

TOT 3 Project Update

A Public/Private Partnership

Bob Mitchell, CEO

Trans-Elect Development Company, LLC

Wyoming Infrastructure Authority Board Meeting

January 30, 2007

Jackson Hole, Wyoming

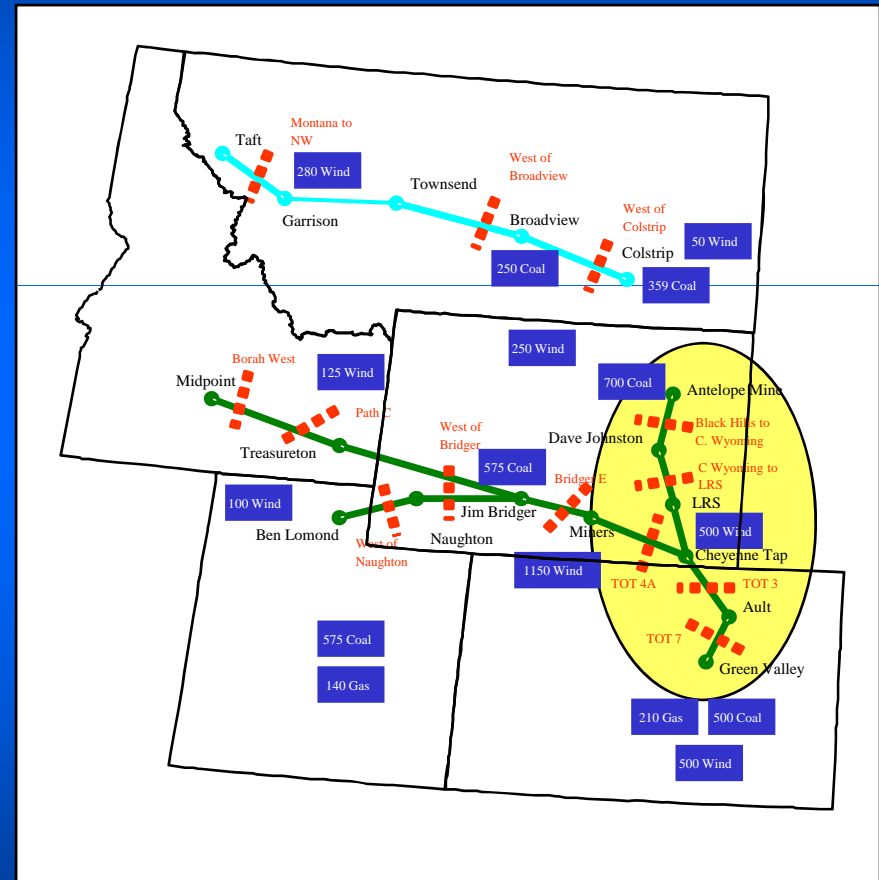


TOT 3 Public/Private Partnership

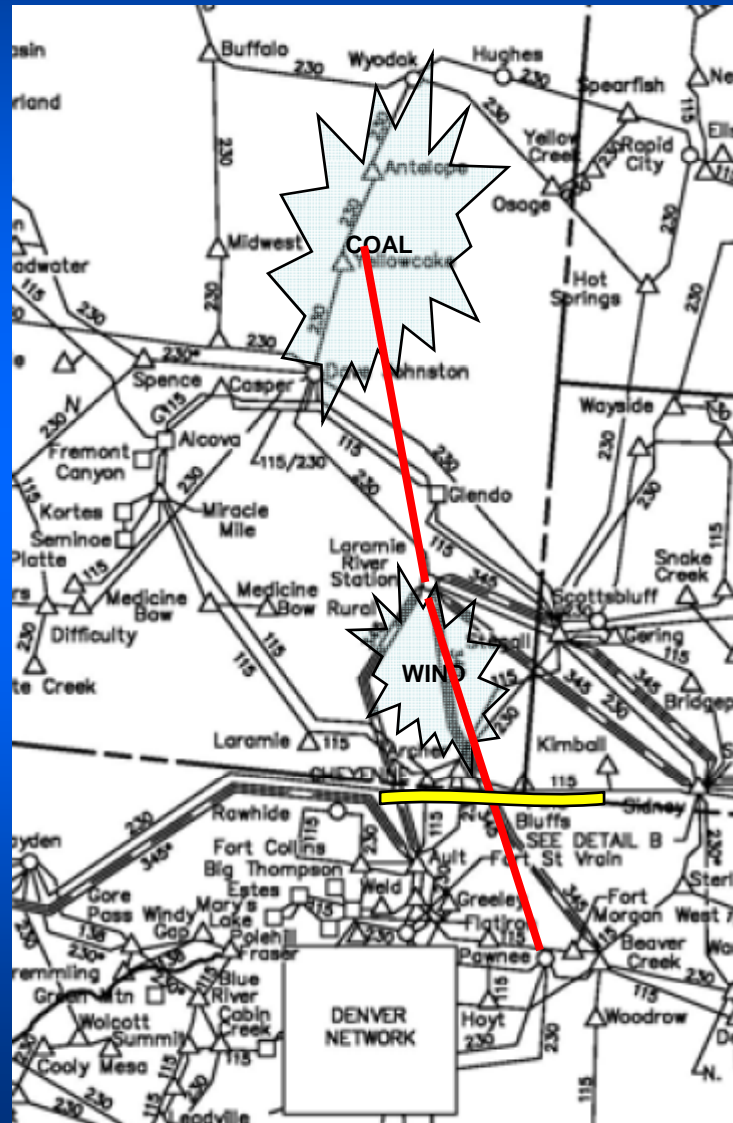
- Wyoming Infrastructure Authority
 - Formed by WY legislature to develop transmission
 - \$1 BB bonding authority
 - Project Role: “seeding” project development & political support
- Trans-Elect, Inc.
 - Transmission company funded/owned by AES
 - Recently completed Path 15 project in California with WAPA
 - Project Role: development & ownership of the project
- Western Area Power Administration (WAPA)
 - TOT 3 control operator
 - Support role to WIA & Trans-Elect

What is TOT 3?

- Long-Standing Transmission constraint on the CO-WY border
 - Capacity limit of 1,600 MW
 - 6 transmission lines operated by WAPA
 - Lines owned by WAPA, Basin Electric, Tri-State, Xcel/PSCO +
- One of 3 high-priority projects recommended by RMATS
 - 250 miles @ >\$300 mm
- TOT 3 expansion would bring low-cost coal & wind power to Colorado Front Range
 - Substantial savings to customers vs. gas-at-load



TOT 3 Project Logistics



Phase 2:
175-200 mile line to
tap mine-mouth
coal; 2013-2014

Phase 1:
175 mile 345 kV line
to tap 40%-45% C.F.
wind; 2009-2010

Project Milestones

- Fall 2005: MOU's with WIA & WAPA
- Interest confirmed by generators & LSE's
- Technical study phase nearing completion
- Next steps: secure commitments
- Phased development: wind, then coal
- Positive political developments in Colorado

