

## **RFP Respondents Update – January 15, 2009**

Thank you for responding to the NRU LLC RFP for non-federal power supply options. NRU LLC is pleased with the quality of responses we received from a broad representation of power suppliers for a wide range of resources including market purchases, wind, natural gas, coal, and other renewables. We appreciate the time and effort that was put into developing the bids. While we will be prepared to move forward expeditiously in the next phase of the RFP evaluation process, at this point we have taken no formal action to formally screen and select a smaller group of proposals for further consideration.

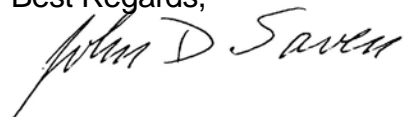
The organizations NRU LLC is forming and the associated legal documents are progressing smoothly. The formation of the two legal entities which will sign resource contracts is underway. The G+T Cooperative filed for incorporation the first week of January and the Intergovernmental Agency will be filing within the next week or so. The load commitment agreement, which will be signed by each participant, is receiving a final review by staff as we speak. As currently planned, members will have until March 31, 2009, to execute their load commitment agreements. In the interim, the participants will be addressing a variety of policy, technical, and financial issues associated with the new organizations.

NRU LLC is carefully balancing the need for potential members to have time to thoroughly review the load commitment agreement and have their boards vote on signing the agreement, and the need to engage in negotiations with attractive bids. We understand that a number of proposals, particularly for market purchases, were submitted with the understanding that they could be updated at the time of contract negotiations.

Everyone is aware of the economic downturn in the Pacific Northwest, and the likely implications that may have on utilities needs for forecasted above High Water Mark power supply in FY 2012. While this may impact near-term procurement needs, I want to reiterate the commitment on the part of the participants to actively pursue non-federal power supply options now and into the future.

We will provide you with an update, including an estimated schedule following our next Board meeting in early February. If in the interim you have any questions, please feel free to contact me at [JSaven@Pacifier.com](mailto:JSaven@Pacifier.com) or Tim Castille at [Castille@landsenergy.com](mailto:Castille@landsenergy.com).

Best Regards,



John D. Saven

CC: NRU LLC Participants