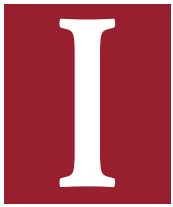


APPA's CEO Sue Kelly



Leadership Lyceum's Podcast Summary,
hosted by Tom Linquist



joined Sue Kelly, president and chief executive officer of the American Public Power Association, or APPA, in her office in Washington D.C.

I have presented CEOs across a wide spectrum of company settings. Here I present a CEO in a unique type of organization – the industry trade association.

Trade associations play many complex roles for their membership, including as advocate for an industry's position on political, legislative and regulatory issues, as information source on current and emerging issues from an informed frontline position, as promoter of the industry, its people and their accomplishments, and as educator for the professionalism of its membership.

The American Public Power Association serves its membership, which is comprised of about fourteen hundred public power utilities spread across forty-nine states. While it has no members in Hawaii, its membership also includes public power utilities in American Samoa, Guam, the Northern Mariana Islands, the U.S. Virgin Islands and Puerto Rico. Sue Kelly has served as APPA's CEO since 2014.

Leadership Lyceum (LL): By way of context, associations have historically been inextricably linked to democracy in the United States. Fifty years after America's founding, a Frenchman named Alexis de Tocqueville observed America's democracy and wrote a book which to this day remains an accurate and insightful commentary about democracy in America, aptly titled, *Democracy in America*.

In his day, democracy was still something of a novelty. Other countries had tried various forms and components of democratic government. De Tocqueville observed that the strength of the U.S. democracy lay in the free association of its citizenry – the day-to-day local involvement of Americans with people who share common interest in running schools, helping neighbors, and joining organizations. He said that free association combats the natural ailments of democracy, including selfishness and apathy.

Sue Kelly: He was talking about how America is just a bunch of joiners. There was an association for everything. He's right. We do have an association for everything. D.C. is associations central.

Associations are a vital part of the Washington area economy. We perform a very valuable function of representing our memberships, whatever they might be. What we all do is in effect, translate Inside the Beltway to Outside the Beltway, and vice versa.

We bring the concerns of our members, from across the country, whatever they might be, from whatever industry or line of business that they're in, and then translate that to what's needed in Congress and at the agencies. We just tell our story and talk about what we need from the federal government in order to make things work.

That's a classic role of an association. I almost see myself, at least in the case of our Association, as the mayor of public power. We are all communities across the country; as you noted, we have about fourteen hundred members in forty-nine states.

We range in size from the Los Angeles Department of Water and Power, to small towns with five hundred meters in very rural

We bring the concerns of our members from across the country and translate that to what's needed in Congress and at the agencies.

areas. We all share common concerns, but there's a lot of differences too. They're each a community, but APPA is the community of communities.

In addition to representing them in Washington, I see one of our biggest services and functions is to help them work with each other and learn from each other. It's almost like we're a learning community. This is especially

so, given the time of change that we're in in our industry, where we're having to adapt new technologies, new ways of thinking.

What we want to do is act as a platform for our members to learn from each other. We have a whole series of conferences, meetings, LISTSERVs, webinars, and educational content. We also have community-building content where people can ask each other questions and learn from each other.

We've had to join together to help our members and really enhance the role of entities like joint action agencies.

LL: Joint action seems to be key to APPA effectiveness. Please describe the joint action agency.

Sue Kelly: Years ago, we helped form them. It was a long time ago. I'm holding a book, which is called Public Power – Private Life. It is the autobiography of Alex Radin, who was our longtime CEO.

Alex worked with eight different presidents. He guided the association through many trials and tribulations. In the '50s and '60s and '70s, he helped form these joint action agencies so that each individual municipal public power distribution utility was not out there alone. They had an entity to represent their interests in wholesale markets.

One thing we do well in public power is joint action. It's not only the joint action agencies, but we also have state associations.

SMUD General Manager and CEO Arlen Orchard, PREPA Carolina District Engineer Néstor Morales, and American Public Power Association President & CEO Sue Kelly visit with and thank field crews during restoration in Puerto Rico.



You'll have the Ohio Municipal Electric Association, or the Tennessee Valley Public Power Association, and they work with their member utilities on issues of state and regional interest. Then we work with them on issues of national interest.

We've got a whole public power ecosystem of organizations that work together to try to address these issues.

LL: What's old is new again.

Sue Kelly: It absolutely is. I was given this book when I arrived in 2004 as the Association's General Counsel. I read it then. It just didn't mean that much to me. But ten years later when I became the CEO, I read it again, and it meant a lot to me.

Unfortunately, it was around that time that Alex Radin passed away. At my first national conference as CEO, which was in June 2014, he had just died. I thought, this is what my first national conference speech should be about, a tribute to him and all he did for public power.

What struck me when I read the book is how these are all the same issues. They may have different manifestations or different characters, but it's the same issues. My national conference speech started out with a video tribute to Alex Radin, and then I talked about how the issues we were facing in 2014 were all the things that Alex told us in his book, and his foresight as to how all this has played out.

LL: What stood out to you?

Sue Kelly: I'm not sure how to put this, so I guess I'll just put it in-artfully. Public power is almost theological. It's not just a business for us, because it is not-for-profit. This whole idea of community ownership, the idea of being there to serve the community, is really, it's almost theological.

It was forged in the fire of the time of Alex, when investor-owned utilities did try to take us out, as well as the rural electric co-ops. Public Power was seen as a socialist institution that needed to be stamped out.

We went through a lot of fighting for our right to exist. That has left us with a strong view that we have a role to play. FDR called us a yardstick. He said that the public power is the birch rod that's in the closet if investor-owned utilities are getting too greedy.

LL: Let me interrupt to provide historical context. Sue is referring to a campaign speech that Franklin Delano Roosevelt made in Portland, Oregon on September 21, 1932.

At issue was the power wielded by the public utility trusts at the time, of which Samuel Insull was the poster child. As Governor of New York prior to his election to President in 1932,

Roosevelt had firsthand experience with the power of these utility trusts.

In the speech, FDR demonstrates his masterful ability to speak to the people in persuasively concrete, clear language, in which he builds his argument in digestible steps. He goes back to the reign of King James to explain the common law definition and principles of a public utility through cases concerning the ferryboat operators for crossing rivers and streams in England. He goes on to describe the abuses that had taken place between

utility corporations and their regulators during his own experience.

What we want to do is act as a platform for our members to learn from each other.

He did not hold with those who advocated government ownership of all utilities. He felt it was a proper function for private capital and private initiative. He did feel that in cases where a community is not satisfied with the services rendered or rates charged by a private utility, that it has the undeniable right after fair referendum to set up its own governmentally owned and operated service.

He said that this would not apply when a community is being served to its satisfaction by a private company, but the very fact that a community can by a vote of the electorate, create a yardstick – not the kind for measuring – but the kind commonly used in corporal punishment in that bygone age. The community can create a yardstick of its own, which guarantees good service and low rates to its population.

He went further to clarify and called the right of the people to own the utility a birch rod in the cupboard, to be taken down and used only when the child gets beyond the point where a mere scolding or admonishment doesn't do any good.

Sue Kelly: If communities have the right to form their own public power utilities, that will in effect act as a check on the investor-owned utility community. So, we've always had that role of the conscience of the industry. People who work in public power feel like it's a calling.

LL: Shifting gears a little bit into technology's role. You're an information source to your membership. How have you seen technology enable some of your work?

Sue Kelly: One example is my blog. I never would've thought that anybody would've cared what I think. That is a great way to communicate with members.

LL: It's excellent. How long have you been putting out the blog?

Sue Kelly: My communications team persuaded me to start writing it soon after I became the CEO. It was brought home to me that it mattered a couple years ago. I was at our Lineworker's Rodeo in Minneapolis.

I was walking down the hallway of the hotel, and these two twenty-something line workers came up to me and said, are you Ms. Kelly? I said, yes, I was. They said, we really like your blog. I was like, wow!

That just brought home the power of it to me, that it's a way to communicate with a wide audience in our public power community. This includes people who I would not have thought would care to read what I write. I found out that there's a lot of people that do.

LL: You have a nice tone in your blog, and it's easy to read. It's part travelogue, part what's on your mind, the experiences that you're having, and it has advantages for you to talk about issues, as well.

Sue Kelly: Right. Some of them are about issues. Some of it is part travelogue about visits to my members, because I feel like it's important for our members to know about our other members. What strikes me as I go around the country is how different our members are.

There are certain core values that are the same, which is service to the community, and giving back to it. But there are very different and interesting ways that regions express or execute within those similar values. I like to showcase that.

LL: I was struck in your last blog about your urgent travel from Buffalo to get back to D.C. to deal with the uninvited guest



SMUD General Manager and CEO Arlen Orchard, American Public Power Association President and CEO Sue Kelly, and Power Restoration Coordinator Carlos Torres together at PREPA headquarters discussing restoration efforts in the wake of Hurricane Maria.

It's the electric utility manifestation of the Golden Rule, do unto others as you would do unto you.

named Florence. The gets to the concept of mutual assistance and aid within the APPA context.

Sue Kelly: It's one more manifestation of joint action. No utility can maintain on their own staff, enough line workers and supervisory personnel to bring themselves back up after a catastrophic event. You have to depend on your neighbors. It's the electric utility manifestation of the Golden Rule, that you do unto others as you would have them do unto you.

APPA operates a mutual aid network. We're the tip of the spear for a national event. We have a whole series of network coordinators from different parts of the country – state and regional associations, joint action agencies and individual utilities who take on the mutual aid coordination function for their area.

We have a playbook we exercise every year and go over lessons learned from the past hurricane season. We do periodic exercises to help us improve our procedures.

What we do is, when we think there's going to be a regional event that requires more than just one state or one region, we will activate, and we will do a battle rhythm of calls every day, and we act as a clearinghouse for resources that people can offer.

A network coordinator will say, I can offer this many crews, and this many trucks. For example, in Florence, one of the big needs was equipment that could operate in waterlogged areas. We were working on trying to locate that specialized equipment, because a lot of people were trying to restore service in areas that had been flooded.


Florence turned out to be a more isolated event than originally anticipated, but it then turned into a flooding event as much as a hurricane event. That went on for quite some time, because it was very slow moving. A lot of rain fell over North and South Carolina, even up into the mountains. All that water then went back down to the coast.

It was a prolonged event for certain municipalities. One of them, you probably saw the city of New Bern in North Carolina, it was all over the news; that's one of our members.

LL: I am struck by the complexity encountered at so many different levels.

Sue Kelly: To me, every day is a new challenge. There's always

something, some kind of policy differences that need to be reconciled or ironed out. There's always challenges, obviously, in the legislature, and in the regulatory agencies. There's always new technology to talk to our members about.

It's a very fulfilling and exciting job, because there's a lot to deal with, and you find yourself stretched in ways that you never really thought you would be. I often think of Gilda Radner's Saturday Night Live line, if it's not one thing, it's another. 

To hear the podcast interview, please link to the podcast at Leadership Lyceum: A CEO's Virtual Mentor, available at Apple iTunes. Search iTunes Podcasts, with the keyword Leadership Lyceum.