



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

FEB 16 2010

MEMORANDUM FOR THE DIRECTOR OF CIVIL WORKS

Subject: Lake Texoma, Texas, Water Supply Storage Reallocation

I am responding to the May 22, 2009 memorandum from the Director of Civil Works, which requested the Assistant Secretary of the Army for Civil Works approval of the Lake Texoma Storage Reallocation Report and Supplemental Environmental Assessment. These documents were prepared in accordance with Section 838 of the Water Resources Development Act of 1986 (Public Law 99-662) (WRDA1986). The legislation directed the Secretary of the Army to determine the amount of hydropower lost as a result of water supply storage reallocation at Lake Texoma and to credit the Federal power marketing authority for such loss. Further direction on hydropower crediting to the Southwestern Power Administration (SWPA) was provided by Former Secretary of the Army, Pete Geren, in a letter to Congressman Hall dated July 31, 2009 and by Acting Secretary of the Army for Civil Works, Terrance Rock Salt, in a memo to the Corps dated July 30, 2009. The July 31 letter to Congressman Hall provided the Secretary's decision that as a result of reallocating 150,000 acre-feet of storage at Denison Dam, SWPA would be credited for hydropower lost based on the actual replacement cost. The July 30 memo from Mr. Salt directed the Corps to provide additional documentation in the form of an updated report addendum to specifically address the revised method of compensating SWPA for hydropower lost as a result of the reallocation.

My office has completed its review of the Lake Texoma, Texas, Water Storage Reallocation Project Report and the report addendum provided by the Director of Civil Works on October 14, 2009. I find the implementation rules to be in compliance with the direction by the Secretary of the Army. I approve the Reallocation Report, the addendum, and endorse the hydropower implementation plan, which provides the details of the Corps' method of hydropower compensation to SWPA. The draft water supply storage agreements, which were included in the May submittal, have been reviewed and approved in the enclosed memorandum.

Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)

Encl

