

October 4, 2002

Mr. Joe Fahrendorf
P.O. Box 1043
63-665 19th Ave.
North Palm Springs, California 92258

Re: enXco Application for Site Permit for Large Wind Energy Conversion System
EQB Docket Number 02-45-LWECS-enXco

Dear Mr. Fahrendorf:

The EQB has reviewed the permit application from enXco, Inc. on behalf of Power Partners Midwest, LLC for an 87 megawatt wind project along Buffalo Ridge in Minnesota. By letter dated September 23, 2002, the EQB conditionally accepted the company's application pending a decision by the Minnesota Public Utilities Commission on the necessity for a certificate of need for this project. A copy of my letter to the Public Utilities Commission requesting advice from the Commission on the question of a certificate of need is enclosed. The EQB staff has continued to process the permit application while we await word from the PUC.

The EQB staff also has a number of questions about the project that we would appreciate having enXco respond to. Primarily, we are unclear regarding who is going to be the named permittee on the permit. We anticipate issuing only one permit for the 87 MW project, and that permit would name Power Partners Midwest, LLC as the permittee. PPM, LLC would be responsible for complying with the conditions in the permit and would be the entity authorized to build and operate the Large Wind Energy Conversion System. Please advise us right away if we are wrong on that. Also, can you explain the relationship between Power Partners Midwest, LLC and enXco? Do you anticipate that PPM, LLC will be requesting EQB approval to transfer the permit to other entities at some point in time?

We understand that the project may be built in phases along the following scenario:

Stoneray Power Partners, LLC	(up to 24 MW)
Northland Power Partners 1, LLC	(up to 51 MW)
Rock Ridge Power Partners, LLC	(up to 5 MW)
South Ridge Power Partners, LLC	(up to 5 MW)
Windvest Power Partners, LLC	(up to 5 MW)

We are uncertain what the relationship between enXco and PPM, LLC and these other five limited liability corporations is. Does PPM, LLC intend to transfer its permit rights for a certain number of megawatts to these limited liability corporations? If so, we need

more information about these entities to determine whether they would be able to comply with the conditions in the permit, such as decommissioning. What is the relationship between these corporations? Is each corporation really the same people? If the project is built in phases by these various entities, how do you anticipate the area authorized in the permit will be divided up among the projects? We are unsure whether the first 24 MW will take the best wind sites, or will simply occupy a certain portion of the permitted area? We may have some additional questions as we continue to process the permit application, but I appreciate your quick response to these questions.

I have copied Burl Haar of the Minnesota Public Utilities Commission and Marya White of the Department of Commerce on this letter because I know both of those agencies are interested in wind development in Minnesota.

Thank you very much.

Sincerely,

Alan R. Mitchell
Manager, Power Plant Siting

cc: Gene Hugoson, Chair, EQB
Michael Sullivan, Executive Director, EQB
Burl Haar, Executive Director, Minnesota Public Utilities Commission
Marya White, Department of Commerce