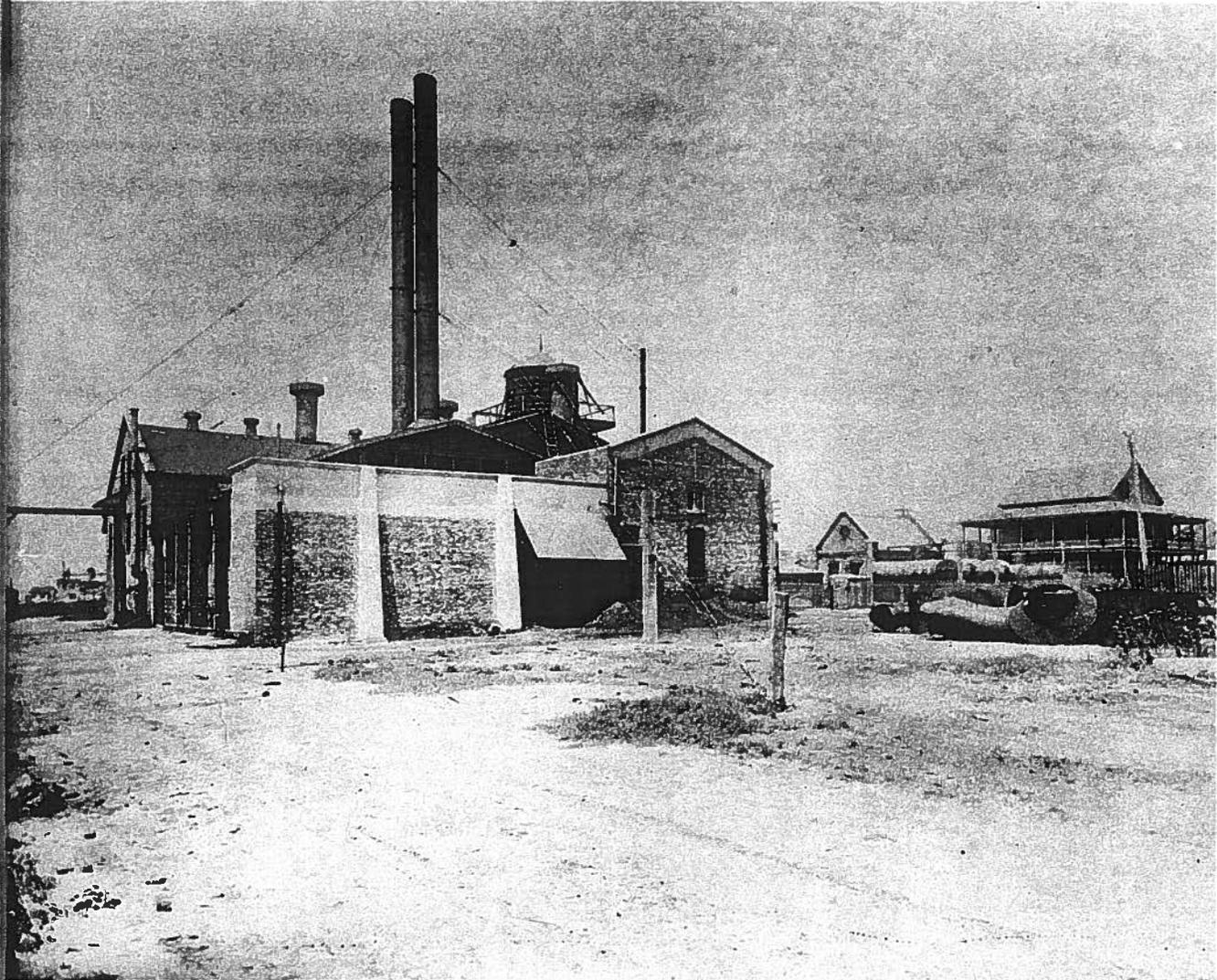
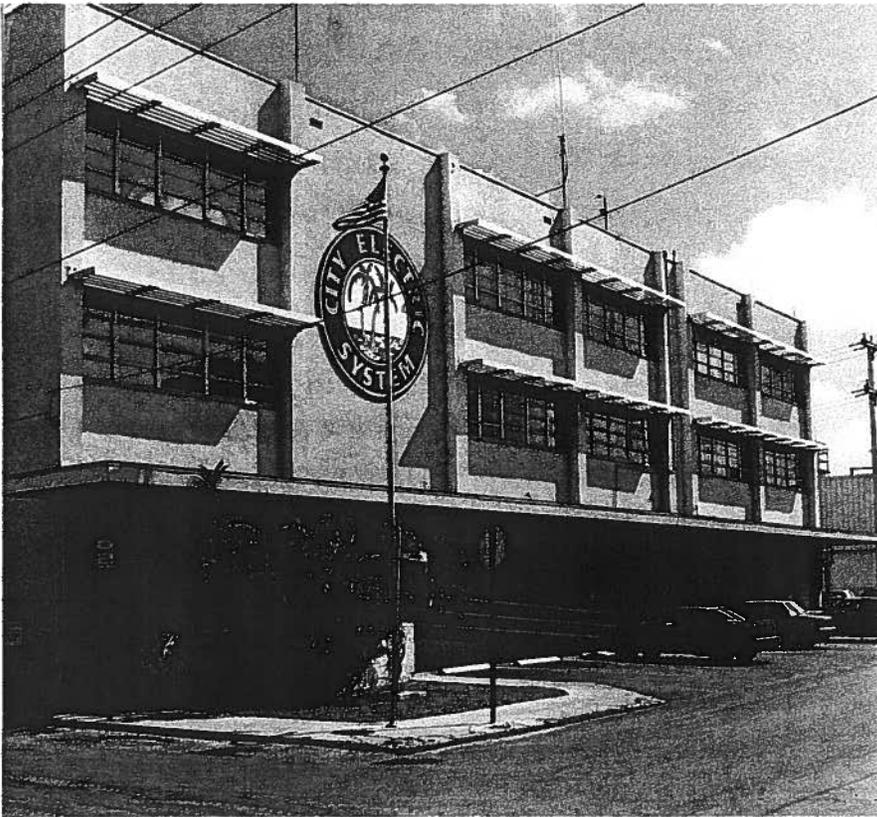


# City Electric System

Bringing Power To The People for 50 Years

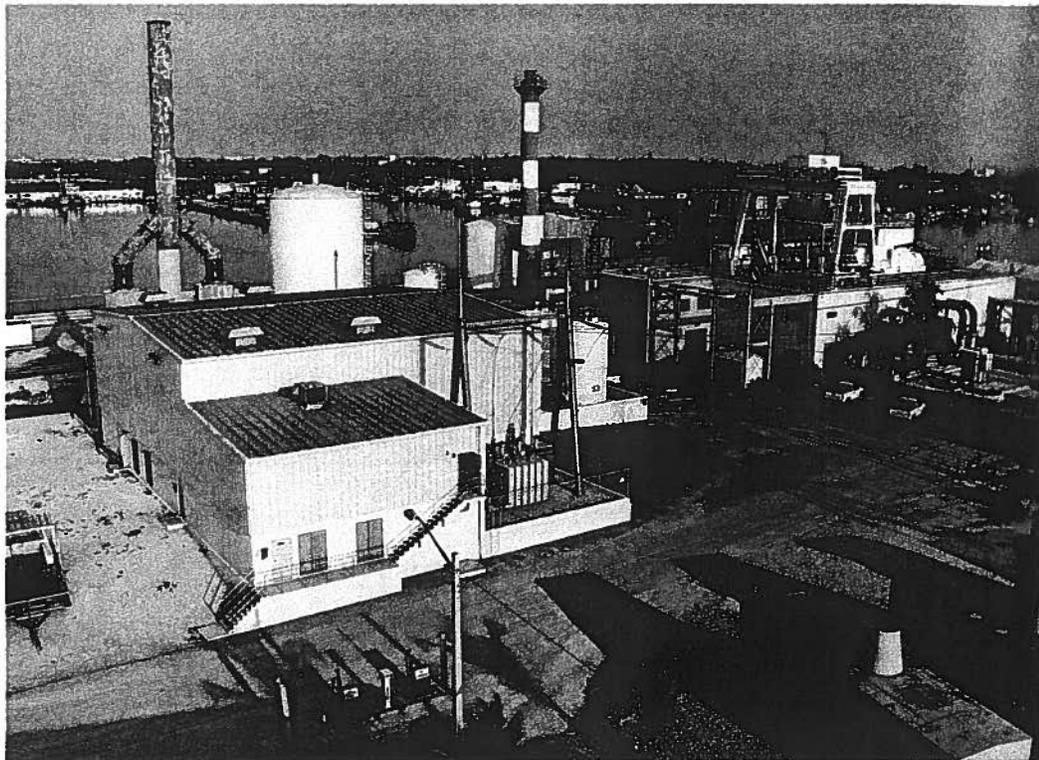


1943 - 1993



City Electric System's William Arnold Service Building, 1001 James Street, provides full service to our customers. The Service Building, which opened in 1957, houses collections, customer services, human resources, meter, engineering, control, facilities, accounting, information services and administration.

Our Stock Island Generating Facilities Site is home to the Ralph Garcia Steam Plant, the two medium-speed diesel generating units and the three high-speed peaking diesels. City Electric System's garage, warehouse and transmission and distribution section are also based at Stock Island.



## City Electric System Bringing Power to the People

The road to Key West is lined with remnants of the past.

As you drive along U.S. 1, the road is a steady pattern of bridges and islands, land and sea. Reminders of an earlier time exist: portions of an old bridge from Henry Flagler's early-20th century railroad rise up sporadically from the ocean's floor. And all along the 113-mile drive there is another constant running along the Overseas Highway -- the stretch of transmission line that helps provide reliable electricity to the citizens of Florida's Lower Keys.

For 50 years, City Electric System has been Bringing Power to the People of the Lower Keys. Headquartered in Key West, City Electric System, or CES, has a long history laced with challenges -- challenges the entire nation faced and challenges that were unique to its island operation.

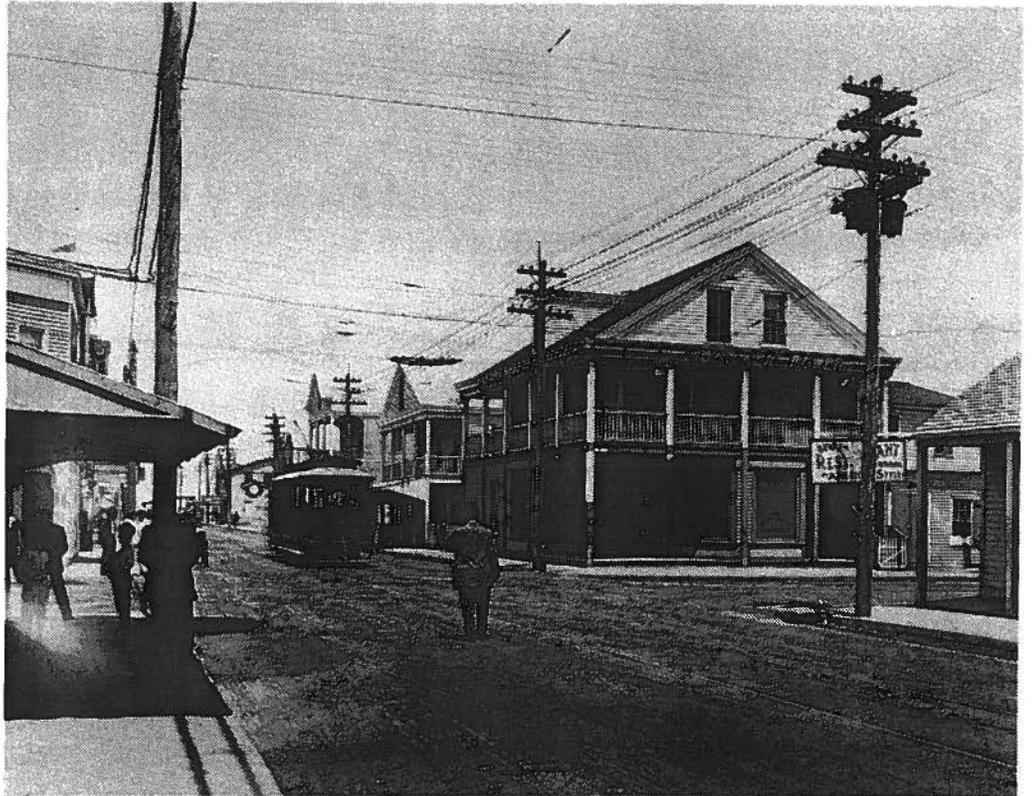
The roots of City Electric System's history begin in the late 19th century, following Thomas Alva Edison's invention of the incandescent light bulb. Spurred by Edison's invention, about 50 leading citizens of Key West gathered in City Hall in 1883 to organize the Key West Gas Light Co. John Jay Philbrick became president with William Curry, vice-president; R.A. Montsalvatge, secretary-treasurer; and R. Fogarty, Samuel Filer, Eduardo H. Gato and J. G. Macy serving as directors of the newly formed Key West Gas Light Co. The company constructed a plant on Emma Street at a location known as the Fort Pond.

Electricity, as we know it, officially came to Key West in 1887 when the Key West Gas Light Co. amended its charter to permit the company to produce electricity and changed its name to the Key West Gas and Electric Light Co. Two years later, the company again changed its name, this time to the Key West Electric Company. The change signaled the increasingly common use of electricity.

In 1889 the company discontinued the production of gas and began to generate electricity with President generating equipment.

Its generating capacity was 2,000 incandescent 50 arcs. The firm's power house was on the site of its old gas plant and it was generating just seven years after Edison of New York began its generation. The Key West Gas and Electric Co. was the first plant to generate electric power in the South."<sup>1</sup>

Local legend claims that Key West was the second city of its size to have electric



An electric street car traveling along Duval Street passes the Key West Electric Company offices on Duval and Greene Streets.

service and the last to get indoor plumbing.<sup>2</sup> During this same time period, Key West was the largest and wealthiest city in Florida.

Concurrently, the development of mass transportation helped to "fuel" electricity's growth and acceptance. In July of 1884, the Key West Street Car Association was formed. The Association purchased cars that were used primarily to transport the workers in Key West's flourishing cigar industry. By 1887, the Association was operating with 73 mules and four "summer" cars. By 1888, there were eight old cars, four new ones and 92 mules.

The brief era of mule-powered street cars came to an end in 1894 when the Street Car Association asked the Key West Electric Company to quote a price for furnishing power to convert mule-power to electric power. The price agreed upon was \$10,000 a year for ten years.

Competition in the electric business came to Key West when a second electric company was established on October 23, 1895 by Charles Curry, Martin L. Hellings, Milton W. Curry, George H. Curry and Joseph Y. Porter. The newest electric company -- the Key West Electric Light and Power Co. -- owned and operated an electric plant and an ice plant.

Years later, the Key West Art and Historical Society published *The Martello Towers and the Story of Key West*, which explained the fierce competition between the two electric utilities:

When the Curry company came into the field, there was sharp, competitive rivalry between it and the older company known popularly as the "Philbrick" concern. There were two sets of overhead wires and poles, and if a consumer got mad at Philbrick and decided to buy current from Curry, a man would come and yank out the Philbrick wires and install Curry connections. And, of course, vice versa.<sup>3</sup>

The Key West Electric Light and Power Company quickly expanded. In 1897,

<sup>1</sup>"Electric Generation in the Lower Keys," *Watts Up*, May 1985.

<sup>2</sup>Stan Windhorn and Wright Langley, *Yesterday's Key West*, 1973.

<sup>3</sup>"From Mules to Huge Steam Turbines," *The Martello Towers and The Story of Key West*, 1951.

Jacksonville's *Florida Times Union* reported:

Key West will be blessed with the finest electric plant this winter of any city in the South. William Curry & Sons purchased a complete new electrical outfit – two dynamos from the Stanley Electric Manufacturing Co. and engines and boilers from the Ball and Wood Co. of New York. When the new plant arrives, Curry &



Winds from the Hurricane of 1909 toppled electrical distribution poles and lines.

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Sons will have the finest and most complete apparatuses and in case of a breakdown or any accident there will not be any interruption with the lighting of the city.

The utility's long-standing association with the United States Navy began in April 1898, when the Key West Electric Co. began supplying the U.S. Naval Station with electricity.

Meanwhile, John Philbrick passed away, and the Key West Electric Co. was inherited by his nephews, John P. and Albert S. Laflin. The Laflins subsequently purchased the "Curry" electric and ice plants in 1904, thus ending the era of electric competition in Key West.

The Key West Electric Company constructed the area's first diesel plant in the early 1900s and began operating the plant in 1904. Though no longer in use, the building still stands at the foot of Angela Street.

In 1906, the Laflins sold the Key West Electric Co. to Stone and Webster. Stone and Webster operated the plant for nearly forty more years, surviving two major hurricanes in 1909 and 1910.

The October 11, 1909, hurricane knocked out power in Key West; electric crews took ten days to restore power throughout the city. One year later, on October 17, 1910, a hurricane with winds estimated at over 90 miles per hour hit Key West. The power plant sustained damage and La Brisa, Key West Electric Company's pavilion and street car terminal at the southern end of Simonton Street, was completely knocked off its foundation and destroyed. Although the company suffered an estimated \$50,000 in damages, the Key West Electric Co. survived.

Stone and Webster was also operating the Key West Electric Company in October 1931 when Thomas Alva Edison passed away. Upon President Herbert Hoover's suggestion to plunge the country into darkness in memory of Edison, every electric light in Key West went out for one minute at 10 p.m. October 21. Bascom L. Grooms, the president of the Key West Electric Company, pulled the main switch that plunged Key West into the darkness it had known before Edison's invention. Like many other personalities, Edison had visited Key West. He spent some six

months in Key West during World War I while experimenting with depth bombs to combat submarines. He stayed in the same quarters that were later used by President Harry S. Truman and known as the "Little White House."

Mr. Edison was an inveterate 'movie-fan.' He occupied the middle box on the left hand side of the Monroe Theatre practically every

Acceptable by - THE KEY WEST ELECTRIC COMPANY  
On or Before April 7, 1934, The City of Key West, Florida, will Pay to Bearer

**\$1 ONE DOLLAR \$1**

TO THE CITY TREASURER OF KEY WEST:

Pay to the order of bearer One Dollar, for value received, and charge the same to the General Revenue Fund of the City of Key West. This warrant shall not be payable by the City Treasurer until the amount of stamps are affixed on the reverse side hereof, in the amount equal to the face value of this warrant.

Approved and authorized by the City Council of City of Key West, March 27, 1933

*Don Albury*  
City Auditor

ATTEST AND CORPORATE SEAL:  
*James R. ...*  
City Clerk

No 926

N

In the early 1930s, the City of Key West didn't have cash to pay its employees, instead the City paid its employees with scripts, which were redeemable at local businesses including the Key West Electric Company. By 1934, the City of Key West declared bankruptcy.

night. So much did one seat come to be recognized as his that, no matter how crowded the house, nobody would take that seat.<sup>4</sup>

The 1930s were a period of status quo for electricity in Key West. In October 1931, the Key West Electric Co. team defeated the Gas Co. team 21-10 to tie for first place in the local baseball league. In March 1932, the U.S. Naval Station installed an auxiliary electric power generating plant. The Key West Electric Co. continued to supply power to the Navy's radio communications and station, but the auxiliary unit was needed for backup power in case of emergency. On July 1, 1934 the City of Key West declared bankruptcy and turned the City over to the State of Florida for administration. The Federal Emergency Relief Administration developed a plan that recommended tourism to Key West. "During the 1930s the FERA took over Key West lock, stock and barrel and the first development of Key West into a tourist area was planned and put into execution."<sup>5</sup> Throughout the years, tourism has remained Key West's main industry. Today, six hotels -- Marriott's Casa Marina, the Pier House, the Reach, the Galleon Resort, Holiday Inn's La Concha and the Hyatt Key West -- are among City Electric System's 15 largest customers.

In 1943 while the nation was in the midst of World War II, the people of Key West took the momentous step of switching from purchasing power from a private company to purchasing power from a municipal utility. The change began during the April 15 City of Key West City Council meeting, when the Council adopted an ordinance authorizing the purchase of the existing Key West Electric Co. from Engineer's Public Service Company (a Stone and Webster stockholding company). The City Council also named R.W. Beck and Associates as consulting engineers.

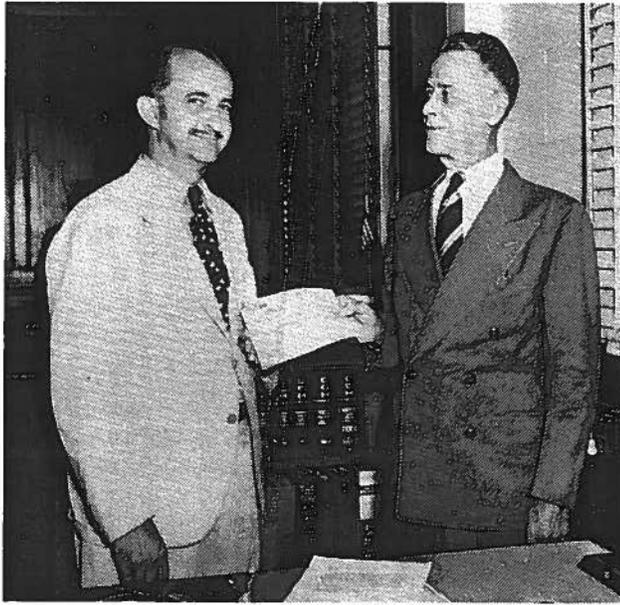
"As of July 31, 1943, the electric property served 4,196 customers and for the twelve months ended July 31, 1943, sold 6,781,150 kwh for a total operating revenue of \$379,597.28"<sup>6</sup> At the time of acquisition, power was generated by seven

<sup>4</sup>"Edison Lived Here During World War, Experimenting with Depth Bombs; Movie Fans All Knew Him," *Key West Citizen*, Oct. 19, 1931.

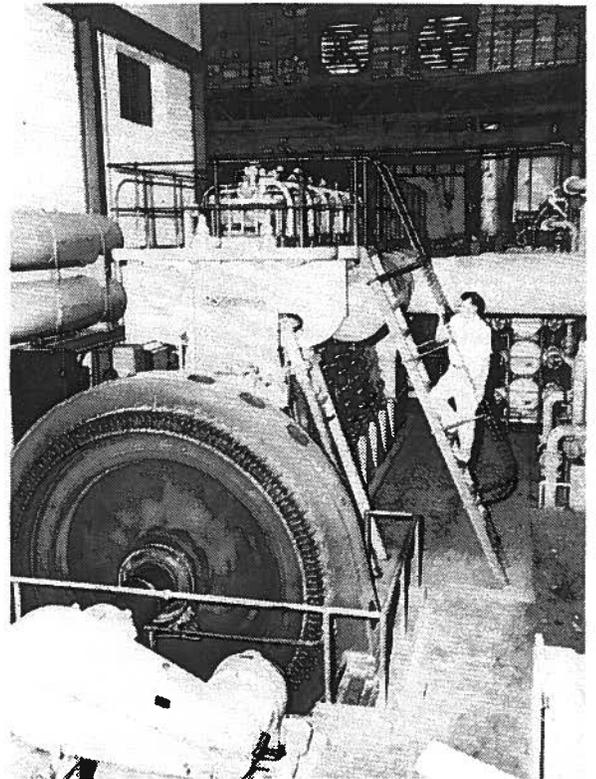
<sup>5</sup>L.P. Artman, *Old Key West*, 1975.

<sup>6</sup>R.W. Beck, *Engineering Report on Proposed Acquisition of the Electric System of the Key West Electric Company*, Aug. 1, 1943.

diesel-powered units at the foot of Angela Street. The seven units could produce a total of 2,940 kilowatts. Four 2.3-kilovolt primary feeders out of the diesel plant and one 13.8 kilovolt line provided power to the utility's service area, the developed portions of Key West Island. The average cost of electricity was about 5.2 cents per kilowatt hour.



Gerald Saunders was a millionaire for a brief two minutes when the City of Key West purchased the Key West Electric Co. in 1943.



In 1946, City Electric System added a Nordberg Generating Unit to the Angela Street Diesel Plant.

On April 16, the City Council signed a purchase agreement and authorized the sale of \$1.5 million dollars in electrical revenue bonds for purchasing the Key West Electric Company. The bonds were issued at four percent.

The City Council officially created the Utility Board on August 10, charging the original board members -- Mayor Willard M. Albury, Horace O'Bryant, Reginald Pritchard, Ernest Ramsey and J. Glenwood Sweeting -- with the responsibility of exercising administrative supervision and control over the municipal utility. Under the original charter, the Utility Board included the city's mayor, the city council member serving as chairman of its finance committee, and three citizens.

The final action on acquiring a municipal utility for Key West took place on August 13 when the bond issue closed. Gerald Saunders, City Council member, signed the check for the purchase of City Electric System. "I was a millionaire for exactly two minutes," Saunders said. "And when I signed the note, the amount was in the bank in my name and continued in my name till the note was paid on the dot of the second two minutes later." The check, for \$1,240,139.17, was paid to John Nuveen and Co., the bond company in the purchase.

On August 13, 1943, the people of Key West began to enjoy the benefits of public power.

Following World War II, City Electric System entered a period of growth that paralleled the nation's growth. In order to keep up with the increased demand for electricity, City Electric System installed four new diesel-powered units at the Angela Street Plant. The four units -- a Fulton in 1944; a Nordberg in 1946 and two General Motors in 1948 -- provided an additional 4,390 kilowatts.<sup>7</sup> Along with increased generation, City Electric System began looking for ways to better serve its customers.

On June 1, 1947, the Utility Board established new rates that resulted in a 10 percent savings for customers. "The promotional characteristics of the new rates have resulted in a substantial increase in energy usage," an R.W. Beck report stated.

<sup>7</sup>R.W. Beck, *Comprehensive Engineering Report*, June 15, 1949.

"The All Electric Home Rate, inaugurated June 1, 1947, is designed to serve residential customers using electric service for lighting, cooking, refrigeration and water heating."<sup>8</sup>

On December 20, 1947, City Electric System installed thirty-one 400-watt lamps along Duval Street. C.A. Van Deursen, manager of City Electric System, said that the lights and their installations cost about \$5,000. "The only thing the city

**GO ALL-ELECTRIC**  
*the Modern Way*

**SAVE  
WORK... TIME  
MONEY**

Old fashioned, inefficient methods cost you more—but modern, easy-to-operate, time-and-labor-saving electric conveniences mean better living and easier work—at lower cost.

Coal or wood may be cheaper than either gas or electricity. A bicycle or a pair of walking shoes also cost much less than an automobile. You use electricity for convenience, safety, ease and nicety of control, for its many uses to save labor, make money, produce better products, and to improve your standard of living in the community.

Use electricity exclusively: It does jobs better... more economically.  
Use it freely... because it does more work for less.

**THE MORE YOU USE,  
THE LOWER THE RATE**

CHEAPER NOW THAN EVER BEFORE

\* \* \* \*

**City Electric System**

City Electric System promoted the "All Electric" home in the late 1940s and early 1950s in newspaper advertisements.

will have to pay is the cost of the electricity," said Van Deursen. "The city gets 16 times more light than it is getting now from the old lamps for only \$4.80 more a day." He added, "They are the only street lights in the United States that stretch from ocean to ocean. They are very attractive and will give businesses along the street what they have been looking for -- better lighting."<sup>9</sup>

The 1944-1948 expansions were not enough to keep up with the area's growing demand. An R.W. Beck report stated, "Our studies have indicated that the Key West power plant loads, with which we are immediately concerned, will expand from 5,920 kilowatts in 1950 to 7,560 kilowatts in 1954. Therefore, to accommodate this increase, we recommend that the City embark upon a program of installing a 3,000 kilowatt steam plant to be available by December 1950..."<sup>10</sup>

What later became known as the Key West Steam Plant on Trumbo Road got off to a controversial start. Questions regarding what type of generator to purchase; where to construct the new plant; who to hire as the contractor; and how to finance the plant spanned the months between May 1950 and the plant's ground breaking on June 28, 1951.

Early reports indicate that R.W. Beck and Associates recommended the purchase of two 2.5- or 3-megawatt diesel generating units. By August 18, 1950, however, Beck recommended purchasing two steam units, and the City Commissioners and Utility Board went on record favoring a steam plant at an estimated cost of \$2.5 million.

In a lengthy article, the *Key West Citizen* reported:

This plant, which will take two years to construct, will be able to serve the anticipated needs of the Island City for the next 28 years. It will also allow for the issuance of a 'cheap' rate to the Lower Keys.

<sup>8</sup> R.W. Beck, *Comprehensive Engineering Report*, June 15, 1949.

<sup>9</sup> "Mayor Adams Will Officially Turn on Electricity for New 400-Watt Lamps," *Key West Citizen*, Dec. 19, 1957.

<sup>10</sup> R.W. Beck, *Study and Report for Power Plant and System Expansion*, Mar. 1, 1949.

The vote for construction of a steam plant was 3-1 in the city commission with Eisner voting "no" and Harvey passing. For the measure were Adams, J. Carbonell, L. Carbonell. Utility Board vote was 4-0 with Harvey passing. For the motion was Ernest Ramsey, Horace O'Bryant and Fernando Camus. Ramsey has been for steam all the way. But O'Bryant and Camus qualified their "yes" votes by declaring that the city held the



In 1951, the Utility Board decided to construct the new Steam Plant on a tract of land at Grinnell Street and Trumbo Road.

"purse-strings and they had no other alternative.

Beck's reasoning for preferring steam was: "Steam and diesel costs for the present load of the City Electric System is about even. But when loads get bigger, the economy and savings in steam are tremendous."<sup>11</sup>

The Utility Board decided to purchase two 5-megawatt steam units for the expansion.

The next controversy came about over the location for the new steam plant. In August 1950, the *Key West Citizen* reported, "The vexatious problem of where to place the new \$2,250,000 generation plant was aired at yesterday's meeting of the utility board."<sup>12</sup> The article explained that the Utility Board discussed the site of the old dump, Raccoon Key (Key Haven), Cow Key and a site on the Atlantic side of Stock Island. In September 1950, the Utility Board selected a site on the north side of Stock Island adjacent to the golf course. The site was the location of the old city dump. But then in January 1951, the Utility Board reconsidered and decided on a tract of land on Grinnell Street and Trumbo Road. The Utility Board purchased this property, which had housed the Armour plant, from Norberg Thompson and A. Maitland Adams for \$35,000.

J.F. Pritchard Company was awarded the contract for constructing the steam plant, but Ivy H. Smith Company of Jacksonville entered protests against the Utility Board's decision. The Utility Board had apparently awarded the contract to Smith, then later rescinded. Despite the controversy, the Utility Board signed the contract on January 18, 1951 with J.F. Pritchard Company.

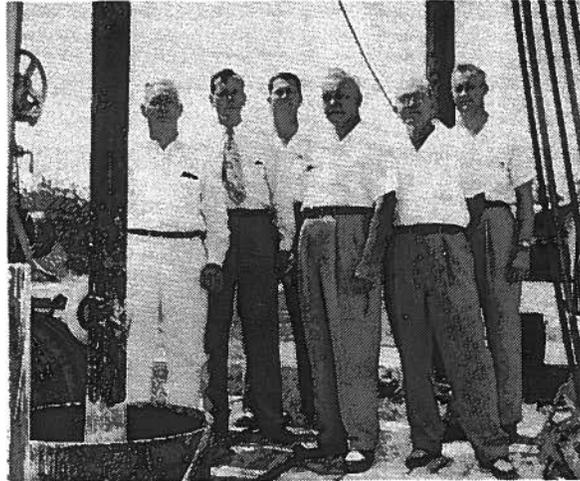
The final controversy lay in deciding how to fund the new power plant. Initially, the Utility Board went before the City Commission for a \$2 million bond issuance; then they backpedaled and stated that they wanted to limit plant expansion to \$500,000. Finally, the Utility Board authorized the sale of \$3 million in electric revenue bonds that were issued at 3.45% percent. C.B. Harvey voted

<sup>11</sup> "\$2,500,000 Steam Plant to be Built by City Electric," *Key West Citizen*, Aug. 19, 1950.

<sup>12</sup> "Utility Board Debates Where to Place New \$2,250,000 Steam Plant on Stock Island," *Key West Citizen*, Sept. 13, 1950.

against the issuance of the bonds, stating that he thought the interest rate was too expensive.<sup>13</sup>

In January 1951, while plans for the new steam plant solidified, power shortages loomed. By February, City Electric System had to borrow power from the Navy. "Breaking all records, the load at the City Electric System plant Saturday night was 7,530 kilowatts at 7 p.m.," reported the *Key West Citizen* on February 4,



Construction on City Electric System's new Key West Steam Plant began in June 1951 when crews began drilling wells for the cooling water.

The Key West Steam Plant began operating in December 1952 with units one and two.



1951. "The naval station provided 1,000 kilowatts and the Navy hospital 190, in Saturday night's all-time heavy load on the plant's facilities." In March, the Utility Board decided to rent a 1,100-kilowatt portable diesel engine to boost the power supply until the new steam plant could meet the community's demands.

Construction of the new steam plant officially began at 7 a.m., June 28, 1951 when crews began drilling wells for the cooling water. During the construction, a fire in the storage building destroyed a large amount of electric and construction equipment. "The spectacular fire which destroyed a large amount of electrical and construction equipment, was confined to the end of the building which housed practically all of the instruments and electrical equipment to be used in the new electrical plant."<sup>14</sup>

By December 1952 the plant was operating. "Half of the \$3,000,000 steam electric plant is operating now and the other half will start running next week," C.A. Van Deursen, CES Manager announced December 2, 1952.<sup>15</sup> On December 17, a faulty fan kicked out during a test period and stacks let out blasts of soot that covered structures along Caroline Street and as far as Simonton Street where the Post Office was located. "We will not have soot as a regular thing when the plant goes into operation," L.W. Whitmarsh, chief engineer at CES, said. "Right now with all the adjustments of the engines and the try-out period, there may be occasions when soot will come out."<sup>16</sup> Units one and two of the Key West Steam Plant operated from 1952 until 1978.

1951 was a busy year for City Electric System. In addition to planning and constructing the Key West Steam Plant, the administrators, bookkeepers, billing clerks,

<sup>13</sup> "City Approves Bond of \$3,000,000 at 3.45% for New Steam Plant Here," *Key West Citizen*, Oct. 19, 1950.

<sup>14</sup> "Fire Destroys Equipment at Steam Plant," *Key West Citizen*, Mar. 17, 1952.

<sup>15</sup> "Steam Electric Plant Set for Full Operation Soon, with Power for Lower Keys by January," *Key West Citizen*, Dec. 2, 1952.

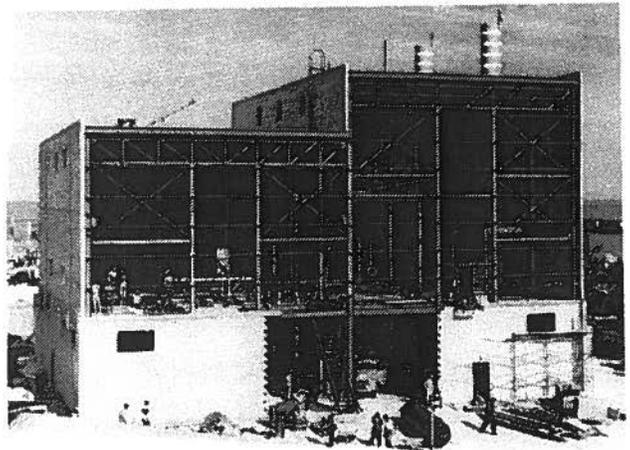
<sup>16</sup> "Soot Blanket over City "Temporarily";" *Key West Citizen*, Dec. 18, 1952.

typists and cashiers relocated to the Scottish Rite Temple Association Building at Eaton and Simonton streets in March. City Electric System customers paid their bills at this location until 1981, when the offices were moved. The meter and line sections remained at City Electric System's original Duval Street location. They were joined by the consulting engineers and contractors for the new steam plant. The Duval Street location was used until 1957 when the Distribution Service Build-



Customers paid their bills at City Electric System's offices on Eaton and Simonton Streets from 1951 to 1981.

To meet growing electrical demands, City Electric System began expanding the Key West Steam Plant in 1957.



ing on James Street opened.

Additionally, City Electric System began thinking about expanding its service area. The *Key West Citizen* reported, "Big Pine Line Priority," in headlines August 30, 1951. The news article stated that State Representative Bernie C. Papy and City Electric System Manager C.A. Van Deursen secured a Federal commitment from the Defense Electric Power Administration for the wire to build the line. "It will be the beginning of a new era for the Lower Keys." Representative Papy said. "Everybody cooperated to obtain this (wire) priority -- and we are all very happy about it."<sup>17</sup> Almost a year later, in June 1952, the Utility Board awarded the construction of the new transmission line to Big Pine Key to Roy Richards Company of Georgia. The cost of the contract was \$148,848.

"Lights Go On In Lower Keys As Big Pine Line Gets 'Hot'" announced a headline in the *Key West Citizen* March 11, 1953.

The lights went on, energized by the 35-mile long Big Pine Key power line, yesterday at 3 o'clock, bringing central power to the Lower Keys for the first time in history.

In the nine months since the contract was let to Roy Richards to perform the work, real estate values on the Lower Keys have soared. In addition, subdivisions have been organized and put on the market in Summerland Key, Boca Chica and Cudjoe Key.

The Big Pine line opened serving just 53 customers!

The 1950s and 60s were decades of vast expansion for City Electric System. The two 5-megawatt steam units were constructed and began operating; the Big Pine Line began serving the islands between Key West and Big Pine; and the customers were using more power than ever. To keep up with growing demands for power the Utility Board expanded the Key West Steam Plant by installing three 16.5 megawatt steam units in 1957, 1963 and 1966.

Construction of the 1957 unit included building a control room that operated all three generating units and the rest of City Electric System's distribution system, in-

<sup>17</sup> "Big Pine Line Priority," *Key West Citizen*, Aug. 30, 1951.

cluding substations and feeder breakers. Nearly a year after the 1957 unit began operating, general manager Merville Rosam commented on how much the new unit was needed to meet customer demand. "We didn't do it any too soon," he said. "Last December 15 -- three days before we got the new steam generator on the line -- we had to cut off power to part of the city at a time. Cold weather shoved the load up to 19,000 kilowatts on equipment supposed to carry 17,000 at peak!"<sup>18</sup>



Engineering, operations & electrical, and production crews pose for this picture on the back porch of the newly constructed Distribution Building (Service Building).

Members of the accounting office enjoy their new offices in the Service Building.  
 Front: Diane Long, Ida Benitez, Angela Abreu  
 Back: Beverly Lewin, Betty Anuez, Alicia Cook, Margaret Cabrera, Rose Smith, Edris Sheppard, Edith Gardner, Margaret Labrada, Eloise Wagoner, Peggy Vaughn and JoAnn Yates.



In 1953, some 60 employees formed Local 675, International Union of Operating Engineers, an affiliate of the American Federation of Labor. The employees organized to achieve a 40-hour work week and a retirement plan. Additionally, on December 17, 1953, the city's municipal employees formed the Southernmost Federal Credit Union. Seven city workers and City Electric System General Manager Merville Rosam signed the charter as the first step to provide a federally controlled savings and loan organization for more than 200 municipal employees. Today, the Southernmost Federal Credit Union serves employees and retirees of City Electric System, the Florida Keys Aqueduct Authority, the City of Key West including the Key West Police and Fire Departments, and Monroe County including the Sheriff's Department. The office is located on City Electric System property adjacent to the William Arnold Service Building.

City Electric System opened the Distribution Service Building, which later was named the William Arnold Service Building, at Grinnell and James Streets in June 1957. The Service Building housed the engineering department, the operations and electrical system operating staff, and the controller and general accounting staff. It was also the main warehouse.

City Electric System continued to provide community service to the City of Key West by installing lights in the city's recreational areas. In August 1954, City Electric System installed tall light poles for the new Key West High School football stadium. A caption in the *Miami Herald* stated, "Workmen of the City Electric System of Key West erect one of the tall light poles which will make the Key West High School football stadium one of the brightest in the South. A total of 240 bulbs each of 1,500 watts will be placed atop this and similar poles." Then in 1959, City Electric System renovated the lighting at Wickers Field. The \$10,000 work was completed by the line department.

City Electric System received much positive publicity in August 1958 when it invited the community to an open house at the power plant. More than 1,500 people attended, and a *Key West Citizen* article on August 10 quoted a number of peo-

<sup>18</sup> "Growth of City Electric Is Told," *Key West Citizen*, Sept. 17, 1958.

ple who were impressed with the power plant. One visitor stated: "The plant is magnificent and clean. It shows good management."

In 1959, the citizens of Key West were enjoying the many benefits of a public power system. City Electric System performed public service activities like installing the Wicker's Field lights, and City Electric System offered low rates. On March 8, 1959, Horace O'Bryant, chairman of the Utility Board, announced that Key West



City Electric System installed three high-speed peaking diesels at the end of Front Street, Stock Island.

had the lowest average electric rate in the State of Florida -- \$10.50 per 500 kilowatt hours. The Federal Power Commission reported Key West's rate at \$11.03, but O'Bryant said it included a 53 cent fuel adjustment that had been dropped, but was not deducted from the reported figure. Tampa at \$10.56 per 500 kilowatt was reported as the state's lowest, but the adjusted Key West figure left Key West with the actual lowest at \$10.50.<sup>19</sup>

In April 1959, the Utility Board received kudos from the *Key West Citizen* on its decision to expand the distribution system to the Cudjoe Key missile tracking station.

The City Electric System, we think, deserves congratulations on its signing of the contract to supply power to the new Cudjoe Key missile tracking station.

Electric System manager Merville Rosam told the Utility Board Tuesday that the cost of putting in the lines and equipment to supply the power would be a hefty \$15,000 or so -- but that the income from the line to the missile watching post should be some \$6,000 or \$7,000 a month.

This, we think, is an excellent example of foresight, just as the building of the power line to supply "juice" to Big Pine a few years ago.<sup>20</sup>

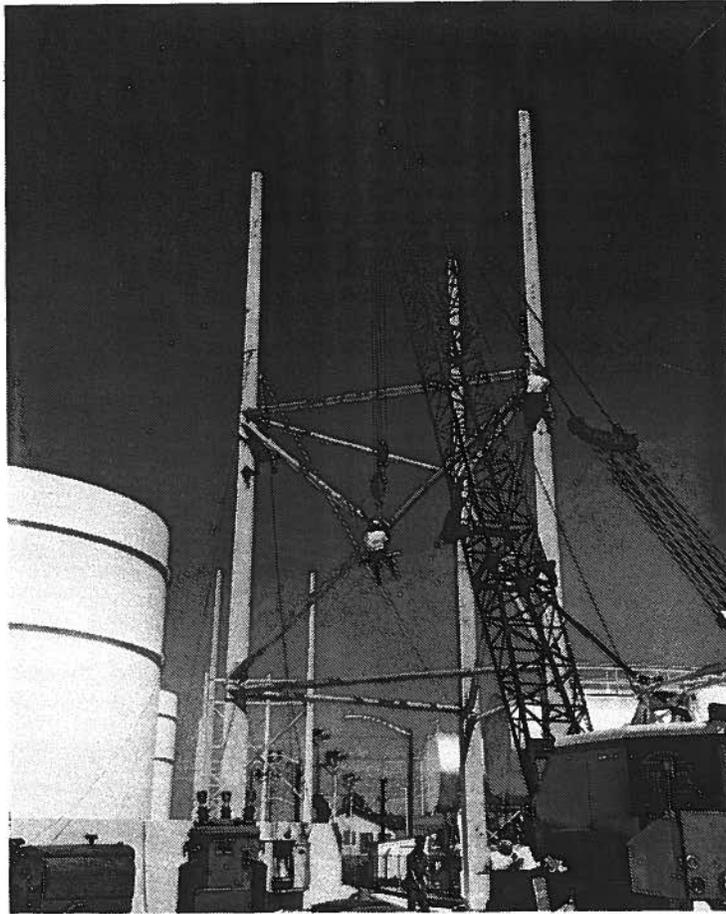
Generating capacity expansion continued, when in April 1965, the Utility Board dedicated the six-megawatt peaking plant on Stock Island. The new plant consisted of three two-megawatt generating units built by the Electro Motive Division of General Motors. The three units could be operated remotely and could be on-line and at full power in about 90 seconds. In 1966, City Electric System installed a 2.3-megawatt diesel and in 1969, added a 2.75-megawatt unit at Cudjoe Key. Additionally, in 1969, a 2.75-megawatt diesel unit was installed at the Key West Diesel Plant on Angela Street, but that unit was moved to Big Pine Key in 1981. Today, the Stock Island Peaking Diesels, the Cudjoe Key Peaking Diesels and

<sup>19</sup> "Local Electric Rate is Lowest in State," *Key West Citizen*, Mar. 18, 1959.

<sup>20</sup> "City Electric Eyes Future," *Key West Citizen*, April, 17, 1959.

the Big Pine Key Peaking Diesel still provide power to City Electric System's customers.

In 1962, City Electric System hired Allied Construction Co. to construct a 69-kilovolt transmission line to connect the Key West Steam Plant and the new 13th Street (Kennedy Drive) Substation. The new transmission line, which traversed both land and water, was put to the test during the 1963 Hurricane season.



Crews built the 69-kilovolt transmission line between the Key West Steam Plant and the Kennedy Drive Substation.

Having withstood Hurricanes Ginny and Helena and their precursors, this line awaits further assaults of wind and rain out of the Pandora's box of the Caribbean and South Atlantic.

This line was built only last year by the City Electric System of Key West, when the havoc of 1962's (1960's) Hurricane Donna was fresh in the minds of the designers. They were determined that their work would not be swept away by future hurricane winds.<sup>21</sup>

The line, designed to withstand 120-mph winds with gusts up to 180 mph, utilized pre-stressed concrete poles.

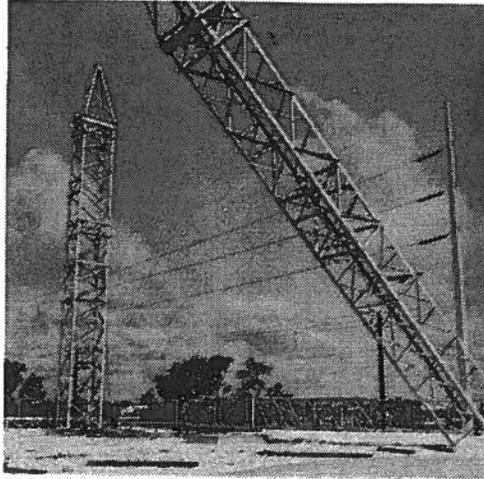
The transmission and distribution systems continued to grow. In 1966, a 69-kilovolt transmission loop was completed, running from the Key West Steam Plant to the Old Diesel Plant to the Kennedy Drive Substation. Additionally in 1966, a 69-kilovolt transmission line from the Kennedy Drive Substation to the new Stock Island Substation was completed. In 1968, Allied Construction Co. also constructed a 69-kilovolt transmission line to the new Big Coppitt Substation.

At the System's 25th anniversary in 1968, the number of customers had grown from just under 4,200 at the time the City purchased the utility to 13,503 as reported in the 1967 annual report. Kilowatt hour sales grew from 6,781 in 1943 to 195,389,000 in 1967; and the System's generating capacity had increased from 2,940 kilowatts in 1943 to 72,890 kilowatts in 1967.

The end of the 1960s proved to be a dark period for City Electric System. A Monroe County grand jury indicted City Electric System's manager for allegedly embezzling public funds when he received more money for travel expenses than allowed under state travel law and for allegedly conspiring to cheat the Board in the purchase of six acres on Cudjoe Key for \$66,000 when the fair market value was only \$6,000. Following the grand jury indictment, Florida Governor Claude Kirk

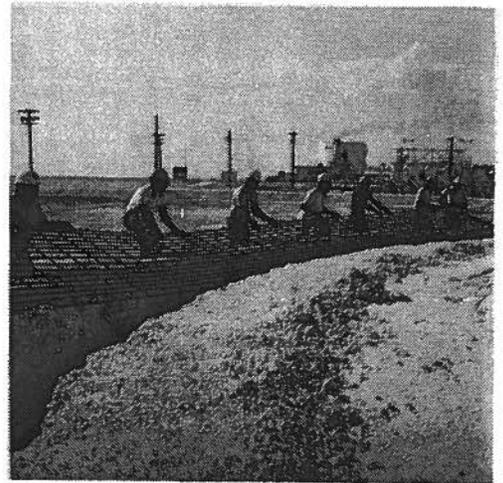
<sup>21</sup> Rosam, Merville, "Hurricanes Rip at Key West's New 69 Kv Line Over Land and Water," No. 11, 1963.

also suspended three Utility Board members. Mayor Kermit Lewin and Henry Haskins remained on the Utility Board, and three new members -- Bill Williams, Harold Bevis and Henry Lee III -- were appointed. Eventually, the new Utility Board appointed a new manager -- Joe Roberts, a City Electric System employee who had begun his career in 1943 as an oilman at the diesel plant on Angela Street. Roberts served as manager of the System until his retirement in 1973.



Construction crews began erecting the substation at Stock Island in the late 1960s.

Crews lay the foundation for the Ralph Garcia Steam Plant on Front Street, Stock Island.



As a result of the scandal, the Florida State Legislature passed a new enabling act for the governing of City Electric System. This act called for the popular election of all five Utility Board members with the chairman serving two years and the four members each serving four-year terms.

In 1969, City Electric System management established the Commercial Section to handle rate classifications and customer complaints. The Utility Board also recognized Local 1990, International Brotherhood of Electrical Workers as the sole and official bargaining representative of non-management employees.

The 1970s got off to an exciting, progressive start. In July 1971, City Electric System mailed out its first computerized monthly bills. In November 1972, the Ralph Garcia Steam Plant began operating. Today, the 37-megawatt steam unit still serves the System as its primary generating unit.

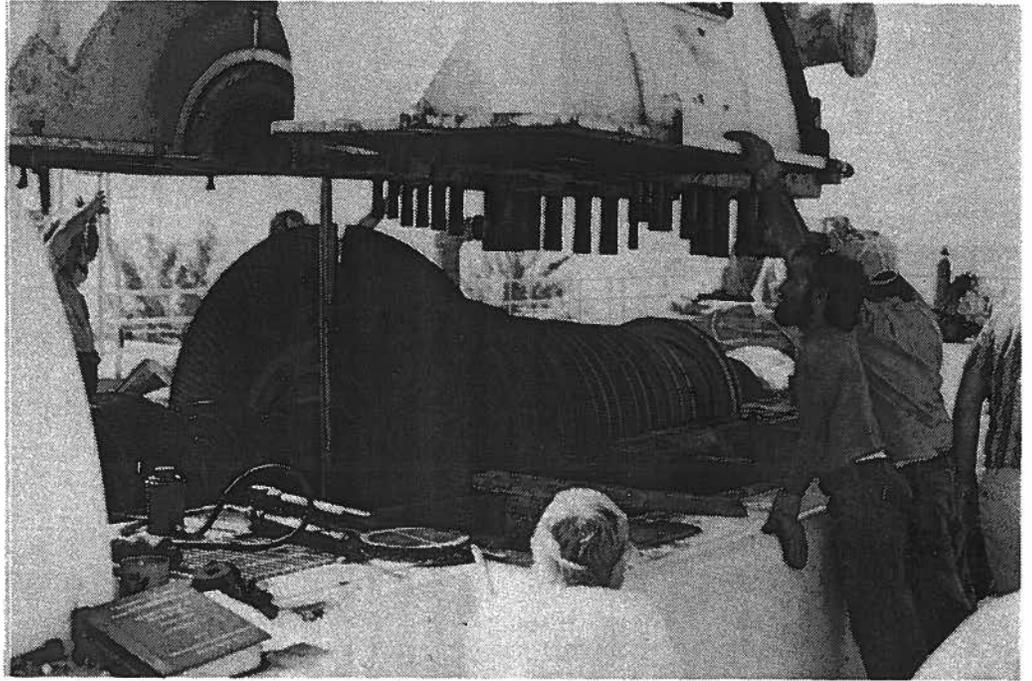
But it wasn't long before City Electric System was in turmoil.

In 1971, the U.S. government made the announcement that the military installation in Key West, which accounted for 42 percent of City Electric System's revenues, was on the base closure list. The announcement prompted City Electric System representatives and numerous others from Key West to lobby the Base Closure Committee in favor of keeping the base open. Finally, the Base Closure Committee recommended closing most of the U.S. Naval Base in Key West; however, the committee recommended maintaining the Boca Chica Naval Air Station. Following the decision, Navy kilowatt hour usage dropped dramatically from 42 percent of the System revenue. Today, the U.S. Naval Bases in City Electric System's service area account for 17 percent of the area's kilowatt hour sales. Following this sudden drop in kilowatt-hour sales in the early 1970s, City Electric System found itself short on funds for important maintenance and with a debt service ratio that did not meet bondholders' requirements.

In March 1974, the Utility Board faced a hefty rate increase or a possible takeover by the trustees of the bondholders.

The governing board at the City Electric System is faced with an 'either-or' situation this week.

Either they vote to raise the basic overall power rate by 16 1/2 per cent -- or they face the possibility of a takeover by the trustees of the bondholders. "At the present time, it's a marginal operation," (William) Cates noted today, "in the months to come, unless the rates are increased, we will have to take drastic steps to be sure we keep up the debt coverage..."<sup>22</sup>



Crews lift the cover from the Ralph Garcia Steam Plant turbine to begin the overhaul.

The *Key West Citizen* article went on to describe a steady decrease in kilowatt hour sales following a steady increase in fuel costs, a need for two overhauls on the Ralph Garcia Steam Plant, and a plethora of letters and phone calls protesting any rate increase.

In the end the Utility Board voted to revise the rate schedule. The new rate schedule provided an overall increase in base revenues of 16.5 percent. Residential customers experienced a 10.7 percent increase; the military and general service customers experienced a 23.9 percent increase; the municipal rate increased 24 percent; and the commercial and street light rates remained the same.

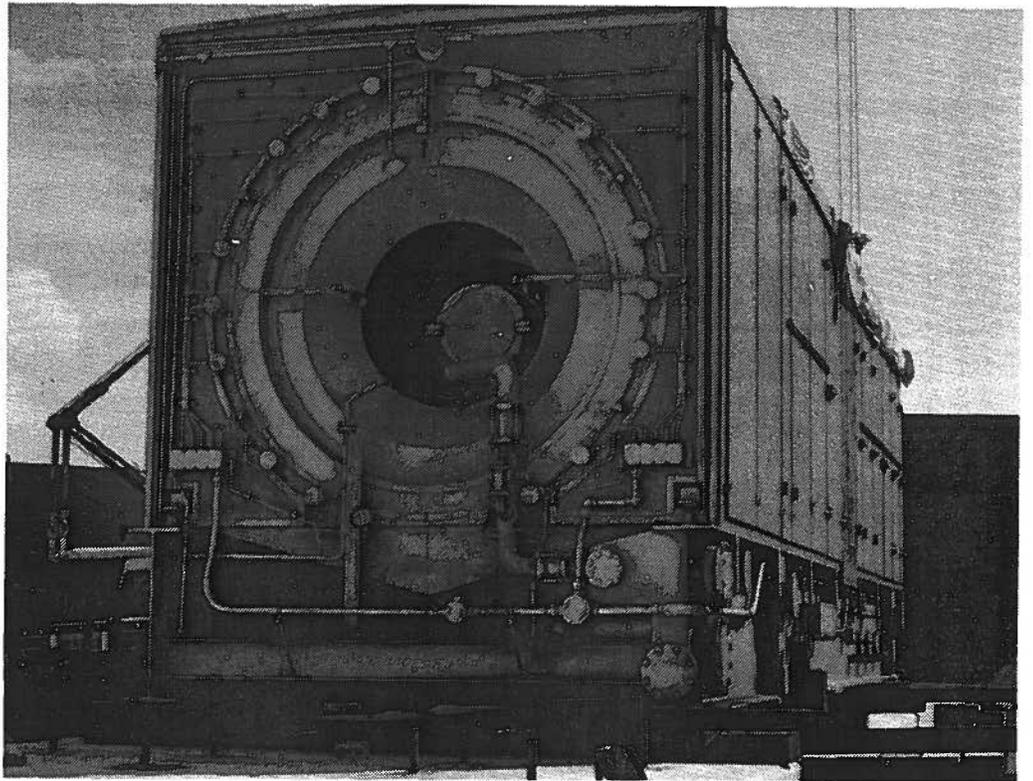
In 1976, customers again experienced a rate hike to raise an estimated \$593,000 toward \$1.3 million needed for improvements to the system. During that rate increase, residential customers' base rate increased 8 percent. In 1976, City Electric System had the first taste of the power outages that were to become a way of life in the Lower Keys in 1978. On September 29, an outage resulted from a fan malfunction at the Ralph Garcia Steam Plant. Despite conservation appeals, power was out from 5:52 a.m. until noon. Then six hours later a boiler tube ruptured. City Electric System crews scrambled to switch the load to the Key West Steam Plant.

Plagued by a series of problems with a generator at the Key West Steam Plant and a major tube failure at the Ralph Garcia Steam Plant, the system began experiencing brown outs in the summer of 1978. The power shortages lasted from July 28, 1978 through the first week of September, 1978. "The month of August 1978 was as hot and humid as any Key West August, and the System was plagued by brownouts, causing widespread discomfort and complaints on the part of the System's customers. The Arab fuel embargo of 1973 had sent the cost of fossil fuel oil skyrocketing. One of the results of this was that the System could no longer afford to maintain a 'spinning reserve,' which in the event of a blackout or brownout, enabled electric power to come back on line quickly. This lack of a spinning reserve made the brownouts last longer."<sup>23</sup>

<sup>22</sup> Frank Jacobson, "CES takeover possible soon," *Key West Citizen*, Mar. 19, 1974.

<sup>23</sup> Ben Martin, "The City Electric System: A History," Oct. 1988.

As a result of power supply problems, the Utility Board approved the emergency purchase of a \$4.5 million, 22-megawatt gas turbine generator. The General Electric turbine was installed next to the Key West Steam Plant in early 1979 and helped to alleviate the power shortage. "The unit should help guarantee against a recurrence of the intermittent localized blackouts the city suffered last summer," the *Key West Citizen* reported.<sup>24</sup> Today, the gas turbine still provides City Electric



The 22-megawatt gas turbine arrived in Key West by barge. The turbine (front) and generator (back) were lifted onto the foundation behind the Key West Steam Plant.

System with emergency backup power.

The power shortages and steep increases in the costs of purchasing diesel fuel prompted the Utility Board to undertake a search for alternative methods of generation. Three separate engineering studies commissioned by the Utility Board reached the same conclusion: City Electric System should construct a tieline to the mainland power grid.

Lest the 1970s go down in history as a wholly negative decade for City Electric System, remember that on October 22, 1975, Rose Arnold was sworn in as the only female Utility Board member in the history of the Board. Mrs. Arnold served out the remaining term of her late husband, William Arnold. The Utility Board also voted to name the service building on James and Grinnell Streets the William Arnold Service Building in his memory.

Additionally, in June 1976, City Electric System installed seventy 1,000 watt metal halide floodlights for the Key West High School stadium.

The close of the 1970s was a good time for the employees of City Electric System. The employee newsletter, *Watts Up*, made a return, and the Utility Board began naming an Outstanding Employee of the Quarter. On December 8, 1979, City Electric System hosted a Management vs. Union softball game at Gerald Adams Elementary School. The management team won both of the seven-inning games in the double header. "A capacity crowd of close to 100 cheering fans -- including a dog and two cats -- witnessed the epic struggle."<sup>25</sup>

The early 1980s were busy for the meter and commercial sections.

In March 1980, City Electric System issued a pamphlet warning customers against meter tampering. "In recent years, the whole nation has become more conscious of energy and its costs. And a new kind of criminal has emerged -- the electricity thief. The first thing people who tamper with an electric meter should know is that they're flirting with danger," an article in the March 1980 *Watts Up* said. In

<sup>24</sup> "Generator To End Blackouts Installed," *Key West Citizen*, Dec. 8, 1978.

<sup>25</sup> "A Softball Classic," *Watts Up*, Jan. 1980

October 1981, the meter section began a meter reseal program that included numbering and color coding each seal. Ralph Betancourt, meter section supervisor, explained that the program was designed "to establish better control of our meters and to cut down on energy diversion. We want to protect our honest customers from having to pay for stolen energy."<sup>26</sup>

Additionally, City Electric System began promoting energy conservation in



The October, 1981 *Watts Up* states: Goodby Eaton St. At 4:45 p.m. on Friday, September 11, Charles Lounders, center, locks the doors of the Eaton Street Main Collection Office and prepares for the big trek to the lobby of the William Arnold Service Building. Collection Office staffers gather to wrap up 31 years of CES tradition. From Left, Beverly Carey, Susan Cartonia, Gloria Cisneros, Susy Pita, Lounders, Mervin Thompson, Deanna Padron, Wanda Castillo, and Barbara Landrian.

the early 1980s. In March 1980, customers were offered an energy analysis. The service, which is still available to all customers at no charge, provides customized recommendations for energy conservation and a free water-heater insulating blanket. In addition to creating the energy analysis program, City Electric System instituted a plan to convert all street and outdoor lighting from mercury vapor to high pressure sodium vapor bulbs.

City Electric System continued to provide community services in the early 80s. Crews constructed the lighting system at Peary Court Field, the home of the Girls' Baseball League, installed a temporary lighting system at Wickers Field, and designed a lighting system for the Bayview Park tennis courts.

On September 11, 1981, City Electric System finally closed the collection and customer service offices at the Scottish Rite Temple on Eaton and Simonton streets and moved the sections to the William Arnold Service Building. A caption in the October 1981 *Watts Up* states, "Collection Office staffers gather to wrap up 31 years of a CES tradition."

In December 1981 Thomas C. Kelly, a City Electric System employee who joined the staff in 1948 as a meter reader, was named manager. On March 10, 1983, Kelly passed the reins to Robert R. Padron. Padron, who came to work at City Electric in 1961 as a planner/estimator in the engineering section, celebrates his tenth anniversary as general manager as the System celebrates its 50th anniversary.

In a show of support for public power, City Electric System employees and customers turned out en masse to a Key West City Commission meeting June 4, 1986, to protest a utility takeover bid. The city commissioners rejected the takeover bid from Montenay International.

But by far, the most important date in City Electric System's history is May 8, 1987 -- the day City Electric System interconnected to the mainland power grid.

The story of City Electric System's tieline to the mainland begins in the late 1970s when three engineering reports recommended interconnecting to the main-

<sup>26</sup> "Meter Section To Reseal All Meters In CES Area," *Watts Up*, Oct. 1981.

land power grid. City Electric System went to the City Commission for approval of a \$50 million bond issuance and approached the Florida Keys Electric Cooperative for an agreement to wheel 50 megawatts through their transmission lines. The Key West City Commission granted approval of the bond issuance in November 1980, but negotiations with the Florida Keys Electric Cooperative proved to be more of a challenge. "Negotiations with the Co-op were prolonged," Robert Padron, general



Tieline construction began in 1981. Phase III began in 1984 and included some 7 miles of line over water. The tieline began operating in May 1987.

manager, said. "Agreement was reached on the courthouse steps," he added. Negotiations between the two utilities had come to a standstill; it looked as if the utilities would have to face off in a hearing before the Public Service Commission in Tallahassee. Padron said he remembers that he and then Mayor Richard Heyman went to the Key West International Airport on New Year's Day 1985 to catch a plane to Tallahassee. Then, they received word that the attorneys for the two utilities had agreed to go back to the negotiating table. A final agreement for wheeling power over the tieline was signed in February 1985, and the tieline project moved forward.

While negotiations were underway with Florida Keys Electric Cooperative, City Electric System began moving forward with construction of the 138-kilovolt transmission line. Construction of Phase I -- from Cudjoe Key to Big Pine Key -- began in January 1981. Construction of Phase II, which included the transmission line from Big Coppitt Key to Cudjoe Key and the substation at Big Pine Key, began in September 1983. By August 1984, Phases I and II were completed.

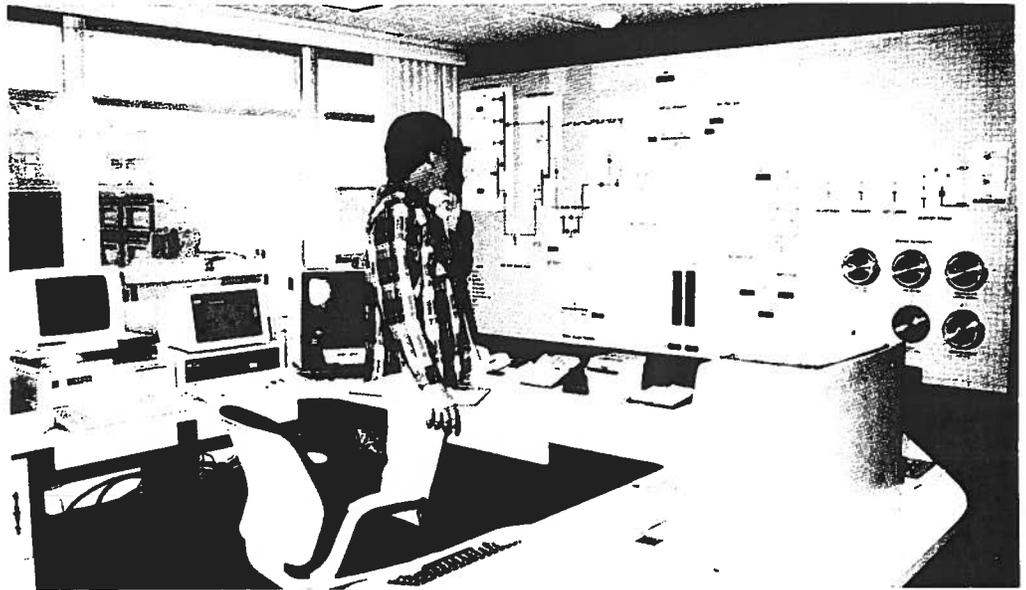
In the fall of 1984, City Electric System awarded the contract for Phase III of the tieline to Kohler Construction Company. Phase III included some 16 miles from Big Pine Key to Knights Key with more than seven miles over open water.

While construction of Phase III of the tieline was underway, City Electric System constructed a state-of-the-art control room on the second floor of the William Arnold Service Building. Remote operations of the diesels and of the system's transmission and distribution system moved from the Key West Steam Plant to the new control room.

On September 24, 1986, the Utility Board approved creating six new positions -- five power system coordinators and one power system supervisor. All City Electric System employees had an opportunity to complete the five-month training course composed of audio-visuals and correspondence courses. City Electric System management encouraged all employees to take advantage of the training and provided employees with an incentive. Employees who completed the course and were selected for one of the six new positions were entitled to \$400, and employees

who completed the course but were not selected for the new positions received \$800. Fourteen employees completed the more than 200-hour course. From the 14, the Utility Board selected six employees to take on the new and important jobs of deciding whether to produce or purchase power, and where to purchase power in order to provide City Electric System with the greatest economic savings.

May 8, 1987, City Electric System's tieline to the mainland power grid began



Power System Coordinator Harry Bethel, Jr. decides hourly how much power to produce and how much power to purchase. He negotiates with other utilities to purchase power that comes to Key West over the tieline. In the first full fiscal year of operation, the tieline saved ratepayers nearly \$4 million.

operating. Employees Frank Cartonina and Richard Castillo stood by at the Big Pine Key Substation, while a crowd gathered in the Control Room. Terry O'Dell, one of the new power system coordinators, coordinated with Cartonina and Castillo to "sync in" at 1:56 p.m. Larry Thompson remembers that "there were shouts of 'we're in,' and everyone was congratulating each other."

The Utility Board made a commitment to maintain 100 percent backup generation. Utility Board members likened the tieline to a 130-mile extension cord that could fail, especially in the hurricane-prone Florida Keys.

The tieline has enabled City Electric System to purchase less expensive power from other utilities throughout the State of Florida. Additionally, City Electric System has partial ownership, through a contract with Florida Municipal Power Agency, of a coal-fired power plant in Orlando, Stanton Energy Center Unit 1, entitling City Electric System to about 12 megawatts of power. Though City Electric System has backup generation, power system coordinators choose to purchase 70-80 percent of the area's power requirements from other utilities, while producing just 20-30 percent of the power locally. During the 1988 fiscal year, the first full year operating with the tieline, ratepayers saved \$3,932,209 compared to what they would have paid had the electricity been completely generated by City Electric System.<sup>27</sup>

Concerned about the major change in operations that the new tieline would effect, the Utility Board hired David P. Kelly and Associates of Atlanta, a management consulting team, in 1986. The consulting team, referred to as the 'Kelly Boys' by employees, recommended restructuring City Electric System's work force to operate more effectively with the new tieline. The plan called for establishing four departments -- operations, production, finance and customer services -- and for reducing the work force from 217 to 170. Under the 'Kelly plan,' the work-force reduction was achieved through attrition; no employees were laid off.

In September 1987, 23 City Electric System employees from the line, engineering and electrical sections revamped the lighting at Wickers Field. Over a two-year

<sup>27</sup> Utility Board of the City of Key West, *1988 Annual Report*.

period, City Electric System erected four banks of 12 metal halide lights. The City of Key West paid for the lights, but City Electric System donated the labor, about 360 man-hours.

On December 12, 1987, City Electric System employees gathered at the new Medina Line Building to dedicate the building in memory of Rafael Tony Medina, a City Electric System journeyman lineman who had fought a long and courageous



The Key West Steam Plant was retired in 1991. In 1992, contractors removed the five stacks. Removing the stacks, sent boaters, who for years had used the soaring stacks as a guide for returning from the Atlantic and Gulf, in search of a new landmark.

battle with cancer.

In order to meet the 100-percent backup generation commitment, the Utility Board decided, in 1988, to purchase two Colt Pielstick 9.6-megawatt quick-start diesel generating units from Fairbanks Morse. In order to fund the project, the Utility Board issued \$22 million in electric revenue bonds. To meet bond ordinance, the Utility Board had to raise rates 6.68 percent. Extra funds from the rate increase were placed into a rate stabilization fund. That wise planning has enabled the Utility Board to delay any additional rate increases.

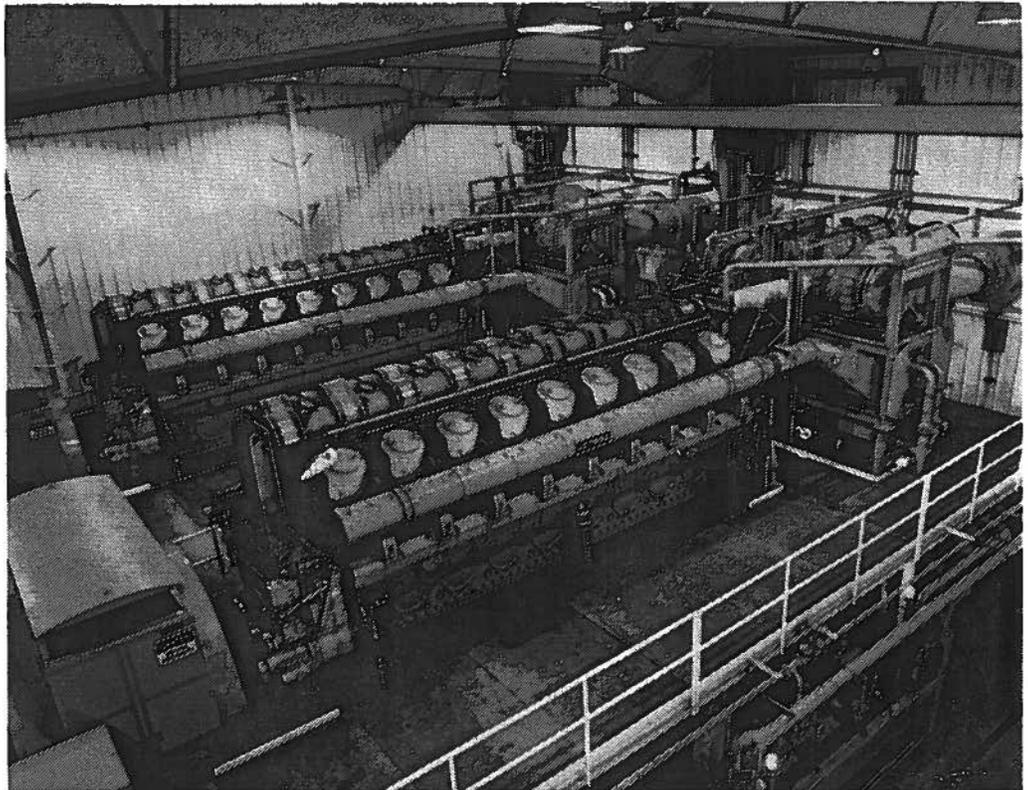
With the two new medium-speed diesel generating units in operation, the Utility Board voted to officially retire the Key West Power Plant. Actual retirement began in 1978 when City Electric System stopped using Units 1 and 2, while the other three units operated throughout the 1980s. In 1987, City Electric System stopped using unit five after a fire in the front end damaged the unit; and it was never repaired. In 1990, the decision to stop using Units 3 and 4 was made. The units were costly to run and to maintain to environmental permitting requirements; moreover, residents in the area complained of soot fallout from the plant. City Electric System allowed the permits to expire, and the Key West Steam Plant had its "last hoorah" in May 1991.

Since then, the System's Production Department has been working on the formidable task of planning the plant's decommissioning. During 1992, eight critical projects took place. Removing the stacks, the most noticeable project, sent boaters, who for years had used the soaring stacks as a guide for returning from the Atlantic and the Gulf, in search of a new landmark. And for those accustomed to seeing the stacks, their removal gave the plant's closing finality.

With the close of the Key West Steam Plant, the only generation remaining in Key West is the 22-megawatt gas turbine. In order to maintain reliable service in Key West, City Electric System decided to construct a second 69-kilovolt transmission line linking the Stock Island generating facilities to Key West. "With one 69-kilovolt transmission line already in place, this \$1,249,600 project satisfies the need for a dual feed from Stock Island to Key West. If one line fails for any reason, City

Electric System will still be able to provide electricity to customers in Key West through the alternate line."<sup>28</sup>

In 1991, City Electric System took a major step toward securing power supply through 2012 when the Utility Board voted to enter into a long-term power supply agreement with Florida Power and Light. "The agreement for firm capacity and energy... will provide CES an assured firm power supply, improved reliability and



Each of the medium-speed diesel generating units produce 9.6 megawatts. The quick-start units are used primarily for backup generation.

at a substantial savings compared to other options investigated," City Electric System's consultants, Southern Engineering stated.<sup>29</sup> Under the agreement, City Electric System receives a firm 45 megawatts from FP&L, and the amount of power can increase as much as 10 percent a year. Additionally, City Electric System has partial ownership in Stanton Project II, a coal-fired power plant near Orlando. The unit is scheduled to begin operating in 1997. At that time, City Electric System will be entitled to about 10 megawatts

City Electric System and the Florida Keys Electric Cooperative entered into a long-term joint investment transmission agreement in December 1991. Under the agreement, City Electric System becomes a part owner in the transmission line in FKEC's service area. Both utilities will be responsible for a portion of the costs and entitled to a portion of the system's capacity.

Since 1987 when we began utilizing the 138-kilovolt tieline, we have essentially rented "space" on FKEC lines.

We have paid for this rented space, we have been free from maintenance responsibility; and we have had no guarantees that the line will be available to us in the future.

Now, that we have become joint owners, we can feel more comfortable in the guarantee that the line will be available to us long into the future.<sup>30</sup>

Under the agreement, City Electric System and Florida Keys Electric Cooperative will build a new 138-kilovolt transmission line to replace an existing 69-kilovolt transmission line along U.S. 1 Highway from the Monroe County Line to Tavernier. Construction on the line began August 2, 1993, and when complete, will increase electric transmission capacity and reliability into the Keys, while reducing costs to both City Electric System and Florida Keys Electric Cooperative.

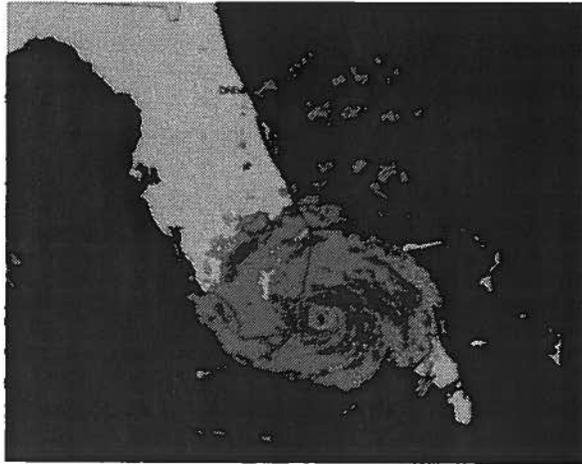
<sup>28</sup> Utility Board of the City of Key West, *1988 Annual Report*, p. 8.

<sup>29</sup> Utility Board of the City of Key West, "Securing Power for the Future," *Watts Up*, Aug. 1991, p. 2.

<sup>30</sup> Utility Board of the City of Key West, "Agreement with FKEC benefits CES," *Watts Up*, Feb. 1992, p.2.

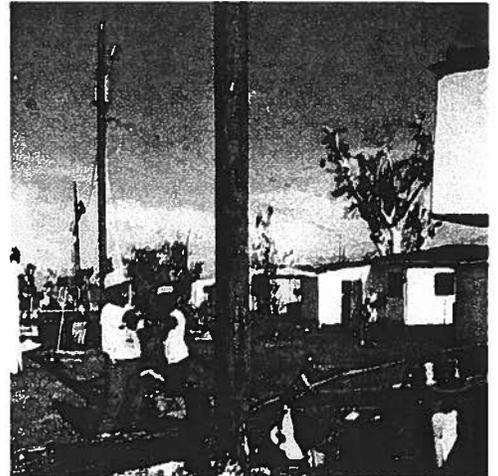
In February 1992, the Utility Board decided to change its policy of maintaining 100 percent back up generation to the tieline. Considering the extreme costs of building and maintaining new generation, the Utility Board decided a sounder policy would be to maintain 70 percent backup generation to the tieline, as recommended in a study performed by the Southern Engineering Company of Atlanta.

Hurricane Andrew, an event that will go down in history as the nation's most



Hurricane Andrew unleashed its fury upon South Florida on August 24.

City Electric System crews helped rebuild Homestead's distribution system.



devastating natural disaster, affected City Electric System. It was August 24, 1993, when Hurricane Andrew unleashed its fury upon South Florida. At 4:45 a.m., Andrew's winds ripped down a portion of the tieline, leaving the people of the Lower Keys to rely on local generation, which had a total capacity of 78 megawatts. Before the hurricane, customers had been demanding as much as 94 megawatts. City Electric System turned to the community with one message: conserve. The community came through, and for ten, long, hot days, the community conserved enabling City Electric System to avoid rotating power outages and to sell small amounts of power to our neighboring Florida Keys Electric Cooperative. While the community conserved, City Electric System linepersons worked to restore the tieline with Florida Keys Electric Cooperative and Florida Power & Light crews. The tieline began operating again on September 4. As soon as the tieline and full power in the Keys were restored, line and engineering crews traveled to Homestead and assisted our devastated neighbors in their rebuilding effort.

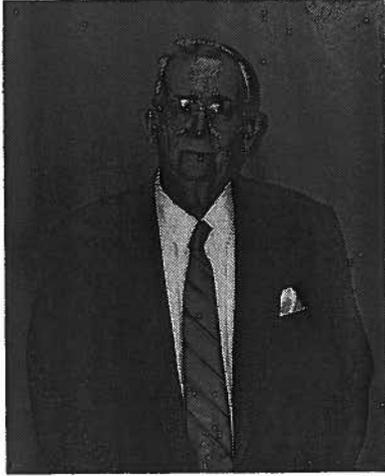
In 1993, our 50th anniversary, it's interesting to note that at the close of fiscal 1992, we had 24,174 customers compared to just under 4,200 fifty years ago and 13,503 twenty five years ago; kilowatt hour sales were 484,270,000 compared to 6,781,150 in 1943 and 195,389,000 in 1967; and the System's generating capacity was 136 megawatts ( 86.4 megawatts with local generation and 50 megawatts over the tieline) compared to 2.9 megawatts in 1943 and 72.8 megawatts in 1967. Today, 198 employees oversee an operation that generates more than \$44 million in revenues

City Electric System's growth and success can be attributed to the community's support and expectations; the Utility Board's insight when planning for tomorrow; and our employee's resiliency, innovation and, most importantly, dedication.

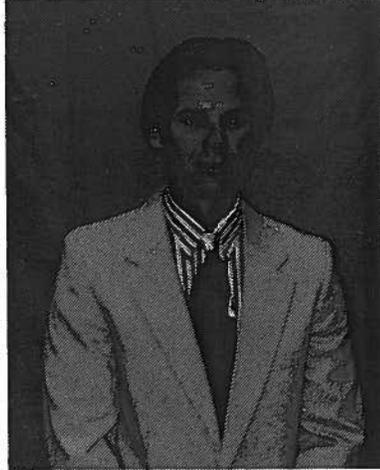
1943

City Electric System

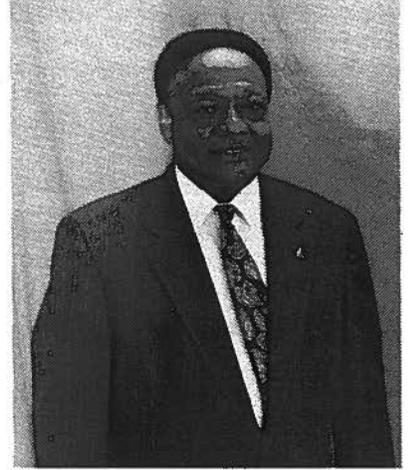
1993



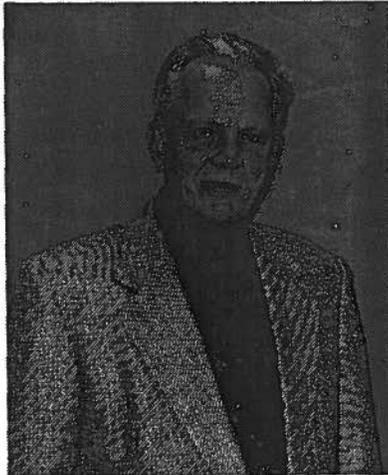
William Cates  
Chairman



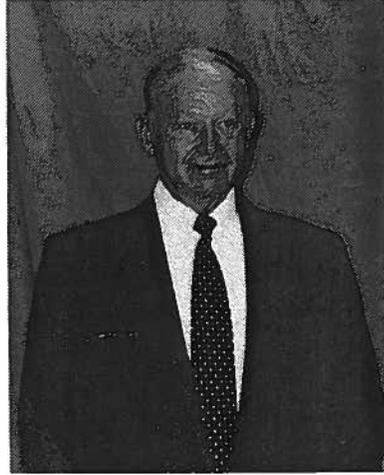
Marty Arnold  
Vice-Chairman



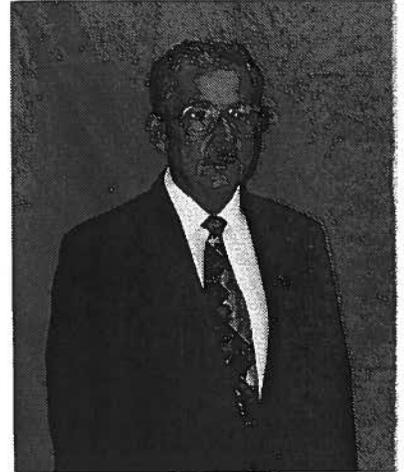
Otha Cox  
Member



Leonard Knowles  
Member



John Robinson  
Member



Robert Padron  
Secretary and General Manager

**Original Board Members:**

Mayor Willard M. Albury	Horace O'Bryant
Reginald Pritchard	Ernest Ramsey
J. Glenwood Sweeting	

**Past Board Members**

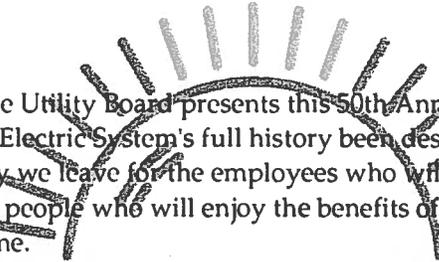
Ben N. Adams	C.B. Harvey
A. Maitland Adams	Henry Haskins
Willard Albury	Edward L. Jackson
Rose Arnold	Richard A. Kerr
William Arnold	A.J. Lastres
Harold Bevis	Henry Lee, III
Fernando E. Camus	Kermit Lewin
John Carbonell	Charles E. Logan
Louis Carbonell	Anthony Niles
Bill Chappell	Leland G. Roberts
Delio Cobo	Paul Ross Roberts
Henry E. Coleman	Thomas Roberts
Jack C. Delaney	J. Willard Saunders
W.W. Demeritt	Richard Sawyer
Fred Dion	Ross C. Sawyer
Louis Eisner	Charles E. Smith
Chuck Freeman	Gayle Swofford
Allan L. Hampton	Bill Williams
Hunter Hardin	

**Current Board Members:**

William T. Cates	Marty Arnold
Otha Cox	Leonard Knowles
John Robinson	

City Electric System is a municipal utility, owned and operated by the people of Key West, which provides its customers with a number of services. In addition to providing electricity, City Electric System also:

- offers free home energy surveys to help customers conserve electricity.
- provides mulch to customers.
- installs and maintains area lights to customers who request lights.
- offers a special program, "*Add Some Electricity to Your Curriculum*" to the schools in the area.
- participates in neighborhood Crime Watch.
- hosts community blood drives.
- donates and sets poles to protect our Florida Keys wildlife.
- participates in career days at local schools.
- provides water flow-restricting shower heads.
- recycles.
- transfers at least \$100,000 to the City of Key West every year.
- installs and maintains street lights including special old-fashioned style lights on Duval Street.
- installs and maintains recreational lighting in the City of Key West.
- hangs Crime Stoppers signs.
- provides interested customers with tours of the facilities.
- trims trees that are in power lines.
- hangs banners in downtown Key West for non-profit organizations.
- maintains traffic lights.
- provides employees to tutor students at Poinciana Elementary School.
- invites students to "shadow" employees.
- mulches Christmas trees.
- hires college-bound students as summer interns for community growth.
- airs educational commercials produced by middle school students.
- wraps water heaters.
- offers customers with energy conservation tips.
- provides speakers on a variety of subjects.
- provides employees to participate in Poinciana Elementary School's Drug Busts.
- provides meeting space to non-profit organizations.



It is with great pride that the Utility Board presents this 50th Anniversary publication. Never before has City Electric System's full history been described in such detail and life. This is a legacy we leave for the employees who will operate City Electric System and the many people who will enjoy the benefits of our public power system for years to come.

We would like to take this opportunity to thank Wright Langley for researching the history and compiling numerous pictures and Key West Citizen articles. We'd also like to thank Lynne Fejeda who designed and wrote the publication. Finally, we thank the many City Electric System employees and retirees who took the time to share their special memories.

Your City Electric System is a municipal utility that is owned and operated by the people of Key West. As such, City Electric System does not have to answer to shareholders, nor does it have to worry about making profits. Instead, City Electric System answers to you, our customers, and City Electric System strives to provide what you expect - reliable electricity, reasonable rates and helpful services.

Join us in celebrating **CITY ELECTRIC SYSTEM** Bringing Power To The People for 50 Years.

Bringing Power To The People for 50 Years

Mr. William T. Cates, Chairman

Mr. Marty Arnold, Vice Chairman

Dr. Otha P. Cox, Member

Mr. Leonard H. Knowles, Member

Mr. John H. Robinson, Member

Mr. Robert R. Padron, General Manager

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