



Department of Energy
Southwestern Power Administration
One West Third Street
Tulsa, Oklahoma 74103-3502

JUN 10 2015

NOTICE

To Customers and Interested Parties:

This is to inform you that Southwestern Power Administration (Southwestern) has completed its 2015 review of the continuing adequacy of the existing hydroelectric power rates for the Integrated System. Through this review, Southwestern determined that a revenue increase of 1.9 percent (\$3,731,001 annually) would be sufficient to satisfy repayment requirements.

However, this 1.9 percent increase falls within Southwestern's practice to defer revenue adjustments for the Integrated System if such adjustments are within plus or minus two percent. The deferral provides for rate stability, savings on the administrative cost of implementation, and recognizes that the revenue sufficiency will be re-examined in next year's rate study. Therefore, Southwestern will defer the implementation of the 1.9 percent revenue increase and continue under the current rate schedules.

The currently approved rate schedules expire on September 30, 2017. Next year's (2016) Integrated System Power Repayment Studies will be used to determine the adequacy of the existing rates to recover costs and will dictate any future need for a rate filing with the Federal Energy Regulatory Commission.

Southwestern looks forward to working closely with our customers in preparing the 2016 Power Repayment Studies. If you have any questions, please contact Fritha Ohlson at (918) 595-6684 or Stephanie Bradley at (918) 595-6676

Sincerely,

A handwritten signature in black ink, appearing to read "Marshall Boyken", written over a horizontal line.

Marshall Boyken
Vice President, Office of Corporate Operations/COO