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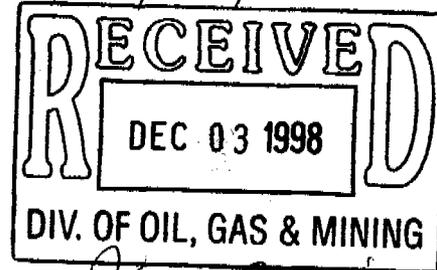
S. DAVID FREEMAN, *General Manager*

November 24, 1998

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

To Whom it May Concern:

Division of Oil Gas and Mining (DOGMM)
Bond Release Application
Wellington Preparation Plant Site



The Los Angeles Department of Water and Power (LADWP), for whom I am the Coal Business Manager, is the Operating Agent for the Intermountain Power Agency (IPA). IPA is a political subdivision of the State of Utah, and owns the 1660-megawatt Intermountain Generating Station (IGS) located in Millard County, Utah. Completed in 1987, IGS burns approximately five million tons per year of Utah coal produced in Carbon, Emery and Sevier counties. IPA also owns coal properties in Carbon and Emery counties including the Horse Canyon Mine and South Lease Coal Reserve and a 50-percent interest in the Crandall Canyon Project (CCP) and the planned West Ridge Project (WRP). Andalex Resources, Inc. (Andalex) owns the other 50-percent interest in both the CCP and the WRP.

This letter is in response to the recent public notice in which Nevada Electric Investment Company (NEICO) is applying for redesignation as industrial post mining land use for a portion of its Wellington Preparation Plant site. LADWP and IPA support NEICO's objectives, as we believe the use of the Wellington site for industrial purposes - in particular, for a state-of-the-art unit-train coal loading facility - is the best use of the land for the people and businesses of the coal fields of east central Utah. Because we buy so much coal from the area and because of our ownership interest in CCP and WRP, we know of the need for a new unit-train coal loading facility like the one proposed for the site.

The Wellington site is a logical site for such a facility, as the area has been used as an industrial site (coal washing and coal loading) for more than 50 years. The site is centrally located among mines now operating and in various stages of development that fuel, and will continue to fuel, the economy of the area. In fact, the road servicing the site (the "Ridge Road") was built by Carbon County as a coal haul road, indicating local government support for such a facility.

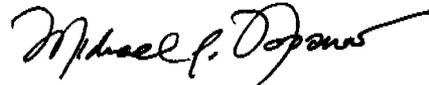
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We understand DOGM's role in the reclamation and reuse of lands used for coal mining activities. We are committed to the concept of constructing a unit-train coal loading facility at the Wellington site. We encourage DOGM to do what's best for Carbon and Emery counties and approve NEICO's application.

Sincerely,



MICHAEL J. NOSANOV
Coal Business Manager

c: Mr. Sam Quigley, Vice President, Operations
Andalex Resources, Inc.
Mr. Reed T. Searle, General Manager
Intermountain Power Agency