

# UPDATE

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## Hydropower – The Original Renewable

One West Third Street  
Tulsa, Oklahoma  
74103-3502

Voice 918-595-6600  
Fax 918-595-6656

[www.swpa.gov](http://www.swpa.gov)

The **UPDATE** is published by and for customers, retirees, and employees of Southwestern Power Administration like:



Ross Murray  
Electrician  
Jonesboro Sub Crew

Special thanks to:

### SWPA

Marshall Boyken  
Ashley Corker  
Larry Harp  
Scott Holland  
Harry Mardirosian  
Beth Nielsen  
Carrie Quick  
George Robbins  
Dave Sargent  
Donna Short  
Gary Swartzlander  
Kathy Tyer  
Cris Van Horn  
Aleta Wallace

### CNI/Bearskin

Vicki Clarke  
Ruben Garcia  
William Hiller  
Kathy O'Neal  
Mistie Yost

### WAPA/PMLO

Leslie Kerr  
Shellie Scott

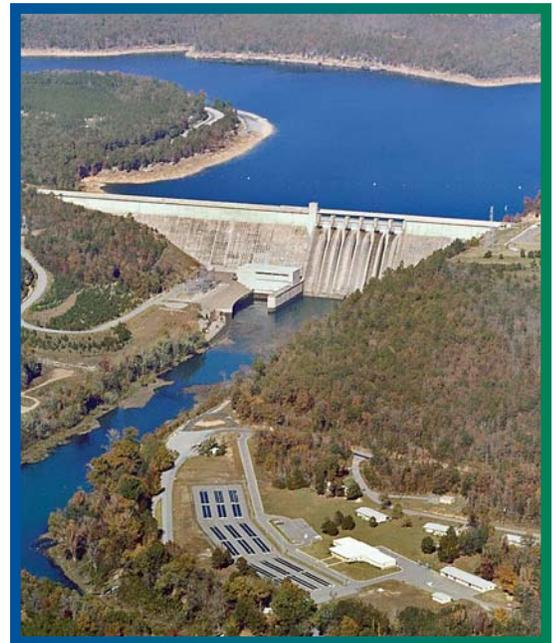
Green energy is emerging as a National priority, and the future of electric generation is becoming focused on integrating renewable resources into the grid to reduce emissions and to provide an alternative to the use of fossil fuels. While this trend is certainly welcome, it should be noted that clean, emissions-free electric generation has been around for a long time, and has in fact been available in the United States for decades. Hydropower – the original renewable energy – currently comprises almost 70% of electric generation from all renewable sources in this country.

Federal hydropower, such as that marketed by Southwestern, already operates within an established infrastructure and boasts a proven track record of security and reliability. Maintaining the viability of Federal hydropower is a cost-effective and immediate way to promote green energy.

As the average age of the 24 U.S. Army Corps of Engineers (Corps) multipurpose projects from which Southwestern markets power approaches 45 years old, maintaining viability is becoming more challenging. Even as these facilities continue serving nearly nine million end-use customers across six states, costs have increased with the need for non-routine maintenance or replacement of original equipment. Several powerplants are currently undergoing major rehabilitations, including Ozark in Arkansas, Stockton in Missouri, Webbers Falls in Oklahoma, and Whitney in Texas.

Funding for this type of work has historically been provided through Construction General (CG) appropriations to the Corps. However, in an effort to reduce the need for such appropriations, Southwestern, the Corps, and City Water

and Light of the City of Jonesboro, Arkansas (Jonesboro) entered into a Memorandum of Agreement (MOA) in 1999 that established a customer-funding mechanism to help keep the projects running efficiently. Through the



**GREERS FERRY DAM, LOCATED ON THE LITTLE RED RIVER NEAR HEBER SPRINGS, ARKANSAS, GENERATES AN ANNUAL AVERAGE OF 190 GWh OF CLEAN ENERGY AS PART OF SOUTHWESTERN'S INTERCONNECTED SYSTEM.**

successful MOA process, Southwestern, the Corps, and customers prioritize projects for customer funding each year so that the most benefit can be achieved. Since its inception, the MOA has funded approximately \$186 million in much-needed non-routine maintenance and rehabilitation activities. The MOA allows the Corps to bring projects back online sooner than other funding options, which benefits customers and provides power and energy to offset

## Top Corps Commander Tours Webbers Falls

Lieutenant General Robert L. "Van" Van Antwerp, U.S. Army Chief of Engineers and Commanding General of the U.S. Army Corps of Engineers (Corps), got a first-hand look at the rehabilitation work currently underway at the Webbers Falls powerhouse when he visited the site March 24, 2010.

General Van, as he is known, traveled with his staff from Washington, D.C., to Gore, Oklahoma, to join regional Corps staff members, as well as representatives from Southwestern, Southwestern's customers, and U.S. congressional offices in Oklahoma and Arkansas.

Colonel Anthony Funkhouser, Commander of the Corps' Southwestern Division and Tulsa District, explains that because the Webbers Falls rehabilitation is one of the larger projects happening

in the region, it made sense that General Van should visit and see for himself how cooperation between Federal hydropower stakeholders can lead to a successful project.

In fact, it was the cooperation theme that resounded during the half-day visit.



**LT. GENERAL ROBERT VAN ANTWERP (2ND FROM RIGHT) MET WITH COLONEL ANTHONY FUNKHOUSER, ADMINISTRATOR JON WORTHINGTON, AND COLONEL DONALD JACKSON TO VIEW PROGRESS ON THE WEBBERS FALLS REHABILITATION.**

Presentations by Colonel Funkhouser and Colonel Donald "Ed" Jackson of the Little Rock District focused on a recently signed Memorandum of Understanding (MOU) between the Tulsa and Little Rock Districts that facilitates sharing resources between the two districts to advance the major rehabilitations at Webbers Falls and Ozark, which is Webbers Falls' sister plant located downstream in Arkansas.

Southwestern Administrator Jon Worthington gave an overview of the Power Marketing Administrations and Southwestern's role in marketing Federal hydropower within the region and Nation. Like the previous presenters, Worthington, too, emphasized the power of partnerships, as did the next presenter, Ron Bowen, General Manager of City Water & Light Plant of the City of Jonesboro, Arkansas. Bowen presented specific statistics of customer funding related to the Webbers Falls rehabilitation work, pointing out that of the \$72 million estimated as the cost of the rehabilitation, customer funding has provided \$65 million.

General Van's visit concluded with presentations by regional Corps staff and a tour of the powerhouse, where he and other participants observed the progress of the rehabilitation of Unit #3, which is the first of the three units being rehabilitated and which is scheduled to return to service in January 2011.

### RENEWABLE HYDRO, FROM PAGE 1

generation from fossil fuel plants that produce greenhouse gas emissions.

An important benefit of such consistent, proactive upkeep is that it allows for capacity upgrades from new technologies and efficiencies as facilities undergo major repairs and rehabilitations. For example, the Corps often anticipates that generator rewinds and replacement of auxiliary equipment, such as those underway at Webbers Falls, will nominally increase plant capacities as the rebuilt units are brought back online.

The benefits of cost-effective maintenance also extend beyond repairs at the generating facilities. Southwestern's 1,380 miles of

transmission lines and 25 substations are crucial components of system reliability, and capacity improvements and environmental benefits can be realized with foresight and judicious management. Southwestern upgrades transmission and substation equipment and components and incorporates new technologies when feasible to reduce energy losses and enable a greater use of the Federal transmission assets.

For example, new conductor technology is a definite advantage as Southwestern replaces many miles of high voltage transmission line on a loop through southeastern Missouri and northeastern Arkansas. This particular 69-kV line was destroyed in a January 2009

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# FY 2011 Budget Hearing

The Subcommittee on Water and Power of the House Committee on Natural Resources held an oversight hearing on March 4, 2010, in Washington, D.C., regarding the President's Fiscal Year (FY) 2011 budget request for the four Federal Power Marketing Administrations (PMAs). The PMA Administrators, including Southwestern's Jon Worthington, testified regarding the prior year's accomplishments and plans for FY 2011 and beyond.

In his testimony, Worthington noted that FY 2010 was the first year for implementation of offsetting collections for annual expenses – often referred to as "Net Zero" – and thanked the Subcommittee for its efforts to allow this operational change. Net Zero helps the PMAs to operate in a more business-like manner by tying annual expenses dollar-for-dollar to annual receipts.

Worthington also briefly summarized the impact of the devastating ice storm of January 2009, which heavily damaged one third of Southwestern's transmission lines. He thanked Tim Meeks, Administrator



**SOUTHWESTERN'S JON WORTHINGTON (2ND FROM RIGHT) JOINS FELLOW PMA ADMINISTRATORS STEPHEN WRIGHT (BONNEVILLE), TIM MEEKS (WESTERN), AND KEN LEGG (SOUTHEASTERN) IN JOINT TESTIMONY BEFORE THE HOUSE SUBCOMMITTEE ON WATER AND POWER IN WASHINGTON, D.C.**

of Western Area Power Administration (Western), for sending crews to assist in the restoration efforts. With Western's help, Southwestern was able to reconnect all of its customers to the grid in less than 21 days.

Additionally, Worthington emphasized that all costs associated with the drought of 2005 and 2006 have been repaid in full. 💧

## SPARKS OF INTEREST

**APRIL 20-22, 2010 - THE 53RD ANNUAL MEETING OF THE SOUTHWESTERN POWER RESOURCES ASSOCIATION (SPRA)** will be held at the Doubletree Hotel at Warren Place in Tulsa, Oklahoma. For registration and meeting information, contact Barbara DelGrosso, SPRA's Director of Operations, at 918-622-7800 or [bdg18@sbcglobal.net](mailto:bdg18@sbcglobal.net).

**JUNE 8-10, 2010 - THE SOUTHWESTERN REGIONAL HYDROPOWER COUNCIL AND CONFERENCE** will be held at the Hilton Promenade at Branson Landing in Branson, Missouri. The Council meeting convenes at 1 p.m. on Tuesday, June 8, to review and prioritize FY 2011 non-routine work items that are to be funded through the Jonesboro Memorandum of Agreement. The Conference convenes at 1 p.m. on Wednesday, June 9, to communicate actions, concerns, and needs related to the hydropower business line of the U.S. Army Corps of Engineers (Corps) in Southwestern's region. The Little Rock District of the Corps is hosting the event. For registration and meeting information, contact Marshall Boyken at 918-595-6646, or e-mail [marshall.boyken@swpa.gov](mailto:marshall.boyken@swpa.gov).

### **NEW NORTHWESTERN DIVISION COMMANDER - BRIGADIER GENERAL JOHN R. McMAHON**

assumed command of the Northwestern Division (NWD) of the U.S. Army Corps of Engineers on November 20, 2009. Prior to this assignment, BG McMahon served nearly a year as Director of Engineering, U.S. Forces - Afghanistan, following assignment as the commanding general of the Corps' South Pacific Division from 2006-2009. He has previously served as Chief of Staff at Corps Headquarters in Washington D.C., and has held commands at the Japan Engineer District and 70th Combat Engineer Battalion at Fort Riley, Kansas, and has served in various other posts stateside and abroad.



Former NWD Commander BG William Rapp now serves as Commandant of Cadets at the U.S. Military Academy, West Point, New York.

# Directors Enjoy Cross-Job Experience

To paraphrase the well-known maxim, you can't really understand another organizational division until you've walked a mile in its Director's shoes.

This is the idea that Gary Swartzlander, Southwestern's Assistant Administrator of the Office of Corporate Services, had in mind when he proposed a job-switching program for the three Division Directors under his leadership. Starting in mid-January 2010,

Cris Van Horn, Director of Acquisitions and Facilities Services (Acquisitions), Donna Short, Director of Financial Management (Finance), and Carrie Quick, Director of Human Resources Management (HR), began a three-month rotation through one another's positions to gain a big-picture view of how Corporate Services functions as a whole and serves the entire agency.

certain critical or sensitive issues, each of the Directors has had to retain some native functions in her "home" Division. Even so, the acting Director is still able to participate and learn. The experience has thus far been rewarding for all three Directors, and is already yielding benefits for the entire organization.

"I am getting my eyes opened to the complexity of the Divisions, and how the finance program supports the entire agency," says Van Horn, who is currently detailed to Finance. "We have already identified a number of processes that could be improved, and I have facilitated the Divisions working together to implement these improvements. Everyone has been super-cooperative."

Quick, currently detailed to Acquisitions, agrees. "The rotational assignments are not only a fantastic learning experience, but are also a way to build relationships and cross functional support throughout Corporate Services," she says.

Even within each Division, the experience of having a different person sitting in the Director's position has provided an opportunity for internal process review and improvement, notes Quick. "The staff in Acquisitions has been incredibly supportive," she says. "They see the rotational process as an opportunity to share their business processes and operations with someone who may have a different perspective on things, and to learn how those processes impact other Divisions' requirements from a manager's perspective."

Personnel interaction is also something Short has noticed during her rotation in HR, although she notes there can be business-related differences. "The interaction between the HR staff and their supervisor and customers is somewhat different from the way that we interact in Finance," she observes. "The thing that is most interesting and hard to get used to is that office doors in HR are shut



**CORPORATE SERVICES DIRECTORS (CLOCKWISE FROM TOP) DONNA SHORT (FINANCE), CRIS VAN HORN (ACQUISITIONS), AND CARRIE QUICK (HUMAN RESOURCES) ARE ROTATING JOBS THIS SPRING TO BROADEN THEIR KNOWLEDGE AND INCREASE ORGANIZATIONAL EFFECTIVENESS.**

"This is something I felt would offer these Directors an opportunity to understand better how their respective organizations interface with the others," says Swartzlander. "It's not intended to be a cross-training effort, but rather it's an educational experience that will help them become even more effective in their own programs."

During a rotation, each Director is officially detailed to another Division, managing day-to-day operations and ongoing projects, interacting with staff, and making decisions. Swartzlander notes, however, that for

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# Wallace Works Washington

The early spring months are a busy time for budgets in Washington, D.C., and this year Aleta Wallace, Southwestern's Budget Officer, was in the middle of the action from late January through March. Wallace spent a 60-day assignment at the Power Marketing Liaison Office (PMLO) in the Nation's capital while Southwestern and Southeastern Power Marketing Administrations (PMAs) jointly sought a new Deputy Assistant Administrator to fill the liaison post.

Wallace's experience with the Federal budgeting process is precisely why she was tapped for the assignment. "I've coordinated Southwestern's budget process through the PMLO for years, so with that expertise I was able to assist them during the interim," says Wallace. "Jack Dodd and Leslie Kerr, the Assistant Administrator and Deputy Assistant Administrator for Western Area Power Administration (Western), were very busy with their own PMA responsibilities, so they were real glad to have someone else with budget experience in the office."

Upon her arrival on January 19, 2010, Wallace hit the ground running. "I immediately began coordinating the final drafts of both Southwestern's and Southeastern's budgets," she says. "I was responsible for consolidating the Southwestern, Southeastern, and Western budgets to send to the Department of



**BUDGET OFFICER ALETA WALLACE SPENT TWO MONTHS CRUNCHING NUMBERS AND COORDINATING BUDGET ACTIVITY FOR SOUTHWESTERN AND SOUTHEASTERN POWER ADMINISTRATIONS.**

Energy's (DOE) budget shop. This was all in preparation for the President to deliver his budget to Congress on the first of February." In addition, she reviewed, updated, and coordinated statistical tables with the DOE budget office and legislative staff, and forwarded this data to Capitol Hill.

Record snowfalls in Washington during February did not do much to slow things down. "It really was 'snowmageddon,'" she recalls, using the term coined by the President for the blizzard that shut down Washington in the second week of February. "The Liaison Office was closed for four days." But amid the snowdrifts, she went right back to work preparing for the budget hearing with the Subcommittee on Water and Power of the U.S. House of Representatives Committee on Natural Resources. She coordinated the annual budget testimony with Southwestern, DOE, and the Office of Management and Budget (OMB) and also worked with Southwestern staff to assemble the annual budget briefing book to assist Southwestern Administrator Jon Worthington in his preparation for testifying at the hearing on March 4, 2010.

As her assignment neared its end, Wallace remained as busy as ever. "The hearing was just one milestone in an ongoing process," she says. "I continued answering the Q&As that resulted from the hearing. I also prepared informational materials, a 'PMA 101,' for DOE's new PMA Budget Analyst who just recently took over the PMA accounts."

Despite the fast-paced workload – or perhaps because of it – Wallace reports that she enjoyed her Washington exposure. "It was really interesting to see the budget process from that side," she remarks. 💧



**BUDGET OFFICER ALETA WALLACE IS GREETED BY ADMINISTRATOR JON WORTHINGTON IN WASHINGTON, D.C., WHERE WALLACE WAS ON ASSIGNMENT AT THE POWER MARKETING LIAISON OFFICE.**

## DIRECTORS, FROM PAGE 4

for the better part of each day, because most work-related conversations here are confidential.”

At the end of the day, she notes, the experience of managing a new team has been enlightening. “While I am gaining insight into how the processes performed in HR contribute to the accomplishment of Southwestern’s Strategic Goals, I must also say that the personnel folks have been doing a great job,” she says. “I would like to thank them very much for their help and assistance. I know that they are actually running the Division and I am just an onlooker.”

Swartzlander notes that each Director’s regular staff has been very supportive of their own bosses as well as of their visiting supervisors. “Before we got started with this program, I got a thumbs-up from the seconds-in-command within each Division, since they would be taking on more responsibility during each acting Director’s learning curve.”

Now at the halfway point of the program, he says he has been really pleased at how all three Directors have thrown themselves into their temporary assignments. “There are many important initiatives happening right now, but these three are not just coasting. They’re getting right in there,” he says. ♦

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## Katherine Tyer Selected as New Liaison

Katherine Tyer, a Financial Management Specialist in the Department of Energy’s (DOE) Office of Legacy Management (OLM), will assume the duties of Deputy Assistant Administrator in the Power Marketing Liaison Office in Washington, D.C. on April 12, 2010.

Tyer began her Federal career as a student aid at the Naval Research Laboratory, Office of Public Works, before being hired there full-time in 1978. The following year she went to work at the Federal Emergency Management Agency as a secretary. In 1989, Tyer accepted an appointment at the Office of Management and Budget (OMB), where she served several years as the Administrative Assistant to the Deputy Associate Director for the Energy and Science Division, overseeing the budget for the Office of Science and Technology Policy.

She transferred to DOE’s Office of the Chief Financial Officer, Office of Budget, in 1998, serving 11 years as a budget analyst for the Power Marketing Administrations, the Office of Electricity Delivery and Reliability, and the Office of Fossil Energy. In that capacity, she provided guidance on budget formulation, content, format, presentation, and implementation strategies necessary



to ensure consistency between programs while adhering to OMB guidelines and Congressional direction.

In her most recent assignment at DOE’s OLM, Tyer has been responsible for formulating OLM’s budget requests, conducting special analyses, and implementing DOE’s budget policies and procedures. She is currently working toward a B.S. Degree in Financial Management and Accounting at the University of Maryland University College. ♦

## RENEWABLE HYDRO, FROM PAGE 2

ice storm, and Southwestern determined that an opportunity existed to upgrade the conductor to a more efficient configuration that will carry more load with less sag and fewer losses. This new conductor will be able to operate within higher temperature tolerances than the old one, making the upgraded line more capable of serving as a contingency for the nearby 161-kV line in case of future emergencies.

Transmission facility maintenance also produces environmental benefits. Southwestern is nearing completion of a multi-year program to replace its high voltage oil-circuit breakers (OCBs) with gas-circuit breakers as each OCB comes to the end of its useful life. The new equipment reduces the risk of oil-based environmental contamination in the event of leaks or damage, and reduces the number of oil containment systems that must be implemented for remaining equipment. While gas-circuit breakers may also experience leaks as they age, the agency's ongoing monitoring and replacement initiative should mitigate the risks as well as significantly reduce the agency's CO2 equivalent emissions within the 2020 target parameter reduction levels specified by DOE and mandated by Executive Order 13514.



**REHABILITATION OF THE SLANT-AXIS TURBINES AT WEBBERS FALLS AND OZARK POWERHOUSES WILL HELP ENSURE THAT FEDERAL HYDROPOWER CONTINUES TO BE RELIABLE AND AFFORDABLE.**

Federal hydropower has an established infrastructure and a proven track-record of reliability and security, and Southwestern is proud to be a part of that tradition. By maintaining existing generating and transmission facilities, leveraging new technologies, and partnering with hydropower customers, the Corps, and other Federal power stakeholders, Southwestern will continue providing the Nation with clean, affordable energy as the future of green power becomes today. 💧



**PLANNED IMPROVEMENTS AT SEVERAL SUBSTATIONS, SUCH AS THOSE BEING REVIEWED BY MAINTENANCE DIRECTOR CARLOS VALENCIA, ELECTRICAL ENGINEER DAVE SARGENT, JONESBORO SUBSTATION WORKING FOREMAN SCOTT SIMS, AND CIVIL ENGINEER HARRY MARDIROSIAN, WILL KEEP POWER FLOWING EFFICIENTLY TO RESIDENTS THROUGHOUT SOUTHWESTERN'S MARKETING AREA.**

## NEW EMPLOYEES

**Katherine Tyer**

DEPUTY ASSISTANT ADMINISTRATOR  
POWER MARKETING LIAISON OFFICE

**Mike Paris**

LEAD INFORMATION TECHNOLOGY SPECIALIST  
DIVISION OF INFORMATION TECHNOLOGY

## RETIREMENTS

**Bill Powers**

POWER SYSTEM DISPATCHER  
DIVISION OF SCHEDULING & OPERATIONS



# WATTS INSIDE?



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