



Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

JUN 15 2012

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, Western is using this letter to notify customers that there is no estimated change to the Drought Adder component of the P-SMBP--ED Firm Power Rate in January 2013.

As the summer goes on, Western will continue to monitor the factors affecting the Drought Adder. On April 9, snowpack in the mountains peaked at 97 percent of the normal April 15 peak above Fort Peck. On March 22, snowpack in the Fort Peck to Garrison reach peaked at 88 percent of the normal April 15 peak. The calendar year forecast for the basin above Sioux City, Iowa, remains below normal at 22.2 million acre-feet, 89 percent of normal. Western will make a final rate adjustment determination this fall. A notification letter will be sent to you in October of this year identifying if any change will be made to the Drought Adder for January 2013.

If you have any questions concerning this notice or the firm power calculation, please telephone Linda Cady-Hoffman, Upper Great Plains Region Rates Manager at (406) 255-2920. Information concerning the Firm Power Rates can be found online at <http://www.wapa.gov/ugp/rates/default.htm>.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jody S. Sundsted".

Jody S. Sundsted
Power Marketing Manager