

An Important Message About Energy From PP&L Chairman, Jack K. Busby



After years of unheeded warnings, severe shortages of natural gas finally occurred, precipitated by the prolonged winter cold. One more signal that we have a serious long-term energy supply problem in this country. It is now beyond debate that when energy shortages hit, our society is crippled. The harsh evidence of lost employment and lost production is indisputable.

The winter weather conditions also created a large number of operating difficulties for generating units. Even so, electric loads were generally met, though capacity margins were tight. The so-called excess generating capacity of some utilities — criticized here and there a few months ago — totally disappeared in the winter cold. One bright spot was the good performance of nuclear power plants, reflecting their freedom from the limitations of conventional fuel supply and delivery.

If it had not been for industrial plant shutdowns because of natural gas curtailments, which reduced electrical loads that would otherwise have been on line, there would have been critical shortages of electricity.

This is a reminder that the basic issue of building ahead to have adequate generating capacity and fuel to meet tomorrow's electrical needs is very much with us. Lead times for power plant siting approvals and construction are lengthening. PP&L's most recent look indicates that, as things now are, we have to allow about 13 years to bring a new coal-burning power plant on line at a new site. The implications are scary. This means that, apart from capacity now in service plus capacity under construction, there is nothing that can be done to add more coal/nuclear-based power supply for 1984/1985. Indeed, we are practically at 1990. Every day is increasing the hazard of future shortages of electric power supply. Yet action is inhibited and constricted by a complex amalgam of uncertainties and risks. The need for clarifying and supportive governmental energy policies is overwhelming.

The adoption of effective new energy policies depends on whether Americans have the will to do what is required.

The geologic and economic realities underscore the need for more investment for facilities, fuel and advanced research, as well as more investment for conservation. It is going to be an expensive process, with quick payoffs being unlikely. For the time being at least, all signs point to continuing higher prices for energy.

This is not the answer people are looking for. It seems they would prefer to hear that higher prices for energy are caused by some kind of energy fraud or fix, or by the heedless actions of uncaring managements, notions which carry the comforting thought that if "the scoundrels" can be identified and properly dealt with, consumer energy problems will disappear. So, all too often this is what people are told, frequently coupled with a few rousing denunciations of "obscene profits." Although such talk has an unmistakable popular appeal, it is pernicious nonsense. It obscures reality and promotes cop-out attitudes. It discourages new investment and frustrates the development and implementation of the basic long-term energy decisions that are necessary.

We want our investors and customers to know that while we think it is misleading to give people false hope that some way can be found to protect them from the reality of higher costs of energy, we recognize that it is our job in PP&L to run a taut ship and to exert every effort to hold down costs and to improve our performance. We appreciate that we are living in an ever-changing world where new opportunities for

better performance regularly occur. We understand that it is our responsibility to seek them out and put them to good use.

We realize that we cannot see ourselves as others see us. Therefore, we believe in the concept of outside audits to monitor management effectiveness and operating efficiency. While no one is perfect, and no one likes to be criticized, our aim is to have a constructive attitude about the outside audit process in which we welcome suggestions and advice on where and how we can do better.

We also want our investors and customers to know that outside forces, over which we have little or no control, are the main causes for the higher costs and prices of energy. For example, we do not have control over the fact that the exploration and development of energy resources in more remote and more difficult locations, and at greater depths, is bound to be more costly. We do not consider that we are responsible for the national policies and decisions that have caused inflation with all its consequent cost increases. Nor did we establish the host of new and costly environmental standards that now have to be met, with inevitable reflections in higher prices for electric service. Our ability to get things done promptly and at low cost has not been helped by the endless stream of new governmental requirements which have proliferated reports, hearings, investigations and all kinds of technical studies.

The saving grace in this outside-imposed cost situation is that it does not arise from any intention to increase costs. On the contrary, the difficulty rather stems from an excess zeal to do good things for people without sufficiently considering the cost consequences beforehand. This is really a problem of inadequate systems management.

Over time, energy has become afflicted by too many laws, regulations and programs which have different purposes and priorities, and which are nonconnected and unrelated even though they exist side by side. We have now come to the point where we are bogged down in an unacceptable mishmash of crosscurrents and conflicts. Some government management housecleaning is in order.

It is most encouraging that President Carter has proposed to establish a comprehensive, restructured federal energy department headed by Dr. James Schlesinger. We urge investors and customers of PP&L to support action to this end. We take this position because we are convinced that a central obstacle to the nation's working its way out of the energy crunch is the present fragmentation of energy jurisdictions within federal departments and agencies and within the Congressional committee structure. The proposed federal energy department could be a most significant first step towards establishing an adequate management system for energy. Other counterpart housecleaning steps involving the Congress and federal-state relationships in energy could then be pursued with some reasonable chance of success.

Without further delay we must face the fact that our patchwork quilt of piecemeal energy management is not working. Certainly we need natural gas, but natural gas cannot meet all our energy needs. The same is true for our other major fuel sources — oil and coal and uranium. All form intermeshed parts of the nation's overall energy supply. The unavailability of any one is disruptive of the whole. That wasn't always so, but it is now. The management of energy as a total system is the only safe escape route that still remains open to us.

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PP&L

OBITUARIES

David J. Geib

David J. Geib, 66, of 841 Church Street, Mount Joy, died Sunday morning at home after a six-month illness. He was the husband of Margaret S. Klugh Geib.

Born in Mount Joy Township, he was the son of Mrs. Mabel Ebersole Geib, Mount Joy, and the late Henry Isaac S. Geib.

A lifetime resident of Mount Joy, he was employed by Aircraft Marine Products Inc., Mount Joy, working for the last 15 years at the Landisville plant. He retired in 1975

after 25 years of service.

He was a member of Glossbrenner United Methodist Church, Mount Joy.

In addition to his widow and mother, he is survived by a son, David Franklin Geib, at home; a daughter, S. Ruth, wife of Barry McKain, Mount Joy; a brother, Ralph Geib, Mount Joy; and three sisters: Edith, wife of Karl Haines, Mount Joy; Goldie, wife of Elmer Esbenschade, Elizabethtown; and Mabel, wife of Ellsworth Reinere, Mount Joy R2.

J. Herbert Tyndall

J. Herbert Tyndall, retired staff manager for Prudential Insurance Co., died Sunday at 3:20 a.m., at St. Joseph Hospital after an extended illness.

Tyndall was 73 and lived at 31 West Main Street, Mount Joy. He was the husband of Lillian Felker Tyndall.

He retired in 1963 after being affiliated with the Prudential Insurance Co. for 27 years.

Tyndall was a former Donegal District School director; a member of St. Mark's United Methodist

Church, Mount Joy, and Casiphia Lodge 551, Free and Accepted Masons, Mount Joy.

He was a native and lifelong resident of Mount Joy, except for the period from 1938 to 1949 when he lived in Lancaster. He was born in Mount Joy, a son of the late William and Elizabeth Jones Tyndall.

In addition to his widow, he is survived by a son, William F. Tyndall, Lancaster; two grandsons, and one brother, W. LeRoy Tyndall, Mount Joy.

Mrs. Fanny H. Hershey

Mrs. Fannie H. Hershey, 85, of Lehman's Nursing Home, Rheems, formerly of Elizabethtown, died at Lancaster General Hospital at 3 p.m., Monday after a lengthy illness.

She was a member of West Green Tree Church of the Brethren, Mount Joy R2.

Born in Dauphin County, she was a daughter of the late Jacob and Mary Herr

Saylor.

Surviving are her husband, John M. Hershey, also a guest of Lehman's Nursing Home; one son, Ralph Hershey, York; a grandchild and three great-grandchildren, and three sisters: Mabel E., wife of Elam R. Ebersole, Mrs. Rachael Nissley, and Kathryn Saylor, all of Elizabethtown.

Mrs. Russell Miller

Mrs. Russell Miller, R.D. #2, Lionsville, died Thursday afternoon at West Chester Hospital.

She was the daughter of Mrs. Henry Frazer, formerly of Marietta and the late

Henry Frazer.

She is survived by a son, George Henry, at home; two grandchildren, and a brother, Andrew Frazer, South Carolina.

UTC names Bailey

John P. Bailey, 27 Hillside Drive, Carlisle, has recently been named service consultant for the United Telephone Company of PA's Columbia district. In his new position he is responsible for servicing major accounts including sales of all special business services and equipment within the area.

Bailey joined the telephone company in 1974 as a commercial representative and was appointed

data processing scheduler in 1975 in Carlisle. In 1976 he was transferred to Chambersburg and served as a lineman, the position he held until his recent promotion.

Bailey, a Carlisle native and graduate of Carlisle High School, attended West Chester College where he earned a degree in Political science.

He is married to the former Donna J. Wolfinger.