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Progress Energy Florida violated order on market-based rate authority, FERC staff allege

The Federal Energy Regulatory Commission's Office of Enforcement has preliminarily determined that Progress Energy Florida (PEF) violated Section 205 of the Federal Power Act as well as the commission's order granting the company market-based rate authority. According to an Oct. 1 notice of the nonpublic investigation, the office alleges that Progress Energy Florida misreported approximately 1,300 transactions executed in peninsular Florida from 2004 to 2009 and violated Section 205 of the FPA and the commission's order by executing transactions at market-based rates within peninsular Florida.

"Specifically, staff alleges that from 2004-2009, PEF executed 11 transactions within peninsula Florida at rates in excess of those that would have been permitted under PEF's cost-based rate tariffs," the notice said.

Progress Energy Florida is a subsidiary of Florida Progress Corp., which in turn is a wholly-owned subsidiary of Progress Energy, Inc., which in turn is a wholly-owned subsidiary of Duke Energy. —[ROBERT VARELA](#)



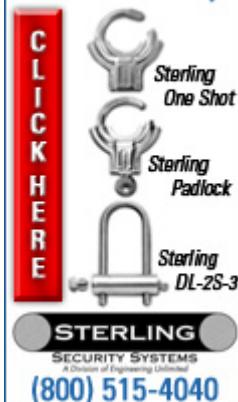
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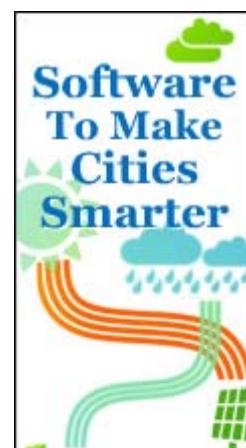
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Hacking of software firm could affect cyber security regulation

In a development that could impact cyber security regulation and legislation, a company that provides software to the utility industry has been hacked. Telvent sent letters to its customers about "a breach of its internal firewall and security systems," according to a blog, KrebsOnSecurity.com, which said it obtained a copy of the company's Sept. 10 letter. The news comes as the Obama administration is working on an executive order on cyber security.

Telvent said it is "actively working with law enforcement, security specialists and its affected customers to ensure the breach has been contained." The hackers stole project files related to Telvent's OASyS DNA product, which it describes as supervisory control and data acquisition (SCADA) software that helps energy firms integrate older systems with more advanced smart grid technologies,



necessary financing to enable Missouri River to become a power supplier to all of its members."

LaMaack's leadership "was critical to establishing MRES as an effective advocate for its members and for public power at the state, regional and national levels," Heller said.

For the Record: Letter to the Editor

This is a letter to your readers to inquire whether any want to join a voluntary working group of APPA utilities and outside attorneys aiming to: (1) identify best practices in credit and collection practices for commercial customers; and (2) recommend improvements.

On Nov. 6, 2011 and Sept. 24, 2012, I spoke to APPA conferences in Memphis, Tenn., about innovative ways public power utilities can protect themselves before, during, and after their commercial customers file for bankruptcy. Besides addressing measures which utilities can implement during the bankruptcy, I recommended that utilities review existing local laws and modify them as appropriate – to reduce the financial risk to sell electricity. Implementation of my recommendations could have positive impact upon reducing a utility's bad debt expenses and cash working capital requirements.

After my first talk, Sue Kelly contacted all on the APPA list serve to inquire whether any wanted to join a working group to effectuate this goal. Several APPA members and outside attorneys are participating. Our efforts are still in process. We seek additional APPA members to submit information about the key trigger points in their individual time lines of the credit and collection process for commercial customers. Armed with that information, the working group then can ascertain best practices and improvements.

So far, John J. Ferriter, Esquire, from Ferriter & Ferriter LLC, in Holyoke, Mass., has been instrumental in my efforts in this working group. On Oct. 15, we will lead a round table discussion at the APPA Legal Seminar in Washington, D.C. – focusing upon how to obtain additional participation from APPA members. Publication of this letter might increase the turn out at the round table and assist the efforts of the working group. Thanks.

Gilbert L. Hamberg, attorney
Yardley, Pa.

Clarification

In the Sept. 24 *Public Power Weekly*, [we reported on a ballot initiative in Washington state](#), Proposition 1, that would allow the Thurston Public Utility District, a water utility, to get into the electricity business. We said the ballot measure, if approved, would authorize the utility's board to conduct a study of whether electrification of the PUD would be in the future interest of Thurston County residents.

The language of the ballot measure would allow the Thurston PUD to expand into electricity without any further studies. The ballot initiative reads as follows: "Shall Public Utility District No. 1 of Thurston County construct or acquire electric facilities for the generation, transmission or distribution of electric power?"

However, those who are leading the drive for public power for Thurston County have said that they would conduct an additional study or studies before taking further action. —[JEANNINE ANDERSON](#)

