



Department of Energy

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

FINANCE

SEP 04 2012

In reply refer to: F-2

To: Parties interested in BPA's Debt Optimization Program

On February 17, 2010, the Bonneville Power Administration (BPA) held a public meeting to formally close out the Debt Optimization Program, with the understanding that additional public meetings would be held only if BPA resumes refundings for the purposes of debt optimization.

Since BPA has no plans for additional debt optimization transactions, other than completing the advanced Federal principal payments in FY 12 associated with advance refundings completed in FY 01-02, BPA will not hold a debt optimization public meeting this year.

While it was agreed that future public meetings regarding debt optimization were not necessary or required under the Memorandum of Understanding (MOU) concerning the BPA Debt Optimization Program (Exhibit D) of the Slice Settlement signed on November 22, 2006, the MOU does require BPA to send an annual letter to report any changes.

This letter serves to announce that there have been no changes to the program from that which was presented at the public meeting in 2010 and the repayment obligation on the debt by business line has not changed as a result of debt optimization related activities or transactions.

To review the information presented at the 2010 Debt Optimization meeting, go to http://www.bpa.gov/corporate/Finance/Debt_Management/presentations/ and click on "February 17 Workshop Materials."

If you would like additional information, please contact Jon M. Dull at (503) 230-7544.

Sincerely,

A handwritten signature in cursive script, reading "Nancy M. Mitman".

Nancy M. Mitman
Manager, Treasury