

PRESS RELEASE

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SRA-TX Approves Resolution to Halt Generation When Toledo Bend is Low

(Orange, TX) – In a board meeting held yesterday in Marshall, Texas, the Sabine River Authority of Texas' (SRA-TX) Board of Directors approved a resolution that would authorize Jerry Clark, Executive Vice President and General Manager of SRA-TX to execute a contract amendment that would halt hydroelectric power generation at the Toledo Bend Project when the reservoir drops to 168 feet mean sea level (msl). The amendment to the Toledo Bend Project Consolidated Power Sales Agreement would go into effect on May 1, 2007 and would revise the minimum power pool level of the Toledo Bend reservoir for the purposes of hydroelectric power generation from 162.2' msl to 168' msl. The Sabine River Authority, State of Louisiana approved a similar resolution in their April 26th board meeting last week. The contract amendment is currently being reviewed by the electric utility companies. A presentation of the proposed contract amendment was made at the Louisiana Public Service Commission's meeting held today in Baton Rouge, Louisiana.

In March of this year, the SRA-TX Board by unanimous vote directed the SRA-TX staff to work with SRA-LA to develop and negotiate a revision to the current contract between SRA-TX and SRA-LA (the Authorities) and the electric utility companies. The electric utility companies,

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which include Central Louisiana Electric Company (CLECO), Entergy Texas and Entergy Louisiana (the Companies), agreed to amend the existing contract provided the Authorities agree to pay the difference for any replacement power that the Companies would have to purchase for power not produced by the Toledo Bend generating station when the reservoir falls below a level of 168' msl. SRA-TX and SRA-LA have agreed to these terms.

Any exception to the revised minimum power pool level will only be in the event that (1) the Federal Energy Regulatory Commission (FERC) requires a reduction in the water level for purposes of inspecting or repairing the dam, (2) an insufficient supply of electric power to the Companies' firm or non-interruptible power users will result, (3) minimum downstream flow requirements are not met, or (4) there is not adequate water flow to deter saltwater encroachment. In addition to the exceptions noted above, the reservoir level may also fall below the 168' msl level due to normal evaporation and inadequate rainfall.

"The Sabine River Authority of Texas values the recreational opportunities that Toledo Bend offers to the area," stated SRA-TX General Manager Jerry Clark. "The need to balance these opportunities with water needed to produce 65,700 mwh of power was the real issue," added Clark. "Coming up with the solution that would provide a win-win for everyone was a challenge but we are pleased that it appears it is almost done," stated Clark. "Special thanks should be given to Texas Legislators: Senators Robert Nichols and Tommy Williams, Representatives Wayne Christian, Mike Hamilton, Joe Deshotel and Allan Ritter, who provided continued support of our efforts," added Clark. "SRA-LA should be commended for

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laying the groundwork for this project,” stated Clark. “The citizens of the Toledo Bend area were also instrumental in the success of this project,” added Clark. “SRA-TX looks forward to continuing our efforts to ensure that the surface waters of the Sabine River Basin are utilized to provide the best benefit for the Basin and the adjoining areas while taking into consideration the economic and environmental factors involved,” stated Clark.

Created by the Legislature in 1949, the Sabine River Authority is a quasi-state agency of the State of Texas. The SRA-TX was created as a conservation and reclamation district with responsibilities to manage, preserve, and distribute the waters of the Sabine River and its tributary streams for useful purposes. For more information, contact Public Relations Manager Ann Galassi with the Sabine River Authority at (409) 746-2192 or agalassi@sratx.org

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