

# TIPS



◀ The Quarterly Newsletter from Integrated Power Services ▶

Fall 2008

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## Welcome to the first edition of TIPS!

We've finished our first year as IPS and the second's off to a great start. There's a lot to cover, so we've created TIPS to bring you up to speed on what's new in the IPS network. The big story in our lead-off edition is the company's acquisitions. In February we added Electro-Mec, and in September we added The Monarch Group and TRICO TCWIND.

What does this mean for you and your customers? Let's start with Electro-Mec. They're industry leaders in small motor repair, new product sales and CNC precision-machined parts. Electro-Mec greatly strengthens the IPS position within the mining, metals and power generation markets in the Appalachian region. Those strengths are now part of the IPS coast-to-coast network.

Monarch Electric is a dominant presence in the Midwest, particularly in the metals, power generation, refinery and cement markets. They're a nationally recognized market leader in the repair of large and extra large motors and generators, and provide unique repair capabilities in the hydroelectric and nuclear power markets. Their two subsidiaries—PennCoil and Cleveland Rebabbing—provide additional in-house capabilities, such as "B Stage" hard coils up to 15,000 VAC and bearing rebabbing to the IPS network. Monarch's people, skills and resources are now part of the IPS family.

By the way, this summer, Monarch's Cleveland service center teamed up with Electro-Mec and the IPS service centers in Washington, PA, and Cincinnati to handle a major outage, working together as acquisition talks were still under way (read about it inside).

Then there's TRICO TCWIND. This formerly family-owned independent is an industry leader in the wind energy market. They can perform uptower field service and in-shop rewinds of 5+MW wind turbine generators. As an IPS company, TRICO TCWIND now leads all IPS wind power initiatives and will team up

with our Shreveport, Portland and Washington, PA, Regional Service Centers to increase our share of this strong and growing market.

Bottom line—these acquisitions strengthen our presence in new territories and new markets, and add heft to our single-source capabilities. IPS can now do more for your customers and your prospects. Some of you may know our former competitors in Pennsylvania, Ohio, Michigan and Minnesota, but for those who don't, take it from me—we're proud to all be on the same team. Welcome aboard!

So what else is inside? Each issue of TIPS will highlight one IPS Regional Service Center and feature an employee from that facility. First up is Rock Hill and Fred Geary. You'll also find additional information about our company, such as an events calendar and employee milestones. And don't forget our website at [www.integratedps.com](http://www.integratedps.com).

We're also looking for news from the field—details on how to submit stories and pictures are inside. I hope you'll enjoy the first issue of TIPS and I look forward to working with all of you to make IPS the nation's leading independent provider of power services.

We keep electric motors and generators running!

Best Wishes,

Brian Brehmer  
President & CEO

## In this Issue...

- IPS Launches New Branding Campaign
- Spotlight on Carolina Service Center
- Featured employee—Fred Geary
- Houston Employees Volunteer in Clean-Up
- Milestones
- And more...

## IPS adds Electro-Mec, Monarch Group and TRICO TCWIND to coast-to-coast network

It's official—IPS is on a roll. After acquiring Electro-Mec, the third-generation, family-owned power services company based in Indiana, Pennsylvania, in February 2008, IPS has just closed the deals on



Monarch and TRICO TCWIND. The Electro-Mec acquisition was an important start. Jack Grube, the president of Electro-Mec, and his brothers talked to thirty-nine prospective buyers before they agreed to

become part of IPS. They were looking for a match, in terms of complementary resources, shared values and a vision of the future, and they found it with us. As Jack said, "Electro-Mec was built on an entrepreneurial spirit and a commitment to service, and that's not going to change."

Electro-Mec's Indiana, Pennsylvania, operations have teamed with the IPS regional service centers in Philadelphia and Washington, Pennsylvania, to form the newly created IPS Northeast Region. Jack Grube is now the Sr. VP—Northeast Region and charged with overseeing all three of the Northeast service centers. Electro-Mec operates as an IPS company, boosting the company's full-service capabilities in new product sales, small motor repair and precision-machined products. Meanwhile, the IPS Philadelphia and Washington service centers now offer Electro-Mec's customers even more motor repair services—particularly in medium- and high-voltage motors—and expanded field services.



The Monarch and TRICO TCWIND acquisitions are the next steps in the IPS plan to be the nation's leading power services provider, with a coast-to-coast network of regional

services offering industry-specific experience and single-source capabilities. Both deals closed on September 12. Monarch is a 50-year-old, second-generation family-owned company with



service centers in Cleveland, Detroit and Glassport, Pennsylvania. The Monarch Group includes two subsidiaries, PennCoil, located in Glassport, and Cleveland Rebabbling Service, also located in Cleveland.

Monarch Electric specializes in large and extra-large motors and generators, providing repair and field services for the metals, power generation, petrochemical and cement industries. They give IPS a new presence in the Cleveland and Detroit markets, plus some additional heavyweight capabilities—manufacturing "B Stage" hard coils up to 15 kV, AC/DC coils, armatures and specialty coils, nuclear motor repairs, extensive hydro generator maintenance and on-site rewinds, plus bearing rebabbling.

Ken Roller, Sr. VP for the newly created IPS Midwest region, and his management team will be responsible for Chicago, Cincinnati, Cleveland, Detroit and Glassport, PA.

As an IPS company, Monarch strengthens our services portfolio, giving us dominant local, regional and national coverage of the metals industry, strengthening our extra-large motor repair capabilities, and enhancing our position in other key regional industries.



Like our other two acquisitions, TRICO TCWIND was a family-owned independent power services business.

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## IPS adds Electro-Mec, Monarch Group and TRICO TCWIND to coast-to-coast network (continued from previous page)



Jason McDonald, the company's president, started the business with his father, Jamie, in 1996 as a small motor repair shop. After five major expansions, the company has become the premier wind turbine generator repair company in the U.S.

If you've followed the historical price of oil or the presidential campaign, you know how important wind energy is for this country's future. The TRICO TCWIND acquisition gives IPS a major presence in four of the top seven wind power-producing states.

## IPS introduces "Reliability. Delivered." Campaign to tell our story to prospects and customers



It's not uncommon for our employees or customers to describe our company by saying that IPS provides repair services, field services and product sales. Unfortunately, that description is also true for hundreds of other competing

service centers across the U.S. With this in mind, how can we describe—or position—IPS to differentiate ourselves in the marketplace?

You might say that we differentiate ourselves by providing local, regional and national coast-to-coast coverage. For some customers, such as OEMs, national distributors and multi-location end-users, regional and national coast-to-coast coverage has high value. However, a good portion of our existing and potential customer base requires only one service center location.

Combined with existing IPS locations, particularly those in Shreveport, Portland and Washington, PA, IPS covers the top eight wind power-producing states, or 78% of the total U.S. installed base for wind turbines.

Jason McDonald and his management team will stay with TRICO TCWIND. Jason has been appointed Sr. VP—Wind Power and will report to Brian Brehmer. Like our other two acquisitions, the TRICO TCWIND deal is a strategic investment, providing superior local, regional and national service coverage for our existing and potential customer base.

As for future acquisitions—watch this space for further details! IPS continues to look at opportunities for expanding capabilities, geographic coverage and market presence.

According to the 2008 EASA Survey, the top reasons customers choose a service provider, are as follows:

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|--|-----|
| 1. <i>Quality</i>                      | 24% |
| 2. <i>Customer service</i>             | 17% |
| 3. <i>Timeliness of work performed</i> | 13% |
| 4. <i>Specific industry knowledge</i>  | 13% |
| 5. <i>Financially stable</i>           | 9%  |
| 6. <i>Pricing</i>                      | 9%  |

Quality, customer service, specific industry knowledge and financial stability are all components of **Reliability**. "Timeliness of work performed" is another way of saying **Delivery**.

What's interesting to note is that pricing ranked sixth on this survey. So if you're selling and someone lists pricing as their most important metric, you might want to ask them where the other five metrics rank—low prices are less attractive when they're based on inferior **Reliability** (i.e., quality, customer service, industry knowledge) and **Delivery**. The next time you're describing IPS, whether you're talking to a large company, multi-location end user or a local company, tell them exactly why IPS means "Reliability. Delivered."

Reliability. Delivered.

## IPS re-starts Texas refineries after Hurricane Ike rolls through

Gulf Coast residents have learned to brace for bad weather in the fall, so Hurricane Ike didn't catch Galveston and Houston off guard. Fortunately, when it made landfall on September 15, Ike had lost some of its force, but it left millions without power and destroyed homes and businesses with wind, rain and floodwaters. The hurricane was downgraded to a tropical storm eleven hours after landfall, but the damage was done and estimated at \$27 billion.

Still, as Dave Cretella, the IPS Southern Regional Manager, noted, it could have been worse. "If Ike hadn't turned right when it hit land, we would have paid \$10 a gallon for gas." The hurricane caused less damage than Katrina in 2006 and Rita in 2005, but the area's industrial complex sustained storm damage and a number of companies turned to IPS for emergency service.

Cookie Anderson and her team at the Houston Regional Service Center in La Porte, TX, had a plan—a disaster recovery plan—and they executed it. They boarded the service center up and raised their motors and generators off the floor in anticipation of the surge. All emergency customer calls were routed to

Dave Cretella's cell phone in Greenville, SC, where he directed the re-start work. All they had to do was leave town, as the Texas coast was placed under mandatory evacuation, and then once the storm passed, kick into high gear. A rideout team and a two megawatt generator had the Houston Regional Service Center up and running within 36 hours of Ike's landfall. And even though many of the Houston service center employees were personally affected by Ike's destruction, they returned to work and began helping customers by evaluating the damage, testing large motors and desalinating where necessary.

As of late October, motor and generator specialists from across the IPS network were still working on customer motors. The news, from Dave Cretella's point of view, was the dedication and commitment of the Houston service center employees to their customers, and the speed with which IPS responded to the crisis, pulling people and resources in from around the country and getting our customers back online. As Dave said, "We've learned to look at emergencies as just another assignment, which is something our customers find reassuring."

## Monarch spearheads an emergency response with support from IPS and Electro-Mec

A utility that keeps the lights on for over 1.5 million customers in Ohio and West Virginia's northern panhandle had been reviewing contingency plans and change out proposals from local repair shops. However, they were concerned with the length of time these companies required to do the job.

On September 4, the Monarch Cleveland Regional Service Center received an emergency call from one of the utility's plants. A major pipe burst had flooded mission-critical motors and taken them offline. Monarch's emergency response team, led by Bob Gero, a Monarch sales engineer, was on-site within hours. They coordinated a quick response by leveraging the IPS network of regional service centers. Monarch removed twenty motors, ranging from 2,000 HP down, from the site, located spares, then installed and aligned them. Three days later, the plant was back online, but running without spares. Over the next few weeks, Monarch filled in replacement motors, installing and aligning them.

As Bill Oros, Monarch's Vice President for Sales,

noted, "This was a routine job for Monarch. We've been pressed so hard on so many occasions, emergency repairs and replacements are just another day at work. Unlike the small repair shops in the region, we can provide the required amount of skilled technicians and technical resources."

Bob Gero likes the way the IPS network supported Monarch Cleveland's efforts. "We had guys from Electro-Mec in Indiana, PA and the IPS service centers in Washington, PA, and Cincinnati on the job," he said. "We got to know everyone in a hurry and did what we had to, moving motors in and out fast, issuing uniform reports and showing that multiple repair shops can work under one banner."

Bill Oros agrees. "It was a good job and let us demonstrate the strengths of the IPS regional and national network," he said. "The big news here is that we delivered the reliability our customer was looking for. We build relationships one job at a time and there's no doubt that pulling together in a crisis, the way we did, makes a lasting impression."

# SPOTLIGHT ON—

## Carolina Regional Service Center, Rock Hill, SC

The economy may be slumping in the Southeast, but the Carolina Regional Service Center is working hard. According to Fred Geary, Field Sales Engineer at Rock Hill, "Customers are looking to squeeze every last cent out of their power services investment. So we're bundling services and adding value, offering on-site testing and consultations with our repair and field services work."

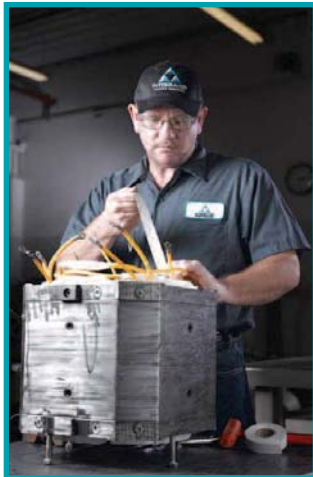
Rock Hill has also leveraged its repair and field services experience in aggregate & cement, pharmaceuticals, and tire and rubber. The service center's new small and special motors department means they can offer repairs and rebuilds for all industries, with new motor sales generating revenues and additional opportunities for the core business.

"We're also rebuilding wood chippers, bark hogs and shredders for saw mills," Fred said. "Remanufacturing to like-new condition is often more cost-effective

than simple repairs and greatly extends the life of the equipment when performed properly.

"We've also aligned ourselves with a supplier of Infrared Windows that are being installed on customers' electrical switchgear—we're trained and certified to perform this work. Bundling more services and support reinforces our single-source capabilities with customers and strengthens those relationships."

The bottom line on Rock Hill? IPS has the resources to ride out the economic downturn, investing for the long haul by providing technical support to customers, tending to its base and preparing for new opportunities.



### At a Glance...

- Service Center Manager—Larry Caudill
- Service Center Controller—Nancy Gillespie
- 52 employees
- Average employee service—17 years
- 44,000 sq. ft. facility
- New small motor department and NEMA inventory
- 10' and 4' VPI Systems
- Dedicated field service team
- Full load testing through 1250 hp
- Run testing to 6900VAC/750VDC
- Complete machining capability
- Dynamic balance stand up to 20,000 lbs.



### Employee Feature: Fred Geary—Field Sales Engineer

Fred Geary, Sales Engineer at the Carolina Service Center, began his career with IPS in May 2004. With a territory that extends over three states—Georgia, South Carolina, and North Carolina—he stays very busy. But he seems to like the demands of his position.

When asked what he likes about his job, Geary stated, "It's very challenging technically and administratively demanding, too."

In his prior experience, Geary held positions with Darby Electric and International Paper. He and his wife, Rhonda, have three boys, Johnathan (22), Justin (21), and James (16).

## Houston volunteers help pick up 50-plus tons of trash in annual Clear Creek Cleanup



Volunteers from the Houston Regional Service Center joined forces with BP, an IPS customer, and over 300 people on Saturday, February 23, for the ninth annual Clear Creek Cleanup in south Texas, the country's largest river cleanup.

As C.T. noted, "It's a great way to support our community and our company's green initiatives. "Helping customers with environmental events enhances the IPS brand and strengthens the relationships that build our business."



Controller Shawn Parrish, Financial Analyst Michelle Brown and Sales Engineer C.T. Miller showed up with family members in tow, pitching in for a worthwhile cause that made a huge difference. C.T. and Dawn Miller started filling trash bags at 7:30AM and were amazed at how much needed to be done.

C.T. said the plan for '09 is to increase IPS involvement in community cleanups, fielding an IPS Houston "Clean Team" at the next Clear Creek Cleanup and the annual Beach cleanup. He also had a suggestion for other IPS regional service centers who get involved with existing or potential customers to support their communities, saying, "It doesn't have to be environmental issues. It can be gathering canned goods and making holiday food baskets for the homeless, or working with non-profits like Habitat for Humanity. Make it fun and rally the troops to make a difference!"



Congrats to everyone in Houston. Is your service center making a difference in your community? Let us know. And send pictures, too.

