



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

APR 17 2014

Dear Firm Power Customer and Other Interested Parties:

The Upper Great Plains Region and the Rocky Mountain Region of Western Area Power Administration (Western) are hosting an informational webinar to discuss the upcoming rate process for the expiring firm power rates for the Pick-Sloan Missouri Basin Program--Eastern Division (P-SMBP--ED) and the Loveland Area Projects (LAP).

The firm power rate schedules became effective January 1, 2010, and expire December 31, 2014. The Fiscal Year (FY) 2013 Power Repayment Studies (PRSs) indicate the existing revenue requirements and associated rates for both rate-setting projects continue to yield sufficient revenue to satisfy cost recovery criteria. Western is proposing to conduct minor rate adjustments in order to true up the Base and Drought Adder components identified in the rate schedules and place the new rate schedules into effect on January 1, 2015. The overall rates and revenue requirements for both projects will remain unchanged. In addition, the P-SMBP--ED firm peaking power revenue requirement and overall rate will remain unchanged.

The informational webinar is scheduled for Friday, May 2, 2014, 9:30 a.m. to no later than 11:30 a.m. MDT. The focus of the webinar will be to provide an update on the FY 2013 PRSs, discuss the Base and Drought Adder true up, and plan for the upcoming public comment period.

There is **no advance** registration needed to attend the webinar. At the time of the webinar, please visit the Website at <http://www.wapa.gov/ugp/rates/2015firmrateadjust> to sign into the webinar. If you are unable to attend the live webinar, it will be recorded and posted to the Website, as will the most current information regarding the P-SMBP--ED rate adjustment process. Please check the Website for the most up to date information.

If you have any questions prior to the webinar, please telephone Linda Cady-Hoffman, Upper Great Plains Rate Manager at (406) 255-2920. We look forward to working with you.

Sincerely,

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

Jody S. Sundsted
Power Marketing Manager