



**Department of Energy**  
Bonneville Power Administration  
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POWER SERVICES

December 4, 2012

**Announcement of Aggregate Blocks and Prepayments BPA will Accept for Prepayment Program, the Adjustment Cap, Market Clearing Purchase Price, and Reservation Price**

**Background**

Pursuant to Paragraph 4(h)(iii) of the Bonneville Power Administration's ("BPA") August 14, 2012 Request for Offers for Prepayment of Electricity ("RFO"), as amended, BPA is required to advise all Offerors of (A) the aggregate number of Blocks and the aggregate amount of Prepayments that BPA is accepting, (B) the Adjustment Cap, (C) the Market Clearing Purchase Price applicable to all offered Blocks that BPA is accepting, and (D) BPA's reservation price.

The RFO, as amended, and the ROD can be found at the following link:

<http://www.bpa.gov/Finance/FinancialInformation/Debt/Pages/Power-Financing-Program.aspx>.

**Aggregate Number of Blocks and Prepayments BPA will Accept for Prepayment Program**

As of the time of this notice, the total number of Blocks that BPA has decided to accept under the RFO is 49, although the number of Offers for Blocks that BPA may finally accept may increase up to a maximum of 51 Blocks because BPA has invited or will invite certain customers to revise the Purchase Price per Block in their Offers to equal the Market Clearing Purchase Price. If such customers do revise their offered Purchase Prices per Block, BPA could accept the Offers of the additional Blocks. The total Prepayments that BPA is accepting for the 2012 Prepayment Program solicitation shall not exceed \$346,825,551, as calculated on December 4, 2012.

**The Market Clearing Purchase Price**

The Market Clearing Purchase Price, in general, is the highest Purchase Price, per Block, that 'clears the market' that BPA used to base its consideration and acceptance of Offers. BPA has established the Market Clearing Purchase Price at \$6,800,501 per Block. For this RFO, BPA has determined that the Market Clearing Purchase Price and the reservation price are equal.

**The Adjustment Cap**

BPA has established the Adjustment Cap, as defined in Paragraph 5(c) of the RFO, as \$6,143,503, which is equivalent to 150 basis points over the yield on 10-year U.S. Treasury obligations for November 29, 2012.