

Westmoreland Power, Inc.

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July 19, 2007

Secretary to the Commission
North Dakota Public Service Commission
State Capital Building
600 E. Boulevard Ave., Department 408
Bismarck, North Dakota 58505



Reference: Westmoreland Power, Inc. - Gascoyne Generating Station
Subject: Letter of Intent to Construct an Energy Conversion Facility

Gentlemen:

In accordance with North Dakota Century Code, Title 49, Public Utilities, Chapter 49-22 and NDAC Rules, Chapter 69-06-03, Westmoreland Power Inc. (WPI) hereby submits this notice to the Commission as the LETTER OF INTENT for the Gascoyne Generating Station.

WPI is proposing to construct and operate a lignite-fired electrical generating station at a site on the reclaimed Gascoyne Mine in Bowman County North Dakota near the town of Gascoyne, North Dakota. The power plant will have a nominal generating capacity of 500 MW (net). The generating station consists of two lignite-fired circulating fluidized bed (CFB) boilers providing steam to one steam turbine-generator. Each boiler will be equipped with separate air pollution control equipment and exhaust through a separate flue. Both exhaust flues will be housed in a common concrete stack. The steam cycle will utilize "dry" cooling to condense the steam for return to the boilers, thereby reducing the water required for the plant.

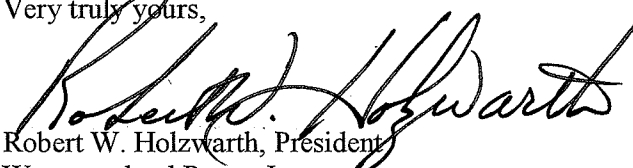
This project is projected to serve electric customers in North Dakota and Minnesota.

The proposed site location is shown on Attachment 1.

Issuance of an air permit to construct is expected in late summer or early fall of 2007. Construction is anticipated to begin in late 2008 and operation is scheduled to occur in early 2013.

The current estimated total cost of constructing the plant, including the boilers, turbine, air pollution control equipment, fuel handling equipment, water resources and other ancillary equipment, is approximately \$900 million.

Very truly yours,

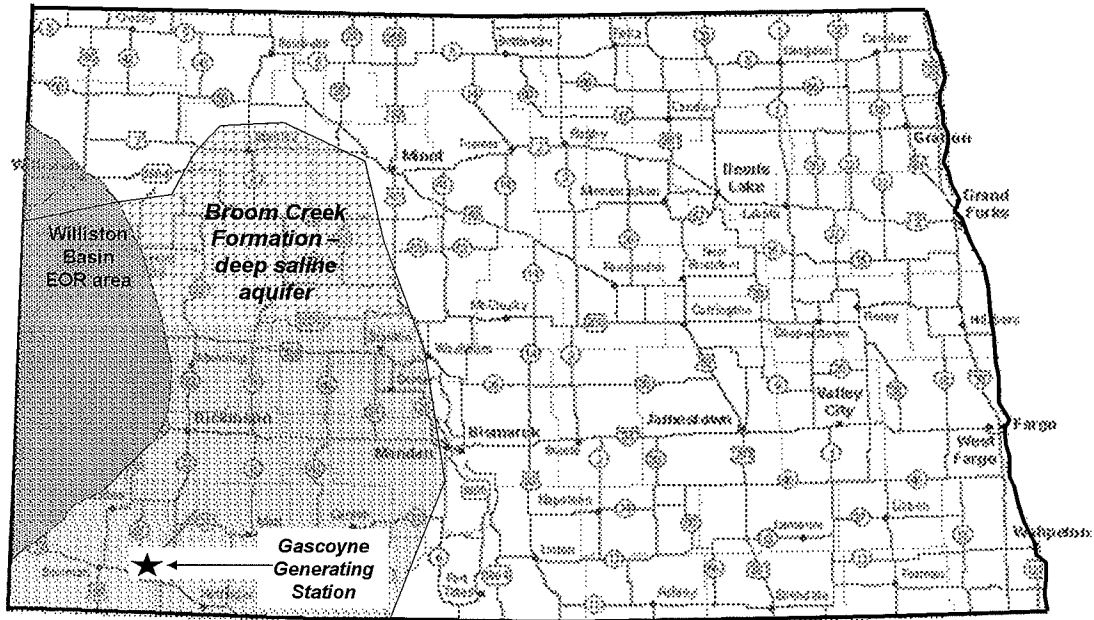

Robert W. Holzwarth, President
Westmoreland Power Inc.

Attachment 1 – one page site map



ATTACHMENT 1

The approximate location of the Gascoyne Power Plant is shown below.



State of North Dakota