

November 24, 2008

Doug Dean, Director  
Colorado Public Utilities Commission  
1560 Broadway, Suite 250  
Denver, CO 80202

2008 NOV 24 PM 4:40



**DUFFORD  
& BROWN**

ATTORNEYS AT LAW  
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Also admitted in Washington D.C. and New York

Re: *Disclosure Letter*  
*Docket Nos. 08I-113EG and 08I-420EG*

Dear Mr. Dean:

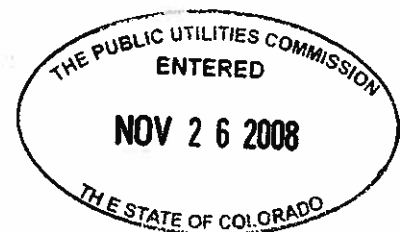
This letter shall serve as the disclosure letter of Climax Molybdenum Company ("Climax") in Docket Nos. 08I-113EG and 08I-420EG pursuant to Commission Decision Nos. C08-0903 and C08-0988. This disclosure is being filed within two business days following a permitted *ex parte* communication with a Commissioner. As required, this disclosure letter states the date, time, place of the meeting, list of persons attending, and contains a summary of the topics discussed. This disclosure also provides a copy of all written materials, if any, provided to the Commissioner.

On November 21, 2008, representatives of Climax met with Commissioner Matt Baker between 1:00 p.m. and 2:00 p.m., Commissioner James Tarpey between 2:00 p.m. and 3:00 p.m., and Chairman Ron Binz between 3:00 p.m. and 4:30 p.m. at the offices of the Colorado Public Utilities Commission. Present on behalf of Climax were Mr. James Arnold, General Manager of the Henderson Mine, Mike McElrath, Chief of Energy Supply for Climax, Mike Gleason, Chief Engineer at the Henderson Mine, and David Rivera, Legislative Liaison for Climax. Also in attendance were Richard L. Fanyo, Mark A. Davidson and Michelle King, regulatory counsel for Climax.

At the meeting with Commissioner Baker, Advisory Staff member Anthony Munoz was in attendance. A general presentation was made regarding the operations of the Henderson Mine and the status of reopening the Climax Mine. A description of the extraction of molybdenum ore, its processing and uses of molybdenum was had among those in attendance. Climax discussed its concerns with the DSMCA, ECA, proposed CO<sub>2</sub> cap and trade systems, and carbon sequestration. Possible exemption from the DSMCA and retail competition were also discussed.

The same issues set forth above were discussed with Commissioner Tarpey. In attendance with Commissioner Tarpey were Advisory Staff members Mike Hydock and John Reasoner. Issues regarding reduced risk from the presence of adjustment clauses, performance based regulation and caps on demand side management cost adjustment responsibility were discussed.

In attendance at the meeting with Chairman Binz were Advisory Staff members Geri Santos Rach and John Reasoner. In addition to the topics set forth above, also discussed with Chairman Binz was the need for the U.S. Department of Energy to fund research regarding CO<sub>2</sub> sequestration and potential climate change legislation. Possible revision to the DSMCA, as well as an ability for certain customers to opt out of the DSMCA were topics discussed with Chairman Binz.

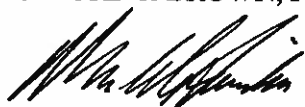


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No written materials were provided to any of the Commissioners during the course of these meetings.

Sincerely yours,

DUFFORD & BROWN, P.C.

A handwritten signature in black ink, appearing to read "Mark A. Davidson", written over a faint, illegible typed name.

Mark A. Davidson

MAD:calc

Enclosures

cc: Mike McElrath