



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

FINANCE

October 26, 2011

In reply refer to: F-2

To Customers, Constituents, Tribes and Other stakeholders:

Beginning in 2011 and continuing into 2012, the Quarterly Business Review (QBR) is expanding to provide updates on new or emerging issues, such as proposed capital projects to improve visibility on capital budgets, and to provide an opportunity for more input from interested and affected parties, including customers, constituents and tribal members.

The next meeting will be from 10 a.m. to 3:30 p.m., November 1, 2011. One agenda item – financial power products – may be of particular interest to you. We will be discussing the current physical market and the potential use of financial products and are interested in understanding your perspective or experience using financial products as part of your power sales/purchase portfolio.

The QBR meetings, which have occurred since November 2008, focus on Bonneville Power Administration's (BPA) finances with a review of current fiscal year actual financial results compared to financial forecasts, such as the start-of-year target and rate case assumptions. While standard financial reports will continue as a cornerstone for the meetings, we also will focus on long-term cost trends, Operational Excellence improvement initiatives, and implications for both expense and capital programs.

In addition, we expanded the scope of the meetings to include current topics intended for information and discussion; some of the topics may revolve around projects or policy changes for which BPA is accepting public comment. We are adding this element to the meetings so that we can better understand your organization's perspective. This means, however, that the meetings will generally take a full day (five to eight hours) rather than just a half day. We will post agendas in advance to better help you determine who from your staff should attend.

I invite you to provide comments at any time on specific agenda items, general content or the overall process of the QBR. We want to make sure the QBR provides value to you as our partners in managing the Federal Columbia River Power System.

I look forward to your participation in these upcoming discussions.

Sincerely,

/s/ Claudia R. Andrews

Claudia R. Andrews
Acting Executive Vice President and Chief Financial Officer