

One West Third Street Tulsa Oklahoma 74103-3519 918-595-6600 Fax 918-595-6656 www.swpa.gov

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



Gary Hammond Line Equipment Operator Gore, Oklahoma

Special thanks to: Marshall Boyken Jim Carnahan Mike Deihl **Michael Denny** Ruben Garcia **Gregg Happle Bethel Herrold David Kannady Jerry Martin** Stan Mason Jim McDonald Beth Nielsen **Gene Reeves George Robbins** Robert Roettele **Dave Sargent Angela Summer Rutha Williams**

UPDATE

JANUARY - MARCH 2004

The Impacts of Minimum Flows

In case you've been overseas or in another part of the country for the past few years, you may not be familiar with the ongoing debate about reallocating water storage in Beaver, Table Rock, Bull Shoals, Norfork, and Greers Ferry Lakes in the Arkansas/ Missouri White River basin to provide more water for downstream recreational activities. "Reallocating," in this case, means taking water storage from one of two congressionally authorized water storage purposes – flood control and hydropower – and allowing it to officially be used by the recreation purpose.

This article seeks to examine the history behind the authorization for reallocation, the legislation that made it possible, activities since the authorizing legislation was passed, proposed alternatives for reallocating storage, and potential impacts to interested parties under the reallocation alternatives.

History of Minimum Flows

To get to the beginning, it's necessary to look into the future. Sometime this summer, the Little Rock District of the U.S. Army Corps of Engineers (Corps) is expected to release its draft report and Environmental Impact Statement (EIS) regarding reallocation in the White River basin projects, often referred to as the White River Minimum Flow Study.

To say that the White River Minimum Flow Study is highly anticipated may be something of an understatement. According to the Arkansas Game and Fish Commission (AGFC), one of the biggest proponents of minimum flows, "The campaign for a designated or required minimum amount of water flowing through Bull Shoals Dam has been pushed for at least a decade."

The reasons for the decade-long campaign center around improving fishing boat navigation over river shoals and enhancing trout habitat. When the White River basin projects were authorized by the Flood Control Act of 1938, they were earmarked for flood control and hydropower, with mitigation for fish and wildlife and incidental provisions for recreation. However, because the building of the dams caused the loss of the original warm-water fish habitat, Congress established the Norfork National Fish Hatchery in 1955, and the Greers Ferry National Fish Hatchery in 1965 to help mitigate the loss of the warm water fishery.



Since the establishment of the National

hatcheries, as well as the state-operated Spring River and Shepherd of the Hills facilities, rainbow, brown, cutthroat, and other trout species have thrived in the tailwaters of the White River basin projects. Trout have now been stocked in the area for almost 50 years,

CONTINUED FROM PAGE 1

and the impressive numbers of trophy trout continue to bring a flood of sports-minded men and women determined to catch them.

According to the Arkansas Department of Parks and Tourism (ADPT), the trout fishing industry has played a vital role in Arkansas outdoor recreation and travel. The ADPT says that Arkansas' 153 miles of trout streams and 95,000 acres of lakes stocked with trout have resulted in a \$134-million-a-year business, and they describe the existing trout fishery as "world class." ADPT also says that more than half of those who fish for Arkansas trout come from out of state, a fact that has certainly been a boon to the tourism industry in the area.

Southwestern has done its part to help the trout fishery thrive by accommodating requests for daily releases in the summer to help keep the tailwaters cool and the fish healthy. Additionally, Southwestern's customers have funded modifications to the generating units' turbines so that dissolved oxygen levels can be maintained to support the fishery.



Proponents of minimum flows, however, maintain that they can increase their tourism and recreation dollars even more if a continuous flow of water were to be released from the White River basin dams, which brings us back to the future, so to speak.

Authorizing Legislation for Minimum Flows

The draft report and EIS, expected this summer, were mandated by Federal law. Former U.S. Senator Tim Hutchinson of Arkansas is lauded by proponents as the guiding force behind the legislation authorizing minimum flows, laid out in Section 374 of the Water Resources Development Act (WRDA) of 1999 (Public Law 106-53).

Section 374 of the 1999 WRDA calls for "minimum flows necessary to sustain tailwater trout fisheries by reallocating the following amounts of project storage: Beaver Lake, 1.5 feet; Table Rock, 2 feet; Bull Shoals Lake, 5 feet; Norfork Lake, 3.5 feet; and Greers Ferry Lake, 3 feet."

The 1999 legislation also makes implementation of minimum flows contingent upon a report by the Corps which finds that the work is "technically sound, environmentally acceptable, and economically justified." The legislation further states that the Corps' report should include determinations concerning whether other authorized purposes of the White River basin projects would be "adversely impacted," and whether Federal costs would be incurred in connection with minimum flows.

Section 304 of the 2000 WRDA extends the time frame for the Corps report and adds the word "recommended" to the mix when talking about the amounts of storage to be reallocated in each project.

Activity Since the 1999 WRDA

Since the original authorizing legislation, the Corps has been engaged in trying to calculate the economic benefits and impacts associated with reallocating the storage in the White River basin projects, a task that's involved getting input from a wide variety of sources, including Southwestern, the AGFC, the Missouri Department of Conservation, and the general public, and then trying to make some kind of sense from it.

The first stumbling block the Corps faced was how to fund the study. It was originally put on hold in 1999 to determine just who would pay for the Corps' time and expense of collecting and analyzing the data. At first, it was thought that a sponsor should be found to pay for at least part of the study. In the end however, the Corps decided that the study should be entirely Federally funded, a decision that the Corps estimates will cost U.S. taxpayers more than one million dollars before it's all said and done.

As part of the process of examining impacts of minimum flows, tests were run at all five projects in the summer of 2001. During the testing process, water was released to simulate minimum flows, and the amount of electricity produced was measured. The public was then asked to comment on the test flows. Judging by the accounts of flyfishers and other recreational users who participated, the test flows were viewed positively.

After many months of analysis, the Corps' Little Rock District submitted their preliminary findings to Corps Headquarters in August 2003. Headquarters reviewed the findings to ensure that Corps procedures and Federal guidelines had been met. More significantly, Headquarters determined that the proposed implementation of minimum flows should be viewed as a recreational project, rather than an ecosystem-restoration project, and that a non-Federal sponsor would be required to help share the cost of implementation as well as the cost of the reallocated water storage in the projects.

A major issue lies in the fact that although Federal water resource policy and regulations require non-Federal funding for implementation of minimum flows, including the cost of water storage, proponents of minimum flows are pursuing avenues that would provide the storage for free.

Paying a Fair Share

Southwestern, through customer receipts for power sales, has been paying its share of the cost of water storage since Norfork, the first Federal hydroelectric project in Southwestern's marketing area, came on line in 1944. In addition to the cost of water storage, Southwestern and its customers have been regularly repaying, with interest, the money invested in the original powerhouse facilities, as well as all costs incurred by the Corps for operating and maintaining the projects.

The White River basin projects are especially significant in helping Southwestern repay the investment of the U.S. taxpayers. Of the 24 projects within Southwestern's marketing area, the five White River basin projects account for more than 30% of the energy and nearly 40% of the capacity that Southwestern markets. Additionally, they contribute more than one-third of the average annual revenue Southwestern deposits in the U.S. Treasury from the generating resources, money used to repay the cost of building and maintaining the Federal power system within Southwestern's marketing area.

The water storage of the White River basin projects is essential to Southwestern in meeting firm energy obligations within its 17-reservoir interconnected system, accounting for over 57% of the total hydropower storage available. The loss of any water storage in these important projects means a reduction in reliability, and a loss in the quantity and value of the capacity and energy that Southwestern markets. If the water storage isn't available to Southwestern, then there is no value to Southwestern, or for that matter, to Southwestern's customers.

Clearly, the White River basin projects are very important to Southwestern, its customers, millions of end-users, and to the American public in general. Ted Coombes, Executive Director of the Southwestern Power Resources Association, says the fact that proponents of minimum flows are seeking ways to avoid paying for the reallocated

*Springfield
 *Monett
 Table Rock
 *Shoals
 *Mest Plains
 *ARKANMAS
 *Payerseville
 *Payerseville
 *White River
 *Basin
 *Basin
 *Greers
 *Ferry

*Payerseville

**Detail Area

water storage raises the questions of just how valuable that storage would be to them, and whether minimum flows are economically justified at all. "As the old saying goes, if it's worth having, it's worth paying for," Coombes says. "That's something that the water users who are currently paying for storage acknowledge and accept."

WHITE RIVER BASIN PROJECTS
INCLUDED IN THE MINIMUM FLOW
LEGISLATION INCLUDE BEAVER, TABLE
ROCK, BULL SHOALS, NORFORK, AND
GREERS FERRY.

CONTINUED ON PAGE 4

Corps Alternatives and Impacts

The Corps is studying several alternatives for implementing minimum flows. Although some have less impact on the hydropower purpose, none of them, according to Southwestern Lead Hydraulic Engineer Bethel Herrold, are especially favorable to it. The current alternatives are: reallocating storage from the flood control pool, reallocating storage from the conservation pool (which includes hydropower), or reallocating storage from some combination of the two.

Herrold points out that all the alternatives adversely impact water users in some way. For example, he says that if the storage is reallocated from the flood control pool, the Corps will have less water storage to work with during significant rain events, and therefore may find themselves needing to release more water downstream more often, which has the potential to increase downstream flooding. In-lake recreation may be affected too, he says, because water levels will generally increase. This has the potential to negatively impact marina owners and others, including the Corps, because recreational facilities may be unusable more frequently due to the higher water levels.

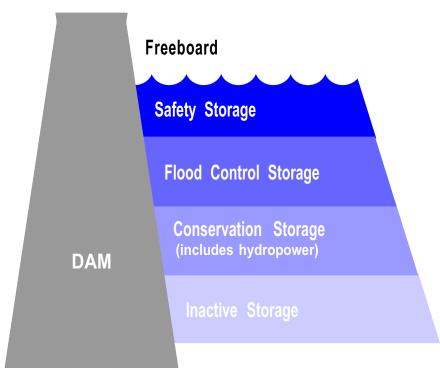
In the case of storage being reallocated from the conservation pool, Herrold points out the obvious hit that hydropower will take in not having as much storage from which to generate electricity on peak when needed. Additionally, he says, in-lake recreation may suffer the consequences of lower water levels, which may leave boaters, marina owners, and possibly even some fish and wildlife high and dry.

Because the storage in the White River basin projects is all being beneficially used, there are negative impacts to someone no matter which alternative is chosen. Herrold estimates that under the worst case scenario, in which all storage for minimum flows is taken from the conservation pool, the amount of water storage requested by proponents of minimum flows would cost Southwestern and its customers more than \$10 million dollars per year.

Minimum Flows Not Implemented

If the Corps and Congress agree that minimum flows from the White River basin projects are not financially and/or environmentally feasible, there's no doubt that Southwestern, its customers, and other lake users will breathe a huge sigh of relief. However, trout fishers and the downstream resort owners within Arkansas and Missouri will no doubt be disappointed that fishing boat navigation and trout habitat will remain status quo, which essentially means that the existing "world class" trout fishery will remain world class.

Lake Storage



CORPS ALTERNATIVES FOR MINIMUM FLOWS INCLUDE TAKING STORAGE FROM THE FLOOD CONTROL POOL, FROM THE CONSERVATION POOL, OR FROM SOME COMBINATION OF THE TWO.

4

Minimum Flows Implemented with No Charge for Storage

If Southwestern and its customers were patting themselves on the backs under the first scenario, proponents of minimum flows are the ones doing the congratulating in this case. They get better fishing boat navigation plus better trout fishing in general due to improved trout habitat, and the best part is – it's almost free! Or is it? Using the analogy of a pie that's all spoken for, if proponents of minimum flows are offered a discounted piece, then the other pie-holders will not only have to give up a share of their pie, they will be expected to help pay for the portion they lose. Only in this case, it's a pretty expensive pie because it's being



paid for on the installment plan, with interest. It should be understandable that current water users are questioning the fairness of losing some of their pie, and then having to pay for it too.

Unfortunately for them, Southwestern's customers will probably be the ones footing the bill under this alternative, getting hit in the pocketbook twice, once for the hydropower they lose because of reduced storage, and once again for the cost of replacing that hydropower.

Minimum Flows Implemented with Charge for Storage

If the debate ends with minimum flows being implemented and the beneficiaries of the minimum flows being expected to pay for the cost of the water storage, then everyone's happy, right? Not necessarily. Proponents of minimum flows would most likely have to recoup the cost of the storage in the form of an increase in tourism fees, for example, more costly trout licenses or an increase in the hotel/motel tax rate, which may adversely affect tourism.

However, Herrold says that if minimum flow proponents are expected to pay for the cost of water storage they are to receive, perhaps they will reduce the amount of water storage requested for minimum flows, which would lessen the adverse impacts on Southwestern and other water storage users. "Any implementation of minimum flows will have unfavorable impacts on existing water storage users," he says. "Hydropower would receive the least impact if the water storage comes from the flood control pool, and the greatest impact if the water storage comes from the conservation pool."

Considering the Cost

It is true that recreation is important to us as a Nation. The natural beauty of the White River basin is a wonder to behold, and people come from all over the world come to drink up its scenery and to test their mettle against the many trout swimming in the waters of its "world-class" fishery.

However, it is also true that Federal power has a very important place in the overall scheme of keeping the lights on in our country. During the peak hours of the day, when the Nation's generating plants are struggling to keep up with demand, hydropower provides a low-cost, reliable alternative to fossil fuel plants; and as gas, oil, and coal get more expensive and harder to get, hydropower may become even more valuable in the future.

So before even a kilowatthour of domestically produced energy is traded for recreational benefits, we should take a hard look at the consequences, both short- and long-term, and be willing to pay the price individually, regionally, and as a Nation. •

Southwestern Volunteers Help Rebuild Iraq

Two Southwestern employees were chosen from more than 70 Department of Energy applicants for duty in Iraq under the Coalition Provisional Authority (CPA), the temporary governing body which has been designated by the United Nations as the lawful government of Iraq until such time as Iraq is politically and socially stable enough to assume its sovereignty.



Pat Boone, a Southwestern Security Specialist based in Tulsa, Oklahoma, and Glenn Eckel, a Power Systems Dispatcher based in Springfield, Missouri, reported for duty to the Department of Defense under the CPA in January 2004.

Both are serving in the Ministry of Electricity, the organization working to provide reliable, stable, and predictable power to the people and enterprises of Iraq. Boone is continuing her duties as a Security Specialist, while Eckel is serving as Transmission and Distribution Coordinator.

According to the CPA, Iraq's demand for electricity is estimated at roughly 7,000 MW, which is 2,600 MW more than the pre-conflict level. The CPA says that post-war looting and sabotage have brought down nearly 1,000 towers and destroyed many substations. Adding to the gravity of the situation are decades of operation without regular maintenance under the former regime, as well as continuous fuel shortages.

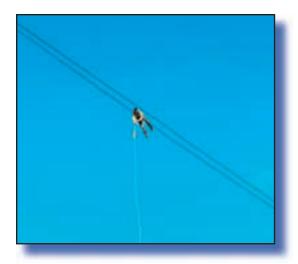
The goal of the Ministry of Electricity is to reach peak output of 6,000 MW by the summer of 2004. The CPA says that this will be accomplished by reconstructing and rehabilitating generation, transmission, and distribution

PHOTOS AND CAPTIONS COURTESY OF GLENN ECKEL.

TOP: METHOD USED TO SAG THE 400 KV CONDUCTORS ON THE LINE.

Below: The camel is just a shot we all thought was funny. It was taken near a place called Bulzugan, about ten kilometers from the Iranian border where the Corps of Engineers contractors are building a 43 MW gas turbine plant.





Left: contractor stringing 400 kV conductor on the line farther south near the Hartha terminal. He had just clamped a pilot cable onto both conductors of the center phase, and was preparing to come off the line by having two groundmen lower him on the rope you see in the picture. Primitive, but effective.

BELOW: 400 KV YARD AT KHOR AL ZUBAYR PLANT. SF6 EQUIPMENT, ALL MANUFACTURED IN THE PEOPLES REPUBLIC OF CHINA. IT ONLY TOOK ME A COUPLE OF MINUTES TO FIND THE CHINESE IDEOGRAMS FOR "OPEN" AND "Closed." They were printed inside the "O" and "C" on tabs fastened to the operating rod inside the breaker Cabinet. It was a Homer Simpson moment.

networks and securing control and communications.

Boone and Eckel are expected to stay in Iraq at least six months, with an option to renew their assignments at the end of that period, says Colin Kelley, Southwestern's Director of Human Resources Management.

Southwestern Administrator Mike Deihl says that Southwestern fully supports the mission of the CPA, and stands behind Boone and Eckel in their new duty assignments.

"The people at Southwestern, including me, are very proud of both of them," Deihl says.



A VIEW FROM THE FRONT

BY GLENN ECKEL

Life and work here is a series of surrealistic scenes interspersed with some craziness, a little fear sometimes, and lots of interesting twists on 21st century life in Iraq. Ventures outside the Green Zone always involve body armor, Kevlar helmets, and people carrying lots of weapons (either U.S. Military or Personal Security Detail). 99% of the time, the weapons are unnecessary, but there are reports every day from somewhere in the country of bombings or attempted bombings, shooting, etc. So, personal security is a serious affair, and not scoffed at or gone without. Travel after dark is rare, but it is done as required. No one other than combat personnel ever spend the night outside a protected area. You keep moving until you get where you are going, usually at a fairly high rate of speed. We have been here only three weeks or so, and I think we already have enough material for a book.

That sounds like an overstatement, but both Pat and I (and most others here) are keeping some kind of journal to record the experience. You know you have been here too long when you don't look up at helicopters, explosions, or the ever-present random celebratory gunfire that the population indulges in throughout the day. Reasons may include weddings, births, engagements, getting a job, or whatever. Time to run a mag through the old AK. Every so often, you might hear a real gunfight, but most people here outside the military don't notice the difference (more rounds, different guns, different timing). It's an interesting place. More to come.

FY 2005 Budget News



My First Budget Hearing By Aleta A. Wallace



After working as Budget Analyst in the Budget Office since 1999, I was promoted to Budget Officer in September 2003. I got off to a rough start in the beginning, because Southwestern's FY 2005 Budget was due to the Office of Management and Budget, and

we were also working on the year-end close of financials. Close on the heels of those two projects came the FY 2005 Congressional Budget submission. It required numerous layout and content revisions, but the Southwestern Budget Office completed the task. I was starting to feel somewhat comfortable in my new position and thinking my next big challenge would be the preparation of the FY 2006 Budget, then...

BAM! There's a Budget Hearing this year. BAM! The Budget Briefing Book has to be completed two months early this year. BAM! We're responsible for getting the Administrator ready to testify. BAM! I have to go to Washington, DC, to sit before the House of Representatives Subcommittee on Water and Power. Shaking in my boots, I began preparing with the help of Student Trainee Laura Holman, and...

On February 25, 2004, the Administrators of the Bonneville, Southeastern, Southwestern, and Western Area Power Marketing Administrations (PMAs) testified in an oversight hearing before the House of Representatives Subcommittee on Water and Power. The hearing was generally non-controversial regarding the PMAs. The Subcommittee wanted the PMAs to present their FY 2005 Budgets and discuss their priorities for the coming year.



Southwestern's FY 2005 Budget request includes a total budget authority of \$29.4 million, which includes funding for 179 full-time equivalent employees, as well as non-Federal reimbursable authority in the amount of \$12.0 million for purchased power and wheeling activities, and transmission requirements for interconnections, maintenance, and energy imbalance adjustments.

The focus of the Subcommittee was on security, impacts of endangered species on generation, and what the PMAs have done in their service areas since the August 14, 2003, blackout in the northeast to ensure that such an event doesn't happen elsewhere.

The following statement by Congressman Ken Calvert of California outlines the Subcommittee's position with regard to the PMAs. "As this Subcommittee has witnessed time and time again, communities throughout our nation need adequate and reliable water

and power supplies. Many in the western United States are very dependent on water supplies and renewable hydropower delivered from Federal multi-purpose facilities. These projects have proven to be the lifeblood of many of our communities, providing economic, recreational, and social benefits to millions of Americans throughout the last century, and I look forward to discussing their coming priorities."

Without all the dedicated employees at Southwestern, the Budget Office wouldn't have been able to complete the task. Every question and request for information was returned promptly. This type of attitude exemplified by the employees of Southwestern contributes to our continued success as an agency.

Of course there are lessons learned, and things we might have done differently, but if we quit learning, we quit growing! ◆

"Best of the Best" Honors Awarded Southwestern

Southwestern's Tulsa Headquarters was one of four Federal organizations awarded "Best of the Best" honors for their participation in the 2003 Greater Tulsa Area Combined Federal Campaign (CFC).

Internal Review Officer Robert Roettele, who served as Southwestern's CFC Loaned Executive for the 2003 campaign, accepted the award on Southwestern's behalf at a ceremony held February 24, 2004, at the Renaissance Hotel in Tulsa.

Southwestern Federal employees and contractors contributed a total of \$24,508.22 to local and national charities during the CFC, which was enough to make them the "Best of the Best," and also to qualify them for an additional award based on the highest percentage of Fair Share givers and other donors per total number of employees.

Administrator Mike Deihl praised the efforts of Tulsa employees, saying, "I want to personally thank everyone for their continuing support every year in the CFC activity. With each of you giving, taking part, and supporting this important opportunity, Southwestern is known in the Tulsa area as the top Federal agency in this campaign, and it helps make our community a much better place to work and live in."



TULSA AREA UNITED WAY'S DERK
TENZYTHOFF, VICE PRESIDENT, RESOURCE
DEVELOPMENT, PRESENTS A "BEST OF
THE BEST" AWARD TO SOUTHWESTERN'S
ROBERT ROETTELE, WHO SERVED AS LOANED
EXECUTIVE FOR SOUTHWESTERN'S CFC
CAMPAIGN.

Deihl also thanked Barbara DelGrosso and Ted Coombes of the Southwestern Power Resources Association (SPRA) for their participation in the 2003 and past CFC campaigns, saying, "Please pass on my thanks to SPRA's Board for allowing you two to support our annual CFC campaign."

DelGrosso responded by saying, "Ted and I appreciate your including us in your CFC activities. You have every reason to be proud of your staff. They not only wholeheartedly support this charitable campaign, but they wholeheartedly represent Southwestern Power Administration and do a GREAT job. They are professionals in every sense of the word."

Southwestern Hosts NERC Certification Training

During sessions held February 2-5, 2004, at Southwestern's Springfield Operations Center, 16 employees of publicly and privately owned utilities joined members of Southwestern's Systems Operations group to complete the training required for certification by the North American Electric Reliability Council (NERC).

According to Stan Mason, Director of the Division of Scheduling and Operations, Southwestern was looking to defray some of the costs of the training by holding it on-site in Springfield and inviting other participants.



STUDENTS CONFER WITH EACH OTHER DURING THE NERC CERTIFICATION CLASS HELD AT SOUTHWESTERN'S SPRINGFIELD OPERATIONS CENTER.

"Since it is somewhat expensive to send staff to training, Southwestern acquired the services of Mike Terbrueggen of Operator Training Solutions, Inc. to conduct an on-site class in preparation for re-certification," says Mason. "The payment of \$500 per student [by outside companies] not only significantly reduced the net expenses for Southwestern, it saved the other companies some money, too."

Seven companies accepted Southwestern's offer to attend the training sessions.

Associated Electric Cooperative sent three employees, City Utilities of Springfield sent two employees, Western Farmers Electric Cooperative sent seven employees, and

Kansas City Power and Light, Columbia Water and Light, the Missouri Public Service Commission, and Western Resources each fielded one employee.

The training held at Southwestern was designed to help prepare participants for NERC's system operator certification examinations. The examinations cover four areas of system operations: Reliability, Balancing and Interchange, Transmission, and a combination of Balancing, Interchange, and Transmission.

System operators can choose which area they want to be tested in based on their job duties. NERC says the four areas were developed based on a job analysis performed in August 2001. Prior to that, system operators took one examination that covered a broad range of topics. NERC says they developed the separate examinations in response to "changes in responsibility, unbundling of services, and associated restructuring of organizations following the Federal Energy Regulatory Commission's Orders 888 and 889."

NERC began requiring at least one NERC-certified system operator on duty at all times in 2000. Power System Dispatcher Mike Walker was the first to be certified for Southwestern in 1998. Since then, all dispatchers within Southwestern's Systems Operations group have attained certification; and even though certification is not required for them, two schedulers have also become NERC-certified, with an additional three due to become certified this year.

EMPLOYEES FROM SEVEN PUBLIC AND PRIVATE COMPANIES JOINED SOUTHWESTERN OPERATIONS PERSONNEL FOR NERC TRAINING.



SPARKS OF INTEREST

Southwestern Power Resources Association's 47th Annual Meeting (Federal Hydropower - What A Capitol Idea!) will be held April 13-15, 2004, at the Embassy Suites Hotel in Tulsa, Oklahoma. Carolyn Herr Watts, Senior Vice President of Competitive Strategies for the North Carolina Electric Cooperatives, is scheduled as the guest speaker. For registration and meeting information, contact Barbara DelGrosso at 918-622-7800.

In February, the **Federal Energy Regulatory Commission (FERC) approved, with conditions, Southwest Power Pool (SPP) as a Regional Transmission Organization**. In the press release announcing the approval, FERC lauded SPP for its work in complying with the "fundamental principles of Order No. 2000, the landmark December 1999 rule that encouraged regional grid coordination and planning while outlining the specific characteristics and functions of RTOs." SPP must meet the following conditions as part of the approval:

- Implement its independent board and modify its governance structure;
- Expand the coverage of SPP's tariff to assure that SPP is the sole transmission
- provider;
- Obtain clear and sufficient authority to exercise day-to-day operational control over appropriate transmission facilities;
- Have an independent market monitor in place;
- Obtain clear and precise authority to independently and solely determine which project to include in the regional transmission plan; and
- Have a seams agreement with the Midwest Independent System Operator on file.

First in Safety

Southwestern earned First Place honors in the 2003 Electric Utility Awards, sponsored by the American Public Power Association (APPA) to recognize safe operating practices within the utility industry.

Dallas Cooper, Assistant Administrator, Office of Corporate Facilities Services, accepted the award on Southwestern's behalf from APPA Chairman Glenn Cannon in an awards ceremony

Conference in San Antonio, Texas.

According to APPA, more than 200 utilities submitted entries in 2003, which marks the 44th year the contest has been held. APPA placed the entries into categories according to the number of worker-hours submitted by each entrant, and then judged the submissions according to who had the lowest number of reportable incidents during calendar year 2003.

held March 9, 2004, at APPA's Engineering and Operations Technical

Southwestern was entered into the group with 250,000 to 999,999 worker-hours of exposure, and received a rating of 0.66. Darlene Low, Special Assistant, Aviation, Environmental, Safety and Health, says that Southwestern's rating compares very favorably with the Bureau of Labor Statistics' figure of 4.80 reportable incidents per year, cited as the average for electric utilities.

"It's a significant improvement over last year," agrees Dallas Cooper. "We especially want to thank the employees out in the field who make it their business to be conscious of safe work practices every day."



ASSISTANT ADMINISTRATOR DALLAS
COOPER ACCEPTS SOUTHWESTERN'S
FIRST PLACE SAFETY AWARD FROM
APPA CHAIRMAN GLENN CANNON.

NEW EMPLOYEES

MARSHALL BOYKEN

DIVISION OF SCHEDULING AND

OPERATIONS

HYDRAULIC ENGINEER

JERRY HIBBARD

DIVISION OF SCHEDULING AND

OPERATIONS

ELECTRONICS TECHNICIAN

RETIREMENTS

JACKTE CUDE

DIVISION OF JONESBORO/GORE

Transmission Maintenance

ELECTRICIAN

MARY HARTER

DIVISION OF ACQUISITION AND

FACILITIES SERVICES

CONTRACT SPECIALIST

DONNA HESLAR

OFFICE OF THE ADMINISTRATOR
DIVERSITY PROGRAMS MANAGER

COLIN KELLEY

DIVISION OF HUMAN RESOURCES

MANAGEMENT

DIRECTOR

EDDIE SMITH

DIVISION OF JONESBORO/GORE

Transmission Maintenance

MAINTENANCE WORKER FOREMAN

LARRY WOOLVERTON

DIVISION OF ACQUISITION AND

FACILITIES SERVICES

SUPPLY TECHNICIAN

WATTS INSIDE?

27

Page 1 - Minimum Flows

Page 6 - Iraq Report

Page 8 - Budget News

Page 9 - CFC Award

Page 10 - NERC Training

Page 11 - Safety Award