



WYOMING INFRASTRUCTURE AUTHORITY

200 E. 17th Street, Suite B
Cheyenne, Wyoming 82001

May 20, 2010

Tim Meeks
Administrator
Western Area Power Administration
P.O. Box 281213
Lakewood, CO, 80228 -8213

Re: RetCo's filing relative to the Wyoming Collector System

Dear Mr. Meeks:

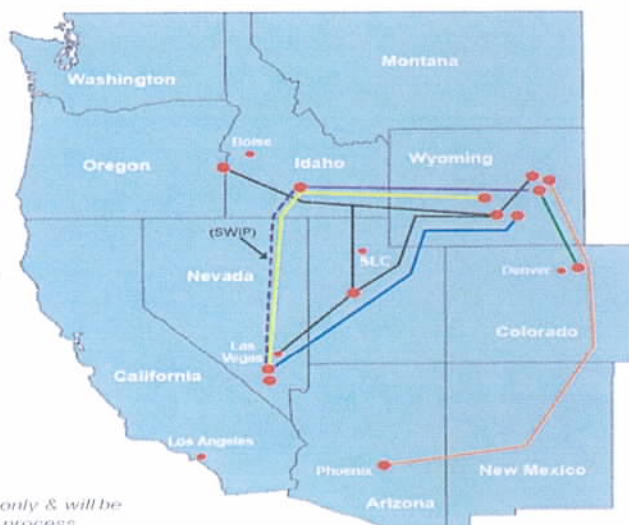
This correspondence shall serve as the Wyoming Infrastructure Authority's (WIA) support of the May 7, 2010 Statement of Interest (SOI) submitted by RetCo with respect to the Wyoming Collector System. We believe that this is the best way forward for the project and we recommend that Western give this SOI full and favorable consideration. Pending some efforts on the part of the WIA in the next few months, the WIA could possibly be interested in a monetary role for Phase I relative to the RetCo SOI.

It was Western, together with the WIA, that actively encouraged the private sector's (comprised of Western, PacifiCorp, TransWest Express, TransCanada and LS Power) participation in the Wyoming Collector System Task Force, with the goal of developing a high voltage network to connect planned generation in Wyoming with planned new inter-state transmission lines. A map depicting such projects is shown as follows:

Wyoming-Based Transmission Projects in the Development Stage

Projects (In-service dates)

Wyoming-Colorado Interline		(2013)
Energy Gateway (West & South)		(2010-2017)
TransWest Express		(2015)
High Plains Express		(2018)
Zephyr		(2015)
Overland Transmission		(2015)



Routes shown are for illustrative purposes only & will be finalized following the permitting and siting process

While our initial motivation may have been the recognition that the alternative would be multiple generator tie lines built by individual generators at a higher cost using multiple corridors, it is evident that significant benefits will accrue from a centrally organized collector system. These include an ability to design in redundancy; a more robust and secure backbone transmission system; improved connections between different wind resources and access to natural gas fired generation. In addition, a planned approach would mitigate the impact to the Wyoming landscape.

RetCo has also emphasized the improved opportunity to cooperate with the Wyoming utilities arising from a centrally organized collector system. It will clearly also help build public support in Wyoming.

The project represents a significant challenge for the private sector to undertake on its own, given the lack of a common rate base with the customer load centers and the need to respond to the business decisions of individual independent generation and transmission developers. It is also clear that Wyoming is the first to address such challenges, and the solutions adopted in Wyoming will therefore serve as a development model for other areas of the U.S. as large volumes of renewable energy are developed in order to satisfy Renewable Portfolio Standards. The process established by furthering the development of the Wyoming Collector System could be used as both a template and a possible catalyst for the build-out of incremental transmission infrastructure in the U.S.

RetCo's proposal of a public-private partnership, with Western in a leadership role; the private sector being invited to participate through an open season process; and RetCo as an independent manager & developer looks to be the most viable way forward for the project. RetCo's recommendation that these business arrangements be put in place as early as possible in order to remove the current market uncertainty is a view we also share. We also request that Western give favorable consideration to RetCo's supplemental request, that Western support the debt funding for the project.

We believe there are compelling reasons why Western's involvement in the project is in the public interest. These include:

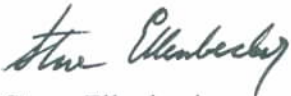
1. It is clear that there is broad consensus that a centrally organized collector system is in Wyoming's interests and the rational way to proceed requires a single party to build momentum for that approach. It is beyond the capacity of Wyoming, the WIA or individual developers to build such momentum and it is only Western, with its Congressional authority, transmission expertise, and geographic footprint that has the capacity and impartiality to provide the required leadership.
2. Wyoming and the WIA has funded 100% of the early development costs of the project but our capacity to act as the primary or sole contributor is limited, as the level of commitment climbs.

3. It is with the collector system that the federal government can most positively facilitate renewable energy development which most often seems to occur in remote areas which are distant from the marketplace. The challenges that will be faced include avoiding the unnecessary duplication of transmission lines and the permitting inefficiencies of individual connections; the economics of renewable energy; the inter-connection of different wind areas; the question of balancing wind resources; and how to finance infrastructure with multiple ownership components.
4. We believe that Wyoming is the first state to address these challenges but other states will soon need to address similar issues. A significant benefit of Western providing leadership in Wyoming is that it will help provide a model for other remote renewable energy regions.
5. Wyoming and the WIA are fortunate in having attracted major private companies to develop generation and inter-state transmission projects as wholly private ventures. The collector system, however, is clearly viewed as too difficult for the private sector to develop alone.

The work that has been completed to-date can be downloaded from the WIA website at:
<http://wyia.org/documents/reports>.

Your consideration of RetCo's SOI is encouraged for the reasons set forth herein. Should you have any questions or comments, please feel free to contact me at your convenience.

Sincerely,



Steve Ellenbecker
Executive Director, WIA

cc: Craig Knoell, Western
Bob Easton, Western
WIA Board of Directors
Stephen Burnage, President, RetCo