



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

OCT 12 2011

Dear Firm Power Customer:

As part of the current rate schedules placed into effect under our Rate Order No. WAPA-147, the Western Area Power Administration (Western) is to conduct a preliminary review and a final review of the Pick-Sloan Missouri Basin Program Firm Power Rate Drought Adder component each year. A preliminary review is conducted in early spring to provide customers advance notice of any foreseen changes to the Drought Adder, and a final review is done in the fall to make a final determination of any changes for the upcoming calendar year.

On June 20, 2011, Western provided notice that the preliminary review of the Drought Adder component had been completed and that there was no estimated change to the Drought Adder component of the Pick-Sloan--Eastern Division Firm Power Rate effective January 2012.

Western has since completed its final review of the Drought Adder component. This letter serves as final notice to our customers that Western is not changing the Drought Adder component of the Pick-Sloan--Eastern Division Firm Power Rate in January 2012.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jody S. Sundsted". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Jody S. Sundsted
Power Marketing Manager