February 7, 2012

In reply refer to: F-2

To Customers, Constituents, Tribes and Other Stakeholders:

Bonneville Power Administration (BPA) invites you to participate in the Capital Investment Review (CIR), a process designed to provide interested parties an opportunity to review and comment on BPA’s long-term capital forecasts and draft asset strategies. This review will begin March 8, 2012, and conclude May 4, 2012, prior to the 2012 Integrated Program Review (IPR) that will begin in June.

The CIR will cover transmission, facilities, security, fleet management, information technology, fish and wildlife, energy efficiency and federal hydropower. We will release our draft Agency Asset Strategy (including summaries of the individual asset strategies) for review and comment as well as full draft asset strategies.

Based on feedback we received during the 2010 IPR and IPR Lessons Learned, we are taking steps to develop and communicate information more effectively and efficiently, as well as improve the use of participant and BPA staff time and resources. As a direct result, the CIR public process will incorporate the process changes listed below.

- Information will be centralized into one comprehensive initial publication released at the start of the CIR process.
- Participants will have two weeks to review the initial publication. During this time, participants may request additional information or discussion meetings targeting specific areas.
- BPA is planning to host discussion meetings April 11-13 that will be based on the participants’ specific questions and requests.
- A six week public comment period will be offered to allow ample time for comment on the draft asset strategies and proposed long-term capital levels.

BPA welcomes your input and thoughtful discussion during the CIR process. Your input will inform BPA’s long-term direction for capital spending and, in the shorter-term, inform the 2012 IPR for near-term capital spending forecasts (FY 2013-2015) and then influence the depreciation and interest expense levels that will be reflected in the 2012 IPR.

If you are interested in participating in the CIR, please hold the dates of March 8 for a kickoff meeting and April 11-13 for discussion meetings. We plan to release additional information on the discussion meetings at the end of March.
If you have questions regarding the CIR process, please contact Mary Hawken at 503-230-3421 or your Power or Transmission Customer Account Executive, Tribal Account Executive or Constituent Account Executive.

I look forward to your participation in this upcoming capital review process.

Sincerely,

/s/ Claudia R. Andrews

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