



November 12, 2008

Mr. Jerry Smith
WestConnect Planning Manager
160 N. Pasadena, Ste. 101
Mesa, AZ 85201

Dear Mr. Smith;

Re: Harcuvar Transmission Project Open Season Meeting

On November 7, 2008, an Open Season meeting was conducted for the Harcuvar Transmission Project (HTP). This meeting was held at the offices of the Central Arizona Water Conservation District in Phoenix, Arizona. The meeting was attended by 29 individuals representing 18 different organizations. The Arizona utilities represented included Arizona Public Service, Mohave Electric Cooperative, Salt River Project, and Tucson Electric Power. The agenda for this meeting will be sent to you along with this letter.

It is proposed that the HTP will be pursued in three phases. Phase 1 will consist of; (1) initiating the required transmission interconnection processes with Southern California Edison and Western Area Power Administration, and (2) developing an MOU under which project participants will pursue development of the HTP. It is not expected that participants will be requested to provide any funding for the Phase 1 activities. Phase 2, which will consist of right-of-way acquisition, engineering design, permits, etc., is expected to begin early in the second quarter of 2009. Phase 3 will entail the actual construction of the Project's features.

In the Open Season announcement for the HTP, which was posted to the WestConnect website, it stated a deadline of November 12, 2008, for the submission of Statements of Interest in the HTP. Based upon the request of one participant, and agreement of the other entities represented at the Open Season meeting, this deadline has been extended to November 21, 2008. Details of the information to be included in the Statements of Interest are contained in the Open Season announcement.

Parties should feel free to contact me if they have any questions regarding the HTP.

Sincerely,

Kenneth Bagley
Manager
Genesee Consulting Group