



The Anschutz Corporation
555 Seventeenth St., Suite 2400
Denver, CO 80202
303.298.1000

May 12, 2014

Wyoming Department of Environmental Quality
Industrial Siting Council
Herschler Building 4 West
Cheyenne, WY 82022

Re: The Chokecherry and Sierra Madre Wind Energy Project

To the Members of the Wyoming Industrial Siting Council:

The Anschutz Corporation wholly and indirectly owns Power Company of Wyoming LLC (“PCW”). PCW is submitting its application dated May 12, 2014 (the “**Application**”) to the Wyoming Industrial Siting Council for approval to construct and operate the Chokecherry and Sierra Madre Wind Energy Project, a 2,000 to 3,000 MW wind power generation project located in Carbon County, Wyoming (the “**CCSM Project**”).

In connection with the Application, PCW has requested that The Anschutz Corporation furnish this letter confirming PCW’s financial capability to construct, maintain, operate, decommission and reclaim the CCSM Project, subject to the conditions described below. We understand that this letter will be furnished to the Industrial Siting Council as part of the Application.

Anschutz’s Commitment to the CCSM Project

(1) Anschutz Company

The Anschutz Corporation is wholly and directly owned by Anschutz Company, a very large private company that has extensive experience in developing, constructing, financing and operating numerous large projects in the natural resource, real estate, sports and entertainment industries. For example, Anschutz developed, financed and constructed the Pacific Pipeline, a 132-mile crude oil pipeline that extends from Kern County, California to refineries in the Los Angeles basin; the Staples Center sports and entertainment arena in Los Angeles; the LA Live entertainment district adjacent to the Staples Center, that includes theaters, office space, restaurants, broadcast facilities and other entertainment venues; the O₂ arena and entertainment

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district in London, England; and the O₂ World arena and entertainment district in Berlin, Germany.

In addition, Anschutz has been developing natural resource assets in Wyoming for nearly fifty years. Anschutz first produced oil and gas in the Kitty Field in Campbell County in the 1960s, and since then has produced oil and gas from the Power River Basin to the Pinedale Anticline, including the very large Anschutz Ranch East field in Uintah County, Wyoming. Anschutz has also developed, owned and operated large ranching and other agricultural assets in Wyoming such as the Medicine Bow Ranch and, more recently, The Overland Trail Ranch. Simply put, Anschutz has a long and successful history in Wyoming.

(2) The Overland Trail Ranch and PCW

In 1996, Anschutz acquired The Overland Trail Ranch in Carbon County, Wyoming, which is a working cattle ranch. The ranch consists of approximately 320,000 acres of land. The Overland Trail Cattle Company LLC, an Anschutz subsidiary, owns approximately half of those lands and holds grazing rights on the interspersed federal and state lands. The Overland Trail Cattle Company LLC has and will continue to operate all of the lands as a full-scale cattle ranch.

Although Anschutz acquired The Overland Trail Ranch primarily as an agricultural asset, it did not take long to recognize the excellent wind resource there. In 2005, Anschutz started evaluating the potential to develop wind energy on the ranch and formed PCW for that purpose. This was the genesis of the CCSM Project.

PCW is wholly and directly owned by Wyoming Renewable Resources LLC, which is wholly and directly owned by The Anschutz Corporation. A diagram showing the ownership relationship of these companies and Anschutz Company is provided as **Appendix 1** to this letter. In this letter, “**Anschutz**” refers collectively to The Anschutz Corporation and its parent Anschutz Company.

(3) The Chokecherry and Sierra Madre Wind Energy Project

For the last 8 years, Anschutz has funded all of PCW’s activities to develop the CCSM Project on The Overland Trail Ranch. These extensive activities are fully described in the Application and include: securing land control and other legal rights for the CCSM Project; producing major environmental and other studies necessary to obtain project permits; performing extensive design and engineering work; forming useful commercial partnerships; and developing important relationships in the target markets in the Desert Southwest (the likely consumer market for the CCSM Project’s power). To date, PCW has expended over **\$45,000,000** dollars in developing the CCSM Project — a significant capital investment by Anschutz.

Anschutz’s commitment to developing the CCSM Project is demonstrated by this substantial investment of capital and time. Anschutz has remained committed to the CCSM Project through an extensive federal permitting process. In November 2006, PCW filed right-of-way grant

applications for wind testing and monitoring on the ranch. Then in 2008, PCW filed applications for federal right-of-way grants to construct the CCSM Project on the federal lands within the ranch. Since then, the United States Bureau of Land Management has undertaken the lengthy environmental review process required by the National Environmental Policy Act. This involved BLM's extensive analysis of the CCSM Project in an Environmental Impact Statement and then issuing a Record of Decision, which finally occurred on October 16, 2012. PCW and BLM are now undertaking various environmental assessments to implement various phases of the CCSM Project and USFWS is conducting another EIS focused on impacts on eagles. This represents an 8-year investment of time and resources in the highest level of environmental review possible in the United States. Only Anschutz's serious and enduring commitment to the CCSM Project has brought it this far.

In addition, Anschutz is separately developing a transmission line to transmit electrical power generated in Wyoming almost 800 miles to the Desert Southwest — another multi-billion dollar investment in critical infrastructure located in Wyoming. This transmission project is called TransWest Express and has required and will continue to require significant capital investment by Anschutz. Because the power line crosses extensive federal lands managed by BLM and the United States Forest Service, TransWest Express is also being analyzed in an Environmental Impact Statement. TransWest Express is planned to become operational at the same time the CCSM Project begins generating power.

Finally, the CCSM Project is not part of a portfolio of renewable energy projects only one of which will ultimately receive financial support, as is typically the case with traditional wind energy developers. Anschutz is currently developing only one renewable energy project – the Chokecherry and Sierra Madre Wind Energy Project. Thus, the CCSM Project is not competing with other similar projects for Anschutz's financial support. Anschutz has been and continues to be fully committed to the CCSM Project.

PCW's Financial Capability

(1) CCSM Project Construction Costs

The construction costs for the CCSM Project are currently estimated to be approximately \$4.79 billion. Anschutz anticipates that the CCSM Project will be funded 35% with equity (approximately \$1.68 billion) and 65% with debt (approximately \$3.11 billion).

Anschutz is confident in its ability to secure sufficient capital investment through existing markets, together with its own equity investment in PCW, to fund the equity and debt components of the CCSM Project. Anschutz has on many occasions secured similar investments in other projects and possesses the appropriate reputation and relationships to attract such investments. This is substantiated by the affidavit of Wayne Barnes, Vice President and Chief Financial Officer of Anschutz Company, dated May 1, 2014 and attached hereto as **Appendix 2** (the "**Barnes Affidavit**"), and by the letter dated May 1, 2014 from Morgan Stanley, Anschutz's financial advisor for the CCSM Project attached hereto as **Appendix 3**.

In addition, Anschutz is confident that it can secure the equity financing component for the CCSM Project through its own means or in combination with other equity partners. Anschutz Company is a private company and as such does not release its financial statements or other financial information. As evidence of Anschutz Company's financial strength, we provide the Barnes Affidavit and a letter dated April 7, 2014 from KPMG LLP, Anschutz Company's independent auditor, attached hereto as **Appendix 4**, reflecting that Anschutz Company's stockholder equity as of December 31, 2013 (the date of most recent KPMG annual audit) exceeds \$1.5 billion.

As discussed above, Anschutz has expended over \$45,000,000 in development costs already for the CCSM Project and is committed to the CCSM Project. Anschutz is prepared to commit a substantial amount of its own equity capital to fund the CCSM Project's equity component, subject to PCW obtaining all required permits and satisfactory power purchase agreements with creditworthy third parties, transmission arrangements, construction contracts, and satisfactory terms for the debt component.

With respect to the long-term debt component of the CCSM Project, Anschutz and Morgan Stanley believe that the project will support a 65% debt financing, currently modeled as a 23 year amortizing bond with interest at 6%. As reflected in its letter, Morgan Stanley believes that a bond of this nature may be successfully issued in the debt market. Likewise, as reflected in the Barnes Affidavit, Anschutz has on many occasions secured similar debt financing for other projects and possesses the appropriate financial standing and relationships to secure such financing.

In summary, given Anschutz's present commitment and ability to secure the equity and the debt components of the CCSM Project financing, PCW has the financial capability to construct the CCSM Project.

(2) CCSM Project Maintenance and Operating Costs

PCW expects that the costs of maintaining and operating the CCSM Project will range from \$92 million to \$120 annually and such costs would be paid out of revenues from power sales from the CCSM Project.

(3) Project Decommissioning and Reclamation Costs

PCW estimates that the decommissioning and reclamation costs for the CCSM Project will range from \$265 to \$345 million dollars. It is anticipated that The Anschutz Corporation or PCW will obtain one or more bonds from a recognized insurance or surety company as security for the payment of such costs. As demonstrated by the KPMG letter, The Anschutz Corporation has sufficient financial resources to secure such a bond. In addition, attached hereto in **Appendix 5** are preliminary commitment letters from Travelers Casualty and Surety Company of America and Zurich North America to PCW reflecting those companies' willingness to issue such a bond.

The Anschutz Corporation furnishes this letter to the Wyoming Department of Environmental Quality, Industrial Siting Council, to support PCW's Application. This letter shall not create any rights in any person and by this letter no Anschutz entity shall be deemed to have assumed any obligation to or relationship with any person including persons furnishing services or materials or lending funds to PCW.

Very truly yours,

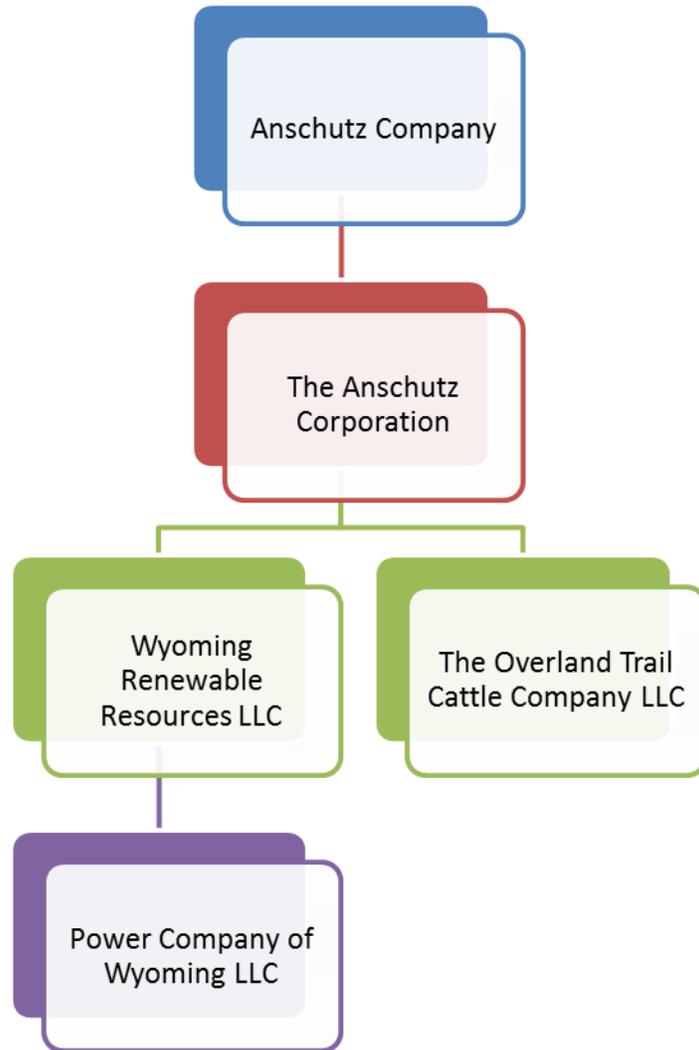
The Anschutz Corporation



William J. Miller
Senior Vice President – Energy and Land Resources

APPENDIX 1

PCW Ownership Diagram



APPENDIX 2

Affidavit of Wayne Barnes

[attached]

investments for other projects and possesses the appropriate reputation and relationships to attract such investments.

8. Anschutz is confident that it has the ability to secure the equity financing component for the CCSM Project, through its own means or in combination with other equity partners. Anschutz is a private company and as such does not release its financial statements or other financial information. As evidence of its financial strength, Anschutz has obtained the letter dated April 7, 2014 from KPMG, Anschutz's independent auditor, attached as Appendix 4 to the TAC Letter, stating that Anschutz's stockholder equity as of December 31, 2013 (the date of most recent KPMG annual audit) was in excess of \$1.5 billion.

9. Anschutz has expended over \$45,000,000 in development costs already for the CCSM Project and is committed to the CCSM Project. Anschutz is prepared to commit a substantial amount of its own equity capital to fund the CCSM Project's equity component, subject to PCW obtaining all required permits and satisfactory power purchase agreements with creditworthy third parties, transmission arrangements, construction contracts, and satisfactory terms for the debt component.

10. With respect to the long-term debt financing component of the CCSM Project, Anschutz has consulted with Morgan Stanley and believes that the CCSM Project will support a 65% debt financing, currently modeled as a 23 year amortizing bond with interest at 6% and that a bond of this nature may be successfully issued in the debt market. This is reflected in the letter from Morgan Stanley to PCW dated May 1, 2014, attached as Appendix 3 to the TAC Letter.

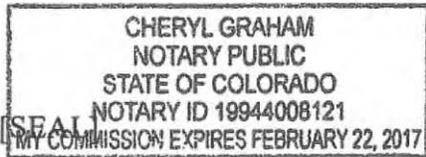
11. PCW estimates that the decommissioning and reclamation costs for the Project will range from \$265 to \$345 million dollars. It is anticipated that TAC or PCW will obtain one or more bonds from a recognized insurance or surety company as security for the payment of such costs. As demonstrated by the KPMG letter, TAC has sufficient financial resources to secure such a bond. In addition, Appendix 5 to the TAC Letter contains preliminary commitment letters from Traveler's Insurance Company and Zurich Surety to PCW reflecting those companies' willingness to issue such a bond.

[Signature page follows]

Affiant says nothing further in this affidavit.

Wayne Barnes
Wayne Barnes

Signed and sworn to before me this 1st day of May, 2014 by Wayne Barnes, Vice President and Chief Financial Officer of Anschutz Company.



Cheryl Graham
Notary Public

My Commission expires: February 22, 2017

APPENDIX 3

Letter from Morgan Stanley

[attached]

**MORGAN STANLEY & CO. LLC
1585 BROADWAY
NEW YORK, NEW YORK 10036**

May 1, 2014

The Anschutz Corporation
555 17th Street, Suite 2400
Denver, CO 80202
Attention: Clifford P. Hickey

**Chokecherry and Sierra Madre Wind Energy Project
Capital Raise Letter**

The Anschutz Corporation (“you” or “Anschutz”) has advised Morgan Stanley & Co. LLC (“MS&Co.,” “we” or “us”) that, through your subsidiaries Wyoming Renewable Resources, LLC (“WRR”) and Power Company of Wyoming, LLC (“PCW”), you intend to raise equity and investment grade debt financing for the purpose of developing, constructing and operating the Chokecherry and Sierra Madre Wind Energy Project with a name-plate generation capacity of up to 3,000 MW to be located in Carbon County, Wyoming (the “Wind Project”).

We note that MS&Co. has been separately engaged by you as a financial advisor in connection with the Wind Project and has been granted a right of first refusal (and corresponding right to match) to act as lead underwriter, placement agent, initial purchaser or other similar capacity in any Capital Raise (as defined below) with respect to the Wind Project, and that, in each such capacity, MS&Co. will be paid certain compensation in connection with its role and/or participation in the Capital Raise. (the “Wind Project Engagement”).

You have advised us that the sources of funding required to finance the Wind Project may be comprised of a variety of equity and investment grade debt financing possibilities, including the issuance of debt securities, borrowing of loans or selling equity interests in WRR and/or PCW to third party investors, up to an aggregate amount of approximately \$5.0 billion (approximately \$1.50 billion (or 30%) being sourced from equity and \$3.50 billion (or 70%) being sourced from investment grade debt) (the “Capital Raise”).

In evaluating the Capital Raise pursuant to your request, we have preliminarily reviewed and relied upon (without independent verification of the accuracy or completeness thereof) certain publically available information and information provided by you relating to WRR, PCW, the Capital Raise and the Wind Project. In addition, our

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view is based upon our analysis of the current and prospective market for equity and investment grade loan and debt securities issued by entities engaged in similar industries and for financings of this type and the assumption that the Capital Raise and related transactions would be structured in a manner consistent with, and documentation therefore would contain covenants, terms and conditions (including pricing and conditions precedent and an investment grade rating) comparable with, such precedent, and otherwise satisfactory to us. Please be advised that, while subsequent developments may affect our views in this letter, we do not have any obligation to inform you of any change in our views or to withdraw or reaffirm our views in this letter. Subject to the foregoing, and based on the assumption that the Wind Project has obtained an "investment grade" rating from each of Standard & Poor's Rating Service and Moody's Investors Service, Inc., as of the date hereof, we are of the view that the Wind Project could successfully consummate the Capital Raise.

This letter is not intended to be and should not be construed as a commitment on the part MS&Co. or any other person or entity to, now or in the future, provide any services in connection with the Wind Project or otherwise provide, arrange, guarantee, underwrite, purchase or place all or any portion of the Capital Raise or any other financing, and we express no view as to our willingness to hold any portion of the Capital Raise or any other financing. Any such commitment on the part of MS&Co. would be in a separate written instrument signed by us following satisfactory completion of our due diligence, internal review and approval process (which approvals have not yet been sought or obtained).

This letter is for your confidential use only and unless we have otherwise previously consented in writing, neither its existence nor the terms hereof will be disclosed by you to any person or entity other than to (a) your directors, officers and employees, and then in each case, only to those persons who have a "need to know" as a result of their being specifically involved in the Capital Raise and only on the condition that such matters may not be further disclosed, or (b) the Wyoming Department of Environmental Quality, Industrial Siting Council ("WDEQ"), on a confidential basis under "seal" (or other equivalent confidential treatment) for informational purposes in connection with its evaluation of the Wind Project on the basis that MS&Co. or any of its affiliates will not have any liability to WDEQ or any of its related bodies or any of their respective officers in connection with this letter (it also being understood, for the avoidance of doubt, that the existence of this letter may be disclosed in connection with your application to WDEQ for the above purpose). Notwithstanding the foregoing, none of such persons shall, except as required by applicable law, use the name of, or refer to, MS&Co. or any of its affiliates in any correspondence, discussions, advertisement, press release or disclosure made in connection with the financing or the Transaction without the prior written consent of MS&Co.

By acceptance of this letter, you acknowledge that neither we nor any of our affiliates shall have any liability to you or any third party (including, without limitation, any person to whom this letter has been disclosed as provided aforesaid) relating to this letter or the matters described herein.

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May 1, 2014
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This letter is not intended to confer any benefits upon, or create any rights in favor of, any person or entity and may not be relied upon by any person or entity. No legal relationship shall arise because of this letter, other than your obligations in relation to confidentiality and exculpation hereunder.

This letter shall be governed by, and construed in accordance with, the laws of the State of New York.

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We look forward to continuing our work with you in connection with the financing for the Wind Project.

Very truly yours,

MORGAN STANLEY & CO. LLC

By: Jon Feats
Name: JON FEATS
Title: MANAGING DIRECTOR

APPENDIX 4

Letter from KPMG LLP

[attached]



KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

Telephone +1 303 296 2323
Fax +1 303 295 8829
Internet www.us.kpmg.com

April 7, 2014

Mr. Philip F. Anschutz
Anschutz Company
2400 Anaconda Tower
555 Seventeenth Street
Denver, CO 80202

Dear Mr. Anschutz:

As you requested, this letter is to confirm that we have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated financial statements of Anschutz Company and subsidiaries (the Company) as of and for the year ended December 31, 2013 prepared in accordance with accounting principles generally accepted in the United States of America, and have issued our report thereon dated March 28, 2014. Included in such consolidated financial statements of the Company as of December 31, 2013 is the amount of stockholder's equity, which amount is in excess of \$1.5 billion.

We understand the purpose of this letter is to provide information in connection with a Company subsidiary's (Power Company of Wyoming LLC) application for a permit from the Wyoming Industrial Siting Council for the Chokecherry and Sierra Madre Wind Energy Project and should not be used for any other purpose.

Very truly yours,

KPMG LLP

Arnold T. Hoy
Partner

APPENDIX 5

Preliminary Surety Commitments

[attached]



Jared R. Scharton

*Managing Director
Travelers Bond & Financial Products
Commercial Surety
6060 S. Willow Drive
Greenwood Village, CO 80111
720-200-8379*

April 2, 2014

Wyoming Department of Environmental Quality, Industrial Siting Council
Herschler Building 4 West
122 West 25th Street
Cheyenne, WY 82002

Re: Chokecherry and Sierra Madre Wind Energy Project

To the Members of the Wyoming Industrial Siting Council:

Anschutz Company (Anschutz) is widely recognized and respected as a successful developer of large projects in the natural resource, real estate and sports and entertainment industries. For several years Travelers Casualty and Surety Company of America has successfully supported Anschutz with its bonding needs, and Anschutz has never defaulted on any of its bonded obligations.

As you are aware, Anschutz' wholly owned subsidiaries – The Anschutz Corporation and the Power Company of Wyoming LLC (PCW) – are developing the Chokecherry and Sierra Madre Wind Energy Project in Carbon County, Wyoming (the CCSM Project). We understand that PCW is applying for a permit from the Wyoming Industrial Siting Council to construct and operate the project, and that PCW must provide a surety bond to the State of Wyoming to support its obligation to properly decommission the project and reclaim the affected lands. Given our existing relationship with Anschutz, PCW has requested that we consider providing this surety bond.

Accordingly, we have reviewed various documents describing the CCSM Project and conferred with PCW regarding its bonding obligation. Based upon the information we have considered at this time, and subject to completing our standard underwriting evaluation and procedure described below, we will give favorable consideration to providing the desired surety bond in an amount up to \$500,000,000.

Our decision to issue a surety bond will of course be subject to our standard underwriting at the time of the final bond request, which will include but not be limited to the acceptability of the main project documents, the permit, the bond form, project financing and the principal's credit quality. We assume no liability to third parties or to you if for any reason we do not issue the surety bond.

Sincerely,

Travelers Casualty and Surety Company of America

Jared R. Scharton

Travelers Casualty and Surety Company of America is rated A+ (Superior) by A.M. Best Financial Size Category XIV (\$1.5 Billion to \$2.0 Billion).

A.M. Best's rating of A+ applies to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of June 8, 2010, are used with permission, and are subject to changes by the rating services. For the latest rating, access ambest.com.

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Wyoming Department of Environmental Quality
Industrial Siting Council
Herschler Building 4 West
122 West 25th Street
Cheyenne, WY 82002

March 25, 2014

To the Members of the Wyoming Industrial Siting Council:

Anschutz' wholly owned subsidiaries, The Anschutz Corporation and the Power Company of Wyoming (PCW), are developing the Chokecherry and Sierra Madre Wind Energy Project in Carbon County, Wyoming (the CCSM Project). We understand that PCW is applying for a permit from the Wyoming Industrial Siting Council to construct and operate the CCSM Project, and that PCW must provide a surety bond to the State of Wyoming to support its obligation to properly decommission the project and reclaim the affected lands.

Zurich North America

777 S. Figueroa Street, Suite 3900
Los Angeles, CA
90017

213.270.0802

Accordingly, we have reviewed various documents describing the CCSM Project and conferred with PCW regarding its surety obligation. Based upon the information we have considered at this time, and subject to completing our standard underwriting evaluation and procedure described below, we feel confident that we can provide the desired surety bond in an amount up to \$500,000,000. We also expect that such bond will comply with the council's regulations, which we have also considered.

Our decision to issue a surety bond will of course be subject to our standard underwriting at the time of the final bond request, which will include but not be limited to the acceptability of the main project documents, the bond form, project financing and the principal's credit quality. We assume no liability to third parties or to you if for any reason we do not issue the surety bond. We do, however, address this letter to you at this time in support of PCW's application for a permit from the Council and to indicate our relationship with Anschutz and current expectations with regard to issuing the surety bond required for the CCSM project.

Yours sincerely,

A handwritten signature in cursive script that reads 'Tom Tyrell'.

Thomas H. Tyrell
Surety Account Executive

Zurich North America
Surety, Credit and Political Risk
Zurich Surety

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