

Below is Salt River Project's announcement about the Mohave power plant:

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SRP Ceases Effort to Restart Mohave Generating Station Concludes that Timeline Delays would Render the Facility Economically Unfeasible

Salt River Project, a 20 percent owner of the Mohave Generating Station (MGS) in Laughlin, Nev., is ending efforts to return the plant to service.

Returning the Mohave facility to service would have provided much-needed energy to Arizona and the growing greater Phoenix metropolitan area. However, after efforts failed to reach a purchase agreement with Southern California Edison (SCE), the majority owner and operator of MGS, SRP has concluded that it will be unable to bring the facility back into service with the appropriate environmental emission controls in sufficient time to make it economically feasible for SRP customers.

SRP believes SCE intends to continue with its ongoing effort to identify potential new buyers for Mohave.

The 1,580-megawatt plant has been shut down since December 2005, pursuant to a consent decree.

In June 2006, SCE and two other co-owners, Nevada Power Co. and the Los Angeles Department of Water and Power, announced they would no longer pursue a restart of the plant. In September 2006, SRP announced its plans to seek a new ownership group to extend the life of Mohave.

SRP had formed a new ownership group that was prepared to complete a number of steps including, among others, the construction of approximately \$750 million in additional pollution-

control systems that would have significantly reduced emissions from the plant, exceeding the requirements of the consent decree.

Other steps included the development of a new water supply system for the Black Mesa Coal Mine, located on the Navajo and Hopi Reservations in northeastern Arizona. The new ownership group was prepared to commit to providing infrastructure that would have made groundwater from the new system available to nearby Hopi and Navajo communities that are currently without fresh-water delivery facilities.

In addition, a restart of Mohave would have extended the coal operations at the Black Mesa Mine, providing greatly needed employment for tribal members and revenue for education, medical care and other social services for the Navajo and Hopi Indian communities.

SRP is the third-largest public power utility in the nation, providing electric service to more than 900,000 customers in the greater Phoenix metropolitan area.