

UPDATE

OCTOBER - DECEMBER 2008

Keystone Switchyard Switches Hands

Keystone Dam Switchyard, located approximately 20 miles west of Southwestern's downtown Tulsa headquarters, became the first switchyard to be transferred from the U.S. Army Corps of Engineers' Tulsa District (Corps) to Southwestern under a new Memorandum of Understanding (MOU) executed November 5, 2008.

Work to complete the transfer has been underway since 2006, when the idea was first proposed by Southwestern as a way to alleviate Corps concerns about limited appropriations in the midst of ever-expanding transmission maintenance and operations requirements.

"As a registered transmission system owner and operator with the North American Electric Reliability Corporation (NERC), Southwestern has the dedicated expertise and resources not always available to the Corps for responsibility and maintenance of transmission equipment," says Southwestern Director of Engineering and Planning Larry Harp, who spearheaded the original effort in 2006 to get the switchyard transfer project underway.

Harp, along with Southwestern and Corps personnel from the areas of engineering, maintenance, finance, real estate, customer service, operations, and resources and rates, met numerous times over the course of the past two years to hammer out the details of the transfer. "It took a while," admits Harp. "We had to agree on each piece of equipment to be transferred to Southwestern on the high-voltage side of the generating unit transformer, and identify what equipment the Corps needed to keep in order to maintain the integrity of its generation assets."

For the Keystone switchyard, an exhibit was added to the base MOU showing a one-line diagram of equipment to be transferred and describing the operation and maintenance responsibilities for such equipment. Perhaps the most critical aspect of the exhibit for operations personnel was the Operating Procedures to be followed by Southwestern and Corps staff when performing operation, maintenance, and electrical switching activities.



YEARS OF COORDINATION PRECEDED THE KEYSTONE SWITCHYARD TRANSFER, WHICH WAS NOT QUITE AS SIMPLE AS FLIPPING A SWITCH.

CONTINUED PAGE 2



One West Third Street
Tulsa Oklahoma
74103-3502

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

www.swpa.gov

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



Linda Mumme
Realty Officer
Tulsa, Oklahoma

Special thanks to:

Scott Carpenter

Vicki Clarke

Gary Cox

Ruben Garcia

Larry Harp

William Hiller

Beth Nielsen

Kathy O'Neal

Carrie Quick

Angela Summer

Mike Wech

Jon Worthington

SWITCHYARD, CONTINUED FROM PAGE 1



A STEEL TRANSMISSION STRUCTURE LEADS THE WAY EASTWARD FROM THE KEYSTONE SWITCHYARD, WHICH SOUTHWESTERN BEGAN MAINTAINING IN DECEMBER 2008 UNDER AN AGREEMENT WITH THE TULSA DISTRICT CORPS.

employees to perform routine switching activities at the request of the Southwestern Power System Operator and in conjunction with the Southwest Power Pool Reliability Coordinator.

Following completion of the base MOU, Keystone exhibit, and training in Southwestern switching procedures, the last step in the transfer process was for the Corps' Tulsa District to issue Southwestern a permit for the perpetual use of the real property at Keystone. With the issuance of the permit December 2, 2008, the transfer became official.

The other seven switchyards in the Tulsa District – Broken Bow, Denison, Eufaula, Fort Gibson, Robert S. Kerr, Tenkiller Ferry, and Webbers Falls – are all on the list to be transferred. Eufaula switchyard is scheduled to be transferred next.

The Corps' Kansas City and Little Rock Districts are also looking to transfer switchyard transmission equipment to Southwestern, and discussions have begun between Southwestern and these two Corps Districts using the Tulsa District MOU as a model. 💧

“It is crucial that we are absolutely clear on switching procedures once Southwestern assumes full operational control of the switchyard,” asserts Gary Cox, Southwestern’s Training and Compliance Manager. “I believe the Operating Procedures we developed for Keystone ensure that employees at both organizations will know what their roles are from the minute Southwestern assumes control.”

Cox conducted switching training for Corps employees in November 2008 to teach them Southwestern’s switching procedures. The training allowed the Corps employees to become authorized under the terms of the Keystone Operating Procedures, which include a provision for Corps authorized



HYDRAULIC ENGINEER MARSHALL BOYKEN AND PUBLIC UTILITIES SPECIALIST BETH NIELSEN ADDRESS THE SWITCHYARD TRANSFER TEAM, WHICH CONSISTED OF A MIX OF SOUTHWESTERN AND TULSA DISTRICT CORPS PERSONNEL, AT A FINAL REVIEW AT THE KEYSTONE POWERHOUSE PRIOR TO THE TRANSFER.

Compliance Requires All Hands on Deck



NEW NERC COMPLIANCE MANAGER GARY COX (R) OBSERVES AS SAM PATTERSON, KEYSTONE POWERHOUSE SUPERINTENDENT, AND OTHER TULSA DISTRICT CORPS PERSONNEL PERFORM SWITCHING PROCEDURES UNDER SOUTHWESTERN'S POLICIES DURING SWITCHING TRAINING AT KEYSTONE POWERHOUSE IN NOVEMBER 2008.

Compliance with reliability standards is a critical part of Southwestern's strategic plan since it plays a pivotal role in the safety and security of the Nation's bulk electric system. So it was an important milestone when the agency selected former Power System Operations Specialist (Outage Coordinator) Gary Cox as its Training and Compliance Manager in December 2008, because his promotion leaves Mike Wech, Supervisory Power System Dispatcher, with only one job for the first time in nearly 16 months.

A series of retirements and promotions within Southwestern's Division of

Scheduling & Operations had meant that Wech was frequently pulling double-duty in one capacity or another for most of that time. He was selected as the first Training and Compliance Manager in September 2007 while still serving as Power Operations Specialist (Training). He was then selected earlier this year to head up System Operations while continuing to fulfill the responsibilities of the compliance manager.

Needless to say, Wech is happy to be wearing only one hat again. "Throughout this past year we've always had personnel in place who were dedicated to meeting all compliance requirements," says Wech, "but now I can focus on managing system operations while Gary takes over compliance management."

In addition to Wech and Cox, the compliance area is rounded out by Division Director Ron Beck, and John Ribar, former Power Systems Dispatcher who was selected as the new Power Operations Specialist (Training). The vacant Outage Coordinator, Cox's old position in the operations area, is set to be filled in January 2009.

The Training and Compliance Manager was a new position created at Southwestern in direct response to North American Electric Reliability Corporation (NERC) requirements that changed from discretionary to mandatory last year. Other positions within the agency have also been assigned responsibilities that help facilitate Southwestern's compliance activities.

"The Training and Compliance Manager may be the focal position of Southwestern's compliance program," explains Gary Cox, "but it still remains the collateral duty of subject matter experts from various functional groups, such as maintenance, operations, information technology, engineering and electronics, human resources, security, and all other areas of the agency, to assist this position in maintaining our compliance record." Cox refers to everyone involved in the compliance program collectively as the NERC Compliance Team.

"No one person can do compliance. It requires the collective skills of many good people," he continues. "Fortunately for me Southwestern had already put this team in place and I am lucky enough to get to work with them. We are working together so we can excel in the area of compliance as a representative of the U.S. Government."

CONTINUED PAGE 5

Carpenter Selected as Assistant Administrator

Scott Carpenter, Southwestern's Director of Customer Service since April 2007, has been selected to assume the role of Assistant Administrator of the Office of Corporate Facilities, effective January 4, 2009. Carpenter succeeds Dallas Cooper who retired from that position last fall.



Carpenter began his Southwestern career in 2005 as a Public Utilities Specialist after numerous years in the private sector at Black & Veatch in Kansas City, Kansas; Williams Energy Marketing & Trading in Tulsa, Oklahoma; and Entergy Services, Inc., in Houston, Texas. His broad-based experience in the utility industry includes generation and transmission utility planning; utility asset due diligence reviews; analytical support for structured transactions and general power trading; transmission congestion forecasting; long- and short-term purchase power evaluations; and general operations planning.

With his promotion to Assistant Administrator, Carpenter says he is looking forward to the opportunities his new role will provide, especially since current and projected changes in the utility industry promise to make the future both challenging and interesting.

"All indications are that both Southwestern and its customers will continue to experience the effects of increased regulatory requirements and shrinking budgets for several years to come," says Carpenter. "Utility entities must optimize resources as never before, which sometimes means

staff must perform collateral duties beyond the scope of their normal day-to-day work assignments. We will need to increase internal coordination among our Divisions, and continue our close cooperation with customers and industry stakeholders, in order for Southwestern to continue to succeed in its mission."

Southwestern's employees, he adds, are up to the task. "While at Entergy, I coordinated with staff from multiple business units during restorations in the aftermath of two of the nation's most destructive hurricanes. It really makes you appreciate field crews who work in blazing heat and freezing cold in hazardous conditions, all while maintaining critical safety focus to protect themselves and their coworkers," he explains. "So I have a lot of respect and admiration for Southwestern's crews who do the same kind of work." 💧



SPARKS OF INTEREST

THE NEXT QUARTERLY MEETING OF THE SOUTHWESTERN POWER RESOURCES ASSOCIATION (SPRA) will be held January 20-22, 2009, at Embassy Suites Hotel in Tulsa, Oklahoma. The 52nd Annual Meeting will be held April 14-16, 2009, at the same location. For registration and meeting information, contact Barbara DelGrosso, SPRA's Director of Operations, at 918-622-7800 or bdg18@sbcglobal.net.

DARRICK MOE HAS BEEN SELECTED AS WESTERN AREA POWER ADMINISTRATION'S NEW REGIONAL MANAGER FOR THE DESERT SOUTHWEST REGION located in Phoenix, Arizona, effective January 4, 2009. Moe, who is currently the Deputy Assistant Administrator for the Power Marketing Liaison Office (PMLO) in Washington D.C. and a senior manager for Southwestern and Southeastern Power Administrations, began his career in 1988 at Western's Upper Great Plains Region. "Darrick has been a tremendous asset to both Southwestern and Southeastern while at the PMLO," says Southwestern Administrator Jon Worthington, who himself used to serve at the PMLO. "He has a proven track record as a leader, manager, and technical expert in dealing with complex and highly visible issues and initiatives critical to our business. He will be sorely missed, but we wish him well and great success as he returns to Western."



Chu Selected to Head Energy Post

Dr. Steven Chu, the current director of the Department of Energy's Lawrence Berkeley National Laboratory and Nobel Prize-winning physicist, was selected as Secretary of Energy by President-elect Barack Obama in an announcement made by Obama on December 15, 2008 in Chicago, Illinois.

"Steven is uniquely suited to be our next Secretary of Energy," said the President-elect in describing Chu's strong pursuit of alternative and renewable energies. "His appointment should send a signal to all that my Administration will value science, we will make decisions based on the facts, and we understand that the facts demand bold action."

Chu is a well-known and outspoken advocate for renewable energy sources. Since assuming the Berkeley post in 2004, he has focused much of his attention to rallying scientific minds behind finding alternative and renewable energy solutions.

Prior to directing the Berkeley Laboratory, Chu served on the technical staff at AT&T Bell Laboratories from 1978 through 1987 and was a professor in the Physics and Applied Physics Departments at Stanford University from 1987 through 2004. He has a Bachelor of Science in physics from the University of Rochester and a Doctorate in Psychology from the University of California at Berkeley.



Outgoing Energy Secretary Samuel Bodman said about Chu in a statement made the same day as the announcement: "I am pleased to learn that President-elect Obama has selected Dr. Steven Chu to lead the Department. Dr. Chu understands the significance of our energy and environmental challenges, and more importantly, understands the technical solutions necessary to address them." 💧



RIGHT-OF-WAY VEGETATION MANAGEMENT IS ONE OF MANY IMPORTANT FUNCTIONS REGULATED BY NERC.

Southwestern's Power Operations Training Center continues to offer various NERC-approved courses as it always has, but Mike Wech notes that some of the course topics have changed. "After the NERC requirements were changed, the vendors we partner with expanded their offerings to include Maintenance and Engineering courses in addition to just Operations," he says.

All this change reflects the Division's expanded responsibilities in the new regulatory environment. Wech ticks off a list of ongoing actions that are being undertaken to ensure that requirements are being followed. "We conducted a three-day audit in March 2008 and a follow-up audit in May 2008, and are performing a series of quarterly self-certifications, plus an annual self-certification that is due at the end of the year," he says. "We devote quite a bit of resources to this area."

"There has been a considerable expansion in the number of NERC requirements," adds Cox. "Approximately 85 out of 120 standards have been approved by the Federal Energy Regulatory Commission, and these include about 1,250 requirements that apply to Southwestern's operations. The remaining standards are in some pending status, and when they are approved we'll see even more." 💧

COMPLIANCE, CONTINUED FROM PAGE 3

Support services contractor Wyandotte Net Tel also assists the compliance effort. Angela Summer, Power Operations Clerk at the Springfield office, has been almost completely dedicated to administrative support for compliance and training. "My focus is now more information-oriented than before," says Summer. "I've learned more about the myriad responsibilities that the different Divisions have in regard to the bulk power system, the customers, and each other, and how it all fits together, which really helps me to work more effectively with all the functional groups. I also do this same kind of information tracking and routing for the Training portion of the program."

“Power The Dream” Made Reality

Every fall, Southwestern’s Tulsa employees participate in the Combined Federal Campaign (CFC) in support of the Tulsa Area United Way’s annual fund drive, and every year they set an ambitious target. 2008 was no exception, as the agency set a goal of \$16,046, a five percent increase over what was collected in 2007. And Southwestern delivered. Employing the theme of “Power the Dream,” employees and contractors at Tulsa headquarters participated in various fund-raising events throughout the month of October 2008 and made monthly pledges to be collected through payroll deductions during 2009, ultimately amassing just under \$17,000 for charity.



WITH AN UNCANNY RESEMBLANCE TO POP STAR BILLY JOEL, ADMINISTRATOR JON WORTHINGTON KICKS OFF FUNDRAISING FOR SOUTHWESTERN’S CFC.

“Southwestern’s employees raised \$16,973 through their generous pledges,” says Carrie Quick, Director of the Division of Human Resources Management, who served as the agency’s CFC Coordinator this year. “Their enthusiasm and support works to ‘power the dreams’ of many local, regional, and national organizations.”

The calendar of events included a lively mix of get-togethers and friendly competitions that kept employees motivated to attend and donate. Perennial favorites included a bowling match and a chili cook-off, while new endeavors included a baby picture “who’s who” and a series of lunch-time video game tournaments.

Southwestern extends its gratitude to the guest speakers from the United Way and local charities who made time to inspire and motivate employees at the start of the campaign, including CFC Loaned Executives Mike Diggs and Tenetia Bishop from the U.S. Postal Service; Meredith McDaris from The Bridges Foundation; and Eilene Guidry from the Make-A-Wish Foundation.

Southwestern also wishes to express its thanks not only to the employees who coordinated the events, but also to the local companies that donated items for door prizes, including: Arby’s; Carrabba’s Italian Grill; Panera Bread; the Philbrook Museum of Art; QuikTrip; Sapulpa Municipal Golf Course; Sonic Drive-In; Tulsa Oktoberfest; and the Tulsa Zoo and Living Museum. Additionally, Tulsa-based businesses who set-up for a one-day sale and donated 15% of their proceeds to CFC included: Homemade Gourmet; J & B Jewelry; Kelley’s Soaps; Old World Confectionary; Purse-A-Nalities; Scentables Candles; and Tupperware.

The mission of the CFC is to promote and support philanthropy through a program that is employee-focused, cost-efficient, and effective in providing all Federal employees the opportunity to improve the quality of life for all. 💧



BACKUP PHILANTHROPISTS INCLUDE LARRY YADON ON PSEUDO-ELECTRIC PIANO, JIM McDONALD ON TIN-EAR TRUMPET, BAND LEADER JON WORTHINGTON, AND THE SONG STYLINGS OF CHRISTINE BAX, SHIRLEY SHUMATE, AND CATHY STILLSON.



ALETA WALLACE ROCKS FOR THE GUITAR HERO COMPETITION; TRACEY STEWART AND CATHY STILLSON ENJOY ALTRUISTIC SHOPPING WITH PROCEEDS BENEFITTING CFC; GARY SWARTZLANDER (R) AND SPRA'S BARBARA DELGROSSO (L) AWARD THE FIRST PLACE TROPHY LAMP TO BOWLING TEAM MEMBERS DANE DAWSON, DAVE SARGENT, NANCY MONTGOMERY, AND JEREMY ROGERS.



HUNGRY THROGS OF PARTICIPANTS LINE UP AT THE CFC CHILI COOK-OFF WHICH IS CONSISTENTLY THE MOST POPULAR CFC EVENT; STEVE WALL AND BRUCE WEBB DUKE IT OUT AT THE CFC WII-OLYMPICS; MARYANN HENRY, VI BURKE, JON WORTHINGTON, AND TRACY WHITE-DAVIDSON SHOW THEIR TEAM SPIRIT BY WEARING THE COLORS OF THEIR FAVORITE TEAMS.



GRASS-SKIRTED SENIOR STAFFERS GARY SWARTZLANDER, JIM McDONALD, LARRY YADON, AND JON WORTHINGTON POSE WITH A FLORAL-PRINTED VICKI CLARKE; MIYA AND MARSHALL BOYKEN DISPLAY THEIR HULA-HOOPING PROWESS DURING THE CFC WII-HOOPS CONTEST.



NEW EMPLOYEES

RODNEY RICE,
ELECTRICIAN HELPER
1ST CLASS, JONESBORO
MAINTENANCE UNIT

JEREMY CHEA,
CONTRACT SPECIALIST,
DIVISION OF ACQUISITION &
FACILITIES SERVICES

RAY HOUSE,
ELECTRICIAN,
GORE MAINTENANCE UNIT

MICHAEL LOVE,
REALTY OFFICER,
DIVISION OF ACQUISITION &
FACILITIES SERVICES

RETIREMENTS

JIM YANERIS,
EQUIPMENT OPERATOR,
JONESBORO MAINTENANCE UNIT

LINDA MUMMEY,
REALTY OFFICER,
DIVISION OF ACQUISITION &
FACILITIES SERVICES



WATTS INSIDE?



Page 1 - Keystone Transferred

Page 3 - NERC Compliance
Unit Staffing Up

Page 4 - Carpenter Selected
as Assistant Administrator

Page 5 - Chu Selected as
DOE Secretary

Page 6 - Southwestern Meets
Goal of Giving (Photo Spread)

E-MAIL PAO@SWPA.GOV TO RECEIVE THE **UPDATE** ELECTRONICALLY.