

PRESS RELEASE

SOUTHWESTERN POWER ADMINISTRATION

FOR IMMEDIATE RELEASE:

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STOCKTON, MO – Stockton Power Plant Back Online

After a catastrophic failure and nearly two years of major equipment replacement work, the Stockton Power Plant in Stockton, Missouri, is back online, generating low-cost, renewable hydropower and energy for electric consumers in the marketing region of Southwestern Power Administration (Southwestern).

"Stockton Dam is an important resource in Southwestern's portfolio of 24 hydroelectric projects – all owned by the U.S. Army Corps of Engineers," says Southwestern Administrator Chris Turner. "We are thrilled to have this plant back online."

In February 2009, a piece of a turbine blade on Stockton's 45-megawatt (MW) turbine broke off, causing the plant to shut down. As the marketer of power and energy out of Stockton, Southwestern was forced to search for replacement power and energy so that it could fulfill its contractual obligations to its customers. In general, purchasing such replacement power and energy on the spot market or through short-term purchase agreements is much more expensive than generating the power and energy out of Stockton.

With funding from the American Recovery and Reinvestment Act (ARRA), however, the Kansas City District of the U.S. Army Corps of Engineers repaired the blade and returned the plant to service the following year, which provided temporary relief to Southwestern. The plant was then taken out of service again in 2013 to begin the replacement and repair of major equipment. Funding for the replacement and repair of major equipment came from a combination of ARRA funds and funds provided through Southwestern's customer funding program.

"We appreciate Kansas City's efforts to repair the blade initially, even as they went forward with work to replace major equipment," says Administrator Turner. "For nearly three years we had the use of the plant. This saved a considerable amount of money we would have otherwise spent on replacement power and energy."

Turner explains that expenditures on anything related to hydropower, including purchases and replacement of major equipment, put upward pressure on Southwestern's rates, which are designed to recover the cost of all of Southwestern's expenses and operations, as well as the cost of the expenses and operations of the hydropower related activities of the U.S. Army Corps of Engineers. What's more, he says, the source of funding does not matter. Southwestern's customers repay the cost of expenditures regardless of whether the money is appropriated from Congress, received through special programs like ARRA, or financed through other alternative means.

Southwestern's customers in Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas – all of which are not-for-profit municipalities, electric cooperatives, and military installations – bear

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the cost of all hydropower related expenditures, ultimately passing these costs on to over eight million end users who receive power from Stockton and the other 23 projects from which Southwestern markets power.

Turner notes that it is always Southwestern's focus to provide power and energy to its customers at the lowest possible rates consistent with sound business principles and says that Southwestern was glad to have the plant temporarily following the repair. But, he adds, the agency is even more excited about having it back for good following complete replacement of the turbine, main power transformer, and station service breakers, and rewind of the electrical generator.

"The whole project has been an astounding success. Southwestern commends Kansas City District on their excellent project management and engineering skills," he says. "The repair saved millions of dollars in purchased power costs, and the replacement of major equipment provided a more efficient unit with a greater range of operation, a longer run-time, and a 7 MW increase in capacity."

As for the U.S. Army Corps of Engineers, there is definite pride in a job well done. Colonel Andrew Sexton, Commander and District Engineer of the Kansas City District, says, "This was an important project to the U.S. Army Corps of Engineers, the Southwestern Power Administration, and millions of people in the state of Missouri."

Kansas City District Maintenance Engineering Chief, Pete Hentschel, who, along with Project Manager Robin Wankum, acted as liaison between the U.S Army Corps of Engineers, Southwestern, Southwestern's customers, and the contractor who performed the major replacement work, adds his praise for the team effort it took to get the project completed.

"The Stockton Power Plant rehabilitation project was definitely a team effort," he says. "The partnership and commitment between the Kansas City District, Southwestern, and the power customers was significant in the successful execution and completion of the project. The Kansas City District really appreciates the support of Southwestern and its customers."

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Southwestern Power Administration is an agency of the U.S. Department of Energy. Its mission is to market and reliably deliver Federal hydroelectric power with preference to public bodies and cooperatives. This is accomplished by maximizing the use of Federal assets to repay the Federal investment and participating with other water resource users in an effort to balance their diverse interests with power needs within broad parameters set by the U.S. Army Corps of Engineers, and implementing public policy.