



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

OCT 13 2011

Dear Firm Power Customer:

As part of the current rate schedules placed into effect under our Rate Order No. WAPA-146, the Western Area Power Administration (Western) is to conduct a preliminary review and a final review of the Loveland Area Projects (Pick-Sloan Missouri Basin Program -- Western Division and Fryingpan-Arkansas Project) (LAP) 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 LAP Firm Power Rate effective January 2012.

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

Information concerning the Firm Power Rates can be found online at <http://www.wapa.gov/rm/ratesrm/default.htm>. If you have any questions concerning this notice or the firm power calculation, please telephone Sheila Cook, RMR Rates Manager, at (970) 461-7211.

Sincerely,

SIGNED

David Neumayer
Power Marketing Manager