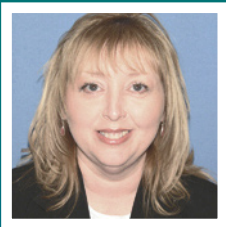


UPDATE

JANUARY - MARCH 2008

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



Beth Whitaker
Administrative Officer
Springfield
Maintenance

Special thanks to:

- Ron Beck
- Marshall Boyken
- Kenny Broadway
- Ashley Butler
- Vicki Clarke
- Cheryl Crosswell
- Linda Dunham
- Blake Elliott (KCBPU)
- Ruben Garcia
- Janet Hagar
- William Hiller
- Beth Nielsen
- Kathy O'Neal
- Jon Worthington

Worthington Named Administrator

Jon Worthington has been selected as the Administrator for Southwestern Power Administration by Energy Secretary Samuel Bodman. Worthington, who began his new responsibilities in January 2008, assumes the Southwestern post after serving as the Administrator of Southeastern Power Administration (Southeastern) since October 2006.



In addition to bringing an extensive working knowledge of the electrical utility industry to the Administrator's desk, Worthington, an Idaho native, holds a Bachelor of Science degree in Business Administration from Westminster College in Salt Lake City, Utah, and an Master of Business Administration from Eastern Washington University in Cheney, Washington.

His 25-year Federal career began in 1982 at the Bonneville Power Administration in Spokane, Washington, where he led negotiations and preparations of long-term power sales contracts and headed up a task force for wholesale transmission rates and open access issues. He later managed the Department of Energy's (DOE) National Laboratories site utilities planning and management program in Washington, D.C., and served in the Rural Electrification Administration working to improve the creditworthiness of borrowers.

Worthington also spent five years at the Federal Energy Regulatory Commission where he was responsible for Power Marketing Administration (PMA) rate review and was involved in the development of Regional Transmission Organizations. Before leaving Washington, D.C., to go to Southeastern in 2006, he served five years as the Deputy Assistant Administrator for both Southeastern and Southwestern at the Power Marketing Liaison Office.

The Update sat down with the new Administrator to learn more about his plans for Southwestern.

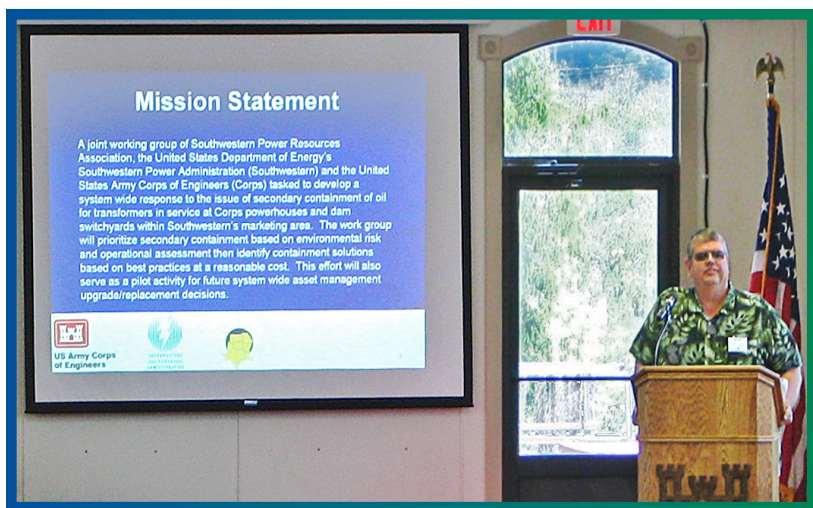
Update: *What do you consider to be the most important issues that may impact Southwestern in the next year or two?*

Worthington: Two issues come immediately to mind: adequate funding to do our mission, and anticipated vacancies in mission-critical areas.

Risk Assessment Method to Be Expanded

The average age of the 24 dams from which Southwestern markets power is 43 years. In people, this is usually around the time when the little things start to hurt. A strained knee here, a pulled back muscle there, and soon a person is thinking, "I've got to get into shape and start taking better care of myself."

Well, that's just what Southwestern, the Corps, and Southwestern's customers plan to do for the aging projects in Southwestern's marketing area. Building on the work of the successful Transformer Oil Containment Work Group (TOCWG), Southwestern Federal power stakeholders plan to use the same type of quantitative method, and some of the same data, to assess the need for repair or replacement of equipment at the Corps projects in Southwestern's marketing area.



BLAKE ELLIOTT (KCBPU) PRESENTS THE FINDINGS OF THE TRANSFORMER OIL CONTAINMENT WORK GROUP AT THE SOUTHWESTERN REGIONAL HYDROPOWER CONFERENCE IN VICKSBURG, MISSISSIPPI, IN JUNE 2007.

The TOCWG began its work in September 2006 with a kick-off meeting at Eufaula Powerhouse and presented its findings in June 2007 at the annual Southwestern Regional Hydropower Conference in Vicksburg, Mississippi. In October 2007, the group followed up with a meeting at Truman Powerhouse in Warsaw, Missouri. There, the members began work on formulating a five-year plan for transformer oil containment where practical, and replacement or relocation of transformers where the risk was judged to be most critical and containment impractical or cost prohibitive.

Blake Elliott, SPRA member and Director of Electric Supply Planning for the Kansas City Board of Public Utilities (KCBPU), attended all the meetings of the TOCWG and spearheaded the effort to assess, quantify, and compile the data into a format which could be used to formulate the five-year plan to minimize environmental risk and allow for the containment or replacement of all evaluated transformers.

"It was my goal to assess all the oil-containing equipment at once, but it was decided to start with just the transformers to keep it simple," Elliott explains. "The group plans to do the oil circuit breakers next, and the good news is that we can definitely reuse some of the site data we've already collected. Really though, the method itself can be applied to any equipment common to the sites, like emergency diesel generators, auxiliary equipment breakers, HVAC systems, etc."

Elliott is positive about the prospect of proactively assessing the need for repair or replacement of equipment at the aging dams and working as a group to do so.

"If the sites and regions can communicate as they face the common problem of aging equipment, there are real advantages to doing things as a group. Reduced expenses related to contracting, technology assessments and standardized equipment purchases can reduce contracting and inventory costs," says Elliott. "There are just lots of advantages to doing things as a group." 💧

"The individual Corps districts know what type of maintenance work needs to be done at their projects," says Southwestern Hydraulic Engineer Marshall Boyken, "but the challenge lies in using our limited funding in the most efficient way possible to make sure the repairs with the most value to our customers get performed first. Of course, we also want to minimize any environmental risk based on best practices, at a reasonable cost."

As part of the TOCWG, Boyken and other Southwestern staff members worked with representatives from the Southwestern Power Resources Association (SPRA) customer group and Corps personnel at the district and national levels to formulate data collection procedures, review data, and analyze and rank the need for oil containment at the facilities based on identified risk factors.

Crosswell Crosses Over to Retirement

Cheryl Crosswell, Southwestern's Director of Human Resources Management for the last four years, was joined by co-workers, friends, and fellow retirees for a big send-off celebration on Thursday, March 20, 2008, as she comes to the end of her nearly 37-year Federal career in early April.

Crosswell, a native of Tahlequah, Oklahoma, served many years at the Department of the Navy in Washington, D.C., after completing graduate work at George Washington University and Antioch School of Law. She worked as an Administrative Services Assistant, Equal Opportunity Specialist, and Equal Employment Manager before returning to Oklahoma in 1992 as a Personnel Management Specialist for Southwestern. Following several years as the Agency's Supervisory Personnel Management Specialist, she was promoted to Director in 2003.

Her farewell luncheon was decorated in purple, Crosswell's favorite color, and included tongue-in-cheek table decorations – stress reducing squeeze



CROSSWELL EXPRESSES HER HEARTFELT GRATITUDE AND HONOR AT RECEIVING WELL WISHES FROM FRIENDS AND CO-WORKERS.

balls which she collects.

The event was emceed by Human Resources Specialist Janet Hagar and Assistant Administrator of the Office of Corporate Services Gary Swartzlander, who presented Crosswell with a Distinguished Service Award signed by Energy Secretary Samuel Bodman. Crosswell also received an Appreciation Award from Southwestern and other gifts from her coworkers, including gift certificates to help her stock up on supplies for scrapbooking, one of her many self-avowed passions. The message written on her cake described Crosswell's guiding philosophy: "Live well, laugh often, and love retirement."

Never one to sit idle, Crosswell notes that her retirement will be pretty busy. Her interests range from scrapbooking to birds to women's issues. She is also a six-year veteran of the Tulsa Area United Way Admissions Panel, and is active in the Stained Glass Guild of Oklahoma and various horticultural groups in the Tulsa, Oklahoma, area. "I grow orchids and African violets," she says, noting their purple color. "I'm especially looking forward to having more time for that. Plus," she adds with a smile, "I'm going to spend lots of time with my wonderful grandchildren." 💧



RETIREE SUE SHAMBURG TAKES NOTE AS CROSSWELL DEMONSTRATES HER WELL-HONED STRESS REDUCTION TECHNIQUE AT A CELEBRATORY LUNCHEON IN HONOR OF HER CAREER.

Green Machine in Jonesboro

Southwestern's first hybrid vehicle rolled into service in January 2008. The new set of wheels, a Ford Escape SUV purchased by the Jonesboro Maintenance Unit, is an electric/diesel combo that gets 34 mpg in city driving.

Reports from the field have been positive. "As the guys have been testing it out, they've discovered it has a lot of power," says Administrative Officer Linda Dunham.

The new vehicle will be used primarily for trips to substations, training events, and meetings. It was purchased in response to Executive Order 13243, "Strengthening Federal Environmental, Energy, and Transportation Management," and as part of Jonesboro's equipment replacement schedule. 💧



READY TO ROLL, SOUTHWESTERN'S FIRST HYBRID BOASTS PLENTY OF POWER WHILE SAVING ON FUEL COSTS AT THE JONESBORO MAINTENANCE FACILITY.

WORTHINGTON, CONTINUED FROM PAGE 1

To elaborate a bit, Southwestern must secure increased funding for the costs of operations and maintenance (O&M) and construction. A major activity of the Agency includes funding the Corps' power-related costs, which can be significant. We're already working with the Office of Management and Budget and others to find alternative funding mechanisms rather than relying so much on customer dollars.

Also, Southwestern, like many Federal agencies, is facing many retirements over the next five years, which represents quite a potential loss of valuable corporate knowledge. We will need to fill vacant positions in a way that makes good business sense over the next 10-15 years. If it can be determined that a position has changed or its responsibilities have shifted elsewhere within the Agency, then we'll need to redefine the position or redistribute our staffing resources.

Update: *What are your short-term and long-term goals for the agency?*

Worthington: The legacy that Mike Deihl created at Southwestern is that of a pretty tightly run ship, so in the short term I anticipate keeping the Agency running just as it is and not making any significant changes. I plan on learning more about how Southwestern functions on a day-to-day basis, the contributions that each employee makes, and how we as a team can provide the best service to our customers. As part of that effort, I've already visited each of our field offices and I hope to get to many of our customers' offices in the near future as well. I will also be working to fill several vacant positions in a manner that makes the most sense to our strategic business goals, and will be updating the Agency's directives.

To lead Southwestern effectively, I must continually develop innovative ways to approach PMA challenges. I believe one of my strengths is the ability to think strategically and be innovative. To that end, I would like to accomplish several of Southwestern's longtime objectives, such as achieving Net Zero Appropriations, getting direct PMA funding for certain Corps power costs, and receiving authority to set up a disbursement account at the Treasury Department that can be used to help stabilize rates in the event of a drought or other disruption. These are three key issues which make sense over the long term from a business standpoint.

I'd like to add that I am also big on training and upward mobility programs. As our workforce changes, I look forward to implementing a program that grows our next group of outstanding employees and senior leaders.

Update: *How have your experiences in the Power Marketing Liaison Office in Washington, D.C., and as the Administrator of Southeastern, helped to shape your management style?*

Worthington: My responsibilities in Washington, D.C., were all about people, and understanding and dealing



WORTHINGTON TOURS THE GORE MAINTENANCE FACILITY AND SWITCHYARD WITH (L) CRAFT SUPERINTENDENT JERRY MURR AND (R) MAINTENANCE DIVISION DIRECTOR TOM GREEN ON FEBRUARY 19, 2008.



DURING HIS FIRST VISIT TO THE JONESBORO MAINTENANCE FACILITY ON MARCH 6, 2008, WORTHINGTON CHATS WITH (L TO R) KEVIN OVERHOLT, DANNY WRIGHT, RETIREE LADELL BUTTS (IN BACK), ED STAGGS, BUEL DAME, DAVID MCKEEL, AND JIM HARDIN.

with complicated issues. I was the eyes, ears, and voice in D.C. for Southeastern and Southwestern. I was responsible for and led high-level policy decisions and interactions with the legislative and executive branches. It was my job to present information to key senior-level Administration officials and Congressional members and staff on highly visible, politically sensitive issues. I also honed my skills in how to think strategically and use our allies to achieve objectives and ensure positive outcomes. In doing so, I learned to develop my listening skills and how to say “please,” “thank you,” and “I appreciate your help.” Having good people skills helped me immensely when I got to Southeastern, and I know that people skills – not just my own, but everyone’s – will also serve to further our sense of “team” here at Southwestern.

Generally, you’ll find that I’m pretty easygoing. As part of my management philosophy, I do have an open-door policy, but I also believe in the chain of command. When it comes to communication, I appreciate hearing the good, the bad, and the ugly. Sugar-coating stuff doesn’t work for me, and that goes both ways. If I’m better informed I can make better decisions, and I am not afraid of making those decisions. At the same time, I will try to be as transparent as possible when dealing with issues that impact the Agency. I feel that if employees know what’s going on then they get a better understanding of how their job fits into the big picture and how it impacts everyone else’s efforts.



PERFORMING ONE OF HIS FIRST OFFICIAL DUTIES, WORTHINGTON PRESENTS PUBLIC UTILITIES SPECIALIST STEPHANIE BRADLEY WITH A HIGH-FIVE AND AN EMPLOYEE OF THE QUARTER CERTIFICATE IN JANUARY 2008, AS (L TO R) JIM CROSTON, GEORGE ROBBINS, AND FRITHA OHLSON LOOK ON.

I’d like to point out that in my budget testimony before Congress a few weeks ago, there was one sentence that I feel was the most important: “Our success is directly attributable to the dedication of the men and women who serve Southwestern, ensuring that our Mission and goals are met.” I truly believe that our people are the key to our success as an Agency, and I plan to do everything I can to let the folks in Congress, at DOE, and among our customers, know the depth of our employees’ commitment to public service.

Speaking of D.C., I’d like to add that people always ask me how I could have lived there for 23 years. My response, half-joking, has always been that I lived relatively near the city’s center so I never had to do the beltway-commute thing. If not for that, I believe I wouldn’t have enjoyed D.C. at all.

Update: *Are there specific business and/or industry initiatives that you look forward to implementing at Southwestern?*

Worthington: As certain areas of Southwestern’s marketing region continue to experience above-average growth, Southwestern will be called upon to coordinate with other industry partners to address potential bottlenecks on the transmission system. In order to facilitate this effort, we will need to upgrade some transmission lines and equipment.

Additionally, the nation-wide push for green power will continue to expand over the next several years. As an Agency, Southwestern must continue to find ways it can contribute to a greener environment. Within funding constraints, I would like to promote an energy efficiency program here at Southwestern that could be done in partnership with our customers.

Update: *Your father, grandfather, uncle, a cousin, and two aunts all worked for Idaho Power Company over the years. Does that family history give you any perspective on your new responsibilities?*

Worthington: I do have a long family history in the power industry. My grandfather worked 37 years for Idaho Power, and my father, who passed away a couple of years ago, worked 35 years there. My father started as a lineman and also worked in the machine shop. I carried on the family tradition and worked for Idaho Power one summer pulling supplies for the line crews, so when I visit one of our field offices that stuff is not new to me. It was my dad’s

CONTINUED ON PAGE 6

Beck Named as Scheduling and Operations Director



Ron Beck, Supervisory Power Systems Dispatcher in the Division of Scheduling and Operations, was selected as that Division's new Director on March 2, 2008. Beck had been serving as Acting Director on a rotational basis since September 2007.

Born and raised around Omaha, Nebraska, Beck's career in power management began at the Nebraska Public Power District and has taken him around the country. Prior to coming to Southwestern in 2005 as a Power Systems Dispatcher, he served 21 years with the Western Area Power Administration (Western), including nearly seven years as a dispatcher at the Rocky Mountain Region Office in Loveland, Colorado. His work there consisted of transmission sales and scheduling, and mitigation of loading on constrained transmission paths.

In addition to Loveland, Beck also worked at Western's former Montrose Operations Office in Montrose, Colorado, the Desert Southwest Region office in Phoenix, Arizona, and the Upper Great Plains Region office in Watertown, South Dakota, serving in dispatch, managerial, and support positions.

As Southwestern's Supervisory Power Systems Dispatcher since August 2006, Beck has been involved with oversight of real-time operations and scheduling functions. Several major initiatives have kept him working closely with Southwestern's customers on a regular basis, including making changes to the Supplemental Energy scheduling process and assisting Southwestern customers and their scheduling agents with technical guidance and electronic data requirements to help with transfers of scheduling and marketing functions. Most recently, Beck has been working closely with the Divisions of Resources and Rates and Customer Service to find solutions to Southwestern's increasing requirements regarding balancing area regulations.

His breadth of experience in the complexities of power management keep Beck confident about the ability of Southwestern to provide efficient, reliable service to its customers. "I am looking forward to working with the management team and staff at Southwestern as we continue to face new challenges," he says. 💧

WORTHINGTON, CONTINUED FROM PAGE 5

example, serving his country during World War II and serving the people of Idaho, that really helped instill in me a sense of duty toward others, and that's why I'm here. You know, given my dad's years at Idaho Power, and my own experiences there and elsewhere over the years, I have a great respect for the men and women who do that kind of hard work for us every day, out in the field where the rubber meets the road. Without them, we can't get our product to our customers, and ultimately we wouldn't have anything to sell.

Update: *You're moving into a home that requires updating, something with which you have a lot of experience. How is that project going, and when do you expect to complete the remodeling so you can unpack those last few boxes?*

Worthington: My new house was built in 1928. It's been owned by the same family for the past 60 years, and it does need a lot of work. It still has a fuse box rather than breakers. Fortunately, all the original light fixtures, woodwork, and character are still there, so I'm not going to be redoing a 1970s remodel. I'm looking forward to it since I enjoy the process of upgrading and remodeling. Call me a master at puttering. As for completing it, is one ever really done working on a house? This will be my 20th renovation over the years, and I always tend to get those last projects done just as the For Sale sign is being stuck in the ground.

I think the unpacking will take at least a year. Since my goals at Southwestern include visiting the field offices twice a year and trying to visit several customers a month for the next year, the boxes are going to be around for a while.

Also, I have lots of tools and junk to unpack, probably enough to start a lending program to those who might need a sander, or an air compressor, or a jigsaw. I also work on old cars, too, so you name it, I've probably got it.

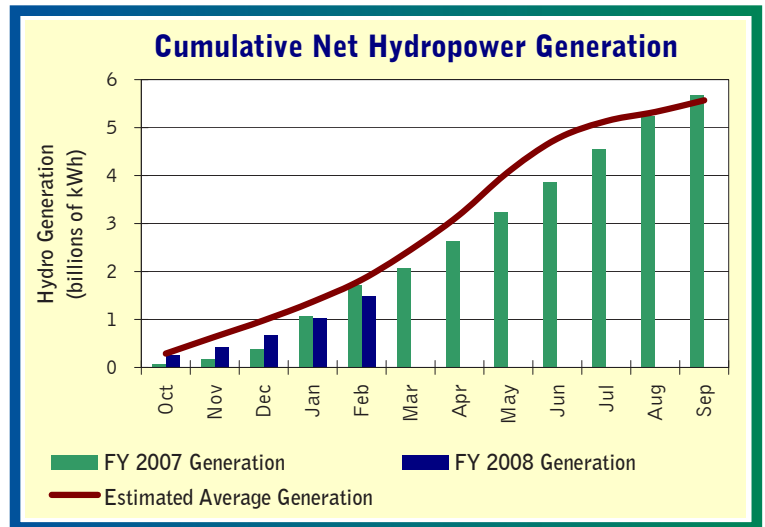
Update: *Thank you for sharing your thoughts, Jon, and welcome to Southwestern.* 💧

SPARKS OF INTEREST

APRIL 8-10, 2008 – SOUTHWESTERN POWER RESOURCES ASSOCIATION’S 51ST ANNUAL MEETING will be held at the Downtown DoubleTree Hotel in Tulsa, Oklahoma. For registration and meeting information, contact Barbara DelGrosso at 918-622-7800, or e-mail bdg18@sbcglobal.net.

MAY 13-14, 2008 – THE HYDROPOWER PROGRAM STRATEGIC PLANNING WORKSHOP # 3 will be held in Las Vegas, Nevada. A tour of Hoover Dam is scheduled for the afternoon of May 12. For registration and meeting information, visit <http://operations.usace.army.mil/hydro/conf.cfm?CoP=Hydro&Step=1>.

JUNE 10-12, 2008 – THE SOUTHWESTERN REGIONAL HYDROPOWER COUNCIL AND CONFERENCE will be held at the Embassy Suites Hotel in Fort Worth, Texas. The Council meeting convenes at 1 p.m. on Tuesday, June 10, to review and prioritize FY 2009 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 11, to communicate actions, concerns, and needs related to the Corps’ hydropower business line in Southwestern’s region. The Fort Worth District of the U.S. Army Corps of Engineers (Corps) is hosting the event. For registration and meeting information, contact Marshall Boyken at 918-595-6646, or e-mail marshall.boyken@swpa.gov.



DOE CHIEF OF STAFF JEFFREY KUPFER has been designated by the President as Acting Deputy Secretary of Energy. Kupfer previously served as a Special Assistant to the President for Economic Policy at the White House, and as the Executive Director of the President’s Advisory Panel on Federal Tax Reform. He has also held a number of positions at the Treasury Department, including Executive Secretary and Deputy Chief of Staff. Kupfer replaces Clay Sell, who, as Chief Operating Officer of DOE, was instrumental in assisting Southwestern with funding challenges during the 2005-2006 drought.



MAJOR GEN. DON T. RILEY, who has served as the Corps’ Director of Civil Works since July 1, 2004, has been promoted to Deputy Chief of Engineers and Deputy Commanding General of the Corps, effective April 4, 2008. Riley’s replacement has not yet been named.



NEW MISSISSIPPI VALLEY DIVISION COMMANDER - BRIGADIER GENERAL MICHAEL J. WALSH assumed command of the Mississippi Valley Division (MVD) of the Corps on February 20, 2008. Since October 2007, Walsh has served as the special assistant to the Chief of Engineers at Corps headquarters in Washington, D.C., following assignment as the commanding general of the Corps’ Gulf Region Division in Iraq. He has previously served as Commander of the Corps’ South Atlantic Division. Former MVD Commander, Brig. Gen. Robert Crear, retired after 32 years of service with the U.S. Army.

NEW EMPLOYEES

MIKE DAWSON,
ELECTRONICS TECHNICIAN,
DIVISION OF SCHEDULING &
OPERATIONS, GORE, OK

JON WORTHINGTON, ADMINISTRATOR,
OFFICE OF THE ADMINISTRATOR,
TULSA, OK

RETIREMENTS

CHERYL CROSSWELL,
DIRECTOR, DIVISION OF HUMAN
RESOURCES MANAGEMENT,
TULSA, OK

MIKE DEIHL, ADMINISTRATOR,
OFFICE OF THE ADMINISTRATOR,
TULSA, OK

“Our success is directly attributable to the dedication of the men and women who serve Southwestern, ensuring that our Mission and goals are met.”

Administrator Jon Worthington,
speaking before the Subcommittee on
Water and Power in Washington, D.C.
February 26, 2008

**WATTS
INSIDE?**



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