



**Department of Energy**  
Western Area Power Administration  
Rocky Mountain Customer Service Region  
P.O. Box 3700  
Loveland, CO 80539-3003

**JUN 20 2011**

Dear Firm Power Customer:

As part of the current rate schedules placed into effect under our Rate Order No. WAPA-146, Western Area Power Administration (Western) is to conduct a preliminary review of the Loveland Area Projects (Pick-Sloan Missouri Basin Program –Western Division and Fryingpan-Arkansas Project) Firm Power Rate Drought Adder (Drought Adder) component. The review is conducted annually in early spring and provides customers advance notice of any foreseen changes to the Drought Adder.

Having completed the preliminary review of the Drought Adder component, this letter serves as advance notice to our customers that Western is currently estimating no change to the Drought Adder component of the Loveland Area Projects Firm Power Rates in January 2012.

Based on Corps of Engineer and Bureau of Reclamation forecasts, this will be a record setting year for water runoff with corresponding historic or near historic levels of hydroelectric generation. As the summer goes on, Western will continue to monitor the factors affecting the Drought Adder and will make a final rate adjustment determination this fall. A notification letter will be sent to you in October of this year providing you the results of the final determination concerning the Drought Adder for January 2012.

If you have any questions and/or comments concerning this notice or the firm power calculation, please contact Sheila Cook, Rocky Mountain Region Rates Manager, at (970) 461-7211 or by e-mail at [scook@wapa.gov](mailto:scook@wapa.gov). Information concerning the Firm Power Rates can also be found online at <http://www.wapa.gov/rm/ratesrm/default.htm>.

Sincerely,

**SIGNED**

David Neumayer  
Power Marketing Manager