



CNCL MBR
LB DW
JB SC
HS MW
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November 15, 2004

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Mr. Mark Walker
Director of Public Affairs
Northwest Power & Conservation Council
851 SW 6th Avenue, Suite 1100
Portland, Oregon 97204-1348

RE: Comments Draft 5th Power Plan

Dear Mr. Walker:

I am the President of Wesco Resources, Inc. a natural resource development company located in Billings, Montana. Wesco Resources has been involved in natural resource development projects since its formation in 1977. In particular, Wesco is actively pursuing the development of the vast low sulfur coal resources situated in southeastern Montana near the community of Ashland, Montana.

We appreciate having the opportunity to review the Northwest Power Council's Draft 5th Power Plan and to provide comments for your consideration. I trust the interaction between the Council, the public and industry results in a meaningful Power Plan.

We are of the opinion that more coal generation is justified in the Plan than the 400 MW currently referenced in the draft. Our discussions with the marketplace indicate that several regional utilities are interested in adding coal-fired generation to their energy portfolios to provide cost effective diversification and base load stability. We believe the Plan should take into consideration new coal fueled generation capability of 800 MW by year 2012 and increasing to as much as 2000 MW by year 2015.

In April 2002 pursuant to the Crown Butte Exchange legislation, the Federal government transferred ownership of 533 million tons of low sulfur, high quality coal reserves in the Otter Creek Tracts in southeastern Montana to the State of Montana. The State owns an additional 100 million tons of coal beneath State School Trust lands within the Otter Creek Tracts. The State recognizes that the timely development of these coal assets will create new economic opportunities for southeastern Montana communities. As a major stakeholder, Montana is continuing to pursue the timely

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development of its coal assets for use in coal-by-car and coal-by-wire applications, including new coal-fired generation siting.

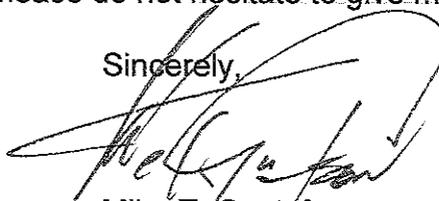
Coal represents a secure, abundant indigenous national energy source currently providing over 50% of the current U.S. electricity generation and capable of providing low-cost base-load generation, diversity of fuel supply, minimum price volatility and low fuel cost escalation. Coal generation technology continues to provide improved thermal efficiency and emission control systems encouraged by the U.S. government's support of technology and environmental advances through the Department of Energy's Clean Coal Power Initiative.

Further, we believe the Power Plan should take into consideration the development of new transmission capability. Essentially no new transmission capability has been built in over 10 years and future expansion plans are limited. There is general consensus that the current system is at its capacity and reliability limits. Without new and increased transmission system capacity new generation choices that will provide cost effective base load generation will be limited and the region will be faced with a "default" strategy which will be heavily dependent upon natural gas. There are continued concerns about supply availability and price volatility for natural gas which will become exacerbated as our dependence increases.

While consideration of factors such as conservation, demand response, wind and gas in the energy portfolio is to be commended, we believe further emphasis should be given to coal-fired generation in the Plan. Coal generation has played an integral role in the Pacific Northwest's energy portfolio for the last 30-years. Consideration should be carefully given to a re-investment in coal similar to what was done in the 1970-80's. The future of coal and its cost benefits should be given a higher profile within the current Plan.

Should you have any questions, please do not hesitate to give me a call.

Sincerely,



Mike T. Gustafson

cc. John Hines, Ed Bartlett