



Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800
JUL 06 2015

Dear Firm Power Customer:

As part of the current rate schedules placed into effect under Rate Order No. WAPA-166, Western Area Power Administration (Western) has conducted 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.

Western is using this letter to notify customers that the preliminary review resulted in no estimated change to the Drought Adder component of the P-SMBP--ED Firm Power Rate in January 2016.

Normally, by April 15, the mountain snowpack peak accumulation has occurred. This year, the mountain snowpack peaked on March 9 at 72% of the normal peak above Fort Peck and 78% of the normal peak on March 14 in the Fort Peck to Garrison reach. The June 1, 2015, forecast for runoff in the Missouri River Basin above Sioux City, Iowa, was 22.5 MAF, 89% of normal according to the Corps of Engineers June 5, 2015, news release. However due to significant rain fall in the region, the Corps issued a special update on June 22, 2015, forecasting the annual runoff at 27.9 MAF, 110% of normal. Average annual runoff is 25.2 MAF.

Western will continue to monitor water conditions as we progress to the fall. We will make a final rate adjustment determination this fall and send a notification letter to you in October identifying if any change will be made to the Drought Adder for January 2016.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Jody Sundsted", written over a horizontal line.

Jody S. Sundsted
Vice President of Power Marketing
for Upper Great Plains Region