

# **Operation and Maintenance, Southwestern Power Administration**

## **Proposed Appropriation Language**

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed \$1,500 in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, [\$28,038,000] \$28,444,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, not to exceed [\$5,200,000] \$8,412,000 in reimbursements, to remain available until expended. [Provided, That *up to \$1,512,000* collected by the Southwestern Power Administration pursuant to the Flood Control Act to recover purchase power and wheeling expenses shall be credited to this account as offsetting collections, to remain available until expended for the sole purpose of making purchase power and wheeling expenditures.]

## **Explanation of Change**

The language change deletes the prior year reference to FY 2002 purchase power and wheeling activity.

# **Southwestern Power Administration**

## **Executive Summary**

### **Mission**

Southwestern Power Administration's (Southwestern) mission fulfills the requirements of Section 5 of the Flood Control Act of 1944 by marketing and reliably delivering Federal hydroelectric power, with preference given to public bodies and cooperatives. This is accomplished by maximizing the use of Federal assets to repay the Federal investment while balancing power needs with the diverse interests of other water resource users, and implementing public policy. As part of the Department of Energy's (DOE) Strategic Plan in the Energy Resources business line, Southwestern's program provides reliable, renewable, and clean hydroelectric power to customers while limiting environmental impacts.

To integrate the operation of the Federal hydroelectric generating plants and to transmit power from U.S. Army Corps of Engineers (Corps) dams to its customers, Southwestern maintains 1,380 miles of high-voltage transmission line, 23 substations, and 46 microwave and very high frequency (VHF) radio sites. Southwestern's headquarters is in Tulsa, Oklahoma; its Dispatch Center is in Springfield, Missouri; and its maintenance crews are based in Jonesboro, Arkansas; Gore, Oklahoma; and Springfield, Missouri.

### **Strategic Objective**

ER 9: Ensure Federal hydropower is marketed and delivered while passing the North American Electric Reliability Council's (NERC) Compliance Ratings, meeting planned repayment targets, and achieving a recordable accident frequency rate at or below our safety performance standard.

This strategic objective is supported by the Program Strategic Performance Goals that follow:

- ER9-1: Maintain reliability in the evolving electric utility industry.
- ER9-2: Establish and meet annual repayment targets for each Federal power system.
- ER9-3: Promote employee awareness and commitment to working safely by providing the necessary training and equipment to assure a safe working environment.

### **Strategy**

In order to achieve safety and reliability while staying competitive, Southwestern will accomplish its mission with 178 Federal employees, budget authority of \$28,444,000, offsetting collections of \$288,000, and non-Federal reimbursable authority of \$8,412,000; through four program activities: Operations and Maintenance, Construction, Purchased Power and Wheeling, and Program Direction. In addition, Southwestern will perform reimbursable work activities for Federal entities under the Economy Act of 1932.

## Site Funding and Federal and Contractor Staffing Profile

(dollars in thousands)

	FY 2001	FY 2002	FY 2003
Southwestern Power Administration			
Operations and Maintenance .....	3,787	3,339	3,814
Purchased Power and Wheeling .....	288	1,800	288
Construction .....	6,802	6,031	6,031
Program Direction .....	19,365 <sup>a</sup>	19,713 <sup>a</sup>	18,999 <sup>a</sup>
<b>Total Program .....</b>	<b>30,242<sup>b</sup></b>	<b>30,883</b>	<b>29,132</b>
Use of Prior Year Balances .....	-900	0	-400
Offsetting Collections .....	0	-1,512	0
Offsetting Collections (P.L. 106-377) .....	-288	-288	-288
<b>Total, Southwestern Power Administration .....</b>	<b>29,054</b>	<b>29,083</b>	<b>-28,444</b>
<b>Total, Southwestern Power Administration excluding full funding for Federal retirements .....</b>	<b>28,038</b>	<b>28,038</b>	<b>27,378</b>
Federal Full-Time Equivalents .....	177	177	178
Contractor Staffing .....	39	39	39

### Major Changes

- # Southwestern continues to participate with the Southwest Power Pool (SPP) in the development of a Regional Transmission Organization (RTO) structure that will allow Southwestern to participate and still meet its statutory obligations and mission requirements. One of the impacts of this participation is Southwestern's need for additional non-Federal reimbursable authority for up front funding of facility additions/interconnections (taps at Washburn, Logan, and Asherville in Missouri and at Clarksville and Silver Hill in Arkansas), maintenance (such as relays, circuit breakers, and disconnect switches), and energy imbalance adjustments required by the RTO.
- # The FY 2003 request continues the phase out of using power revenues for purchase power and wheeling expenses. Southwestern will use power revenues to pay for the purchase of power and wheeling activities to meet a part of its overall purchased power needs and fulfill its Federal 1200 hour peaking power obligations. Southwestern will also continue to encourage its customers to use alternative financing arrangements (net billing, reimbursable, and bill crediting) to fund these activities.
- # Southwestern's challenges to maintain and operate its transmission system are echoed in the requirements of the National Energy Policy (NEP) to maintain the transmission infrastructure to help meet power demands of the Nation's interconnected grid, remove constraints on the transmission system, and promote energy conservation.

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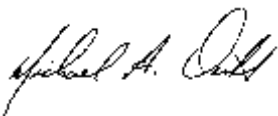
<sup>a</sup>Reflects funding for the Government's share of increased costs associated with post retirement pension and health care benefits.

<sup>b</sup>Reflects a Congressional rescission of \$62,000 included in Public Law 106-554.

- # Beginning in FY 2003 and thereafter, the Administration proposes that the Corps operation and maintenance costs in Southwestern's service area be funded from receipts derived by Southwestern from the sale of power and related services.
- # Beginning in FY 2003, Southwestern will request funding for the Government's share of increased costs associated with pension and annuitant health care benefits. These funds will subsequently be provided to the Office of Personnel Management. In FY 1998, Southwestern began to recover in its rates the unfunded portion of the Civil Service Retirement System and post retirement health benefits for both Southwestern and the Corps power related employees.
- # By the end of FY 2003, approximately 23 percent of Southwestern's staff will be eligible for retirement. This will impact Southwestern's need for recruitment, relocation, travel, and training requirements to meet the challenges of operating and maintaining the Federal power system to assure reliability, meet the growing demand for power, and to prevent further deterioration of the infrastructure.

### **Major Sensitivities**

- # Southwestern is currently a member of the reliability council, SPP, and is participating in the formation of RTOs in its marketing area. The primary goals of these organizations are to maintain reliability and remove constraints on the Nation's transmission grid. Southwestern's need to use alternative financing methods, such as net billing, reimbursable, and bill crediting, to fund facility additions, modifications, replacements, maintenance, and interconnections to the Federal transmission facilities, will continue to increase as Southwestern complies with requirements of regional reliability councils and RTOs.



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Michael A. Deihl, Administrator  
Southwestern Power Administration

January 28, 2002

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Date

# **Southwestern Power Administration**

## **Program Mission**

Southwestern Power Administration's (Southwestern) mission fulfills the requirements of Section 5 of the Flood Control Act of 1944 by marketing and reliably delivering Federal hydroelectric power, with preference given to public bodies and electric cooperatives. This is accomplished by maximizing the use of Federal assets to repay the Federal investment while balancing power needs with the diverse interests of other water resource users, and implementing public policy. As part of the Department of Energy's (DOE) Strategic Plan in the Energy Resources business line, Southwestern's program provides reliable, renewable, and clean hydroelectric power to customers while limiting environmental impacts.

The Administration's National Energy Policy reinforces the importance of renewable hydroelectric energy by emphasizing its ongoing significant contribution to the Nation's past and future energy supply and the important role the Southwestern Power Marketing Administration plays in supplying hydroelectric power to its customers. It also clearly identifies the need to repair, maintain, and improve the transmission and generation infrastructure to avoid loss of reliability.

Southwestern's participation with the Southwest Power Pool (SPP), a regional electric reliability council, in the development of a Regional Transmission Organization (RTO) reinforces Southwestern's role as an integral part of the Nation's interconnected electrical grid. As the demand for power and the transmission of power increases on the Nation's power systems, the need to maintain, replace, and provide for additions and interconnections to the Federal power system becomes critical in assuring the reliable delivery of power.

Southwestern will continue to use appropriations to fund maintenance and replacement of Federal facilities which are critical in fulfilling Southwestern's role in reliably supplying power as part of the Nation's interconnected generation and transmission system. Net billing, reimbursable, and bill crediting activities will also continue with those customers who provide services to Southwestern which benefit all customers who have a stake in assuring a dependable and reliable Federal power system. Southwestern will also continue to use power revenues to pay for the purchase of power and wheeling activities.

In order to operate safely and reliably while staying competitive, Southwestern will accomplish its mission with 178 Federal employees, budget authority of \$28,444,000, offsetting collections of \$288,000, non-Federal reimbursable authority of \$8,412,000, and through four program activities: Operations and Maintenance, Construction, Purchased Power and Wheeling, and Program Direction. In addition, Southwestern will perform reimbursable work activities for Federal entities under the Economy Act of 1932.

Southwestern's budget request is based on average power generation under normal operating conditions. The Continuing Fund presently codified at 16U.S.C. 825s-1, as amended by Public Law 101-101, will continue to be used to defray emergency expenses to insure continuity of electric service and continuous operation of the facilities.

## Program Strategic Performance Goals

**ER9-1:** Maintain reliability in the evolving electric utility industry.

### Performance Indicator

NERC Control Compliance Ratings: Receive monthly control compliance ratings that meet or exceed the Control Performance Standards (CPS) 1 and 2 established by the North American Electric Reliability Council (NERC).

### Performance Standards

**Blue/Green:** Achieve “Pass” (CPS1\$100;CPS2\$90) on all 24 monthly standards for the year.

**Yellow:** Achieve “Pass” on 23 monthly standards during the year.

**Red:** Achieve “Pass” on 22 or less monthly standards during the year.

## Annual Performance Results and Targets

FY 2001 Results	FY 2002 Targets	FY 2003 Targets
<p><b>NERC Control Compliance Ratings:</b> Received a control compliance of “pass” ratings for each month of the fiscal year using the NERC performance standard. (ER2-5)</p>	<p>Receive monthly control compliance ratings of “pass” using the NERC performance standard. (ER2-5)</p>	<p>Receive monthly control compliance ratings that meet or exceed the CPS 1 and 2 established by the NERC. (ER9-1)</p>

**ER9-2:** Establish and meet annual repayment targets for each Federal power system.

### Performance Indicator

Repayment of Federal Power Investment: Meet planned repayment of principal on Federal power investment.

### Performance Standards

**Blue:** Achieve >105% of planned repayment.

**Green:** Achieve 95-105% of planned repayment.

**Yellow:** Achieve 80-94% of planned repayment.

**Red:** Achieve < 80% of planned repayment.

## Annual Performance Results and Targets

FY 2001 Results	FY 2002 Targets	FY 2003 Targets
<p><b>Repayment of Federal Power Investment:</b></p> <p>Preliminary audited financial statements indicate Southwestern did not meet its annual planned repayment due to below average water conditions. (ER2-5)</p>	<p>Meet planned repayment of principal on Federal power investment. (ER2-5)</p>	<p>Meet planned annual repayment of principal on Federal power investment. (ER9-2)</p>

**ER9-3:** Promote employee awareness and commitment to working safely by providing the necessary training and equipment to assure a safe working environment.

### Performance Indicator

Recordable Accident Frequency Rate: Achieve a safety performance of not greater than a 3.3 recordable accident frequency rate for recordable injuries per 200,000 hours worked or the Bureau of Labor Statistics' industry rate, whichever is lower.

### Performance Standards

**Blue:** Achieve >10% below the 3.3 rate or the Bureau of Labor Statistics' industry rate, whichever is lower.

**Green:** Achieve 0-10% below the 3.3 rate or the Bureau of Labor Statistics' industry rate, whichever is lower.

**Yellow:** Achieve 0-10% above the 3.3 rate or the Bureau of Labor Statistics' industry rate, whichever is lower.

**Red:** Achieve >10% above the 3.3 rate or the Bureau of Labor Statistics' industry rate, whichever is lower.

## Annual Performance Results and Targets

FY 2001 Results	FY 2002 Targets	FY 2003 Targets
<p><b>Recordable Accident Frequency Rate:</b></p> <p>Achieved a safety performance of a 3.1 recordable accident frequency rate for recordable injuries per 200,000 hours worked compared to the Bureau of Labor Statistics' industry rate of 4.9. (ER2-5)</p>	<p>Achieve a safety performance of a 3.3 recordable accident frequency rate for recordable injuries per 200,000 hours worked or the Bureau of Labor Statistics' industry rate, whichever is lower. (ER2-5)</p>	<p>Achieve a recordable accident frequency rate for recordable injuries per 200,000 hours worked of not greater than 3.3, or the Bureau of Labor Statistics' industry rate, whichever is lower. (ER9-3)</p>

## **Significant Accomplishments (FY 2001)**

- # Marketed 4.7 gigawatt hours of energy and transmission services with gross revenue of \$110 million. Cumulative repayable Federal investment is estimated to be \$1.1 billion. Repayment of the principal will be approximately \$499 million or 44 percent and \$682 million in interest. Actual repayment amounts are contingent on final audited financial statements.
- # Produced 4,667,750,000 kilowatt-hours and 2,295,400 kilowatts equating to over \$413 million in National Economic Benefits. The benefits represent the estimated average annual costs to replace the hydropower plants and generation with thermal plants and generation in Southwestern's marketing area.
- # Saved an estimated 2.2 million tons of coal, 7.7 million barrels of oil or 47 billion cubic feet of gas through hydropower generation.
- # Integrated the electronic mail system with the electronic record management system which is consistent with the President's management agenda. To improve performance, reduce support costs, enhance reliability, and increase the security of our technology, all computer equipment supporting the Supervisory Control and Data Acquisition/Energy Management System (SCADA/EMS) system was replaced and all desktop computer systems were upgraded and standardized.
- # Completed information technology business review in conjunction with the financial audit. There were no findings included on the information technology business review in the financial audit report. A DOE sponsored network perimeter assessment was conducted to strengthen Southwestern's cyber security posture. As a result of the assessment, Southwestern has taken steps to assure the security of its critical infrastructure. Southwestern's Web site is fully compliant with the requirements of the Rehabilitation Act (29U.S.C. 749d), Section 508.
- # Achieved a System Average Interruption Duration Index (SAIDI) of not more than 150 minutes of total preventable outages per year. The SAIDI is a common industry measurement of reliability.
- # Continued to actively participate in the SPP's ongoing process to comply with the FERC's RTO requirements to develop and establish an RTO; worked with the Corps in maximizing generation capabilities; and assisted various interest groups in balancing power needs with competing uses.
- # Performed annual Power Repayment Studies on Southwestern's three power systems: the Integrated System, Sam Rayburn Dam, and Robert D. Willis Dam. Rates were set to recover all cost, including emergency power purchases, to assure repayment remains on schedule.
- # Achieved a debt service coverage ratio of 0.891 due to lower than average water conditions.
- # Developed three partnering and leasing agreements, such as microwave tower space rental, resulting in additional revenues returned to the program.
- # Implemented staffing plans to minimize the loss of corporate leadership and technical expertise in the organization through leadership training opportunities, cross training, and rotational assignments.



## Funding Profile

(dollars in thousands)

	FY 2001 Comparable Appropriation	FY 2002 Original Appropriation	FY 2002 Adjustments	FY 2002 Comparable Appropriation	FY 2003 Request
Southwestern Power Administration					
Operations and Maintenance . . . . .	3,787	3,339		3,339	3,814
Purchased Power and Wheeling . . . . .	288	1,800		1,800	288
Construction . . . . .	6,802	6,031		6,031	6,031
Program Direction . . . . .	19,365 <sup>a</sup>	18,668	1,045	19,713 <sup>a</sup>	18,999 <sup>a</sup>
Total, Southwestern Program Level . . . . .	30,242 <sup>b</sup>	29,838	1,045	30,883	29,132
Use of Prior Year Balances . . . . .	-900	0		0	-400
Offsetting Collections . . . . .	0	-1,512		-1,512	0
Offsetting Collections (P.L. 106-377) . .	-288	-288		-288	-288
Total, Southwestern Power Administration	29,054	28,038	1,045	29,083	28,444
Total, Southwestern Power Administration excluding full funding for Federal retirements	28,038	28,038	0	28,038	27,378

**Public Law Authorizations:**

- Public Law 78-534, Flood Control Act of 1944
- Public Law 95-91, DOE Organization Act of 1977, Section 302
- Public Law 102-486, Energy Policy Act of 1992
- Public Law 101-101, Continuing Fund (amended 1989)

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<sup>a</sup>The FY 2001 and FY 2002 column of the FY 2003 Congressional Request includes funding in the amount of \$1,016,000 and \$1,045,000, respectively, for the Government's share of increased cost associated with pension and annuitant health care benefits. These funds are comparable to FY 2003 funding of \$1,066,000. (Note: The data is presented on a comparable basis as if the legislation had been enacted and implemented in FY 2001.)

<sup>b</sup>Includes carryover of \$773,000, prior year deobligations of \$127,000, and a Congressional rescission of \$62,000.

## Funding by Site

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Tulsa Headquarters . . . . .	22,491	24,017	9,143	-14,874	-61.9
Gore Maintenance Facility . . . . .	0	0	6,451	+6,451	+100.0
Springfield Dispatch and Maintenance Facility . . . . .	7,751	6,866	8,195	+1,329	+19.4
Jonesboro Maintenance Facility . . . . .	0	0	5,343	+5,343	+100.0
<b>Total, Southwestern Program Level . . . . .</b>	<b>30,242</b>	<b>30,883</b>	<b>29,132</b>	<b>-1,751</b>	<b>-5.7</b>
Use of Prior Year Balances . . . . .	-900	0	-400	-400	+100.0
Offsetting Collections Realized . . . . .	-288	-1,800	-288	+1,512	+84.0
<b>Budget Authority Southwestern Power Administration . . . . .</b>	<b>29,054</b>	<b>29,083</b>	<b>28,444</b>	<b>-639</b>	<b>-2.2</b>

## Site Description

An agency of the Department of Energy, Southwestern was created in 1943 to market power and energy produced at Corps hydroelectric power projects. Southwestern markets power at wholesale rates to 78 municipal utilities, 22 rural electric cooperatives, and three government agencies in the six states of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas. To integrate the operation of the Federal hydroelectric generating plants and to transmit power from Corps dams to customers, Southwestern operates and maintains 1,380 miles of high-voltage transmission line, 23 substations, and 46 microwave and very high frequency (VHF) radio sites. Southwestern operates from four locations. The Headquarters is located in Tulsa, Oklahoma; the Dispatch Center in Springfield, Missouri; and the maintenance crews are located in Jonesboro, Arkansas; Gore, Oklahoma; and Springfield, Missouri.

# **Operations and Maintenance**

## **Mission Supporting Goals and Objectives**

Southwestern's Operations and Maintenance (O&M) program fulfills the requirements of Section 5 of the Flood Control Act of 1944 and reflects Southwestern's goals and objectives to market and deliver power in a safe and reliable manner while providing environmental and economic benefits to the region, encouraging competition through open access to facilities, and repaying the Federal investment plus interest. The O&M program supports the DOE's Strategic Plan by providing reliable, renewable, and clean hydroelectric power to customers while limiting environmental impacts. The O&M program also supports the President's National Energy Policy by maintaining the reliability of the Federal power facilities, which are part of the Nation's interconnected generation and transmission system. Southwestern is placing greater emphasis on the operations and maintenance of the transmission system as a result of the National Energy Policy.

Southwestern's participation in the SPP RTO development reinforces Southwestern's role as part of the Nation's interconnected electrical grid. As the demand for the transmission of power increases on the Nation's power systems, the need to maintain, replace, and provide for additions and interconnections on the Federal power system becomes critical in assuring reliable delivery. Southwestern will continue to use appropriations to fund maintenance and replacements of Federal power facilities. Net billing, reimbursable, and bill crediting activities will also continue with those customers who provide services to Southwestern to assure a dependable and reliable Federal power system.

Southwestern's facilities, which were built up to 60 years ago, are constantly evaluated through the Maintenance Management Information System (MMIS), a systematic maintenance program. Data from the MMIS (age, risk of failure, life cycle of equipment), field crew evaluation, obsolescence of technology, and lack of replacement parts are all variables that are assessed when determining the level of funding required for a fiscal year. This budget submission reflects Southwestern's assessment of the funding required to assure continued reliability of the Federal power system by replacing aging equipment and removing constraints that would impede power flows, thus meeting the expectations of the President's National Energy Policy.

The O&M program includes Power Marketing, Operations, and Maintenance activities. Power Marketing provides for technical and economic studies to support Southwestern's transmission planning, water resources, communications, and maintenance activities. Technical and economic studies provide data to analyze and evaluate the impacts of proposed operational changes and for decision making based on cost/benefit analysis.

The Operations activity provides for the software and hardware maintenance support, field operational telecommunications, upgrades, routine communications support of the Supervisory Control and Data Acquisition/Energy Management System (SCADA/EMS), and other associated communication activities. The SCADA/EMS transmission lines, substations, and communication facilities have been identified as critical infrastructure by the DOE along with substations, transmission lines, and communication facilities. Communications also support fiber optic and microwave radio projects in the Construction budget. In addition, environmental, safety and health activities are included in Operations and Maintenance. The environmental activities include hazardous waste disposal, monitoring equipment, environmental assessments, and contractor support. Health and safety activities include regulatory compliance, aviation safety, and industrial hygiene.

The Maintenance activity provides for routine replacements of the transmission facilities. Activities are divided into substation, transmission, and communication tower maintenance, cyber and facility security, right-of-way (ROW) clearing, aerial line patrols, diagnostic testing, utilities, and general building maintenance.

### Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Operations and Maintenance					
Power Marketing . . . . .	896	902	374	-528	-58.5
Operations . . . . .	480	474	1,299	+825	+174.1
Maintenance . . . . .	2,411	1,963	2,141	+178	+9.1
<b>Total, Operations and Maintenance . . . . .</b>	<b>3,787</b>	<b>3,339</b>	<b>3,814</b>	<b>+475</b>	<b>+14.2</b>

### Detailed Program Justification

(dollars in thousands)

FY 2001	FY 2002	FY 2003
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**Power Marketing . . . . . 896 902 374**

Power marketing includes technical and economic studies for transmission planning activities. Such studies include protective relaying, water resources, communication, maintenance, and system modifications. Performance is measured by the amount of firm capacity and associated energy delivered, economic benefits realized, non-renewable resources saved, the DOE/Southwestern performance goals of receiving a control compliance rating of “pass” using the NERC performance standard, repaying the Federal investment as planned, and achieving a safety performance rate of no more than 3.3 recordable injuries per 200,000 hours worked.

**# Technical and Economic Studies . . . . . 578 567 374**

Mandatory transmission planning studies are performed annually. The National Energy Policy identified parts of the Nation’s integrated electrical grid as having constraints which could impede power flows. Studies will be conducted to assure any constraints on Southwestern’s system are removed or eliminated. Other studies include one or more dynamic stability evaluations, two or more Southwestern Federal Power System short circuit investigations, and 22 SPP model updates. Essential transmission planning studies include: 20 power system protective relay coordination studies; and six customer interconnection/facility addition analyses arising from open transmission access and market pressures on Southwestern’s customers and other connected utilities. The funding level is appropriate for the average number of studies required per year that

(dollars in thousands)

FY 2001	FY 2002	FY 2003
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would have operational impacts on how Southwestern markets and delivers power. Also included are SPP membership fees as required for Southwestern's participation in the regional reliability organization and the development of the SPP RTO. Estimate is derived from the negotiated architect/engineering and other contracts. Decrease in funding reflects a shift from outside architect/engineer (A/E) performance of the studies to on-site personnel or SPP staff performance.

# **Environmental Program** ..... **318**      **335**      **0**

Environmental activities include waste disposal/clean-up of oil and polychlorinated biphenyl (PCB) contaminants from old circuit breakers and transformers; environmental assessments for threatened and endangered species; property transfers; and wetland assessments; environmental library access; Toxic Substance Control Act and Resource Conservation Recovery Act compliance; and contractor services. Decrease is due to including the Environmental Program as a part of direct transmission system Operations costs rather than Power Marketing costs.

**Operations** ..... **480**      **474**      **1,299**

Operations include costs for transmission operations communication activities associated with the dispatch and delivery of power, the environmental, safety, and health program, and other transmission activity costs. Performance is measured by the SAIDI, the number of operational efficiencies gained through joint partnerships, such as sharing of microwave tower space, and the DOE/Southwestern goals of receiving a control compliance rating of "pass" using the NERC performance standard and achieving a safety performance rate of no more than 3.3 recordable injuries per 200,000 hours worked.

# **Communications** ..... **373**      **406**      **735**

The communication activities include the purchase of supplies and materials, digital test equipment, field telecommunications, technical support, repair and purchase of system modules, and equipment. Also included are SCADA support activities such as maintenance agreements, work stations, and software and hardware upgrades. Upgrades are required as Southwestern meets the goals of the National Energy Policy by replacing deteriorating infrastructure to assure reliability, and continues to actively participate in the SPP RTO development. Estimates for upgrade requirements are based on projected hardware and software replacement costs to implement security measures and meet the demands of the changing electric utility industry. The funding level for communications maintenance is derived from maintenance history, the age of the equipment, expected life span, annual diagnostic maintenance tests, and historical price information. Increase in funding is due to appropriately funding non-administrative, direct program costs for field operational telecommunications and SCADA operations technical support as direct transmission system Operations costs.

(dollars in thousands)

FY 2001	FY 2002	FY 2003
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# **Environmental, Safety, and Health Program** **0**      **0**      **365**

These estimates provide funding for environmental activities including waste disposal/clean-up of oil and polychlorinated biphenyl (PCB) contaminants from old circuit breakers and transformers; environmental assessments for threatened and endangered species; property transfers; and wetland assessments; environmental library access; Toxic Substance Control Act and Resource Conservation Recovery Act compliance; and contractor services. The Safety and Health Program activities include funding for Occupational Safety and Health Administration compliance, aviation safety, and industrial hygiene, medical examinations, medical officer, wellness program, safety equipment, and first aid supplies. Increase in funding is due to including the environmental program as part of direct transmission system Operations costs rather than Power Marketing costs.

# **Other Transmission Activities** ..... **107**      **68**      **199**

These estimates provide funding for FERC service charges, the Energy Efficiency and Renewable Resources Program, field utility costs for substations and microwave sites, and the day-to-day expenses of the Dispatch Center. Increase is due to appropriately funding non-administrative, direct program costs for field operations.

**Maintenance** ..... **2,411**      **1,963**      **2,141**

Maintenance provides for routine repair, maintenance, and improvement of Southwestern's 23 substations and 1,380 miles of high-voltage transmission lines and assures power is reliably and safely delivered to customers. Performance is measured by the SAIDI and the DOE/Southwestern goals of receiving a control compliance rating of "pass" using the NERC performance standard and achieving a safety performance rate of no more than 3.3 recordable injuries per 200,000 hours worked.

# **Substation Maintenance** ..... **1,177**      **729**      **907**

Maintenance estimates are based on data in the MMIS which provides the age and condition of the existing equipment resulting in projection of maintenance intervals. Estimates are calculated on age plus risk and number of units times the maintenance price per unit.

Work includes purchase and installation of 30 interchange and/or revenue meters, electrical equipment such as battery chargers, batteries, current transformers, and potential transformers to maintain system reliability as required by Southwestern's participation as a member of the SPP RTO; and to complete essential general maintenance projects. An increase in cost is reflected due to the need for an alternative source of power for one of the field maintenance facilities which incurs frequent outages and for the replacement of antiquated circuit breaker test equipment at all field locations to assure safe and reliable power flows.

(dollars in thousands)

FY 2001	FY 2002	FY 2003
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# **Transmission Line Maintenance** ..... **1,234**      **1,234**      **1,234**

In the Right-of-Way (ROW) Clearing Program, the vegetation growing cycle in Southwestern's geographical area has shown that the mechanical reclearing of brush and trees in a 3-4 year cycle is needed to avoid power outages. This has become even more critical in the past few years as the deregulation of electricity has caused heavier transmission line loading resulting in increased sagging of the transmission lines. The lower sag creates the potential for contact with the vegetation below requiring the need to be more aggressive in the frequency of cutting the floor and sides of the ROW. Southwestern has begun an aggressive herbicide treatment program in addition to reclearing to eliminate undesirable vegetation and extend the reclearing cycle to reduce costs in the outyears. The funding estimate is to provide for 400 miles of vegetation control annually including reclearing of the ROW floor and side clearing with 150 miles of herbicide application.

Plans also include the purchase of 20 steel structures and 20 wood structures complete with crossarms and braces and the performance of routine vehicle repair and maintenance. The estimate for steel and wood structures is based on data from the Overhead Transmission Maintenance System (OTMS) program. Through the use of the OTMS, the number of units (poles, crossarms, insulators) to be replaced, age of such units, and testing criteria is predetermined, enabling extraction of this information at any given period of time. The funding estimate is calculated on historical average crew production, condition of the maintenance equipment, and utilization of contractor service and equipment. The funding level is appropriate for the number of structures and components to be purchased as set forth by Southwestern's maintenance plans to meet the goals of the National Energy Policy to maintain a reliable transmission system.

**Total, Operations and Maintenance** ..... **3,787**      **3,339**      **3,814**

## Explanation of Funding Changes

FY 2003 vs. FY 2002 (\$000)
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**Power Marketing**

# Decrease in funding reflects a reduction in the number of technical and economic studies being performed by outside A/E support (-\$193,000). The same level of effort is being performed, but with current in-house expertise. Reduction in Environmental activities is due to appropriately funding this function in the transmission system operations portion of Operations and Maintenance (-\$335,000). . . . .	-528
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**Operations**

# Increase in funding is due to field operational telecommunications (+\$214,000), field environmental activities (+\$303,000), field safety and health program (+\$62,000), field utility expenses (+\$131,000), and SCADA and other technical support (+115,000). All of which are being appropriately funded as non-administrative, direct program costs for transmission system operations. . . . .	+825
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**Maintenance**

# Increase in funding is due to an alternative source of power for a maintenance facility (+\$100,000) and circuit breaker test equipment replacements (+\$78,000) . . . . .	+178
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# <b>Total Funding Change, Operations and Maintenance</b> . . . . .	<b>+475</b>
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# **Purchased Power and Wheeling**

## **Mission Supporting Goals and Objectives**

Southwestern's Purchased Power and Wheeling (PPW) program provides for the purchase of energy to meet limited peaking power contractual obligations. Southwestern's contracts provide only for 1200 hours of peaking power per year, a portion of its customers' firm load requirements. Such purchases are blended with the available Federal hydroelectric power and energy to make a more valuable and reliable product to sell and assure repayment of the Federal investment. The customers provide their own resources and/or purchases for the remainder of their firm loads. This program also provides for wheeling services to deliver Federal power.

The reduced level of energy banking available from other electric utilities requires Southwestern to propose an increase in the use of alternative financing to fund power deliveries in FY 2003. Southwestern will continue to use power receipts to pay for the purchase of power and wheeling activities to meet a part of its overall purchased power activities. Southwestern will also continue to use alternative financing arrangements, including reimbursable authority as provided in annual appropriations, to help fund the remainder of this program. Net billing and bill crediting will continue where customers provide energy and purchasing services which benefit all customers. These multiple sources of funding provide Southwestern a variety of purchase sources to meet its limited peaking power contractual obligations economically in the event any one source is inadequate.

Between FY 2001 and FY 2004, Southwestern will phase-out the use of direct appropriations and power receipts to fund purchase power and wheeling activities. Southwestern will continue to use net billing, bill crediting, and other financing arrangements to enable the customers to assume responsibility for funding these activities.

## Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Purchase Power and Wheeling					
System Support Activities					
Purchased Power .....	2,428	4,528	5,300	+772	+17.0
Power Losses .....	0	2,400	2,700	+300	+12.5
Other Contractual Activities					
Wheeling .....	2,860	2,360	3,500	+1,140	+48.3
Subtotal, Purchased Power and Wheeling . . .	5,288	9,288	11,500	+2,212	+23.8
Alternative Financing - Reimbursable Authority, Net Billing, Bill Crediting					
Purchased Power .....	-2,200	-2,788	-5,072	-2,284	-81.9
Power Losses .....	0	-2,400	-2,700	-300	-12.5
Wheeling .....	-2,800	-2,300	-3,440	-1,140	-49.6
Subtotal, Alternative Financing .....	-5,000	-7,488	-11,212	-3,724	-49.7
Subtotal, Purchased Power and Wheeling . . . .	288	1,800	288	-1,512	-84.0
Offsetting Collections Realized .....	-288	-1,800	-288	+1,512	+84.0
Total, Purchase Power and Wheeling Budget Authority .....	0	0	0	0	NA

## Detailed Program Justification

(dollars in thousands)

	FY 2001	FY 2002	FY 2003
<b>System Support Activities</b> .....	<b>2,428</b>	<b>6,928</b>	<b>8,000</b>

System support activities assure that all limited peaking power obligations for purchase power demands are met, thus, assuring repayment of the Federal investment plus interest, as measured by the DOE/Southwestern performance goal to meet the planned repayment of principal on the Federal power investment. In addition, energy purchases must be provided for replacement of transmission line losses associated with the delivery of non-Federal power over the Federal transmission system as required under FERC Order 888. Southwestern will continue to deliver limited peaking power and provide for power losses through power purchases. Increase in funding is due to increased replacement losses associated with the transmission of non-Federal power, projected increased market prices, and continued reduction in the availability of banked energy.

(dollars in thousands)

FY 2001	FY 2002	FY 2003
---------	---------	---------

# **Purchased Power** . . . . . **2,428**      **4,528**      **5,300**

Alternative financing (\$5,072,000), and power revenues (\$288,000) are expected to provide for increased power purchases due to increased demand, variable market prices, and reduced banked energy availability.

# **Power Losses** . . . . . **0**      **2,400**      **2,700**

Alternative financing will provide for increased power losses due to increased transmission of non-Federal power.

**Other Contractual Activities** . . . . . **2,860**      **2,360**      **3,500**

Other contractual activities provide for wheeling services associated with purchase of transmission service to meet limited peaking power obligations and for the integration of projects for the delivery of Federal power.

# **Wheeling** . . . . . **2,860**      **2,360**      **3,500**

Southwestern will continue to use alternative financing methods (\$3,440,000) and power revenues (\$60,000) to meet wheeling requirements. Increase is due to projected cost increases for wheeling services. Estimates are based on contractual pricing and delivery terms.

**Alternative Financing - Reimbursable Authority, Net Billing,**

**Bill Crediting** . . . . . **-5,000**      **-7,488**      **-11,212**

# **Purchased Power** . . . . . **-2,200**      **-2,788**      **-5,072**

Alternative financing methods increase to cover higher purchased power cost and lack of additional offsetting collections available in FY 2002 as noted above. Funding estimates are based on assumed customer and supplier participation in alternative financing arrangements.

# **Power Losses** . . . . . **0**      **-2,400**      **-2,700**

Alternative financing methods increase to cover higher power losses due to increased transmission of non-Federal power.

(dollars in thousands)

FY 2001	FY 2002	FY 2003
---------	---------	---------

# <b>Wheeling</b> .....	<b>-2,800</b>	<b>-2,300</b>	<b>-3,440</b>
Alternative methods of financing for wheeling requirements increase to cover escalating cost for wheeling services. Estimates are based on assumed customer and supplier participation in alternative financing arrangements.			
<b>Total, Purchase Power and Wheeling</b> .....	<b>0</b>	<b>0</b>	<b>0</b>

### Explanation of Funding Changes

FY 2003 vs. FY 2002 (\$000)
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#### System Support Activities

# Increase in system support is due to increased purchase power, power losses, reduced availability of energy banks, and escalating energy prices. ....	+1,072
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#### Other Contractual Activities

# Increase in contractual pricing and delivery terms for wheeling services. ....	+1,140
--	--------

#### Alternative Financing - Reimbursable Authority, Net Billing, Bill Crediting

# Increase in Southwestern's alternative financing results from escalating energy prices and reduced energy banking by other utilities. ....	-3,724
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<b>Total Funding Change, Purchased Power and Wheeling</b> .....	<b>-1,512</b>
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# **Construction**

## **Mission Supporting Goals and Objectives**

Southwestern's Construction program fulfills the requirements of Section 5 of the Flood Control Act of 1944 and reflects Southwestern's goals and objectives to market and deliver power in a safe and reliable manner while providing environmental and economic benefits to the region, encouraging competition through open access to facilities, and repaying the Federal investment plus interest. This activity also supports the DOE's Strategic Plan by providing reliable, renewable, and clean hydroelectric power to customers while limiting environmental impacts and supports the National Energy Policy in maintaining reliability of Federal power facilities which are part of the Nation's interconnected generation and transmission system. The Construction activity will be maintained at the previous year's level to address transmission infrastructure deterioration, as required by the National Energy Policy.

Southwestern's participation in the SPP RTO development reinforces Southwestern's role as an integral part of the Nation's interconnected electrical grid. As the demand for power and the transmission of power increases on the Nation's power systems, the need to maintain, replace, and provide for additions and interconnections on the Federal power system becomes critical in assuring the reliable delivery of power. Southwestern will continue to use appropriations to fund maintenance and replacements of Federal power facilities. Net billing, reimbursable, and bill crediting activities will also continue with those customers who provide services to Southwestern which benefit all customers who have a stake in assuring a dependable and reliable Federal power system.

The Construction program provides for modification and replacement of transmission, substation, switching and communication facilities, and other power system equipment which enables Southwestern to market Federal hydropower in the most reliable, efficient, and cost effective manner to meet operational criteria required as a member of the SPP, and to avoid transmission infrastructure deterioration.

Substation and communication equipment replacements are planned as needed to assure system reliability. The projects reflect Southwestern's efforts to reduce the risk of more frequent and extended service outages, avoid more costly replacements in the future, and support the increased transmission system usage. System age, risk of equipment failure, life cycles, maintenance crew observations, obsolescence of technology, unavailability of replacement parts, budget constraints, cost, and need for more capacity are all variables that are assessed when determining the requirements of the Construction program.

Southwestern's planned Construction projects are subject to change based on unanticipated equipment failure or customer needs. The realities of maintaining a complex interconnected power system means unforeseen priority projects will surface from time to time causing a reprioritization of planned projects. However, all projects share a commonality in that they are replacements of aging and deteriorating equipment necessary to maintain the reliability of the Federal power system.

## Funding Schedule

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Construction					
Transmission System Replacements . . . . .	6,216	5,581	5,450	-131	-2.3
Capital Equipment Not Related to Construction . . . . .	586	450	581	+131	+29.1
<b>Total, Construction . . . . .</b>	<b>6,802</b>	<b>6,031</b>	<b>6,031</b>	<b>0</b>	<b>0</b>

## Detailed Program Justification

(dollars in thousands)

FY 2001	FY 2002	FY 2003
---------	---------	---------

**Transmission System Replacements . . . . . 6,216 5,581 5,450**

Construction projects are planned to assure system reliability by replacing aging and deteriorating equipment and removing constraints limiting power flows. Performance is measured by the SAIDI, the amount of firm capacity and associated energy delivered, and the DOE/Southwestern goals of receiving a control compliance rating of “pass” using the NERC performance standard; achieving a safety performance based on electric industry safety standards; and meeting planned repayment of principal on the Federal power investment.

**# Substation Equipment Replacements . . . . . 1,375 120 137**

The age of substation equipment to be replaced ranges from 30-40 years. The funding level for substation equipment replacements is based on the useful service life expected multiplied by adjustment factors which reflect whether or not the equipment's electrical rating is sufficient to safely carry the calculated available current, and a factor that dictates relative maintenance demands. Funding estimates are derived from competitive negotiated prices per number of units. Beginning in FY 2002, funding for routine Operation and Maintenance replacement activity was moved to Substation Maintenance. Funding for this activity includes drafting and facility design for remote terminal units (RTUs), substation metering, and control switches. Increase in funding is due to a slight escalation in these activities.

(dollars in thousands)

FY 2001	FY 2002	FY 2003
---------	---------	---------

# **Communication Equipment Replacements** ..... **4,566**      **5,461**      **5,313**

Communication equipment replacements are planned to provide improved system reliability and reduce future maintenance and equipment costs. This includes installation of 78 miles of optical ground wire (OPGW), construction of microwave towers, supply of 30 revenue meters, design/supply of 117 miles of OPGW, sitework at three communication facilities, and replacement of obsolete communication routers. Also included is the replacement of the mobile radio system to comply with Federal Communication Commission rules requiring Federal agencies to change to other frequencies making available frequencies for commercial cellular telephone traffic. Decrease in funding is due primarily to a variation in the number of miles of OPGW installation and the number of microwave system replacements planned for this year.

# **SCADA Upgrades** ..... **275**      **0**      **0**

The open transmission access regulations imposed by FERC with emphasis on Internet use requires development and installation of additional software on the SCADA system, thus placing an increased processing load on the current system configuration. Funding is necessary to acquire additional hardware component upgrades to meet this demand. Installation of this equipment contributes to increased reliability and ease of maintenance which is paramount for the operation of the SCADA system. Beginning in FY 2002, funding for this activity has been included in the Operations and Maintenance program under Operations/Communications to appropriately fund such expenditures under routine Operations and Maintenance activity rather than Construction.

**Capital Equipment Not Related to Construction** ..... **586**      **450**      **581**

This activity includes the replacement of vehicles, tractor trailers, and heavy equipment used for maintenance and repair of transmission system and facilities to enable Southwestern to meet its goals to operate and maintain the transmission system equipment and facilities as measured by NERC standard, the SAIDI, the amount of firm capacity and energy delivered, the repayment of the Federal investment, and the goals of the National Energy Policy to assure reliability, avoid deterioration of transmission infrastructure, and relieve transmission constraints. The funding level is based on General Services Administration (GSA) and DOE usage and replacement guidelines and the type of specialized equipment needed to maintain 1,380 miles of transmission line. Estimates are derived from GSA pricing schedules. Increase in funding requested is due to Southwestern's plans to replace 13 special purpose vehicles which far exceed their useful lives and are requiring high levels of maintenance and loss of productivity.

**Total, Construction** ..... **6,802**      **6,031**      **6,031**

## Explanation of Funding Changes

FY 2003 vs. FY 2002 (\$000)
-----------------------------------

**Transmission System Replacements**

# Overall decrease represents a variation in annual fiber optic installation and microwave system replacements (-\$148,000) and an increase in drafting and facility design for relays, RTUs, and disconnect switches (+\$17,000) .....	-131
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**Capital Equipment Not Related to Construction**

# Increase in funding due to the number and type of vehicles requiring replacement .....	+131
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<b>Total Funding Change, Construction</b> .....	<hr style="border: 1px solid black;"/> <b>0</b> <hr style="border: 1px solid black;"/>
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## **Program Direction**

### **Mission Supporting Goals and Objectives**

Southwestern's Program Direction program fulfills the requirements of Section 5 of the Flood Control Act of 1944 and reflects Southwestern's goals and objectives to market and deliver power in a safe and reliable manner to 103 customers and ultimately 7 million end users, while providing environmental and economic benefits to the region, encouraging competition through the cost of electric energy and open access to facilities, and repaying the Federal investment plus interest. This program continues Southwestern's Organization 2000 Plus Initiative and DOE's 5-year Restructuring Plan to reduce costs, streamline the organization, and provide for salaries and benefits, travel, support services, and other related expenses. This program also supports the DOE's Strategic Plan by providing reliable, renewable, and clean hydroelectric power to customers while limiting environmental impacts and supports the National Energy Policy in maintaining reliability of Federal power facilities, which are part of the Nation's interconnected generation and transmission system.

Southwestern's Program Direction program provides compensation and all related expenses for 178 Federal personnel who operate and maintain Southwestern's high-voltage power system and associated facilities including the critical Supervisory Control and Data Acquisition/Energy Management System (SCADA/EMS) and plan, design, and supervise the construction of replacements, upgrades, and additions (capital investments) to the power system facilities. Also included are personnel who negotiate and administer power marketing contracts, develop wholesale power rates to repay the Federal investment, develop and implement operational arrangements with competing water users, schedule and deliver power to preference customers, bill and invoice customers, assure facility and cyber security, and provide for general administration and management. These employees include, but are not limited to electrical, electronic, and civil engineers; high-voltage linemen and electricians; power system dispatchers; public utilities specialists; information technology specialists; environmental and safety specialists; and administrative staff. Seventy percent of Southwestern's staffing budget is directed toward front-line employees performing marketing, operation, and maintenance of the transmission system rather than administrative/management functions.

These positions are critical to Southwestern's role as an integral part of the Nation's interconnected electrical grid. By the end of FY 2003, approximately 23 percent of Southwestern's staff will be eligible for retirement. This will impact Southwestern's need for recruitment, relocation, travel, and training requirements to meet the challenges of operating and maintaining the Federal power system to assure reliability, meet the growing demand for power, and to avoid further deterioration of the infrastructure as specified within National Energy Policy goals and Southwestern's statutory requirements.

Southwestern will continue to share facilities and administrative services with another DOE office at Southwestern's Tulsa Headquarters facility. The arrangement continues to be cost efficient and beneficial for both offices.

The investment in support services continues to assure program support for Southwestern in the areas of records management, public affairs, computer programming, data processing, computer software, software licenses, accounting, and word processing. Other related expenses support Southwestern in the areas of space rental, administrative telecommunications, printing, training, supplies, materials, non-capitalized equipment, maintenance of office equipment, diversity programs, and administrative services provided by the Power Marketing Liaison Office.



(dollars in thousands)

FY 2001	FY 2002	FY 2003
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**Travel** ..... **635**      **635**      **620**

Estimate includes transportation and per diem incurred in the operation and maintenance of Southwestern's geographically dispersed power system and the performance of general administrative functions. Estimate is derived from the daily requirement of the field maintenance personnel to maintain 1,380 miles of transmission line, substations, communication equipment, supervisory control and data acquisition network. Although fuel costs and travel related to participation in the SPP/RTO have increased dramatically, a decrease is due to a reduction in travel related to training and administrative travel.

**Support Services** ..... **1,953**      **1,915**      **1,644**

Estimate includes expenses for management support services of automated data processing (ADP) and clerical/records management support. Estimate is derived from the negotiated contract amount for support services essential to Southwestern's mission. Funding level is based on the critical and essential computer based systems needed at Southwestern and basic clerical and records management support. Decrease reflects the agency goal to reduce administrative, non-direct program expenses.

**Other Related Expenses** ..... **2,163**      **1,791**      **1,280**

Estimate includes: space rental; office equipment, such as copiers, printers, and related maintenance; paper; training tuition fees; administrative software, hardware, and related maintenance; contract services for the financial audit; headquarters cyber and facility security; public affairs; janitorial services and parking; administrative telecommunications and mail services; diversity recruitment advertising and the Historically Black Colleges and Universities program; and services of the Power Marketing Liaison Office. Estimate is based on Southwestern's training plan, age of equipment, comparative vendor estimates, escalation based on contract terms, and square footage. Decrease is due to field substation and microwave system operational utility costs and field operational telecommunication costs being appropriately funded as part of non-administrative, direct program Operation and Maintenance, and a reduction of other administrative expenses.

**Total, Program Direction** ..... **19,365**      **19,713**      **18,999**

## Explanation of Funding Changes

FY 2003 vs. FY 2002 (\$000)
-----------------------------------

### Salaries and Benefits

# Increase in salaries and benefits (+\$645,613) represents a 2.6% cost of living increase and within grade increase for General Schedule employees, a 5.0% increase for dispatchers, a 4.0% increase for power system maintenance crews, an increase in the government's share of cost associated with pension and annuitant health care benefits (+\$21,000), a decrease in overtime (-\$50,000), and a decrease for awards (-\$43,400). The overall increase in salaries and benefits are reduced (-\$490,213) by projecting front-line entry level employees replacing retiring senior graded employees. . . . . +83

### Travel

# The decrease in travel is due to streamlining efforts related to training and conferences. . . . -15

### Support Services

# Technical support services (-\$115,000) of drafting and design, environmental, and engineering are now included in O&M and Construction replacement projects. Management support services (-\$156,000) for clerical/records management and ADP support have been reduced in order to support higher priority infrastructure activities. . . . . -271

### Other Related Expenses

# Administrative training decrease is due to the ability to use on-line training. . . . . -56

# Administrative printing and reproduction reflect a reduction (-\$37,000) in the printing of procurement solicitations and public publications due to increased use of the Internet and a cost-shared Docutech center with another Federal agency. . . . . -37

# Space rental cost increased due to the terms of the negotiated lease for the Tulsa facility. . . . +14

# Other miscellaneous related expenses reduced in the areas of utility costs and general administrative costs. Substation and microwave system operational utility costs (-\$131,000) and field operational telecommunications (-\$214,000) are included in Operation and Maintenance. Other miscellaneous administrative costs (-\$87,000) were reduced in an effort to meet the agency's goal of lower non-direct, administrative program expenses. . . . . -432

Subtotal Funding Changes, Other Related Expenses. . . . . -511

**Total Funding Change, Program Direction . . . . . -714**

## Support Services

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Technical Support Services	425	115	0	-115	-100.0
Management Support Services	1,528	1,800	1,644	-156	-8.7
Total, Support Services	1,953	1,915	1,644	-271	-14.2

## Other Related Expenses

(dollars in thousands)

	FY 2001	FY 2002	FY 2003	\$ Change	% Change
Training	98	96	40	-56	-58.3
Working Capital Fund	95	0	0	0	NA
Printing and Reproduction	134	93	36	-57	-61.3
Rental Space	543	546	560	+14	+2.6
Other	1,293	1,056	644	-412	-39.0
Total, Other Related Expenses	2,163	1,791	1,280	-511	-28.5

**DEPARTMENT OF ENERGY  
FY 2003 CONGRESSIONAL BUDGET  
POWER MARKETING ADMINISTRATION**

**REVENUES AND RECEIPTS**

	(Dollars in Thousands)						
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<u>Southwestern Power Administration</u>							
Gross Revenues: . . . . .	101,315	106,694	108,200	108,600	108,800	108,900	109,100
Corps of Engineers O&M/R . . . . .			-50,998 <sup>a</sup>	-50,862 <sup>a</sup>	-52,251 <sup>a</sup>	-52,251 <sup>a</sup>	-52,251 <sup>a</sup>
Use of Revenue to fund PPW . . . . .	-288 <sup>b</sup>	-1,800 <sup>b</sup>	-288 <sup>b</sup>	-288 <sup>b</sup>	0	0	0
Continuing Fund . . . . .	-1,718 <sup>c</sup>	0	0	0	0	0	0
Net billing credited as an offsetting receipt . . . . .	-18,110	-14,092	-18,112	-19,912	-20,500	-20,800	-20,900
Total Proprietary Receipts . . . . .	81,199	90,802	38,802	37,538	36,049	35,849	35,949
Percent of sales to preference customers . . . . .	100%	100%	100%	100%	100%	100%	100%
Energy Sales and Power Marketed (in billions of kilowatt hours) . . . . .	5.5	5.5	5.5	5.5	5.4	5.4	5.4

<sup>a</sup>Reflects use of power receipts to fund U.S. Army Corps of Engineers operation and maintenance of power facilities beginning in FY 2003.

<sup>b</sup>Reflects use of power receipts to fund purchase power and wheeling activities through FY 2004.

<sup>c</sup>Reflects use of power receipts related to the activation of Southwestern's Continuing Fund due to below average water conditions.

**DEPARTMENT OF ENERGY  
FY 2003 CONGRESSIONAL BUDGET  
SYSTEM STATISTICS**

**SOUTHWESTERN POWER ADMINISTRATION**

	FY 2001 <u>Actual</u>	FY 2002 <u>Estimate</u>	FY 2003 <u>Estimate</u>
<u>Generating Capacity:</u>			
Installed Capacity (KW)	2,157,800	2,197,800 <sup>a</sup>	2,197,800
Peak Capacity (KW)	2,052,600	2,052,600	2,052,600
<u>Generating Stations:</u>			
Generating Projects (No.)	24	24	24
Substations/Switchyards (No.)	23	23	23
Substations/Switchyards (KVA Capacity)	1,026,900	1,026,900	1,026,900
<u>Available Energy:</u>			
Energy Generated (Megawatthours)	4,669,250	5,301,600	5,297,100
Energy Received (Megawatthours)	136,508	172,900	174,400
Energy Available for Marketing (Megawatthours)	4,805,758	5,474,500	5,471,500
<u>Transmission Lines (Circuit Miles):</u>			
161 KV	1,117	1,117	1,117
138 KV	164	164	164
69 KV	99	99	99
Total Circuit Miles	1,380	1,380	1,380

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<sup>a</sup>Increase due to increased generating capacity resulting from an upgrade at the Dardanelle project.

**DEPARTMENT OF ENERGY  
FY 2003 CONGRESSIONAL BUDGET**

**POWER MARKETED, WHEELED OR EXCHANGED BY PROJECT**

**SOUTHWESTERN POWER ADMINISTRATION**

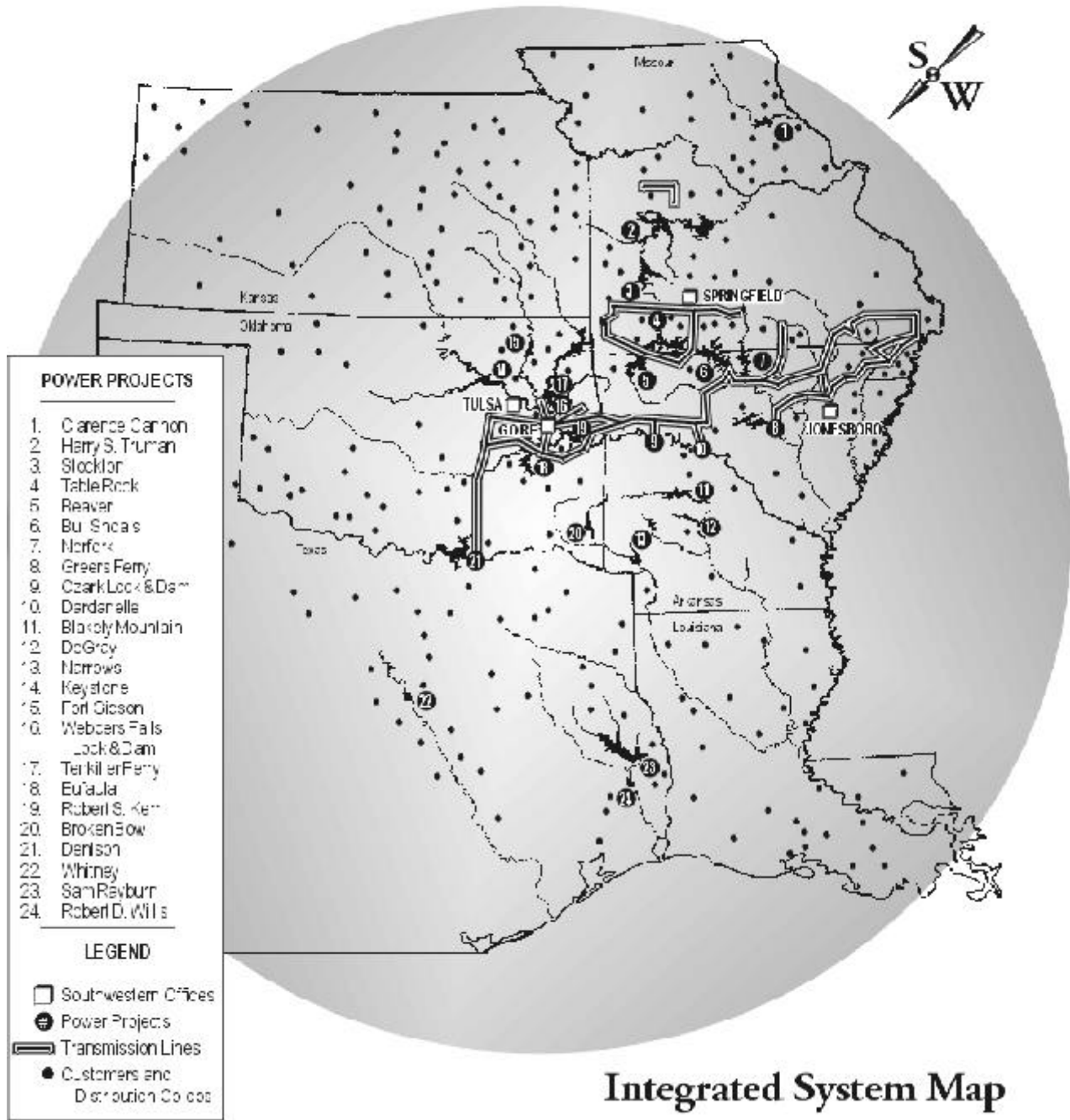
<u>Project</u>	<u>State</u>	<u>No. Of Plants</u>	<u>Installed Capacity (KW)</u>	<u>FY 2001 Actual Energy (GWh)</u>	<u>FY 2002 Estimated Energy (GWh)</u>	<u>FY 2003 Estimated Energy (GWh)</u>
<u>Power Marketed:</u>	Missouri	4	463,200	1,366	1,628	1,627
Interconnected System	Arkansas	9	1,021,100	931	1,110	1,109
	Oklahoma	7	514,100	878	1,047	1,047
	Texas	2	100,000	671	800	800
	Louisiana	0	0	294	351	351
	Kansas	0	0	324	386	386
Subtotals . . . . .		22	2,098,400	4,464	5,322	5,320
Isolated:						
Robert D. Willis Project						
Sam Rayburn Project						
50% to Texas . . . . .		2	59,400	96	76	76
50% to Louisiana . . . . .		0	0	96	76	76
Subtotals . . . . .		2	59,400	193	152	152
<u>Total Power Marketed</u>		24	2,157,800	4,657	5,474	5,472
<u>Power Wheeled/Exchanged:</u>						
Wheeled (MW) . . . . .				965	808	823
Exchanged (GWh) . . . . .				23	59	60



**DEPARTMENT OF ENERGY  
FY 2003 CONGRESSIONAL BUDGET**

**SYSTEM MAP**

**Southwestern Power Administration**



**DEPARTMENT OF ENERGY**  
**FY 2003 CONGRESSIONAL BUDGET**  
**PENDING LITIGATION**  
**SOUTHWESTERN POWER ADMINISTRATION**

No pending litigation.