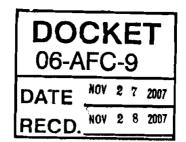


## Department of Energy

Western Area Power Administration Sierra Nevada Customer Service Region 114 Parkshore Drive Folsom, California 95630-4710

NOV 27 2007



## Dear Interested Party:

The Western Area Power Administration (Western) has been participating with the California Energy Commission (Energy Commission) on the preparation of the Final Staff Assessment for the Colusa Generating Station Application for Certification (06-AFC-9). Western, a power marketing administration within the U.S. Department of Energy (DOE) has no relationship with the proposed Colusa Generating Station. However, transmission system studies conducted as part of the Energy Commission process have identified the Shasta-Flanagan-Keswick 230-kV Transmission Line as one of Western's transmission line upgrades necessary to deliver the full electrical output from the proposed generating station to market. This Western line is the Shasta-Flanagan-Keswick 230-kilovolt (kV) Transmission Line, located approximately 90 miles north of the proposed site for the Colusa Generating Station.

The Final Staff Assessment includes an analysis of "downstream impacts," or reasonably foreseeable actions that could result from the construction of the proposed project. This analysis, found in Appendix A of the Final Staff Assessment, describes the Shasta-Flanagan-Keswick 230-kV Transmission Line Reconductor Project and assesses the potential environmental impacts of reconductoring this line. Replacing the conductor would increase the line's capacity, removing an identified transmission constraint between the proposed generating station and the anticipated market. Western provided background information for this impact analysis, reviewed the analysis, and provided comments to the Energy Commission staff that have been incorporated into the analysis. With this letter, Western is announcing its use of Appendix A of the Energy Commission's Final Staff Assessment as its Draft Environmental Assessment (Draft EA) for pre-approval review to satisfy its obligations under the National Environmental Policy Act (NEPA). Council on Environmental Quality NEPA regulations (40 CFR 1500-1508) and DOE NEPA regulations (10 CFR 1021) encourage elimination of duplication by jointly preparing environmental documents or combining with other environmental documentation.

The single-circuit 230-kV Shasta-Flanagan-Keswick line is located in an existing, cleared and maintained right-of-way shared with two other transmission lines. It uses lattice steel structures, accessed by an existing, maintained access road network. In brief, Western's action would be to remove the existing conductors from its existing 8.75-mile long line, and replace them with new technology conductors capable of greater capacity. Because the new conductors would be lighter in weight than the existing conductors, no modifications to the existing structures would be necessary. The work would be considered a maintenance activity, and not new construction.

The Energy Commission has conducted a public process, including a hearing and public workshops during the preparation of its Final Staff Assessment. Comments received, including

any on Appendix A, have been incorporated in the Final Staff Assessment. In using Appendix A as its Draft EA, Western is using the Energy Commission's circulation of the Final Staff Assessment as a means of distributing its Draft EA for public comment. We invite your review of, and comment on, Appendix A as a NEPA document addressing Western's proposed Reconductor Project. Comments on the Draft EA (Appendix A) should be sent to:

Mr. Stephen Tuggle, Natural Resources Manager Sierra Nevada Regional Office, N1400 Western Area Power Administration 114 Parkshore Drive Folsom, CA 95630-4710

Comments can also be transmitted to Mr. Tuggle by email to tuggle@wapa.gov, or by fax to (916) 985-1935. All comments provided to the Energy Commission relevant to Appendix A will also be considered by Western as comments on the Draft EA. The Energy Commission will host at least two public hearings before rendering a Final Decision. Since it is not presently known what date the Energy Commission will set for the end of their comment period, Western will use the Energy Commission's end date for the close of the comment period on the Presiding Member's Proposed Decision as the close of the comment period on the Draft EA/Appendix A.

Upon conclusion of the public review period for the Presiding Member's Proposed Decision, Western's process will separate from the Energy Commission's process. Western's Final EA will be issued after the Energy Commission's Final Decision. This will allow Western to incorporate responses to comments from the public and interested parties, and any applicable Conditions of Certification that may be added by the Energy Commission in their Final Decision. Based on the Final EA, Western will determine if the potential impacts of the proposed reconductoring of the Shasta-Flanagan-Keswick warrant the preparation of an Environmental Impact Statement. If no identified impacts are found to be significant, or would be reduced to a less-than-significant level with mitigation, Western may issue a Finding of No Significant Impact.

If you should have any questions regarding the Shasta-Flanagan-Keswick Reconductor Project, or about our NEPA process with regard to this Project, please contact Mr. Tuggle at the above email address or at (916) 353-4549.

Thomas R. Boyko Regional Manager