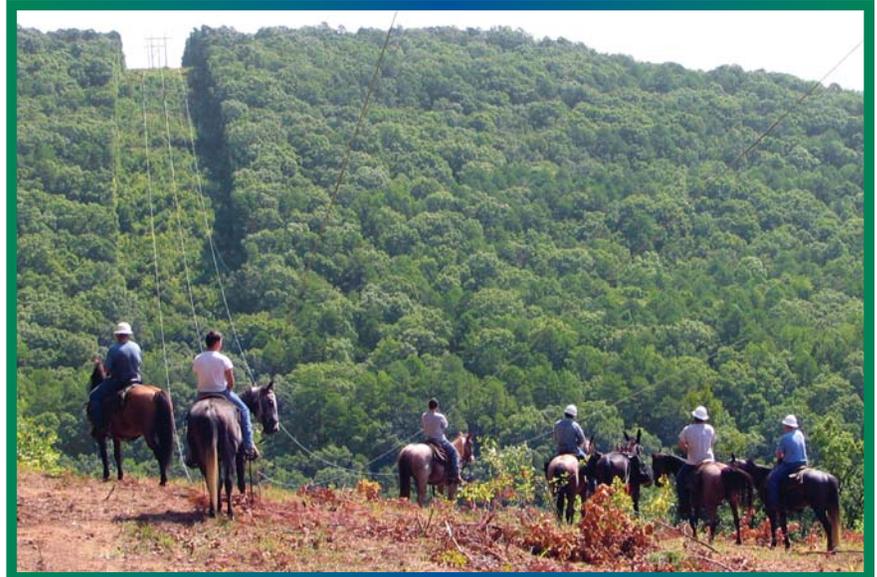


UPDATE

JULY - SEPTEMBER 2006

Gore Crew Utilizes More Horsepower

Deep in a canyon in the Ozark National Forest this past summer, the Gore Maintenance Office discovered a stand of trees growing dangerously tall under a Southwestern transmission line. Tree-clearing outside the right-of-way by another entity's contractor had already resulted in one line outage, so when the Gore crew spotted the wayward trees during the patrol for that event, it was decided that removal was warranted to prevent the possibility of another, especially if heavy loading during the record-breaking heat caused the conductor to sag more than expected. Normally, a crew would have simply been dispatched to clear the lofty foliage, but for this particular situation Southwestern decided it needed to send in the cavalry.



THE GORE CREW SELECTED THE RIGHT TOOL FOR THE JOB WHEN THEY USED HORSES TO ACCESS THIS REMOTE CANYON IN THE OZARKS.

Thus, an eight-man crew from Gore saddled up on August 22, 2006, to ride horseback into the backwoods of Pope County, Arkansas, to clear the trees underneath a segment of the Bull Shoals-Dardanelle 161 kV line. Standing at the top of the canyon, one can easily see the need for such sure-footed assistance. "There's no other way to get down there," says Rick Jones, Working Foreman on the Transmission Line Crew, pointing down to where the ledges become impassable by truck and bulldozer.

Jones' father actually helped build this line, which was brought into service in 1949. The line stretches 1,800 feet across the canyon, high above the creekbed below. However, the trees are now 50 years taller, and the line is just not as taut as it used to be.

The decision to go in and fell the trees, and to use horsepower to get there, was the result of a process of elimination. According to Jones, it was determined that tightening the line would put too much tension on the nearby structures. Therefore, tree-cutting was the necessary solution. But the canyon's steep slopes make vehicular access impossible along the right-of-way.



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



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Mistie Yost

Work Group Plans Transformer Oil Containment

Environmental and operations staff from Southwestern and the U.S. Army Corps of Engineers (Corps) met with representatives of the Southwestern Power Resources Association (SPRA) September 6, 2006, at the Eufaula Dam Powerhouse to formulate a system-wide response to secondary containment of oil associated with transformers at Corps hydroelectric facilities.



BLAKE ELLIOTT, OF THE KANSAS CITY BOARD OF PUBLIC UTILITIES, AND SOUTHWESTERN HYDRAULIC ENGINEER MARSHALL BOYKEN DISCUSS WHAT CAN BE DONE TO MINIMIZE RISK IN THE EVENT OF A TRANSFORMER OIL BREACH AT EUFAULA DAM.

The group was formed at the request of Southwestern's customers, who are concerned about potential environmental problems caused by aging transformers at the Corps facilities from which Southwestern markets power.

"Some of these transformers are close to 60 years old and are located on the powerhouse deck," explains Southwestern Hydraulic Engineer Marshall Boyken, who coordinated the meeting at Eufaula. "If something happens to the oil-containing vessel itself, either through an act of vandalism or some other kind of damage, there's no place for the oil to go except into the river. Southwestern, the Corps, and the customers want to prevent that from happening."

The Environmental Protection Agency, under 40 CFR 112, now requires that all qualifying facilities with oil-containing equipment operating before August 16, 2002, implement a Spill Prevention, Control and Countermeasure (SPCC) plan, with suitable secondary containment measures. The SPCC plan is to be in place by October 31, 2007.

However, on December 12, 2005, EPA proposed changes to 40 CFR 112 that would allow the option of implementing several planning documents in lieu of secondary containment. If the proposed changes are adopted, secondary containment would not be required for qualified Corps equipment.

The equipment at the Corps facilities is covered under the Corps' SPCC plan; however control measures to prevent a spill from reaching navigable waters were found by the Corps to be too expensive or technically difficult to implement. According to Boyken, that's where the working group comes in.

"Our customers asked us to find out how many Corps powerplants in Southwestern's marketing area have transformers that contain oil but do not have an oil containment system," he says. "We plan to record information about all transformers at each site and then rank the transformers most in need of secondary oil containment."

Boyken says the group at Eufaula made good progress by finalizing a standard data collection sheet and conducting a walkthrough data collection exercise for all three transformers – the two on the powerhouse deck and the one in the switchyard.

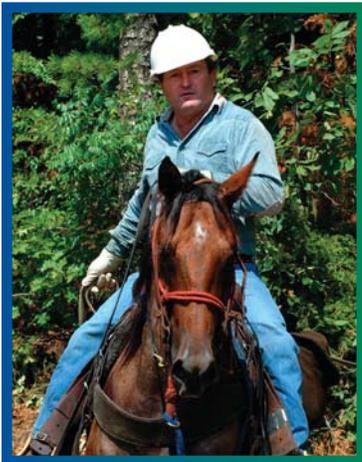
One thing the group agreed on, he said, was the need to preserve the environmental harmony of the reservoir and river systems. "Even with the EPA considering the exemption of some smaller oil-containing facilities, we want to make sure that any kind of spill is prevented in the first place."

Next steps are for the Corps to complete its data collection by November 2006 and for the group to meet and create a scoring



MARSHALL BOYKEN (SECOND FROM RIGHT) EXAMINES DRAINAGE FLOW NEAR THE ON-DECK TRANSFORMER AT EUFAULA DAM WITH (L-R) TERRY BACHIM OF THE CORPS' FT. WORTH DISTRICT, AND TULSA DISTRICT'S DAVE MORGAN, ROD SHANK, AND MICHAEL JERNIGEN.

CONTINUED PAGE 8



HORSEPOWER, CONTINUED FROM PAGE 1

“We tried to get to that section of line the week before with a six-wheel-drive Polaris,” says Jerry Murr, Craft Superintendent at Gore. “We also talked to the Forestry service about building a road with a bulldozer across their land, outside of the right-of-way, and they said that couldn’t be done without going through the environmental process which is usually a 60-day minimum process.”

“Going in on foot also would have taken too long,” adds Jones. “We only had the line outage from 8 a.m. until 1 p.m. each day.” Hiking down into the canyon – or, more precisely, hiking back up – would have been impractical, he says, especially with lots of water and equipment in tow.

That left horse-riding as the only option. “We felt the trees needed to be cut immediately, so the horses were suggested by Rick Jones, and I don’t believe the work could have been done without them,” says Murr.

RICK JONES FINDS HORSEBACK TO BE SECOND NATURE.

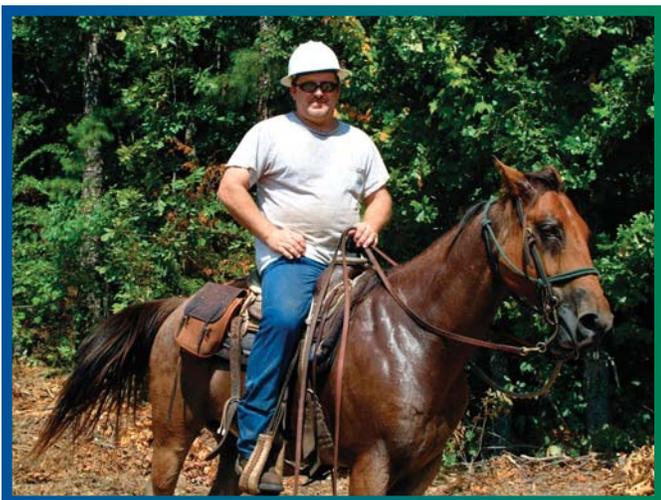
Horses can trek more quickly across the steep terrain, keep the crew from getting fatigued, and haul the equipment. And the Gore employees, as it turns out, are no greenhorns. “Fortunately, a bunch of our guys know how to ride,” says Jones. “They’re real capable.”

By 7:00 a.m. the crew was on site getting their gear ready as the fog dissipated in the valleys below. Six horses and a mule were packed up, and the group, resembling cowboys in hard hats, headed into the trees at the side of the right-of-way. Jones, who had acquired the animals from an outfitter in Gore, had already scouted a route, and he led the group as they switchbacked down into the canyon. By 8:30 a.m., the sound of chain saws was echoing up through the still, humid air to the canyon rim, where Lineman Gary Gregory maintained radio contact with the Springfield dispatchers.

As with wrestling cattle on the open range, the work in the canyon was hot and dangerous. While the horses enjoyed a shady break nearby, the crew worked quickly, with three to four saws buzzing away at a time, being careful to let the trees fall downhill as they worked their way to the tallest, most troublesome conifers.



EARLY MORNING FOG FILLS THE STEEP VALLEYS AND CANYONS OF THE BOSTON MOUNTAINS IN THE OZARKS.



JOHN FRAILICKS AND HIS TRUSTY STEED HOOF IT OUT OF THE FOREST AFTER A HARD DAY’S WORK. THE GORE CREW MEMBERS WERE ALL EXPERIENCED RIDERS.

Beyond the heat and the work, the backwoods themselves can be a challenge, notes Gregory. Cave openings dot the hills. On this day in August, rain was in the forecast. Snakes, including rattlers, were still a constant threat, and bears were actively foraging as well. At mid-morning, the crew actually had a brown bear crash into their midst. Startled, it ran off uphill along the right-of-way. (Warned via radio, Gregory did not encounter the bear, but said he was ready to leap into his truck just in case.)

After a few hours of felling trees ranging from 40-100 feet tall, the posse packed up and returned topside to rest up for two more days of work. With the horses doing the walking, says Jones, the crew was able to spend more time cutting trees and less time on the commute. “We made good progress down there,” he says. “We got the job done a lot sooner than we would have without them.” 💧

Agency Field Reference Helps Protect Environment



THE OZARK BIG-EARED BAT IS JUST ONE OF THREE FEDERALLY PROTECTED BAT SPECIES IN THE SOUTHWESTERN MAINTENANCE AREA.

looks like, but also includes detailed information on their habitats, mating cycles, germination schedules, nesting patterns, and the like, so crews will know when and where it is safe to spray herbicides or bulldoze underbrush.

"A picture is the next best thing to seeing the real species in order to identify it," says Darlene Low, Special Assistant, Aviation, Environmental, Safety, & Health, who is overseeing the field reference project. "All environmental species, of course, should be respected as we go about our work, but the particular species to be included in the booklet are those that are protected by law."

Federal protection is extended to species that are "threatened" – that is, likely to become endangered in the foreseeable future – or those that are "endangered" – that is, already in danger of becoming extinct. Southwestern's field reference includes species from both classifications.

Environmental Specialist Mistie Yost, with Southwestern support services contractor Wyandotte NetTel, spent several months researching in detail the protected species that Southwestern's crews might find in ROW areas.

"Our efforts are geared toward providing awareness that will help our crews comply with existing environmental laws regarding these Federally protected species," says Yost, noting that some of these species simply don't receive as much

At first light on an April morning, a small Missouri bladderpod (*Lesquerella filiformis*) turns its canary-yellow flowers toward the sun, waiting for the day's warmth to dry off the morning dew. Hundreds of these little plants bear their bladder-like seedpods in this open glade in the Ozarks, preparing for the hot summer when they will scatter their seeds and die off to make way for a new generation. At this moment, however, they simply enjoy another day of warm sunshine in their almost-natural habitat: a right-of-way clearing under one of Southwestern's transmission lines.

Transmission line corridors have always bisected – and even expanded – the natural habitats of plants and animals where they crisscross the countryside. A right-of-way (ROW) alters the landscape, if only in a 100-foot-wide path, but that change has the potential to affect the population patterns of native flora and fauna. For Federally protected species, such as the Missouri bladderpod which only makes its home in small prairie-like sites in the Ozarks, continued survival depends at least partly on Southwestern's acknowledgement of their presence as well as an understanding of their life cycles. It is important for linemen and maintenance crews to look for and recognize these endangered species.

To that end, Southwestern's Office of Corporate Facilities has prepared a field reference to be carried by Southwestern employees who work out in the field. As a supplement to annual environmental training, the field reference is a handy booklet formatted to easily fit in a vehicle's glove box. It not only shows what each protected plant and animal



THE DELICATE WESTERN PRAIRIE FRINGED ORCHID, WHICH PREFERS TALLGRASS PRAIRIE HABITATS, IS LISTED AS A THREATENED SPECIES.



THE EXTREMELY RARE HINE'S EMERALD DRAGONFLY, WHICH WAS RECENTLY DISCOVERED AT A SITE IN MISSOURI, HAS BRIGHT EMERALD-GREEN EYES AND A METALLIC GREEN BODY.

press coverage as others. "In the past there has been a lot of focus on least terns and the Missouri bladderpod," she says, "but there are quite a few endangered and threatened species that our crews could encounter on a regular basis."

Because Southwestern's ROWs cover only a small, narrow percentage of the natural environment, the species included in the field reference are limited to those found in counties where Southwestern's activities are conducted. The Jonesboro, Springfield, and Gore maintenance units will each utilize a different version of the booklet that is tailored to their individual service areas.

There are many interesting species, besides the bladderpod and the tern, making their homes around Southwestern's transmission lines. The Indiana bat (*Myotis sodalis*) is an endangered night-flyer that can roost under loose tree bark on dead or dying trees during the summertime and will forage along the edges of forested areas, such as might be found lining both sides of a ROW clearing. Tree-cutting and trimming activities need to take into account the presence of these small, insect-eating animals.

The endangered American burying beetle (*Nicrophorus americanus*), which now lives only in a few states, including Oklahoma and Arkansas, exhibits a preference for grasslands and ground cover, like that in the open space of a ROW. It burrows into the ground to mate and raise its young. Bulldozing and any other ground-disturbing activity in a ROW or around a substation can impact the life cycle of these insects.

Even the American eagle (*Haliaeetus leucocephalus*), which remains on the list of threatened species, occasionally hangs a Home Sweet Home sign in Southwestern's ROWs. The majestic bird, which is classified as threatened, will nest atop trees or even on the transmission support structures. An eagle would only be removed if its presence impacts an emergency outage or is involved in an immediate safety threat to employees or citizens.

Federally protected species have always been important to Southwestern. In each state where Southwestern has transmission lines or substations, the agency already coordinates its outdoor activities with the U.S. Department of Fish and Wildlife, which performs administrative and regulatory actions under the Endangered Species Act. "Before we disturb any land by, say, installing poles or enhancing a substation, we consult with Fish and Wildlife," says Yost. "We send them a letter of intent and they respond with an analysis and provide guidance on how we need to proceed." Yost says the hope is that the new field reference will help crews be more efficient as they follow Federal guidelines and the law, so that the bladderpod and other species can continue to call Southwestern's rights-of-way "home." ♠

**DURING
MIGRATION IN
THE SPRING AND
FALL, WHOOPING
CRANES
SOMETIMES
ARE SIGHTED
IN OKLAHOMA
ALONG RIVERS,
IN GRAIN FIELDS,
OR IN SHALLOW
WETLANDS.**



Generation Hotline Learns New Language

Southwestern's telephone hotline has provided anticipated power generation schedules to fishermen for over 10 years, but only this past summer have callers been able to talk back to it. The new and improved system, unveiled in August 2006, is voice-activated, so callers can simply speak the name of the dam for which they are requesting a schedule, as well as tell the system they want the schedule for the current or the following day. Additionally, the new system is bilingual: callers can opt for English or Spanish.



The old system required callers to punch in a numbered code corresponding to a dam's location, and another code for the requested day. The new voice-activated interface means that callers do not have to wait to hear the codes, and can speak their selections immediately. Therefore, calls are shorter – about one minute each, including the introductory information. Because the volume of calls to the

hotline has increased over the years, shorter call times are important for maximizing the availability of this service to the public. The system currently receives approximately 4,000 calls per month during peak fishing seasons.

Generation schedules impact fishing due to cold water releases that provide good habitat for trout below the dams. Forecasts provided via the hotline, however, are still subject to last-minute changes to meet power demands.

The hotline number remains 918-595-6779. A toll-free number is also available, at 866-494-1993. ♠

Customers Make Southwestern's Deferral Program a Success

With the successful implementation of the voluntary Deferral of Peaking Energy Program this past summer, Southwestern and its customers managed to maneuver a little breathing room against the ongoing effects of one of the worst droughts the southwest region has ever experienced.

Under the deferral program, participating customers agreed to voluntarily limit their use of peaking energy during the June through September peak summer months and during their current contract year, thus preserving electrical capacity and conserving energy within Southwestern's 17-reservoir interconnected system.

For many of Southwestern's customers, this voluntary deferral had significant economic impacts. Instead of being able to use cost-based hydropower during the critical summer months, customers were forced to find higher cost energy from other sources. And customers were not only facing higher costs for the purchase of the energy itself, they were also looking at higher costs for transmission service, and in some cases, no transmission service availability at all due to regional constraints.

"Our customers really came through for us on the deferral program," says Jim McDonald, Director of Southwestern's Division of Customer Service. "Southwestern realizes that it was a strain on them, and we appreciate their willingness to help us work through this drought situation."

Southwestern began its deferral program in June 2006, with an initial 400 hours per kilowatt of contract demand of Peaking Energy available to participating customers for the June through September period. In normal water years, Southwestern's customers are allowed to schedule up to 600 hours per kilowatt of contract demand of Peaking Energy during these months.

CONTINUED NEXT PAGE

SPARKS OF INTEREST

THE CREATION OF AN ASSISTANT SECRETARY POSITION AT THE DEPARTMENT OF ENERGY (DOE) to be in charge of the newly created Office of Electricity Delivery and Energy Reliability was announced on September 26, 2006. The position replaces the Assistant Secretary position in the Office of Environment, Safety and Health, which was eliminated by DOE in favor of a newly created Office of Health, Safety and Security. Kevin Kolevar, a member of Energy Secretary Samuel Bodman's senior staff, has been nominated to fill the position.



JON WORTHINGTON WAS NAMED ADMINISTRATOR OF SOUTHEASTERN POWER ADMINISTRATION (Southeastern), effective October 1, 2006. Worthington served as Deputy Assistant Administrator for Southeastern and Southwestern at the Power Marketing Liaison Office (PMLO) in Washington, D.C., since September 2003. He had worked at the PMLO since December 2001. Other work experience includes stints with the Federal Energy Regulatory Commission (FERC), Bonneville Power Administration, the Department of Energy, and the Rural Utilities Service. He replaces outgoing Administrator and former Southwestern General Counsel Charles Borchardt, who retired in September.

LIEUTENANT GENERAL CARL A. STROCK, CHIEF OF ENGINEERS AND COMMANDER OF THE U.S. ARMY CORPS OF ENGINEERS (CORPS), ANNOUNCED HIS RETIREMENT in August 2006 due to family and personal reasons. Strock has commanded the Corps since July 2004. In accordance with Title 10, U.S. Code, the Secretary of the Army will convene an Advisory Board that will recommend a list of officers from which one officer will be approved for nomination to and confirmation by the U.S. Senate.

THE DEPUTY SECRETARY OF ENERGY APPROVED SOUTHWESTERN'S INTEGRATED SYSTEM RATE PROPOSAL on an interim basis, effective October 1, 2006. The rate proposal calls for a 27.7% annual revenue increase, to be implemented incrementally over a period of three years. All comments received during the 60-day public comment period, which ended August 15, 2006, were reviewed and incorporated, along with Southwestern's responses, into the rate proposal. Southwestern has deferred a revenue decrease of 1.84% for the Sam Rayburn project in accordance with the $\pm 5\%$ isolated rate adjustment threshold, which allows Southwestern's Administrator to defer any revenue increase or decrease within the $\pm 5\%$ range. A revenue increase of 25.8% is indicated for the Robert D. Willis project. The public comment period for the Willis rate proposal ended October 10, 2006. All comments received will be addressed in the final rate proposal, which is expected to be forwarded to the Deputy Secretary for approval in mid-November 2006, with interim approval for implementation on January 1, 2007. Following DOE approval of Southwestern's rate proposals, the proposals are forwarded to FERC, which conducts a 30-day public comment period, reviews the proposal in light of any comments received, and then renders its decision on the proposals. For questions or more information regarding Southwestern's rate proposals, contact Stephanie Bradley at 918-595-6676, or e-mail rates@swpa.gov.

DEFERRAL, CONTINUED FROM PAGE 6

Increased customer participation and a small increase in inflows during June, July, and August increased the availability of Peaking Energy by the end of August to 453 hours for the June through September period. Over 90 percent of Southwestern's customer load participated in the program.

All in all, says McDonald, the program was very successful. "It allowed Southwestern to preserve much needed capacity and conserve energy at the projects, which helped Southwestern fulfill its contract obligations. That was the intent of the program, so in that regard it was very successful." ♦

NEW EMPLOYEES

OLLIE MONSON, POWER SYSTEM DISPATCHER
DIVISION OF SCHEDULING AND OPERATIONS
SPRINGFIELD, MO

FRITHA OHLSON, SYSTEM OPERATIONS SPECIALIST
DIVISION OF SCHEDULING AND OPERATIONS
TULSA, OK

CONTAINMENT, CONTINUED FROM PAGE 2

procedure for the collected data so it can be used in a decision matrix that will rank the transformer oil containment projects according to their risk.

“We hope to have a pretty good idea of what we’re looking at by late this year or early next year,” Boyken says. “Once we have the matrix together, we can make some decisions on which projects we’d like to address first.”

The oil containment work group tentatively plans to meet again in early December 2006 at the Table Rock Powerhouse. For more information about the group or questions about the oil containment project, call Marshall Boyken at 918-595-6646, or e-mail him at marshall.boyken@swpa.gov. 💧



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