

BPA Bulk Hub Purchase Notification for Service at Tier 2 Rates

Date: December 20, 2011

In December 2011, BPA's Bulk Hub made purchases to serve part of our Regional Dialogue Tier 2 load. These purchases were for a 51 aMW of 12-month flat block of power and were made to serve 46 aMW of Tier 2 Vintage Rate service obligation FY 2015-FY 2019. 5 aMW were purchased to serve our Tier 2 Load Growth Rate service obligation.

The price paid for this power over the 5 year period was between \$37 & \$52/MWh. The actual yearly purchase cost of the power will be part of the costs used to develop Tier 2 Rates in upcoming BPA rate cases. Consistent with Federal Energy Regulatory Commission requirements, while also honoring Western Systems Power Pool confidentiality requirements with counterparties, the exact purchase price amounts will not be released until 30 days after the end of each quarter.

On September 30, 2011, BPA's customers made their above-Rate-Period High Water Mark load service elections. The above purchase is one of several that BPA will make to serve these load obligations for the 2015-2019 Tier 2 Rate purchase period. Purchase amounts include additional energy to cover losses for deliveries to our customers through the Federal System.

