



WESTERN GOVERNORS' ASSOCIATION

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December 5, 2005

Dale McMaster, CEO
Alberta Electric System Operator
2500, 330 - 5th Ave SW
Calgary, AB T2P 0L4

Dear Mr. McMaster:

As a follow-up to the July 21, 2005 letter from Western Governors, I am writing you and other operators of control areas in the Western Interconnection to request a specific contribution of \$42,160 to support the work of Western states and provinces to address regional electric power issues. In June, Western Governors adopted a policy resolution (05-02) to build the capacity of Western states and provinces to effectively participate in devising and implementing solutions to regional power issues. The Governors proposed an equitable method of financing the modest level of resources needed to achieve this goal by asking control area operators to contribute to this initiative. Such an allocation ensures that all consumers who use the transmission system make a small contribution to the development of policies that support its effective operation and expansion.

The voluntary fees the Governors are requesting will support collaborative efforts to help implement solutions to regional challenges in five areas: resource adequacy; reliability; transmission expansion, including the need for robust transmission planning and recovery of transmission investment costs; efficient transmission permitting; and market assessment. A detailed work plan on how the resources will be expended in 2006 can be found at www.westgov.org/wieb/meetings/crepcfall2005/briefing/09-30-05CREPCwkplndraft.pdf.

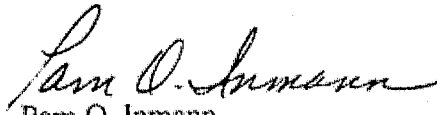
In November, pursuant to the newly enacted Section 215(j) of the U.S. Federal Power Act, Western Governors acted to create a state/provincial Western Interconnection Regional Advisory Body (WIRAB) to advise the North American electric reliability organization, the Western Electricity Coordinating Council and the Federal Energy Regulatory Commission on reliability-related issues. The Advisory Body is an important step toward ensuring that the provisions of the Act providing deference to decisions made in the Western Interconnection are faithfully implemented. Under the Federal Power Act, the cost associated with the WIRAB will be included in mandatory fees. According to the Governors' November resolution, *Establishment of a Western Interconnection Regional Advisory Body* (05-29), the voluntary contribution the Governors are requesting via this letter will be credited against such mandatory fees.

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The requested voluntary contributions were calculated by allocating the cost of implementing the detailed work plan according to the methodology used by the Western Electricity Coordinating Council to calculate the allocation of its dues. See attached table. It would be most helpful if you would make the voluntary contribution directly to the Western Interstate Energy Board (1515 Cleveland Place, Suite 200, Denver, Colorado 80202), which is a governmental entity established by interstate compact and serves as the energy arm of the Western Governors' Association. The contributions will be separately accounted and reviewed by an annual independent audit.

The voluntary contributions will fund collaborative activities among the states and provinces that will enable the industry to continue to provide reliable and affordable power for the growing Western economy. The Governors appreciate your contribution to our shared goal. Please contact me (303/623-9378; pinmann@westgov.org) or Doug Larson, Executive Director, Western Interstate Energy Board (303/573-8910; dlarson@westgov.org) if you have any questions.

Sincerely,


Pam O. Inmann
Executive Director

cc: Premier Klein

Attachments:

Table of requested voluntary contributions
Voluntary contribution invoice