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WORLD RENEW

**Rebuilding The Environment
For A Better Tomorrow**

April 9, 2003

Chairman Goldwater
Assembly Commerce and Labor Committee
Carson City, Nevada
89701

Patrick L. Barney
Owner, World Renew
P.O. Box 4198
Winnemucca, Nv.
89446-4198

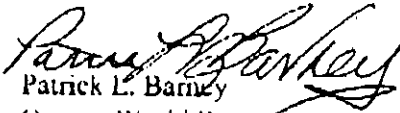
Dear Chairman Goldwater,

In reflecting upon my testimony on Monday 4/07/03 in front of your committee I realized that I used the word contract when speaking about the arrangements that I have with Bonneville Power Administration. I wish to take this opportunity to set the record straight, what should have been said was Letter of Intent. To help clarify this I have included with this correspondence a copy of that letter of intent from Wells Rural Electric Cooperative.

I apologize for any inconvenience this may have caused but as I said I want to make sure the record is correct on this matter.

Should you or any of the other committee members have any questions, please feel free to contact me as your time allows.

Sincerely,


Patrick L. Barney
Owner, World Renew

775-623-5345 office
775-304-2277 cell
775-623-5345 fax

Cc: Jolene Supp City of Wells
Stephanie Licht

K1 of 3

ASSEMBLY COMMERCE & LABOR
DATE: 4/11/03 ROOM: 4100 EXHIBIT K
SUBMITTED BY: STEPHANIE LICHT

WELLS RURAL ELECTRIC COMPANY



P.O. BOX 365 WELLS, NEVADA 89095 • CARLIN, NEVADA 89002 • WENDOVER, NV 89083

March 20, 2003

To: World Renew

Re: Letter of Intent

Dear Patrick Barney,

Wells Rural Electric Company (WREC) is pleased to be able to provide you this Letter of Intent to enter into an Electric Power Purchase Agreement (the Agreement) between WREC and World Renew for the purchase of power from the proposed Tire Recycling Facility (the Facility) to be located in the City of Wells industrial park located in Wells, Nevada. This letter of intent is effective until the earlier of the signing of the Agreement for the purchase of said electric power or midnight of September 30, 2003. This Letter of Intent shall be void after midnight September 30, 2003.

As part of this Letter of Intent, there are a number of provisions that I wish to point out to you that must be included in the Agreement. The provisions I wish to point out are as follows:

1. The term of the Agreement shall be for three (3) years terminating at midnight on September 30, 2006.
2. WREC shall purchase the electric generation output from the Facility as delivered to WREC distribution system.
3. The World Renew generation connected to the WREC distribution system shall be limited to a rated electric generation system capacity of 1,000 kW maximum.
4. WREC shall pay World Renew, for generation energy delivered to WREC, the average monthly HLH (High Load Hour) and LLH (Low Load Hour) kWh energy rate as charged to WREC by the Bonneville Power Administration (BPA) at the West Wells point of delivery. This payment for energy is estimated to be 20 mills/kWh (2 cents/kWh) on an annual average basis.

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"owned by those we serve"

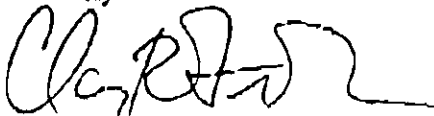
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5. Power delivery from WREC to World Renew shall be limited to 500 kW maximum.
6. The World Renew electric service shall be under WREC's tariff designated as Large Power Service (50 - 1000 kVA) Rate Code 0006.
7. World Renew electric power generation that is used to serve the Facility must be isolated from WREC's electric distribution system.
8. World Renew shall abide by all articles, by-laws, rules, regulations, and policies of WREC.
9. The Agreement shall be subject to the approval of WREC's power supplier, which is BPA, and by WREC's electric system lein holder, which is the Cooperative Finance Corporation.

There is one contingency still unresolved with BPA. That is the WREC/BPA pre-Subscription contract amendment required to allow non-WREC generation resources to serve load. BPA has indicated they are planning to provide this amendment in early April but until WREC has the amendment it will remain an unresolved contingency.

Once WREC has the BPA pre-Subscription contract amendment for the inclusion of resources to serve load, WREC shall exercise this Letter of Intent upon the written acceptance by World Renew and the deposit of moneys by World Renew as required by WREC's policies and rules.

Sincerely



Clay R. Fitch

Chief Executive Officer

Wells Rural Electric Company

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