



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

JUN 21 2018

Dear Firm Electric Service Customer:

As part of the current rate schedule, placed into effect January 1, 2018, under Rate Order No. WAPA-179, Western Area Power Administration (WAPA) will conduct both a preliminary review of the Loveland Area Projects (Pick-Sloan Missouri Basin Program--Western Division and Fryingpan-Arkansas Project) (LAP) Firm Electric Service Rate Drought Adder component in early spring, and will provide customers advance notice of any foreseen changes to the Drought Adder and a final review and notification in the fall of any change to the Drought Adder component of the rate schedule.

WAPA is using this letter to notify customers that the preliminary review resulted in no estimated change to the Drought Adder component of the LAP Firm Electric Service Rate in January 2019. WAPA will continue to monitor area water conditions through this fall and will send a final notification of any changes to the Drought Adder for January 2019. Please note, a change to the drought adder is not likely, however, we are required to evaluate the water and generation conditions two times each year and inform our customers of any planned change to the Drought Adder component.

Information concerning the firm electric service rate can be found online at <https://www.wapa.gov/regions/RM/rates/Pages/rates.aspx>. If you have any questions concerning this notice, please telephone Sheila D. Cook, Rocky Mountain Region Rates Manager at (970) 461-7211 or scook@wapa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Neumayer", written over a horizontal line.

Dave Neumayer
Vice President of Power Marketing
Rocky Mountain Region