

SOUTHWESTERN POWER ADMINISTRATION		PRESS RELEASE	
FOR IMMEDIATE RELEASE:			
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SOUTHWESTERN RESPONDS TO DROUGHT

TULSA, OK – With rainfall levels at record lows and temperatures at record highs for 2005 and the first few months of 2006, the Federal reservoirs from which the Southwestern Power Administration (Southwestern) markets power are showing the telltale signs of a severe lack of inflow.

Reservoirs within Southwestern's marketing area are owned and operated by the U.S. Army Corps of Engineers (Corps), and falling lake levels, exposed shorelines, and concerned recreational interests are becoming a common theme for both the Corps and Southwestern across Arkansas, Oklahoma, and Missouri, where conditions tend to be most severe.

Southwestern Administrator Mike Deihl says he believes it is crucial at times like these to work with the Corps, Southwestern's customers, and other water users to formulate a regional approach to mitigating the effects of a continued lack of available water resources.

"Even in the best of times, the water in these reservoirs is in great demand," says Deihl. "When the levels drop, everyone feels the pinch, and it's important for us to work together to make sure we are doing everything we can to address the concerns of all water users at the projects."

Southwestern has been doing its part by actively purchasing power on the market to minimize generation of power from the dams. Approximately 401,000,000 kWh of power was purchased from July 2005 through March 2006, which is nearly nine times the average amount of power purchased by Southwestern from 2000-2004.

The larger than normal purchases have allowed lake levels to remain 5-12 feet higher than if the power were being generated from the dams, Deihl says, and Southwestern plans to continue purchasing power in upcoming months to

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supplement the use of water for power generation until such time as water storage in area reservoirs recovers.

Throughout the crisis, Southwestern has worked to minimize its demands on the reservoirs and maximize the value of the shared water resources. Over the past few months, Southwestern has attended numerous public meetings to explain its operating procedures and to assure other water users of its commitment to minimizing impacts to the region under less than favorable water conditions.

Because Southwestern combines the electrical output available at multiple reservoirs to meet the bulk of its contractual demands, Southwestern can use its limited flexibility to ensure that no one reservoir or group of reservoirs suffers unduly during low water conditions.

Administrator Deihl says that Southwestern has been actively pursuing operating alternatives since it became apparent that the agency was in for a critical period after the dry summer of 2005. "We plan to continue purchasing power to offset generation from the dams whenever possible. We are also committed to working with our customers and others to equitably distribute the impacts of this crisis among all water users within the entire system of reservoirs."

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Southwestern Power Administration is an agency of the U.S. Department of Energy. Its mission is to market and reliably deliver Federal hydroelectric power with preference to public bodies and cooperatives. This is accomplished by maximizing the use of Federal assets to repay the Federal investment and participating with other water resource users in an effort to balance their diverse interests with power needs within broad parameters set by the U.S. Army Corps of Engineers, and implementing public policy.