

S.T. COTTER
TURBINE SERVICES,
INCORPORATED

HIGHLIGHTS
IN THIS ADDI-
TION:

- **Retrofit for Quality**
- **Cooperating with Calpine to Meet the Deadline**
- **Progress Energy Knows A Good Thing When They See It**
- **VP's Corner— From a Different Angle**
- **CFO's Cliff Notes**
- **WBENC Certification Is the Icing on the Cake!**
- **City of Springfield Awards Long Term Maintenance Contract to Quality and Service**

Turbine Tribune

VOLUME 2, ISSUE 3

FALL EDITION

Putting and New Spin on Old Turbines

Basin Electric Power Cooperative contracted the recent retrofit of their 450 MW BBC steam turbine to S.T. Cotter.

This was the first retro fit that has been awarded to S.T. Cotter. The decision was based on the people, skills, talent and tools provided in the base proposal. Not only was retro fit completed on schedule, there was also major valve repairs and one boiler feed pump turbine inspected. Laser alignment, grit blasting, NDE, and other steam path repairs, were also performed. These items were all part of this difficult project and all came together seamlessly to make a tight schedule possible.

S.T. Cotter with the support and cooperation of local 1091 kept the safety to the same high standard that is known with North Dakota labor. As a Union contractor S.T. Cotter knows and depends on quality trained labor. Through relationships with the UBC, we are able to choose the best craft for each project. S.T. Cotter trains and monitors our craft labor to help facilitate quality craft and team work.

"This is truly the start of our retro fit business- through relationships and hard work we will become a force to be reckoned with in this business" Shawn Cotter VP Ops



Basin Electric is a regional wholesale electric generation and transmission cooperative serving more than 120 member systems. These member systems provide power and services to more than 2.6 million consumers in nine states.

Calpine Needs Precision to Meet Schedule

Calpine Corporation recently called upon S.T. Cotter to complete a difficult valve repair outage. Timing, skill and tooling were major factors in the "on time and on budget" competition of a valve bolt replacement project that was beyond the internal resources ability.

S.T. Cotter is contractually bound to provide quality services to Calpine Corporation. Through this contract Calpine relies on the management and craft to provide timely and cost effective services and will meet the high safety, quality and craftsmanship objectives that a industry leader like Calpine Corporation demands.



Calpine Corporation is helping meet the needs of an economy that demands more and cleaner sources of electricity. Founded in 1984, Calpine is a major U.S. power company, capable of delivering nearly 25,000 megawatts of clean, cost-effective, reliable and fuel-efficient electricity to customers and communities in 16 states in the U.S. and Canada. The company owns, leases and operates low-carbon, natural gas-fired and renewable geothermal power plants. Using advanced technologies, Calpine generates electricity in a reliable and environmentally responsible manner for the customers and communities it serves.

Progress Energy Richmond Site — Knows Good Service When They See It



This is a photo of Progress Energy's Richmond Site

Progress Energy called upon S.T. Cotter again to perform site services on two different occasions after the initial valve project in the spring of 2009.

The first project involved a generator inspection with the direction of Toshiba International Corporation (TIC). This was an extremely difficult time frame and with the competent direction of TIC was completed on time and on budget.

The second project was a valve actuator inspection. This was a follow up inspection after the initial valve project to fix a non-related vendor issue. The work scope was short and simple- although the actual work was seemingly more difficult due to the position of the actuator and removal process. Power plants today are not built as they were 50 years ago and space is much more of a premium. The project was completed on time and with safety as job #1!

From a Different Angle



Mike is always quick with a positive response and a productive idea.

Well the third quarter has come and gone and we have just completed an Alstom retrofit for Basin Electric Cooperative. We were also successful in our endeavor to be awarded the annual maintenance contract for City Of Springfield Missouri. Our goal of doing \$10 Million dollars in field service and refinery work in 2009 is getting closer and closer to fruition.

What aren't getting closer are the fences. I know what you are thinking, what does he mean by the fences? When S.T. Cotter first opened up shop a few years ago, everyone who was trying to disqualify us from getting a seat at the bidding table said it was because we didn't have an EMR rate, which since May we have had, and it's .84. Then as a woman-owned business, everyone said we can put you on the bidding list once you have received WBENC certification. As of September, we are now a WBENC certified business. Then, we were told, you haven't completed a retrofit, so we didn't award you the retrofit. Well, completing a retrofit was another goal we reached. Lastly we have been trying to get in the front door, the side door and the back door with a utility based in the midwest and we find out that someone who has only been in business for five months was already awarded spring work. That is what I mean by the fences been pushed back farther and farther on us each outage season. That usually happens when you keep knocking it out of the park. It is like Roger Maris getting intentionally walked so he couldn't break Babe Ruth's home run record in 1961. I mean really, what's next a subpoena to testify in front of congress about whether or not we used steroids? Have we ever taken bribes from a certain German OEM? By trying to keep us out, or not including us; you only make yourself look suspect.

But I digress. Nietzsche wrote "that which doesn't kill us, makes us stronger", and I believe it. And as Churchill once said "difficulties mastered are opportunities won".

If you are a supplier diversity professional that wants to help us get a seat at the bidding table, I challenge you. If you are a buyer or maintenance manger looking to save

millions of dollars for your utility, I urge you. When Mrs. Cotter and I attended a supplier diversity conference last week in Raleigh, NC, everyone could tell that we were asking them to go to work for us. We are a force to be dealt with and that we are not taking "NO" for an answer and we are not interested in lip service!

However, getting shortlisted for a couple of major projects for next month and also for projects in the early months of 2010 feels like at least people are pitching to us. If I sound a little different this quarter than in issues past, it is because I do not like being told "NO". Ask my wife who tried putting me in the friend zone when we met several years ago while living in Arizona. Next May we will be celebrating our 4th anniversary.

A Co-op in Kentucky used an OEM for 30 years, and I asked them to give us a valve inspection opportunity so that we could prove ourselves to them, we did. When an engineer at a power company in Colorado told me that it was too late to bid a project and we were able to obtain the RFQ for S.T. Cotter, not only did we bid the project, but we were awarded the 500 MW Major Turbine Overhaul and we completed it successfully while maintaining our profitability.

By the way, if you are reading this and are wondering how we keep putting up the numbers we are putting up, it isn't from buying it. It was having the best proposals, the best workforce, and from people understanding that we are the former owners and operators of Lovegreen Turbine Service. It also helps to have management with over 20 years of experience and the staff that has over 100 years of combined expertise. By the way I live in the land of Lincoln, the 16th President of the United States of America who earlier in his life has lost or failed 100 times over. K-B-O, that's my order of the day!

CFO's Cliff Notes



Chief Financial Officer,
Jennifer Anderson.

It was great to get out and see a few plants and put faces with names. In 3rd quarter I was able to attend a few pre-bid meetings and see a wide range of turbines. Give me a hard hat, and I fit right in! While in Bismarck at the Lignite Energy Conference, I was able to make a trip out to Basin Electric Power Cooperative where we are conducting a retrofit of the LP turbines, valve inspection and a major on one of the boiler feed pump turbines. Ken Hager and crew are doing a fantastic job out there. In addition to meeting with many customers and discussing their needs, I have also met with some new vendors who will help ensure complete customer satisfaction and continued success of S.T. Cotter Turbine Services, Inc. Our ultimate goal is to give each and every one of our customers the best quality craftsmanship while maintaining budgetary requirements. Having successful partnerships with those in the industry sharing our common values is a key part of achieving that goal. I look forward to continued partnerships, customer satisfaction and growth in the coming quarters. In the office things are running very smooth. We have implemented some procedural changes that are working very well. Tracking systems, budgetary planning and a few new HR policies have been put in place. Taking care of those who work for us, is another crucial piece to the puzzle.

Thank you to all customers, vendors and employees for a great 3rd quarter.

Certification Success at Last !!!

The Women's Business Enterprise National Council (WBENC), founded in 1997, is the nation's leading advocate of women-owned businesses as suppliers to America's corporations. It also is the largest third-party certifier of businesses owned and operated by women in the United States. WBENC works to foster diversity in the world of commerce with programs and policies designed to expand opportunities and eliminate barriers in the marketplace for women business owners. WBENC works with representatives of corporations to encourage the utilization and expansion of supplier/vendor diversity programs.

S.T. Cotter and Mrs. Nichole Cotter have recently gone through the certification process and were approved as a Woman Certified Business. This not only is a large advantage in the competitive arena but also gives our customers a edge. With a growing demand for diverse suppliers and S.T. Cotter being a quality, union service provider the WBENC certification is the icing on the cake!

Certified
WBENC
Woman's Business Enterprise

Another Customer Decides on Quality

City of Springfield, MO recently awarded S.T. Cotter the annual maintenance contract for site services at the City's 2 power stations.

The City of Springfield owns and operates to electrical generating facilities, James River which has three Westinghouse steam turbines, one Allis Chalmers steam turbine and one General Electric Steam turbine along with 3 gas turbines for a total generation of 419 MW. South West Station has one Westinghouse steam turbine, one Toshiba steam turbine and a pair of aero derivative gas turbines for a total generation of 593 MW, both located in Springfield, MO.

"Just wanted to let you know that I enjoy working with Terry, his crew and the sub-contractors that you brought in for blasting,, NDE and generator services- they are a positive reflection on your company." Bob Barcomb- James River Power Station



Southwest Power Station Owned and Operated by the City Utilities.



S.T. Cotter Turbine Services, Inc

2167 196th Street East
Clearwater, MN 55320

Phone: 612.424.5614

Fax: 320.558.2365

E-mail: info@stcotterturbine.com

www.gotoverhaul.com

*“Your complete woman owned rotating
service provider”*



<http://www.stcotterturbine.com/presentation.cfm>

Watch our Impact Movie!!!!

<http://www.industrialinfo.com/radio/industrytoday.jsp?quest=stc01>

Hear our Pod Cast!!

For more information please contact:

Mike Manno VP, Sales and Marketing,

Mike.Manno@stcotterturbine.com

612.968.0640 cell



Upcoming Issue - Spring is Already Stacking Up!

In the upcoming issues we will talk about:

- What happens when you keep delaying maintenance?
- Why can S.T. Cotter be so good at this rotating machinery maintenance game?
- Retrofits—retrofits more and more customers are adding more power....
- Refiners start to see the quality behind the name...