, Vt.

November 19 – 21

Public Utility Management Program

Durham, N.H.

July 10

Suggestions for topic or location are welcome. Please contact Sharon McDonald at 508.482.5906, or smcdonald@neppa.org.

General Foreman/

Crew Leader

Roundtable