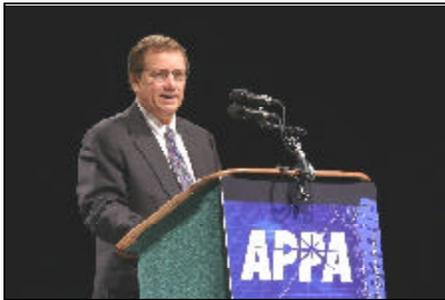




August 2004

IOWA ASSOCIATION OF MUNICIPAL UTILITIES NEWSLETTER

WLP'S GLENN CANNON WRAPS UP APPA BOARD CHAIR TERM



WLP Photo

Glenn Cannon, General Manager of Waverly Light & Power, presided over ceremonies at the American Public Power Association (APPA) Annual Conference recently in Seattle, Washington. As he concluded his term as Chairman of the APPA Board of Directors, Cannon conveyed these thoughts to IAMU:

IAMU salutes Glenn Cannon for representing the state of Iowa, and all municipal electric utilities nationwide, with pride and professionalism as APPA Board Chairman.

"It was truly an honor to represent Iowa on the APPA Board as Chairman. In addition to having the honor of being the first Iowan to serve in this role, WL&P was also the smallest utility ever to have a Chairman of APPA, so I had my work cut out for me. Thanks to a great community, a strongly supportive Board of Trustees, and awesome employees, together we were able to represent Iowa and the Midwest well.

"My wife Ginger and I were able to participate in 43 public power events that ranged from visiting other utilities to speaking at state and national public power meetings. We learned a great deal and were able to share some of the values we have in our region with others.

"Two things really stood out to me in all of our visits: 1) The real value in Public Power is the employees; they serve, and are motivated by, a purpose to serve; not by profit; and 2) That large scale unity through joint action is essential to effectively capture economies of scale and deal with the changes we face in the electric sector. This is both a challenge and an opportunity for our future. We must treat our employees well and must all work together."



APPA President & CEO Alan Richardson (left) congratulates Cannon at the APPA National Conference. Photo by Steve Schneider, APPA



The APPA National Conference spotlight was also on Iowa when **Greg Fritz (right), City Administrator, City of Pocahontas**, received the 2004 Larry Hobart Seven Hats Award from APPA. Glenn Cannon makes the presentation. Photo by Steve Schneider, APPA



Thomas Heller, Chief Executive Officer of Missouri River Energy Services (right), Sioux Falls, SD, receives the James D. Donovan Individual Achievement Award at the APPA National Conference. Missouri River Energy Services has many ties to Iowa utilities and to IAMU. Photo by Steve Schneider, APPA



Iowa was well represented at the APPA National Conference, with close to 50 representatives in attendance.



"To support and strengthen Iowa's municipal utilities"



IAMU LOOKS AT UTILITY POLL DIRECTED TO LEGISLATORS

By Bob Haug, IAMU Executive Director



An Iowa business and industry organization is conducting a survey of candidates for the Iowa legislature. The survey asks the following question about municipal utilities: ***"A growing number of Iowa communities are seeking to increase revenues by initiating local government takeovers of the current, private electric and/or natural [gas] system serving their city. A municipalization of an electric or natural gas utility in today's energy environment carries significant risk to a community and its citizens. Do you support or oppose placing restrictions on local government takeovers of private utility systems? Why?"***

This question is what is known in political circles as a "push-poll" – a question intended to influence the answer. In this case, the question is intended to give legislators a negative opinion about municipalization. IAMU questioned the sponsoring organization about the poll. The response we received was that "a number of members wished to have the question included, so it will be."

This is how IAMU characterized the question in our correspondence with the organization:

1. The assertion that communities are doing this "to increase revenues" is at best a gross distortion. Increased revenue is one of many factors among the cities considering municipalization. Among other factors are: lower rates, reduced service call response times that have substantially increased as a result of the closure of local service offices by incumbent utilities, and lower costs through investments in customer efficiency. The most frequently noted reason for interest in municipalization is to gain local control over policies, including such common but locally important questions as when to put distribution lines underground. Rates, which are generally higher for IOUs than municipals (about 35% higher for residential customers), are also a leading reason to consider municipalization. I do not believe voters would support municipalization in any case where there were not significant overall savings to

the community as a whole. Still another reason for considering municipalization is simply to gain bargaining leverage in franchise renewal negotiations. Iowa's investor-owned utilities have generally backed away from their historic support of local economic development initiatives and organizations. The threat of municipalization is one way that cities have used to encourage the utilities to rethink those decisions.

2. Similarly, the term "local government takeovers" is also intended to push the answer. This phrase is one used to cast a negative light on the only legal process that gives citizens a choice of regulated monopoly service provider. 3. The "private electric and/or natural [gas] system" you refer to do not compete for service. They are regulated monopolies. They typically get 20 to 25 year franchises to operate as legal monopolies and they receive regulated returns for their effort. All their costs are paid by the customers they serve. It is only at the expiration of a franchise that citizens have the legal option to choose an alternative to continued monopoly service from the incumbent. Your organization previously supported giving their members a choice of electricity supplier. Apparently you oppose the only choice currently allowed under Iowa law. It is a choice that gives citizens the right to pay the incumbent utility a fair price for facilities those same citizens have fully paid in their rates.

4. The question again pushes the answer by stating that municipalization carries significant risk in this market. As noted, distribution of electricity remains a regulated monopoly in any deregulation scenario. If retail competition becomes law, municipal utilities are arguably the most effective load aggregators for all but the largest energy users. They can ensure that businesses and residents receive any benefits that accrue from a competitive wholesale market and not just incumbents who can use their control of key assets to block effective retail competition. Even short of retail competition, the "risky market" push is unfounded. If you want to consider risk, look to the rating agencies that have downgraded the credit worthiness of investor-owned utilities and independent power producers, while upgrad-

Continued on Page 14



Municipal
Stormwater

SAVE MONEY WITH WATER/WW TREATMENT: LEARN HOW

You can improve energy efficiency and save money with water and wastewater treatment. Find out how with "Saving Energy = Saving Money: The Energy Water/Wastewater Treatment Connection."

This IAMU-sponsored workshop is scheduled for September 28 at the **West Des Moines Marriott, I-80 at 74th Street, West Des Moines. Please note that this is a change of location for the workshop, which was originally to be held at IAMU's Training & Office Complex.**

This innovative workshop will provide "how to" information for translating findings into cost savings for treatment facilities in Iowa. Presentations and a panel discussion by experts in the field will give attendees an overview of options available for energy savings and will assist them in determining the best methods for adapting their water and wastewater systems to improve energy efficiency. Software tools, case studies and a self-audit calculator will give attendees additional information to help make energy savings a reality in their operations.

Workshop topics and presenters will include: A joint keynote address by Dave Millard, American Water Works Association (AWWA) and Jay Brady, Iowa Water Pollution Control Association (IWPCA); "The Fundamentals of Energy Conveyance and Usage" with Jay Brady, Stanley Consultants; "National Perspective on Energy Efficiency in Municipal Water and Wastewater Treatment" with Dr. Neal Elliott, American Council for an Energy Efficient Economy (ACEEE); "Iowa Case Studies," presented by various municipal utility representatives from around Iowa; and "Tools for Improving Energy Efficiency and Management" (a presentation of WW-CAT software by Pat Sauer, IAMU; the Energy Self Audit Tool, presented by Kelly Needles, The Energy Group; and a panel discussion regarding the need for change in municipal water and wastewater systems to adopt energy efficiency and management techniques).

Registration for the workshop will begin at 8:30 a.m. The registration cost is \$100 per person, and includes lunch and materials. An early registration discount (registration postmarked on or before September 7) of \$15 is available. For more information contact Pat Sauer at IAMU, 800/810-4268.

IAMU TEAMS WITH URBAN, NCRS FOR STORMWATER EXPO

IAMU, in conjunction with the Iowa Department of Natural Resources (IDNR) will present the inaugural Iowa Stormwater Expo October 5 at the IAMU Training & Office Complex in Ankeny. IAMU in partnership with Urban Resources & Borderlands Alliance Network (URBAN) and Natural Resources Conservation Service (NRCS) are organizing this event. This full-day event will include informative presentations, product displays and vendor

demonstrations relating to erosion and sediment control practices and stormwater management for improving water quality.

Municipal officials, consulting engineers, IDNR regulatory staff, Iowa Department of Transportation staff, landscape architects, developers, contractors and others interested in erosion and sediment control are urged to attend this expo. For more information contact Pat Sauer at IAMU, 800/810-4268.

HOT DATES!

Fall in love with the new two-page Calendar of IAMU Workshops and Events. In every issue of the IAMU Newsletter!



WORKSHOP LOOKS AT STORMWATER POLLUTION PREVENTION

Learn the latest techniques and requirements regarding Stormwater Pollution Prevention Plans (SWPPP) for construction site erosion and sediment control with a new series of workshops coordinated by IAMU.

Construction Site Erosion and Sediment Control Workshops will be presented in Council Bluffs August 24 (Iowa Western Community College, Looft Hall, 2700 College Rd.); Cedar Rapids September 21 (Kirkwood Community College, 6301 Kirkwood Blvd. SW); and Ankeny October 6 (IAMU Training & Office Complex, 1735 NE 70th Ave.). All workshops will be held from 9 a.m. – 4 p.m.

SWPPP material to be covered includes the Iowa permitting process; the erosion process and erosion sediment control tools; essential components of a SWPPP. Construction site inspections will be covered in the second

half of the workshop and topics will include: the logistics of a site visit; incorporating erosion and sediment control into site visits; and a construction site inspection field trip (participants must supply their own transportation).

Training will be provided by Pat Sauer, IAMU; Wayne Peterson, NRCS (Natural Resources Conservation Service); Rich Maaske, Iowa Division of Soil Conservation; and Jennifer Welch, URBAN (Urban Resources & Borderland & Alliance Network). Registration cost for the workshop is \$100 per person, which includes lunch and materials. Registrations paid at least two weeks in advance of a workshop will receive a \$10 discount.

For more information contact Pat Sauer at IAMU, 800/810-4268.



**Municipal
Stormwater**

EPA PROPOSES ONE YEAR EXTENSION OF SPCC DEADLINE

On July 17th, 2002, EPA issued a final rule amending the Oil Pollution Prevention regulation promulgated under the authority of the Federal Water Pollution Control Act (Clean Water Act). This rule addresses requirements for Spill Prevention, Control and Countermeasure (SPCC) Plans and some provisions may also affect Facility Response Plans (FRPs). EPA proposed revisions to the SPCC rule on three occasions, in 1991, 1993, and 1997. The revised SPCC rule addresses these revisions and became effective August 16, 2002. The SPCC rule can be found at www.epa.gov/oilspill/lawregs.htm#spcc.

EPA is now proposing to extend, by 12 months, certain upcoming compliance dates for the July 2002 SPCC amendments. This extension follows a previous 18-month extension announced on April 17, 2003. In light of a recent partial settlement of litigation involving the July 2002 amendments, EPA is

proposing the extension to, among other reasons, provide sufficient time for the regulated community to undertake the actions necessary to prepare and update their plans. The proposed extension is also intended to alleviate the need for individual extension requests.

The new proposed compliance dates are August 17, 2005, to amend an existing SPCC Plan, and February 18, 2006, to implement the Plan. Affected facilities that start operations between August 16, 2002 and February 18, 2006, must prepare and implement an SPCC Plan by February 18, 2006. Affected facilities that become operational after February 18, 2006 must prepare and implement an SPCC Plan before starting operations. Follow this link for a notice in the June 17, 2004 Federal Register regarding the proposed rule to extend SPCC compliance dates: www.epa.gov/oilspill/pdfs/fr061704.pdf





WHAT YOU NEED TO KNOW NOW ABOUT NFPA 70E

The following information is excerpted from "NFPA 70E Standard for Electrical Safety in the Workplace, 2004 Edition," copyright 2004, National Fire Protection Association.

National Fire Protection Association (NFPA) NFPA 70E, Standard for Electrical Safety in the Workplace, was prepared by the Technical Committee on Electrical Safety in the Workplace and acted on by the National Fire Protection Association, Inc., at its November Meeting held November 17 – 19, 2003, in Reno, Nevada. It was issued by the Standards Council on January 14, 2002, with an effective date of February 11, 2004, and supercedes all previous editions.

The Standards Council of the NFPA announced on January 17, 1976, the formal appointment of a new electrical standards development committee. The committee was formed to assist OSHA in preparing electrical safety standards that would serve OSHA's needs and that could be expeditiously promulgated through the provisions of Section 6(b) of the Occupational Safety and Health Act. OSHA found that in attempting to utilize the latest edition of NFPA 70, National Electric Code (NEC), it was confronted with the following problem areas:

(1) Updating to a new edition of the NEC would have to be through the OSHA 6(b) procedures. OSHA adopted the 1968 and then the 1971 NEC under Section 6(b) procedures of the Occupational Safety and Health Act of 1970. Today, however, OSHA can only adopt or modify a standard by the procedures of Section 6 (b) of the OSHA Act, which provide for public notice, opportunity for public comment, and public hearings. The adoption of a new edition of the NEC by these procedures would require extensive effort and application of resources by OSHA and others. Even so, going through the "6(b)" procedures might result in requirements substantially different from those of the NEC, thereby creating the problem of conflict between the OSHA standard and other national and local standards.

(2) The NEC is intended for use primarily by those who design, install, and inspect electrical installations. OSHA's electrical regulations address the employer and employee in their workplace. The technical content and complexity of the NEC is extremely difficult for the average employee and employer to understand.

(3) Some of the detailed provisions within the NEC are not directly related to employee safety and therefore are of little value for OSHA's needs.

(4) Requirements for electrical safety-related work practices and maintenance of the electrical system considered critical to safety are not found in the NEC, which is essentially an electrical installation document. However, OSHA must also consider and develop these safety areas in its regulations.

With these problem areas, it became apparent that a need existed for a new standard, tailored to fulfill OSHA's responsibilities, that would still be fully consistent with the NEC.

The foregoing issues led to the concept that a document be put together by a competent group, one representing all interests, that would extract suitable portions from the NEC and from other documents applicable to electrical safety.

The committee found it feasible to develop a standard for electrical installations that would be compatible with the OSHA requirements for safety for the employees in locations covered by the NEC. The new standard was visualized as consisting of four major parts: Part I, Installation Safety Requirements; Part II, Safety-Related Work Practices; Part III, Safety-Related Maintenance Requirements; and Part IV, Safety Requirements for Special Equipment.

Each part is recognized as being an important aspect of electrical safety in the workplace, but the parts are sufficiently independent of each other to permit their separate publication. The new standard was named NFPA 70A, Stan-

Continued on Next Page



dard for Electrical Safety Requirements for Employee Workplaces. The first edition was published in 1979.

The Sixth Edition, published in 2004, reflects several significant changes to the document. The major changes emphasize safe work practices. Clarity and usability of the document were also enhanced. The name of the document was changed to NFPA 70E, Standard for Electrical Safety in the Workplace. The entire document was reformatted to comply with the NEC Style Manual, providing a unique designation for each requirement. The existing parts were re-named as chapters and were reorganized with the safety-related work practices relocated to the front of the document to highlight the emphasis, followed by safety-related maintenance requirements, safety requirements for special equipment, and safety-related installation requirements. The chapter of safety-related work practices also was reorganized to emphasize working on live parts as the last alternative work practice.

This standard is compatible with corresponding provisions of the NEC, but it is not intended to, nor can it, be used in lieu of the NEC. It can be debated that all of the requirements of the NEC, when traced through a chain of events, may relate to an electrical hazard, but, for primary purposes, inclusion has not been made of those provisions, that, in general, are not directly associated with employee safety.

Omission of any requirements presently in the NEC does not in any way affect the NEC, nor should these omitted requirements be considered as unimportant. They are essential to the NEC and its intended application, that is, its use by those who design, install, and inspect electrical installations. NFPA

70E, on the other hand, is intended for use by employees, and OSHA.

The standard is divided into the following four chapters and thirteen annexes:

- (1) Chapter 1, Safety-Related Work Practices
- (2) Chapter 2, Safety-Related Maintenance Requirements
- (3) Chapter 3, Safety Requirements for Special Equipment
- (4) Chapter 4, Installation Safety Requirements
- (5) Annex A, Referenced Publications
- (6) Annex B, Informational Publications
- (7) Annex C, Limits of Approach
- (8) Annex D, Simple Calculation of Flash Protection Boundary
- (9) Annex E, Electrical Safety Program
- (10) Annex F, Hazard/Risk Evaluation Procedure
- (11) Annex G, Sample Lockout/Tagout Procedure
- (12) Annex H, Simplified, Two-Category, Flame-Resistant (FR) Clothing System
- (13) Annex I, Job Briefing and Planning Checklist
- (14) Annex J, Energized Electrical Work Permit
- (15) Annex K, General Categories of Electrical Hazards
- (16) Annex L, Typical Application of Safeguards in the Cell Line Working Zone
- (17) Annex M, Cross-Reference Tables

A hazard analysis must be performed on all equipment that has the potential of flashover or arc blast. At the minimum, fire retardant clothing (not 100% cotton), safety glasses, and hard hat must be worn when working on or around any electrical equipment.

A copy of the 70E Standard can be purchased through IAMU or the NFPA. For more information, contact Rich or Deny at IAMU, 800/810-4268.

NFPE 70E

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MIDWEST REGIONAL GAS WORKSHOP SEPTEMBER 7 – 10

The annual APGA Midwest Regional Gas Operations Workshop is set for September 7-10 at the IAMU Training & Office Complex in Ankeny. This year's workshop will focus on customer regulator lock-up and checks, meter installation, TBS & DRS regulator design, over pressure protection (OPD), backhoe and trenching, and cathodic protection. The calendar of these events is:

be offered the opportunity to visit with vendors at both indoor and outdoor exhibits.

The workshop will continue September 9 and 10. Participants will work with equipment and test on the following skills:

Customer Meter Change Out and Installation

- ☐ Lock-up
- ☐ Check regulators

Regulator Design for TBS & DRS

- ☐ System design
- ☐ How they work
- ☐ Different design set-ups
- ☐ OPD

Cathodic Protection

- ☐ Find shorts & correct
- ☐ IR drop factor

Backhoe/Trencher Skills Regulator Design

OO qualifications require that individuals test on equipment that they use at their facility. Participants are asked to bring their own voltmeters and half-cells, if they are available.

A workshop brochure will be mailed soon. Register by returning the form in the brochure or register online with the IAMU web site (www.iamu.org) after July 29. The registration deadline is September 1.

Questions should be directed to Deny Zeimet, Dave Hraha or Melody Taninies at IAMU, 800/810-4268.

Registration fees are \$175 per person for IAMU members and \$225 per person for non-members. A one-day fee of \$100 per person for Wednesday, September 15 is also available. Watch your mail for the workshop brochure, or register on the IAMU web site, www.iamu.org (click on "Upcoming Workshops").

A new Advanced Electric Workshop has been set for January 19-21, 2005. Watch for upcoming details. For more workshop information contact Richard Nowels or Melody Taninies at IAMU, 800/810-4268.



September 7: Steel Pipe Workshop, 1 – 5 p.m. The workshop will continue Wednesday, September 9 from 8 a.m. – noon, prior to the beginning of the Midwest Regional Workshop. The Steel Pipe Workshop is for new operators or existing operators wishing to brush up on their skills. It will offer qualifications on installing vents and casing, pipe wrapping and cutting, holiday detection, pipe inspection, trencher, backhoe, pipe-to-soil readings, bell hole inspection, clipboard system, test station and anodes, thermite welding, installing valves and pressure testing.



September 8 – 10: The Midwest Regional Gas Operations Workshop begins, starting at 1 p.m. Various guest speakers are scheduled to speak on issues concerning the gas industry.

They include Bert Kalisch of American Public Gas Association (APGA) and Don Stursma of the Iowa Utilities Board (IUB). Following the afternoon topics, a product show and barbeque will be held at the Holiday Inn Northwest (Merle Hay Road and I-35/80, Des Moines). Participants will

The IAMU/Iowa Association of Electric Cooperatives (IAEC) Basic Underground Electric Distribution Workshop is coming up September 15 – 17 at IAMU's Training & Office Complex.

Topics include: System Design; One Call; Terminations; Fault Locating; and an Underground Roundtable discussion. The traditional barbeque and products show will take place the evening of September 15 at the Holiday Inn Northwest in Des Moines.



BASIC UNDERGROUND ELECTRIC WORKSHOP SEPTEMBER 15 – 17



CALENDAR OF IAMU WORKSHOPS AND EVENTS

All information subject to change.

Unless otherwise noted, all events held at IAMU Training & Office Complex: 1735 NE 70th Ave., Ankeny, IA

August 2004

- August 5 – 6 Viability Training for Water Systems, West Branch
- August 11 –12 Viability Training for Water Systems, Charles City
- August 19 – 20 Viability Training for Water Systems, Orange City
- August 24 Construction Site Erosion/Sediment Control Workshop, Council Bluffs
- August 26 HazComm./Bloodborne Pathogens/Groundskeeping Workshop (originally scheduled July 27)
- August 31 Water Leak Detection Training (Rain Date Sept. 2)

September 2004

- September 1 Water Distribution Training (Rain Date Sept. 2)
- September 7 – 10 Midwest Regional Gas Operations Workshop
- September 15 – 17 Underground Electric Distribution Workshop
- September 21 Construction Site Erosion/Sediment Control Workshop, Cedar Rapids
- September 28 Saving Energy-Water/WW Treatment Connection Workshop

October 2004

- October 5 Iowa Stormwater Expo
- October 6 Construction Site Erosion/Sediment Control Workshop, Ankeny (IAMU)
- October 26 Competent Person Workshop (Fall Session)
- October 27 – 29 APPA Policymakers Workshop
- October 28 Safety Audits/Supervision Checklists Workshop
- (Dates to be announced) Grade I Water Treatment Workshops (Six sessions)



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CALENDAR OF IAMU WORKSHOPS AND EVENTS

All information subject to change.

Unless otherwise noted, all events held at IAMU Training & Office Complex: 1735 NE 70th Ave., Ankeny, IA

November 2004

November 16 – 18

Water/Wastewater Operators Workshop
Sheraton Four Points, Des Moines

December 2004

Date to be announced

Watt-Hour Metering Workshop

January 2005

January 19 – 21

Advanced Electric Workshop

January 25 – 26

Safety Coordinators Workshop

Dates to be announced

Gas Winter Workshop

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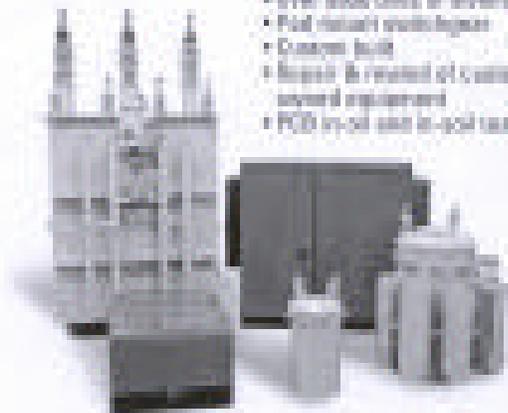
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AUGUST 26 IS DATE FOR NEXT HOT TOPICS WORKSHOP

Hazard Communication, Bloodborne Pathogens and Groundskeeping will be the subjects of the next IAMU Hot Topics Safety & Health Workshop, **August 26** at IAMU's Ankeny Training & Office Complex.

The workshop is intended to meet the employee training requirements of the Occupational Safety and Health Administration (OSHA) and would be appropriate for either new employee training or an annual refresher course. The day's activities will begin with registration at 9 a.m. and will end at 3:15 p.m. Lunch will be included.

The hazard communication session will address basic information that employees need to know about chemicals in the work place as well as the hazardous effects of chemicals, how to handle them correctly, and appropriate actions to take if someone becomes exposed. Specific chemicals used in the workplace will be featured to illustrate common hazards.

The bloodborne pathogens session will address the program requirements as well as the dangers of hepatitis, HIV, and other infectious diseases that may be encountered in the workplace. The

latter course is especially important for those employees who may have to give assistance during a work place accident.

Finally, the groundskeeping information will deal with equipment hazards as well as insects, animals and other safety issues employees encounter during summertime work.

CEUs for water operators will be offered for this workshop. The Hazard Communication class carries 0.2 CEUs for operators in water treatment, water distribution and wastewater. The Bloodborne Pathogens class offers an additional 0.2 CEUs for those operators in the wastewater area.

Register for this workshop online at www.iamu.org by clicking on "Upcoming Workshops," or contact Deny, Melody, or Susan at 800/810-4268. The total cost for the workshop is \$120 per person, lunch included. Participants may register for the morning OR afternoon session only at \$55 per person, without lunch. A \$9 charge will be assessed for any CEUs.

Please note:

The Competent Person Workshop scheduled for September 30 has been moved to **October 26**.

Safety Coordinators' Workshop

*A variety of safety equipment – and a variety of volunteers – added extra realism to the recent Safety Coordinators Workshop at IAMU. Pictured at right are **Chuck Follett** of Kel-Welco (top), who presented various fall restraints and **Tom Elshoff** of **Muscatine Power & Water** (bottom), who volunteered to help demonstrate a safety harness.*

*Also part of the workshop was a presentation by the STAR 1 Search & Tactical Rescue team, based in Ames (far right, top). Jim Merrill (nearest camera) and Jim Peters discussed special rescue equipment and techniques. **Brian Sullivan** of **Waverly Light & Power** (far right, bottom) offered his services as "patient" for a special stretcher and immobilization system used in difficult rescue situations.*





"Kelly's Corner"

By Kelly Frazier, IAMU Legal Counsel

The following opinions were given in response to questions from IAMU members based on specific facts and circumstances. As always, IAMU encourages you to confer with your own counsel before making any decisions or taking action relative to any important legal matter. If you feel that a response is erroneous; or if you have a municipal utility-related legal question you would like to have answered, or would like to share with fellow subscribers, please contact Kelly Frazier at IAMU, 800/810-4268, or kfrazier@iamu.org.

Summary of Issues Before the Iowa Utilities Board

IAMU is currently in the initial stages of three very important dockets that our member utilities should be aware of. Below is a summary of these two proceedings:

INU-04-1: The Deregulation Docket

Docket INU-04-1 is an investigation started by the Iowa Utilities Board (IUB) to consider whether certain telecommunications exchanges and services should be deregulated. Twenty-one local exchanges were specifically mentioned as overbuilt exchanges that the IUB felt should be considered in the deregulation of local exchange service. IAMU Executive Director Bob Haug filed comments on behalf of IAMU and its membership, highlighting objections to the deregulation plan proposed by the Board. It is IAMU's position that it is premature to consider deregulating any exchanges in Iowa and we have urged the IUB to gather more information and address matters such as predatory pricing before any further consideration of deregulation takes place. A copy of our comments is available on the IAMU web site, www.iamu.org. Click on the appropriate link.

TCU-03-13: Qwest Communications Corporation

On April 6, 2003, Qwest Communications Corporation (QCC), an affiliate of Qwest Corporation (QC), filed an amendment to its request for a Certificate of Public Convenience. In the amendment Qwest is asking the

IUB to allow QCC to sell local exchange service in the areas where QC is the incumbent local exchange carrier (ILEC). If granted, this amendment would permit QCC to serve as a competitive local exchanger carrier (CLEC) in every exchange in the state, including the exchanges where Qwest is the ILEC. In essence this would mean that Qwest (as QCC) would be competing against Qwest (as QC). IAMU filed an objection on June 11, 2004. The objection raised a number of issues, however, the main point of contention was that allowing Qwest affiliates to compete for the same customers within the same exchange would not promote effective competition and would not be in the public interest. In the objection, IAMU stated that granting QCC's motion would in effect create a completely deregulated Qwest entity (QCC) in Iowa. On June 30, 2004, the IUB granted IAMU's Motion For Intervention and granted the request by IAMU and the Office of the Consumer Advocate that the docket be scheduled as a formally contested proceeding. A hearing is currently scheduled for September 28, 2004.

RMU-04-02: Mandatory Second Payment Plan and Other Rule Changes

The IUB is in the comment phase on the rule changes proposed in this docket. The main change under consideration is a rule that would make it mandatory for all utilities to offer customers a second payment plan before disconnecting service for nonpayment. Under the terms of the new rules, the customer would have an automatic right to a second payment plan if they fail to meet the terms of the first payment plan. The utility will also be required to arrange the payments so that they are not higher than the monthly payments agreed to under the first payment plan. IAMU filed comments objecting to the rule on the basis that the potential for abuse of the second payment plan would put utilities at too much risk. IAMU and its members have historically been compassionate to the special needs of certain customers. However, IAMU believes that the needs of special customers must also take into account the rights of utilities, customers who make timely payments, and the potential for abuse. Under the proposed rules the small percentage of customers who abuse the rules could expose the utilities to

Continued on Next Page



LEGAL Q&A

Continued from previous page

much greater losses for unpaid and uncollectible accounts. A copy of our comments is available on the IAMU web site, www.iamu.org. Click on the appropriate link. There is also a link to our summary of the rule changes.

A second matter being addressed in the current rule making is a rule change to clarify some of the confusion surrounding **medical extension rules**. In a meeting with the IUB Consumer Affairs Division, it became clear that some of our members and utilities throughout the state do not have a clear grasp of the application of medical extension rules. The medical extension rules prevent the disconnection of gas or electric service to a customer when disconnection would pose a danger to the health of the resident. The rules lay out very specific timelines, procedures and information that must be made available to the utility for application of the extension. The rule change basically makes it clear that a customer may get a 30-day medical extension if the appropriate information is provided. It also makes clear that a single 30-day renewal of the extension is available to the customer. Under no circumstances should the medical extension be used to extend service to a customer for more than 60 days without the customer first getting the account current. A customer is obliged to enter into an agreement within the first 30 days of the extension to repay the past due amount. If the customer fails to do this they may be disconnected under the 12-day notice rules of gas and electric. However, if the customer obtains a second certification and gets a second 30-day extension, the utility must wait until the extension runs out before disconnecting the customer. The utility may send out notice of the disconnection before the end of the extension, as long as it does not disconnect the customer before the end of the extension.

Another important issue to keep in mind is that the Federal **HIPAA Privacy Rule** places some very stringent requirements on the types of information medical providers can release. The rules state that the utility may require a physician to provide a description of the nature of the condition the patient suffers from. There is concern that some physicians or health providers may refuse to release this information for fear of being penalized under

HIPAA. To address this concern I have created a standardized form that takes into account the current rule change clarifications and the HIPAA restrictions. Instead of requesting specific information regarding a customer's medical condition, the form merely has the physician or public health official check a paragraph stating that the customer's condition falls under the definition of the rule. This will hopefully allow utilities to get the information needed without offending the doctor/patient confidentiality rules.

A copy of the Standardized Medical Extension Certification Form is posted on the IAMU website, www.iamu.org. Click on the "Medical Extension Certification Form" link.

The third issue I would like to mention in the rule making is a rule that, on its face, appears to jeopardize the informal "**benefit of service rule**". The amendment adds to the list of reasons insufficient for denying service. It states that you may not refuse to connect due to a "delinquency in payment for service by an occupant, if the customer applying for service is credit worthy and able to satisfy deposit requirements." I first interpreted this to mean that the new language intended to take away the "benefit of service" rule. However, after meeting with the IUB Consumer Affairs staff, I was told that the amendment was not made for that purpose. The Amendment is intended to clarify that an independent third-party such as a landlord or a parent may contact a utility and have service maintained at a residence even though the occupant of that residence is subject to disconnection. If the person seeking to have service put in his or her name is a roommate, boyfriend, girlfriend, or the like, and received the "benefit of service" from the past due bill, you may still refuse to serve the residence. Keep in mind that this interpretation is dependent upon us getting the current language changed to reflect this distinction.

Thank you all for your interest in this column. If you have any questions or issues you feel should be addressed, please e-mail me at kfrazier@iamu.org. I am always looking for fresh information to pass along to our members.

Kelly Frazier
IAMU Legal Counsel



PUSH-POLL

Continued from Page 2

ing public power bond ratings. Municipal utilities have been a vital part of the electricity industry since its very beginnings. To assume that they are incapable or less capable of dealing with risk than private utilities is to deny nearly 120 years of history.

5. When municipalization activity occurs in communities with significant industrial loads, it generally does so with the support of business and industry. Municipalization offers effective access to the wholesale market for energy-intensive industries. In many cases, it is your members who are among the leaders of local municipalization efforts.

6. A private-sector initiative is developing to bring advanced telecommunications services to Iowa at competitive rates. Key to this effort is the establishment of municipal utilities that will

provide direct fiber access to homes and businesses and will operate this essential infrastructure on an open access basis, so that multiple competitors can offer advanced telecommunications services under free-market conditions — conditions that form the basis for federal telecommunications policy. Pushing legislators to enact restrictions on the right of citizens to form municipal utilities will not advance the provision of high-speed, high bandwidth telecommunications services that many believe could be vital in reinvigorating the Iowa economy.

For more information about the survey, push-polls, or the political climate and issues facing municipal utilities, contact Bob Haug at IAMU, 800/810-4268.

"ENVIRONMENTAL PR"

APPA "Washington Report," by Robert Varela, Editor, *Public Power Weekly*

A recent report by a coalition of environmental groups—and some of the reactions to it—are instructive for the utility industry. Debate over emissions from power plants and other sources is expected to heat up as Congress continues to grapple with reauthorizing and revising the Clean Air Act.

The report, *Dirty Air, Dirty Power*, garnered a good deal of publicity—and some criticism from industry experts—notably for its estimates of premature deaths attributable to emissions from coal-fired power plants.

The report was written by Clear the Air, a joint project of the U.S. Public Interest Research Group, the Clean Air Task Force and the National Environmental Trust, and is based on research by Abt Associates Inc., which has done consulting work for the Environmental Protection Agency. The media-savvy groups made sure to mention the EPA connection—which got prominent play in news stories on the report. Given that EPA and environmental groups are often at loggerheads, the use of an EPA consultant gave the report some extra credibility, somewhat like a Republican endorsing a Democrat.

The focus of the report—and of media coverage of it—are its estimates of premature deaths attributable to power plant emissions and its estimates of preventable premature deaths. The report calculated that power plants are responsible for approximately 24,000 premature deaths annually and that enforcing current law would result in

4,000 fewer preventable deaths a year. The groups also took a foray into politics, estimating that Bush administration proposals would prevent some 4,000 premature deaths, considerably fewer than two pending Senate bills.

Complementing the report, the groups unveiled an interactive Web site (<http://cta.policy.net/>) featuring a colorful map of the United States. Click on a state and you get a box with state information and a larger map of the state dotted with small power plant logos. Click on one of the logos and up pops a box that offers the name of the plant and its owner; emissions of sulfur dioxide, nitrogen oxides, carbon dioxide and mercury; and "attributable deaths." It's designed to be fairly irresistible to reporters. A story that talks about emissions of SO₂ and NO_x carries less impact than a story about preventable deaths. For local newspapers, a story about preventable deaths "attributable" to the local power plant would be almost impossible to ignore.

From a PR standpoint, the report is a clear winner. From a substantive standpoint, it's not. The study suffers from three major flaws, Ron Wyzga, technical executive of EPRI's Air Quality Health and Risk Assessment program, who said, among other things, that it is selective in its use of scientific literature, ignoring studies and results that do not support its conclusions; it ignores scientific uncertainty, taking one result from a single study "to derive a point estimate of an effect, completely ignoring the uncertainties in that one study as well as the results from other studies;" and it assumes

Continued on Next Page



WASHINGTON REPORT

Continued from previous page

that all fine particles are equally toxic, an idea that is increasingly challenged by the scientific community. Particles associated with coal-fired plants are largely either sulfates or nitrates, while carbon-containing particles have been found to be more important in a study sponsored by EPRI.

The Clear the Air report also leaves the impression that the nation's air is getting dirtier, industry officials complain. Sulfur dioxide emissions from power plants have decreased by 75% from 1970 to 1999, even as energy consumption increased by 41%.

The Bush administration countered that it is taking a more comprehensive approach that would address not only power plant emissions—the sole focus of the *Dirty Air, Dirty Power* report. "We have a more comprehensive strategy to get the environmental reductions we need to meet the tough new health-based air quality standards that the president has committed the nation to meeting," James Connaughton, director of the White House Council on Environmental Quality, told the Washington Post. "If we pursue a power-plant only approach, it would have a dramatic impact on electricity prices for consumers and would lead to a significant loss of jobs."

Electricity prices matter for reasons other than jobs. Several years ago, a week-long summer heat wave in Chicago was blamed for 465 heat-related deaths. Many of those deaths were reportedly poor, often elderly, people who could not afford air conditioning.

Solid arguments such as those above need to be made, but the PR-savvy environmental groups are going to get their messages out. Reading the newspaper stories and editorials on *Dirty Air, Dirty Power* affirms that.

Environmental issues are always going to be difficult to deal with, but public power utilities have some advantages over investor-owned utilities. These advantages stem from public power's nature: local responsiveness, local control, not-for-profit operation and, hopefully, good will built up as a result of excellent service and low rates. But those advantages have their limitations—wind-borne pollution does not respect local boundaries. Decisions on energy resources are going to be complex and tough for the foreseeable future.

— HELP WANTED —

LINEMAN APPRENTICE: Mt. Pleasant Municipal Utilities has an opening for a Lineman Apprentice. Duties include working as a Lineman Apprentice and working through a formal apprenticeship program. Provides assistance to the journeyman lineman in all facets of electric distribution installation and maintenance. Gradual increases in responsibility will occur with each Apprentice class. Excellent salary and benefit package. Pre-employment physical and drug/alcohol screening is required. EOE. Send resume to:

Lori Glanzman
General Manager
Mt. Pleasant Municipal Utilities
509 N. Adams St.
P.O. Box 637
Mt. Pleasant, IA 52641

7/04

WATER PLANT SUPERVISOR: The City of Bloomfield is seeking candidates for this position. Starting salary will vary according to the current union scale classification and DOQ. Current wage range \$13.09 – \$14.72. Responsible for operation and maintenance of Grade III surface water treatment plant. Must have Grade III license or ability to obtain within six months. Duties also include assisting water distribution and wastewater departments. Public relations and record keeping skills required. EOE. For copy of job description contact Public Works Director at 641/664-2260, ext.14. Send resume with cover letter and references to:

Public Works Director
City of Bloomfield
111 W. Franklin St.
Bloomfield, IA 52537

7/04

POLICE OFFICER: The City of Seymour is seeking ILEA certified candidates for this position. Send letter of application and resume to:

Seymour City Hall
109 N. 5th St.
Seymour, IA 52590

7/04

— FOR SALE —

BUCKET TRUCK: City of Lake Mills is accepting sealed bids for used 55 ft. Teco bucket truck with fiberglass body, 1995 Ford F 700, 9,730 miles, 370 CID engine, 3,620 hours, auto. trans., 12,000 lb. front axle, 21,000 lb. rear axle. Bids shall be marked "Bucket Truck Bid." *Bids accepted until 4 p.m. August 30, 2004.* Submit to: Lake Mills City Hall, 105 West Main St., Lake Mills, IA 50450. For more information call 641/592-2441. City of Lake Mills reserves the right to reject any or all bids and accept the bid that in their opinion is in the best interest of the City. Successful bidder **will not** take possession of truck until the City receives new truck, projected Dec. 2004.

8/04

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Mail, fax (515/289-2499) or e-mail (jburnett@iamu.org) ad copy to John Burnett at IAMU.



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