

LS Power



Wyoming-Colorado Intertie Project Update Adam Gassaway, LS Power

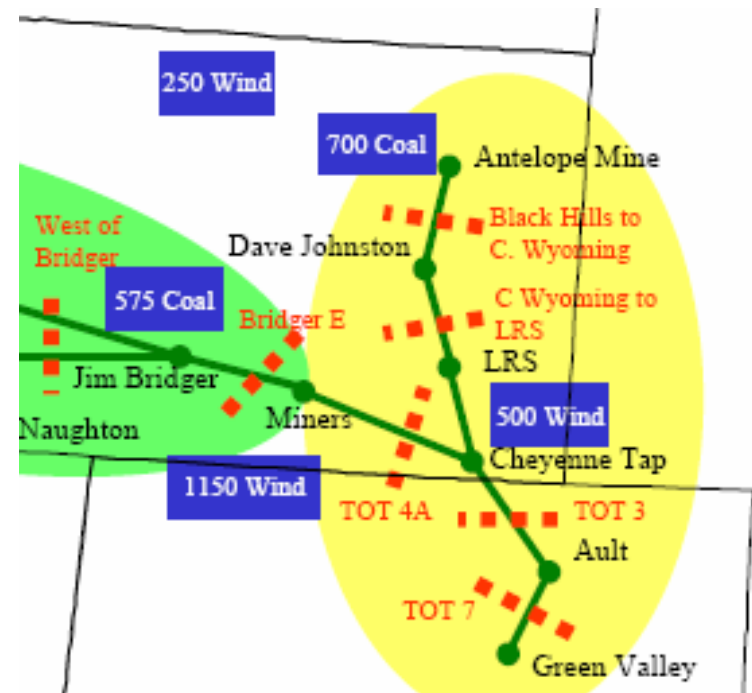
*Wyoming Infrastructure Authority Board Meeting
Jackson Hole, Wyoming
January 25, 2010*

Bringing Energy Forward



WCI Background

- Identified in 2004 by the Rocky Mountain Area Transmission Study
- Export wind to CO market
- Relieve TOT3 constraint
- Public/private partnership between WIA and Trans-Elect formed in 2005
- LS Power acquired in 2009



WCI Overview

- New line between SE Wyoming and Colorado
- Single circuit 345 kV
- ~180 miles
- ~850 MWs of transfer capability
- Public-Private Partnership
 - LS Power
 - Wyoming Infrastructure Authority
 - Western Area Power Administration



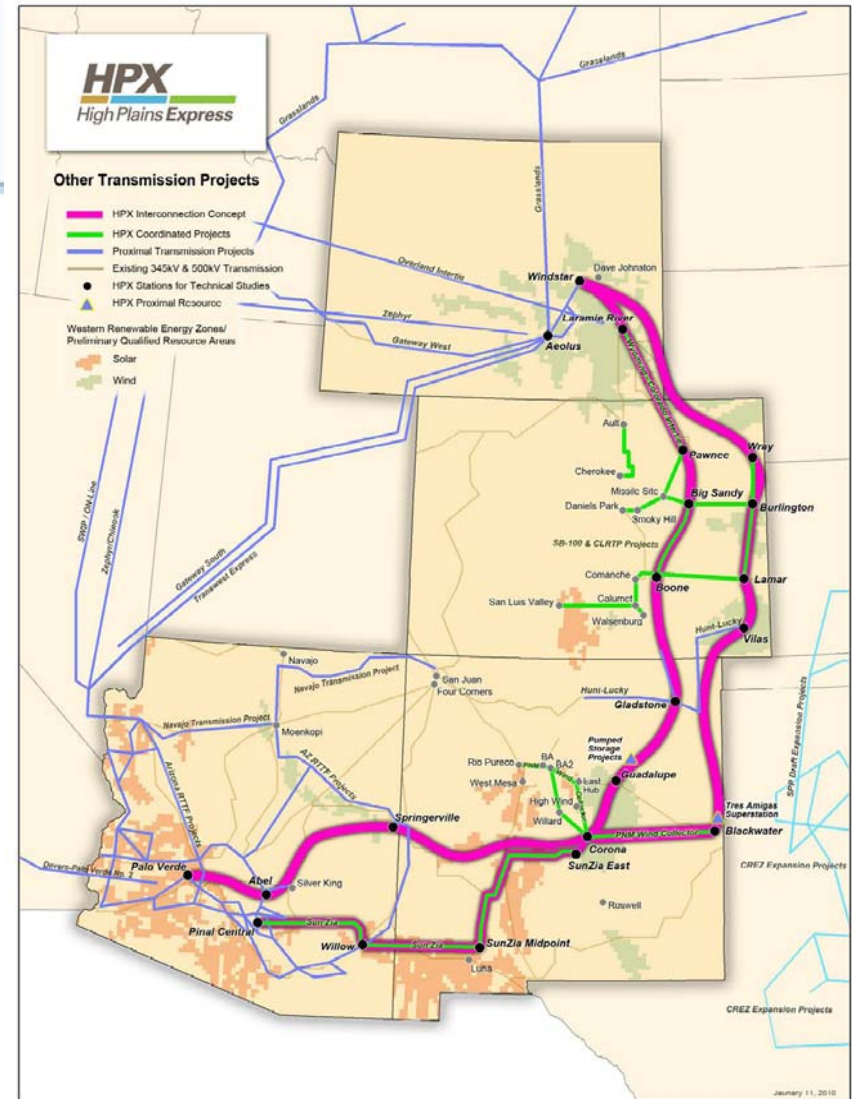
WCI Status

- Acquired by LS Power in 2009
- Permitting, routing, economic, and technical studies complete or in progress
- Project support teams identified
- Phase 2 of the WECC Path Rating process
- OATT approved by FERC
- 850 MW available, continued high interest
- In-service: 2014+



WCI Outlook

- WY wind rejected from CO RFP
 - WCI CPUC comments
 - Multiple reasons for rejection
- WCI Confidential Wind Study
 - WY wind is superior to CO wind
 - CO tax advantage reduces WY wind competitiveness
- High Plains Express
 - Expands WCI market
- LS Power long-term perspective
 - Long-term fundamentals support project
 - Continue active marketing
 - Development should be timed with market demand



Project Challenges

- Market Demand
- How does the value of transmission get considered
 - Reliability
 - Economy energy
- CO in-state preference for renewables and transmission
- WY wind advantage may be negated by tax differences

