

Snowy Hydro Limited

Snowy Scheme Water Storages Update

7 June 2007

Q) Why are the Snowy Scheme water storages so low?

A) Much of this country and in particular south eastern Australia is suffering from the effects of the major drought sequence that has been occurring since 1996. Like all water storages across south-east Australia, the water storage levels of the Snowy Scheme are not immune and are also suffering.

The current drought sequence is now longer than the previous worst dry sequence which occurred from 1936 to 1946. Because of the continuing extremely low water inflow pattern, water levels in Snowy Scheme storages have steadily decreased since 1997 and are currently at the lowest levels since construction.

While water inflows over the month of May have improved from the previous 12 months, which were at about 25% of long term average, they have not been sufficient to make a significant impact on water storage levels. Snowy Hydro believes that prolonged above average inflows will be required to return water levels to those seen prior to the start of this drought cycle in 1996.

Q) What are the expected future water levels for Lake Jindabyne and Lake Eucumbene?

A) It is difficult to predict the extent or length of the current drought sequence that is affecting Snowy Scheme water storage levels. Unfortunately, under these difficult drought conditions water levels at all Snowy Scheme storages have continued to drop and will drop further, if the drought persists.

Water levels in Snowy Scheme storages are dependent on a number of factors including the amount of water inflows from rain or snow (in winter/spring) and the demand for water for farms, townships, electricity and the environment.

In order to meet the needs of all Snowy water stakeholders including environmental releases and if the current drought conditions continue, then it is likely that Lake levels will continue to drop, possibly to below original Minimum Operating Levels.

Under these exceptional drought conditions it is necessary for all water users to explore ways to ensure that as much water as possible is accessible for the benefit of all water stakeholders.

Accordingly, Snowy Hydro is investigating ways to access water below original Minimum Operating Levels to ensure our continued commitment to meet our water and electricity obligations.

It is very difficult for anyone to accurately predict future weather patterns and associated water inflows. However, if the current drought conditions continue and we have another bad winter, as bad as last year when snowpack provided little spring runoff, Snowy Hydro believes that it can meet its water and electricity commitments this coming winter and into next summer.

Q) How can we get up to date information on lake levels and water releases from Snowy Scheme dams?

A) Snowy Hydro has established a website based water resources information service so that the public have access to up to date information on water resources data relating to the Snowy Mountains Scheme.

The new service can be accessed via the homepage on the Snowy Hydro website at www.snowyhydro.com.au. It provides information on lake levels, snow depths and releases into local rivers including the volume of environmental releases into the Snowy River from Jindabyne Dam.