



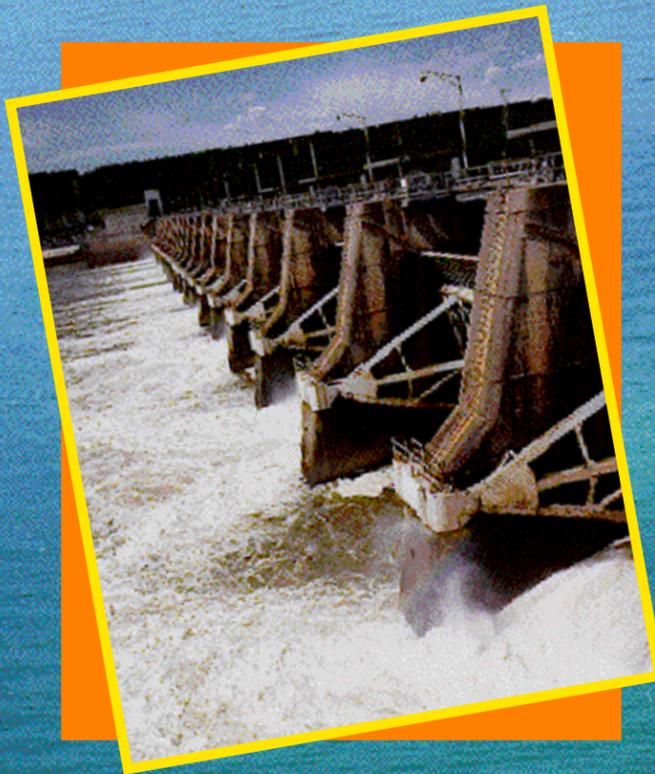
SOUTHWESTERN POWER ADMINISTRATION

Water is abundant . . .

in streams, oceans, rivers, lakes, waterfalls, creeks and ponds . . . a beautiful, sparkling, refreshing and renewable natural resource. Water is used by everyone, as a life-sustaining necessity as well as for pure enjoyment. And water is plentiful . . .

Or is it?

Although a renewable resource, water is dependent on the whims of Mother Nature. It varies in its amount and its timing. And now, more than ever, because there are so many demands for water, wisely sharing the use of this valuable resource is essential.



Water is needed by cities and towns for water supply, by farmers for irrigation, by industries for navigation, by tourists for recreation, and by people everywhere for electricity.

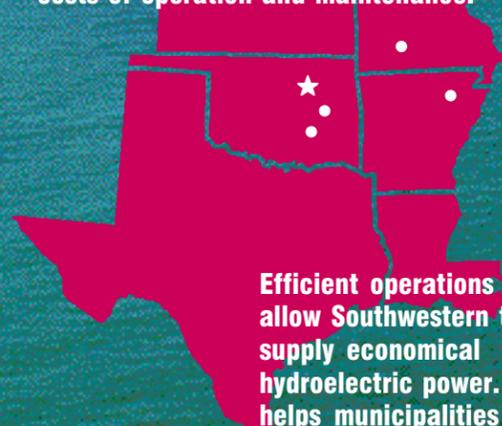
“Good water years” — years when rainfall is plentiful, make accommodating everyone’s needs and desires for water much easier. During periods of drought, however, just meeting minimal needs can be very difficult.

Who is Southwestern?

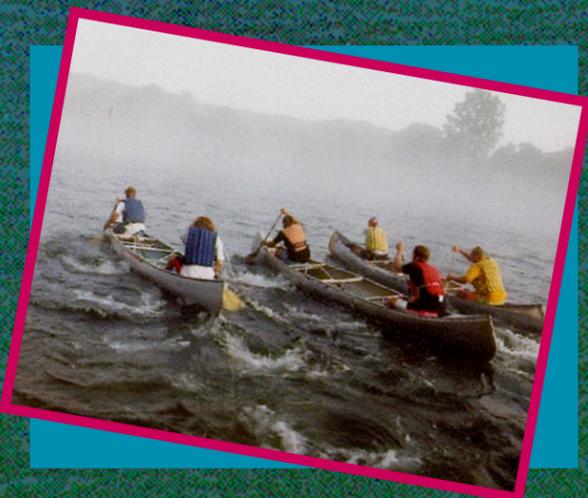
An agency of the Department of Energy, Southwestern Power Administration was created in 1943 to market power and energy produced at U. S. Army Corps of Engineers hydroelectric power projects. This electricity is provided to homes and businesses in a six-state area: Arkansas, Kansas, Louisiana, Missouri, Oklahoma and Texas.

Southwestern’s mission is to market hydroelectric power and energy at an economical cost for a widespread benefit to the region.

Southwestern is responsible for repaying the U. S. Treasury for all costs associated with the production and marketing of hydroelectric power. These costs include principal and interest on dam construction, as well as annual costs of operation and maintenance.



Efficient operations allow Southwestern to supply economical hydroelectric power. This helps municipalities and rural electric cooperatives stay in line with limited budgets and still allows Southwestern to repay the Federal investment in dams — *with interest*.



Sharing the Resource

Because many people, with so many different interests, want to use the lake water (which is stored behind the dams), finding ways to share the resource to accommodate everyone’s desires is becoming an ever-increasing challenge for managers of the Federal dams.

People today have more time and dollars to spend on recreation, much of it around the lakes and along the rivers. A major tourism industry associated with the lakes and downstream fisheries has developed to provide people with equipment, supplies, guide services, lodging and restaurants.

Many agriculture interests depend upon the dams to protect their land from the destruction of floods, and on the water stored behind the dams to irrigate their crops. The water from the dams also provides for navigation to take the farmers’ crops, as well as industrial products, up and down the river to market.

Competing Uses

- municipal water supply
- hydroelectric power
- fish and wildlife
- tourism
- navigation
- flood control
- irrigation
- swimming
- fishing
- boating

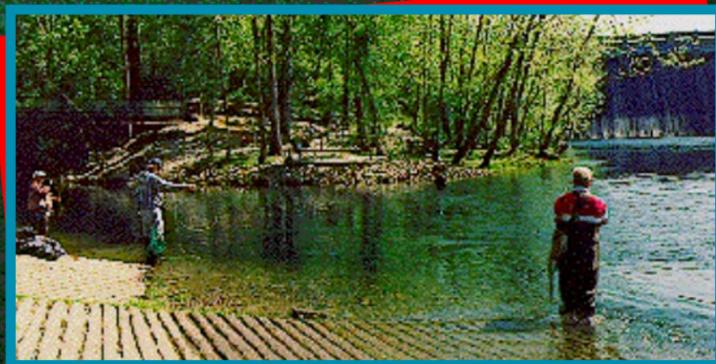
Many communities depend on the water stored behind the dams to provide an economical source of water supply for local businesses and industry as well as for a reliable source of drinking water.

Southwestern depends on the water to produce electricity to meet its contractual obligations to its customers.

How We Work Together

The needs of downstream fishermen, water skiers on the lake, concessionaires, canoeists on the river, electrical consumers, water supply users, tow boat operators, and downstream farmers vary and often conflict with each other.

Southwestern dedicates significant effort in coordinating operating activities — with groups such as the Corps of Engineers, State game, fish and wildlife agencies, organized recreational groups, and other water user groups — to find ways to accommodate each user’s needs, whenever possible, and still meet electrical contract requirements.



Southwestern’s staff actively participates in numerous water resource committees and work groups. The purpose of these groups is to balance power and non-power uses of each multi-purpose project.

Making the best use of the water resource requires an understanding of each user’s specific needs, but also an understanding of the history and purposes of the reservoirs. Above all, there must be a spirit of cooperation between the competing user groups.

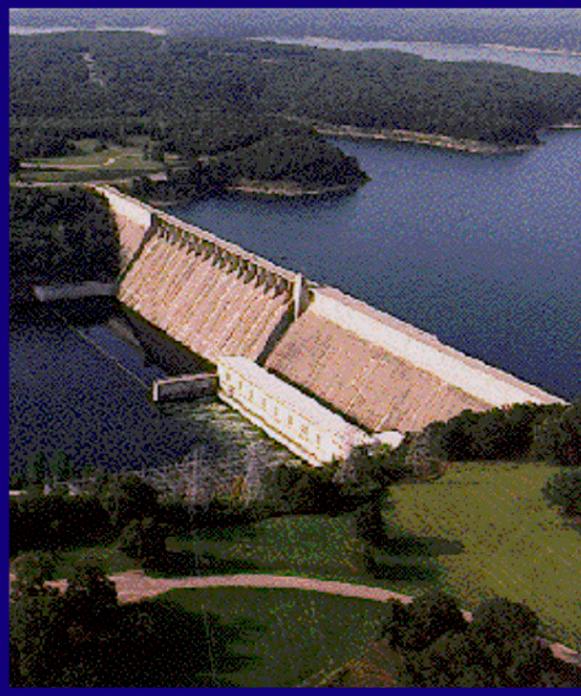
What's an "Authorized Use?"

Before construction of the dams, the U. S. Congress determined the "authorized uses" for each dam. The benefits from the authorized uses were used to justify the nation's investment in the projects.

The authorizations are also used in determining how the projects' costs will be repaid to the Treasury. Most of the projects are classified as "multi-purpose" — they have more than one authorized use such as flood control, production of electricity, recreation, navigation, fish and wildlife, water supply, etc. A different combination of uses is normal for each dam.

Generally, only hydropower and water supply require actual repayment of the Federal investment.

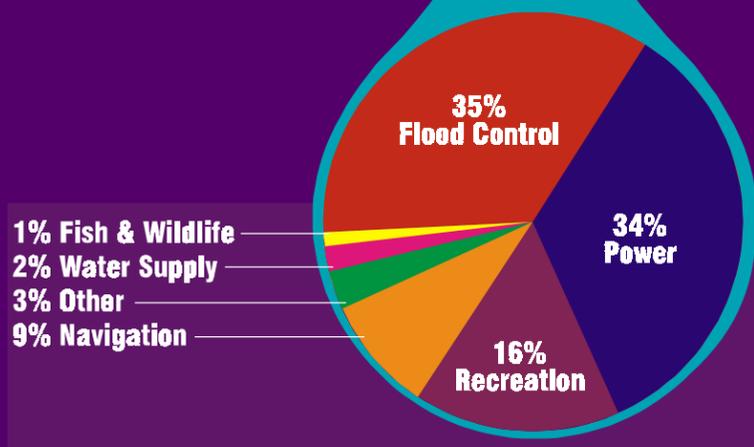
Southwestern's assigned hydropower costs, which must be repaid by the sale of electricity, represents about one-third of the total cost of the 24 projects, and for some projects, includes more than two-thirds the cost.



Storage Space

Storage space behind the dams is reserved for different authorized purposes. The conservation pool may provide storage for water supply, hydropower, and navigation. The top of the conservation pool is typically considered to be the "normal" lake level.

The flood control pool provides space for temporarily storing flood waters to protect downstream farms and communities. Some uses, like recreation, may be "authorized" and yet have no water storage reserved for their particular purpose.



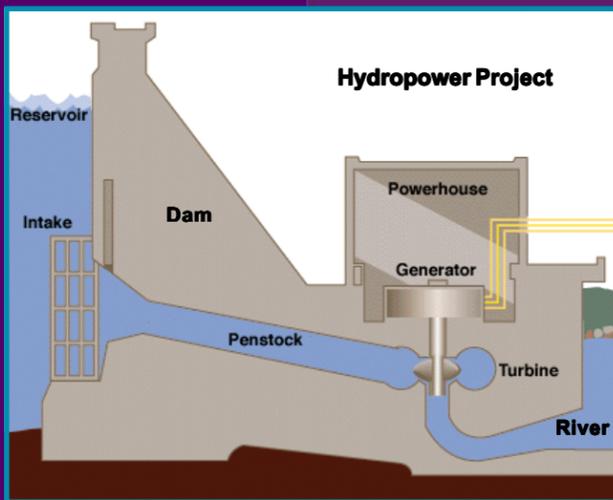
Percentage of Cost Assigned to Authorized Uses

Who Pays?

Historically, only the hydropower and water supply beneficiaries have been required to pay their assigned costs. Federal water resource policy is now moving toward requiring each beneficiary to pay for the benefits received. Ultimately, the "beneficiary must pay" policy means that, for changes and enhancements over existing benefits, people receiving these benefits must pay for the product received.

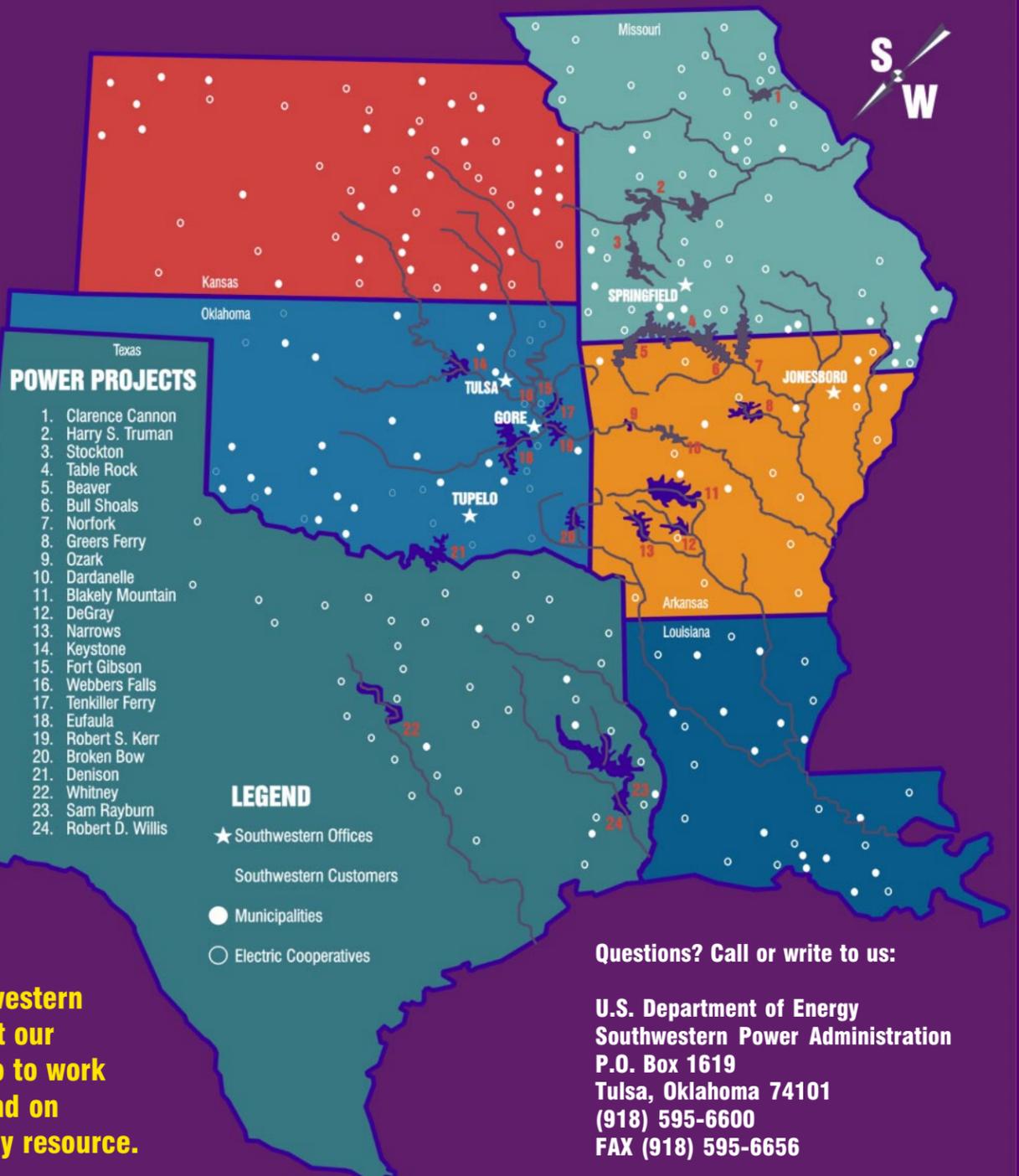
Hydroelectric power

production has proven to be reliable, cost efficient, and environmentally sound for meeting electrical demands.



By generating hydroelectric power at 24 Federal multi-purpose water resource projects (dams) in Arkansas, Missouri, Oklahoma and Texas, the projects have, for more than 50 years, helped to supply electricity to cities, towns, and rural areas.

In the years and generations to come, Southwestern desires not only to continue to serve and meet our obligations to our electric customers, but also to work cooperatively with the water users who depend on water . . . America's leading renewable energy resource.



Questions? Call or write to us:

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