

JUN 20 2011

Dear Firm Power Customer:

As part of the current rate schedules placed into effect under our Rate Order No. WAPA-147, Western Area Power Administration (Western) is to conduct a preliminary review of the Pick-Sloan Missouri Basin Program--Eastern Division (P-SMBP--ED) Firm Power Rate 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 for the P-SMBP--ED 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 Pick-Sloan--ED Firm Power Rate in January 2012.

Based on Corps of Engineers and Bureau of Reclamation forecasts, this will be a record setting year for water runoff in to the Missouri River, with corresponding historic or near historic levels of hydro generation from the six main-stem dams. 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 Linda Cady-Hoffman, Upper Great Plains Rates Manager at (406) 255-2920 or [Cady@wapa.gov](mailto:Cady@wapa.gov). Information concerning the Firm Power Rates can be found online at <http://www.wapa.gov/ugp/rates/default.htm>.

Sincerely,

**Jody S. Sundsted**

Jody S. Sundsted  
Power Marketing Manager

bcc:

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