



January 11, 2006

Ms. Pam O. Inmann, Executive Director
Western Governors' Association
1515 Cleveland Place, Suite 200
Denver, CO 80202-5114

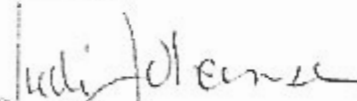
Dear Ms. Inmann:

Thank you for your letter dated December 5, 2005, requesting that PacifiCorp and others make a voluntary contribution to fund participation by the states and provinces in regional activities to address electric power issues. The states and provinces play an essential role in the resource adequacy, reliability, transmission expansion, transmission siting, and market assessment arenas. We support the Western Governors' efforts to create a Western Interconnection Regional Advisory Body (WIRAB).

We agree with the Bonneville Power Administration that funding for state and provincial participation should be provided through the Western Electricity Coordinating Council (WECC). The WECC Board has approved a new Western Interconnection-wide transmission expansion planning role, and funding for state and provincial participation should be integrated with funding for WECC's new role. This integration will ensure proper prioritization, representation and coordination, and ensure an equitable allocation of costs across entities in the West. The funding total that you include in your letter appears reasonable, and PacifiCorp would support a WGA funding request submitted through WECC. We decline to make a unilateral contribution, however.

The WGA and its staff bring skill, insight and determination to regional electricity issues, and look forward to working with you to secure stable, adequate funding for state and provincial participation.

Sincerely,



Judi Johansen
President and CEO

cc: Brian Silverstein, BPA
Vickie VanZandt, BPA
Doug Larson, WIEB
Mike DeWolf, PacifiCorp



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