

Department of Energy

Western Area Power Administration Rocky Mountain Customer Service Region P.O. Box 3700 Loveland, CO 80539-3003

June 30, 2005

Dear Landowner:

Western Area Power Administration (Western), a power marketing agency within the U.S. Department of Energy is proposing to rebuild the Granby Pumping Plant to Windy Gap 69-kV Transmission Line, located near Grand Lake and the town of Granby, in Grand County, Colorado. The purpose of this letter is to inform you of our upcoming environmental review process, and to share and solicit information regarding cultural and environmental resources associated with the proposed project that may be of interest and importance to you. The enclosed project description and map provide specific details on the proposed project.

Western will assume the role of lead Federal agency for the preparation of the environmental assessment (EA) for the proposed project. The project area includes private lands and public lands managed by the Bureau of Reclamation, the U.S. Forest Service, and Grand County. The U.S. Forest Service, Arapaho and Roosevelt National Forests and Pawnee Grassland, will be a cooperating agency in the preparation of the EA.

Western has acquired the services of two environmental contractors, EDAW, Inc. (EDAW), of Fort Collins, Colorado, and RMC, Inc. (RMC), of Lakewood, Colorado, to conduct studies and evaluate the natural, human, and cultural resources that could potentially be affected by the proposed project. Specifically, EDAW and RMC will prepare a biological report for the proposed action, conduct cultural resource inventories, and prepare a stand-alone cultural resource inventory report. The results of the studies, inventories, and evaluations will assist in the planning for the construction of the proposed project. EDAW will also prepare the EA for Western's review. At this time, we would like to hear from you concerning any interests or issues you would like to discuss about the transmission line rebuild project and the proposed environmental review. We would appreciate receiving your input by August 15, 2005. Western is also planning a public scoping workshop to be held at the end of July or early August 2005 to further solicit input on the project. Details on the date, location, and time for the workshop will be sent to you at a later date. Western will make a pre-approval EA available to the State of Colorado, Native American Tribes, local Government agencies, and on request, to members of the public for pre-approval review.

If you would like a copy of the pre-approval EA or have specific issues or concerns you would like to submit to Western, please contact:

Mr. Rodney Jones
Environmental Specialist
Western Area Power Administration
Rocky Mountain Region
5555 East Crossroads Boulevard
Loveland, CO 80539-3003
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Thank you for you assistance and participation. We look forward to hearing from you.

Sincerely,

Joel K. Bladow Regional Manager

per 10 Blade

2 Enclosures

Project Description, Purpose and Need

Granby Pumping Plant-Windy Gap 138/69-kV Double Circuit Loop Project

Project Description

The Western Area Power Administration (Western) owns and operates a 12-mile, 69,000 volt (69-kV) electric transmission line in Grand County Colorado that originates at Windy Gap Substation, located immediately northwest of the intersection of Highway 40 and Highway 125. The single circuit, wood pole, H-frame transmission line generally runs northeast along State Highway 34 and terminates at the Granby Pumping Plant Switchyard at the end of County Road 64.

The proposed project involves rebuilding this single circuit line as a double circuit transmission line and adding a second power transformer. One circuit will replace the existing 69-kV line; the other circuit will be a new 138-kV line. The Granby Pumping Plant Switchyard will be expanded to accommodate the second line and power transformer. Windy Gap Substation will be modified to accommodate the second line. This will be a joint participation project between Western, Tri-State Generation and Transmission (Tri-State), Mountain Parks Electric (MPEI) and the Northern Colorado Water Conservancy District (NCWCD).

Western owns the existing 69-kV transmission line and serves NCWCD loads at Granby Substation, Granby Pumping Plant Switchyard, and Willow Creek Pumping Plant. Western also serves MPEI loads at Granby Substation. Tri-State owns the Windy Gap Substation and serves MPEI. MPEI provides the electrical power for Grand County. NCWCD operates the Farr and Willow Creek Pumping Plants.

Purpose

The purpose of this project is to:

- Provide a second source of power to the area between Grand Lake and Granby before failure of the 69-kV cable located in Alva B. Adams water tunnel (also known as the Adams Tunnel Cable).
- Continue to provide reliable, looped transmission supply to MPEI customers in advance of an Adams Tunnel Cable failure.
- Ensure the electric system in the area will continue to operate within acceptable voltage criteria while accommodating future load growth and the operation of the Farr and Willow Creek Pumping Plants.
- Allow Tri-State to serve its local member (MPEI) with reliable power.
- Allow Western to serve its customers in the area in a reliable manner.
- Replace a 60-year old overhead transmission line and add shield wires for improved lightning protection.

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Need

The Alva B. Adams Tunnel is a water diversion tunnel that stretches under the Continental Divide between Estes Park and the Town of Grand Lake. It also contains a 69-kV transmission line in the form of an electric cable owned by Bureau of Reclamation and operated by Western. This cable currently provides a second source of electrical power to the area from Grand Lake to Granby by allowing looped transmission service between Estes Park and Windy Gap Substations. The Adams Tunnel cable has exceeded its predicted useful life and, upon failure, will not be replaced. The Granby Pumping Plant – Windy Gap transmission line rebuild project is being proposed to address the electrical deficiencies created when the cable fails.

The failure of the cable system will suddenly leave large parts of the MPEI system with only a one-way or radial transmission supply. The part of the MPEI system affected by this transmission system includes members in the area extending from the west side of Rocky Mountain National Park on the north, to the YMCA Snow Mountain Ranch on the south, and from Byers Canyon on the west to the Arapaho National Recreation Area/Continental Divide on the east. Included in this area are the Towns of Hot Sulphur Springs, Granby, and Grand Lake, as well as hundreds of customers in the rural parts of that area, particularly along the Highway 34 corridor. Without completion of this project, these customers of MPEI would risk extended power outages especially during adverse winter weather due to the lack of an alternate transmission circuit to supply the area.

The project will insure the electric system in the area will continue to operate within established electrical criteria during motor starting operations at Farr Pumping Plant and Willow Creek Pumping Plant. Engineering Studies indicate that once the Adams Tunnel Cable is out of service, the voltage drop when starting motors at Willow Creek Pumping Plant will exceed acceptable limits by the year 2010, if load growth in the area continues at the current rate. This impact would affect both NCWCD and MPEI customers being served by these facilities.

