



August 14, 2012

Claire Hobson
Account Executive
Bonneville Power Administration
delivered via e-mail to cahobson@bpa.gov

Dear Ms. Hobson:

Pursuant to section 13.10 of the Tiered Rates Methodology (TRM), Pacific Northwest Generating Cooperative (PNGC) is providing to you with this written statement describing the Rate Period High Water Mark RHW issues for which PNGC may request third party neutral review.

PNGC may request third party neutral review of what believe are incorrect values used in load forecasts for certain PNGC members. Specifically, we may seek review of the forecast of certain industrial loads ramping online through the fiscal year.

As you know, we have been working with you over the last several weeks to resolve this issue in a collaborative manner, and we remain hopeful that third party neutral review will not be necessary. Nevertheless, the TRM requires us to send this letter as a formal reservation of our rights.

We look forward to continuing to work with you on this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Greg Mendonca", is written over a horizontal line.

Greg Mendonca
Manager of Resource Planning
Pacific Northwest Generating Cooperative