



**Matanuska Electric
Association, Inc.**

P.O. Box 2929
Palmer, Alaska 99645-2929
Telephone: (907) 745-3231
Fax: (907) 761-9368

August 13, 2008

James S. Strandberg, P.E.
AEA Project Manager
Teeland-Douglas Intertie Project
813 W Northern Lights Boulevard
Anchorage, AK 99503-2495

Dear Mr. Strandberg:

In a recent communication to the MEA Board President, Lois Lester, you asked a number of questions. I have been asked to respond.

Question: How much of the existing MEA right-of-way can be shared on this Project?

Answer: MEA's response is essentially unchanged since it was previously communicated to AIDEA/AEA Executive Director Mr. Ron Miller on May 9, 2003 (with the clarification that MEA does and will object to any sharing of right-of-way between Teeland Substation and our Hollywood Road 115 kV line crossing).

Question: Which of the scenarios best fits with MEA's needs (a reference to the connection at Douglas Substation)?

Answer: c. (Until such time as AEA is notified to the contrary.)

Question: Does MEA wish to be included on a double circuit tower or to be left as-is on their existing line?

Answer: As-is. MEA's position is unchanged since this information was communicated to Mr. Miller on May 9, 2003. It is of importance that we maintain the flexibility to operate our own facilities, for our own purposes, and in the manner of our choosing, in either a single or double circuit configuration.

Sincerely,

Wayne D. Carmony
General Manager

cc: MEA Board of Directors

Enclosure

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AIDEA/
AEA



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**VIA FACSIMILE
AND CERTIFIED MAIL**

May 9, 2003

Mr. Ron Miller
Executive Director
Alaska Industrial Development and
Export Authority/Alaska Energy Authority
813 West Northern Lights Boulevard
Anchorage, Alaska 99503

Dear Mr. Miller:

I am writing to follow up on our May 2, 2003 telephone conversation, and my January 28, 2003 letter to James McMillan concerning the December 18, 1986 Transmission Services Agreement (Agreement) between MEA and the Alaska Power Authority. A copy of my letter to Mr. McMillan is enclosed.

This letter constitutes MEA's notice that it will not be extending the Agreement upon its scheduled June 30, 2004 expiration. Although we had previously notified AIDEA/AEA that we might not arrive at a decision on the future of the Agreement until later this summer, our evaluation has concluded earlier than expected and I wanted to share this information with you as soon as possible as a gesture of good faith to your agency.

As you are probably already aware, this line segment is a major element in MEA's current and future operating plans. The line will undoubtedly play a key role in the ultimate future use of MEA's Hollywood Road generation site, and it is critically important that MEA have the flexibility of operating it in the manner of our choosing, in either a single or double circuit configuration.

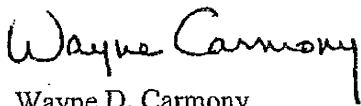
As a general proposition MEA will, of course, cooperate with AIDEA/AEA in allowing for some easement overlap for a new transmission line, should your agency decide to proceed with construction adjacent to our existing right-of-way easements. We will, however, require that any overlap be limited to that portion of our easements between our closest phase conductor and the edge of our right-of-way. Further, the new line will have to be constructed at a sufficient distance from MEA's existing

Ron Miller
May 9, 2003
Page 2

facilities as to avoid the possibility of contact between the two lines in the event a structure in either line should fall over. Although our intent is to cooperate with AIDEA/AEA in allowing for some easement overlap, it must be understood that no physical intrusions into our existing easements will be permitted.

We will be happy to discuss these conceptual requirements in greater detail with your consultants at a time that is mutually convenient.

Sincerely,



Wayne D. Carmony
General Manager

Enclosure

dz/prw