



February 03, 2006

Mr. David Sokol
MidAmerican Energy Holdings Company
Via Electronic Mail

Dear David:

Thank you for meeting with representatives of Wyoming, Utah, Nevada and California on behalf of the signatory Governors to the Frontier Line Memorandum of Understanding (MOU) to discuss the Frontier Line project. We have now completed our first round of meetings with transmission-owning utilities and independent developers. We appreciate your patience and your continued interest in the Frontier Line.

Our Governors remain solidly committed to seeing this critical project reach fruition. More than ever, consumers across the West need to be assured they will have access to affordable, reliable and clean sources of electricity. This line will help encourage a greater diversity of energy resources in our region and promote more utilization of clean fuel technologies and renewable resources. The future vitality of our economy relies in large measure on such resource diversity and on energy infrastructure improvements such as the Frontier Line.

Our recent meetings with you and other interested parties have helped refine and focus the states' strategy for facilitating completion of this vital project. As discussed, it is not the states' intent to become the developer of the Frontier Line. Rather, our objective is to promote development of this project by working within the development community and other interested stakeholders to provide support for this project.

Considerable work remains in order to move this project forward beyond the concept phase our Governors initiated. We intend to move rapidly in 2006 to provide an environment that encourages interested developers to undertake interstate transmission infrastructure projects and work closely with them in that effort.

We have developed the attached list of evaluation criteria which reflects the requisite conditions the states would expect in order to provide support. This would be applicable to any project sponsor, whether a of a private-sector developer, a utility, or developer consortium, seeking to develop interstate transmission. The criteria reflect the basic premises on which the MOU was founded, and we want to stress our conclusion that these criteria best reflect the elements that must be in place for the project to succeed.

As you know, our Governors are in a unique position to help project sponsors and other stakeholders address the many challenges they face in such a large-scale transmission project. We welcome your specific comments and ideas on this project and on how the states can play a supportive role in accomplishing the goals set forth by the four Governors.

We look forward to hearing from you in the future.

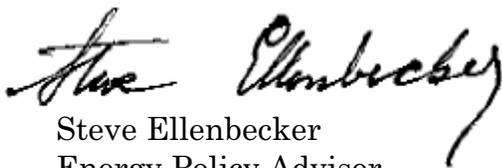
Sincerely,



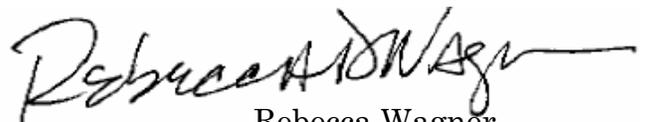
Joe Desmond
Chair
California Energy Commission



Laura Nelson
Energy Policy Advisor
Governor Jon S. Huntsman, Jr.



Steve Ellenbecker
Energy Policy Advisor
Governor Dave Freudenthal



Rebecca Wagner
Energy Policy Advisor
Governor Kenny Guinn