

Appendix B
Grand County Correspondence



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January 24, 2006

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County Manager
ANTHONY J. DICOLA
County Attorney

Mr. Rodney D. Jones
Western Area Power Administration, Rocky Mountain Region
5555 E. Crossroads Blvd.
P.O. Box 3700
Loveland, CO 80539-3003

Re: Western Area Power Administration (Western), Granby Pumping Plant – Windy Gap
Transmission Line Rebuild Project

Dear Mr. Jones:

Grand County appreciates the update you and your staff presented at the December 20, 2005, meeting of the Grand County Board of County Commissioners. The update provided additional details on the proposed project that will upgrade twelve miles of the existing 69- kV transmission line, to a double circuit operating at 69- kV and 138-kV. It is our understanding that the existing 'H-frame' structure will be replaced with a single tower structure of a height up to 120- ft high. These modifications are needed at both the Granby Pumping Plant Switchyard, and the Windy Gap Substation to accommodate the second line. The latter facility will be a joint project with Western, Tri-State General, Mountain Parks Electric, and the Northern Water Conservancy District.

At the December 2005 Board meeting, a concern was raised regarding the relationship between Western Area Power Administration (WAPA), the U.S. Bureau of Reclamation (USBOR), and the Northern Colorado Water Conservation District (NCWCD) as it relates to the water levels in Lake Granby, power generated by water generated between the Windy Gap-and the Three Lakes water system.

The first concern relates to relationships of the three agencies. Grand County was a participant in a weed control study to determine the best method of controlling weeds in Shadow Mountain Reservoir. The USBOR determined that the best method of weed control in is a drawdown. Grand County will participate in the proposed drawdown, and is being requested to pay a portion of the "lost revenue" to both WAPA and USBOR because power cannot be produced during the drawdown. However, WAPA has pre-sold that power, and must go to the open market to replace the "power lost" during the drawdown period. We agree that this is a legitimate cost for this project; however, it raises the question to the relationship of WAPA, USBOR and NCWCD with regard to water storage. This is an even greater concern with the proposed pre-positioning for the Windy Gap Firming Project. The USBOR has admitted that pre-positioning will allow more power production. The question remains as to who will benefit from the additional power revenues, and who will pay for any costs associated with the proposed pre-positioning identified as part of the Windy Gap Firming project? We are concerned that these direct impacts are not being considered in the Environmental Assessment of this project, as well as the Environmental Impact Study for the Windy Gap Firming project.

The second concern relates to the original project objective used to develop the project scope. The existing 69- kV transmission line is being significantly upgraded to a double circuit operating at 69- kV and 138-kV. The rationale given for the upgrade has been to provide redundancy to the system; however, we again are concerned that the increased capacity is tied to the relationship of WAPA, USBOR and NCWCD with regard to water storage, changes to pumping rates, and ultimately, power production. This again raises the question of the direct impacts and benefits each agency will possibly gain from the improvements, especially when pre-positioning is being considered. It is our concern that the improvements are not just for "maintenance and redundancy of the existing line" but are in fact, related to increased power generation. We again believe that these impacts should be analyzed in both the Environmental Assessment for this project, as well as the on-going Windy Gap firming project.

Concerns regarding the benefits received from all the three agencies, as well as all direct impacts from the proposed projects, are not being captured and analyzed in either the Granby Pumping Plat – Windy Gap Transmission Line Rebuild Project Environmental Assessment or the Windy Gap Firing Project Environmental Impact Statement.

The Grand County Board of County Commissioners is responsible for planning for the health, safety and well being of Grand County both now and in the future. Although we support that need to provide long-term, reliable, cost-effective electrical services for the citizen of Grand County, we have strong concerns with the direct impacts and benefits from this project as it relates to pre-positioning water storage, and power generation.

If you have further questions on these issues, please contact Debra Campbell, with the Grand County Department of Planning and Zoning, 725-3347. Thank you.

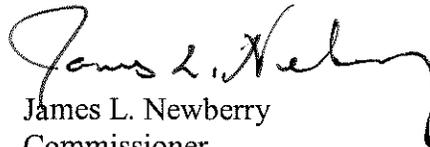
Sincerely,



Nancy Stuart
Chairman



Duane E. Dailey
Commissioner



James L. Newberry
Commissioner

NS:dc

cc: County Manager
Mr. Joe Pandy, Mountain Parks Electric
Mr. Les Shankland, Mountain Parks Electric
Ms. Patricia Hesch, U.S. Forest Service
Chandler Peters, US Army Corps of Engineers
Will Tully, U.S. Bureau of Reclamation
Don Carlson, Northern Colorado Water Conservation District
Hank Ipsen,
Barney White
Glen Porzak
Mark Hernanstad
Lane Wyatt, Northwest Colorado Regional Council of Governments
Jeff Clark,
Stan Cazier



Department of Energy

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

JUL 31 2006

12/12/06

Granby County Board of Commissioners
c/o L. Nancy Stuart, Chairman
P.O. Box 264
Hot Sulphur Springs, CO 80451-0264

Dear Ms. Stuart:

This letter is in response to the Grand County Board of Commissioners' letter to Western Area Power Administration's (Western) Rodney Jones dated January 24, 2006. Western appreciates the Commissioners' concerns about the proposed Granby-Windy Gap Transmission Line project and apologizes for the delay in responding to your letter.

Western's Granby-Windy Gap Transmission Line project is an independent project, not connected with the Northern Colorado Water Conservancy District's (District) Windy Gap Firming project. Water storage decisions for the District's Windy Gap Project and for the Bureau of Reclamation's Colorado-Big Thompson Project are made by those agencies. The agencies do consult with Western on the impacts of their storage decisions, but are under no obligation to modify their water requirements to meet Western's power needs. The Commissioners correctly identify that the costs related to the Shadow Mountain drawdown are legitimate power costs. However, without the coordinated planning of all the entities involved, the cost of replacement power for the drawdown could have been significantly higher.

Western expects no additional revenue from the Granby-Windy Gap Transmission Line project. Under certain conditions, the existing high-voltage system will not adequately serve the growing loads in the area resulting in overloads, voltage problems, and potential customer outages. The purpose of the Granby-Windy Gap Transmission Line project is to replace portions of the existing system, some of which were placed in service in the 1930s, to increase power reliability and quality to the electrical consumers in the region.

Western looks forward to continuing to work with you and the other Commissioners on this important project. If you have any questions – please feel free to call me at (970) 461 7322.

Sincerely,

Ron Steinbach

Ron Steinbach
Federal Power Programs Manager

cc:

Mr. Will Tully
Bureau of Reclamation
11056 West County Road 18-E
Loveland, CO 80537-9711

Mr. Don Carlson
Northern Colorado Water Conservancy District
220 Water Avenue
Berthoud, CO 80513-9245

Ms. Lurline Underbrink Curran
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Grand County
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October 24, 2006

Mr. Rodney D. Jones
Western Area Power Administration
Rocky Mountain Region
5555 E. Crossroads Blvd.
P. O. Box 3700
Loveland, CO. 80539-3003

Re: Western Area Power Administration (Western), Granby Pumping Plant/Windy Gap
Transmission Line Rebuild Project

Dear Mr. Jones:

Thank you for the ability to comment. First of all, we take exception to this project being referred to as a "rebuild". Twelve miles of single 69kV transmission line will be replaced with a double circuit operating at 69kV and 138kV held by 120 ft. high single tower structures instead of the existing "H" frame structures. Additional capacity is not a rebuild, but an upgrade. While we do not discount the need for your project, we believe it must be appropriately defined.

In our letter of January 24, 2006, we detailed the connection between the Colorado Big Thompson project (CB-T), the Windy Gap Project, and the proposed Windy Gap Firming project, and what we believe is a direct tie to your project. According to Senate Document 80, which is the guiding Federal Legislation that directs the operation of the CB-T project, there are five primary purposes of the project:

1. To preserve the vested and future rights in irrigation.
2. To preserve the fishing and recreational facilities and the scenic attractions of Grand Lake, the Colorado River, and the Rocky Mountain National Park.
3. To preserve the present surface elevations of the water in Grand Lake and to prevent a variation in these elevations greater than their normal fluctuation.
4. To conserve and make use of these waters for irrigation, power, industrial development, and other purposes, as to create the greatest benefit.

5. To maintain conditions of river flow for the benefit of domestic and sanitary uses of this water.

Power production was a secondary benefit of the CB-T project, and was used to reduce the indebtedness incurred for its construction.

Since the January letter, Grand County, the U. S. Forest Service, Northern Colorado Water Conservancy District, the Bureau of Reclamation, and **Western Area Power Administration** (WAPA) have entered into an agreement which facilitated the drawdown of Shadow Mountain Reservoir for aquatic weed control. This drawdown, which began October 15, 2006, was necessary to meet primary purpose #2 as weed growth in Shadow Mountain Reservoir was heavily impacting recreational facilities, fishing, and the scenic attractions of Grand Lake and Rocky Mountain National Park. According to a specific study conducted by the Bureau of Reclamation in 2004/2005, drawdown was the most effective and efficient method of addressing this issue.

This was not the first time that Grand County has participated with the other agencies to drawdown Shadow Mountain Reservoir to address aquatic weed growth. This same action occurred twice in the 1990's.

Each time a drawdown has occurred, Western Area Power Administration required payment for power interruption. It is our understanding that WAPA premarkets power, and when power generation from the CB-T project is interrupted, WAPA must go to the open market to purchase power that has been presold. In 1991 the cost of this interruption was \$32,000. In 2006 the cost was \$137,000. Grand County's portion of that cost was \$44,000, as was the U. S. Forest Service and Northern Colorado Water Conservancy District. WAPA did not share in the cost. The Bureau of Reclamation will provide some funds for post monitoring (\$30,000) as will Northern Colorado Water Conservancy District (\$22,000).

The drawdown is a temporary fix to an ongoing problem, and one that will have to be addressed at some future date in order to somewhat control aquatic weed growth and its associated problems.

The power produced by the CB-T project is the same power that is marketed by WAPA, and the same power that must be repaid. The Windy Gap Firming project, if approved, will most likely include prepositioning, and that additional component will allow the production of more power. This will allow the marketing of additional power by WAPA, and as aquatic weed control is done in the future, greater cost sharing by those assisting in addressing the issue.

Grand County strongly believes that the EIS developed for your project must address this issue. We further believe that any future actions to address the weed control that include the interruption of power production should NOT require any repayment to WAPA by any agency other than the Bureau of Reclamation or any agency operating its facilities. This cost should be

considered as part of your upgrade and any agreement that WAPA has with the Bureau of Reclamation of for sale of this power.

Although Grand County supports the need to provide long term, reliable, cost-effective electrical services for the citizens of Grand County, we have strong concerns with the direct impacts of your current operation and the CB-T facilities as they relate the purposes of Senate Document 80. We have even greater concerns with the Windy Gap Firming Project, repositioning and the direct connection of your proposal to this proposed project. These issues must be addressed in your EIS process.

Again, thank you for the ability to comment.

Sincerely,



Lurline Underbrink Curran,
Grand County representative under Senate Document 80 and
County Manager

cc: Board of County Commissioners
U. S. Forest Service, Craig Maguire
Northern Colorado Water Conservancy District
Middle Park Water Conservancy District
Colorado River Water Conservation District
Mountain Parks Electric
Deb Campbell, Director of Planning
Fred Ore, Bureau of Reclamation
Will Tully, Bureau of Reclamation
Chandler Peter, Corp of Engineers
Three Lakes Water Shed Association
Barbara Green
Hank Ipsen



Department of Energy
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DEC 04 2006

Ms. Lurline Underbrink Curran
Grand County Manager
P.O. Box 264
Hot Sulphur Springs, CO 80451-0264

Dear Ms. Underbrink Curran:

This letter is in response to your letter to Western Area Power Administration (Western) dated October 24, 2006. Western appreciates your feedback about the proposed Granby - Windy Gap Pumping Plant Transmission Line Project (Project).

Western understands Granby County's concerns about the name of the project; however, the Project description in the Project Environmental Assessment accurately identifies the Project as a proposed rebuild and upgrade of the existing transmission line.

As Western has stated in prior discussions and communications with Grand County officials, the Windy Gap Firming Project and the Shadow Mountain Lake Weed Reduction Project are not "connected actions" as that term is defined by the Council on Environmental Quality. Actions are connected if they: (1) automatically trigger other actions which may require environmental impact statements (EIS); (2) cannot or will not proceed unless other actions are taken previously or simultaneously; or (3) are independent parts of a larger action and depend on the larger action for their justification. In addition, the Windy Gap Firming Project and the Shadow Mountain Weed Reduction Project are not related to the purpose and need, and are outside the scope of, the Project. Thus, it is Western's position that the Windy Gap Firming Project and the Shadow Mountain Lake Weed Reduction Project are not connected actions that warrant consideration in the Project Environmental Assessment.

The Project and the Windy Gap Firming Project will continue to be evaluated independently. Since Grand County is a cooperating agency with the Bureau of Reclamation in preparation of the Windy Gap Firming Project EIS, you are already involved in that process. The Bureau of Reclamation expects to release a draft EIS on that project in the spring of 2007. The Forest Service completed its environmental review of the Shadow Mountain Lake Weed Reduction Project and issued a decision memo for the project on September 11, 2006, and the project is almost complete.



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December 6, 2010

RECEIVED
BY *MA* | DATE 13 Dec 2010

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Mr. Roy Gearhart
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Rocky Mountain Customer Service Region
P.O. Box 3700
Loveland, CO. 80539-3003

Re: Preliminary Draft Environmental Impact Statement (PDEIS) for Granby Pumping Plant-Windy Gap Substation Transmission Line Rebuild

Dear Mr. Gearhart:

I am in receipt of a copy of a letter dated November 12, 2010, addressed to our Long Range Planner, Mr. Ed Moyer. This letter addresses comments made by Grand County as a Cooperating Agency but that Western Area Power Administration (WAPA) considers outside the scope of the EIS or inaccurate and therefore will not be addressed in the draft EIS. Grand County does not agree with WAPA's determination in most instances, and will clarify others. Your letter addresses each of your positions numerically, and this letter will respond to the numbered listed paragraphs.

1. Tri-State owns one the lines being replaced or rebuilt. Regardless of whether any of WAPA's federal preemption arguments are valid, WAPA is required to comply with the spirit of our regulations, and mere cooperation is not sufficient to comply with the spirit of the local regulations. The visual protection of the Three Lakes area is of paramount concern to the county. Grand County, in conjunction with the formation of the Arapaho National Recreation Area (ARNA), adopted regulations that protect the visual quality of the area.
2. Regardless of whether WAPA does or does not comply with local regulations, it does not enjoy immunity from other federal statutes. In this case, Senate Document 80 which authorizes the Colorado Big Thompson Project, imposes requirements on project

features. Importantly, SD 80 requires aesthetic protection of Grand Lake and Rocky Mountain National Park. WAPA cannot ignore the federal mandates that placed the Colorado Big Thompson (CB-T) project in place, established the ARNA, and designated Rocky Mountain National Park. I agree that WAPA has taken steps to minimize the visual impact as you have described in #8 of your letter, and this is appreciated. However, visual impact should be addressed in the Draft EIS and open for debate by the public. How will public need be assessed if one of the desires of the public, strongly expressed in the past, is not open for review and comment?

WAPA contends that the Primary Purpose #2 of Senate Document 80 is not being compromised by the proposed project because the project does not change the manner of operation of existing CB-T facilities and auxiliary features. The Purpose and Need of the project includes a list titled "The proposed project is needed to" and three of those needs are not only specific to the CB-T project's reliability in the future, but also to minimize maintenance costs for WAPA and Northern Colorado Water Conservancy District (NCWCD).

Under Senate Document 80, Grand County, a specifically named beneficiary of the CB-T project, and NCWCD, the only other specifically named beneficiary, are to be provided benefits from the C-BT project. NCWCD's specific benefit is in #4 of the primary purposes which states "to conserve and make use of these waters for irrigation, power, industrial development and other purposes, as to create the greatest benefits." The benefits afforded to Grand County are listed in items (a) through (l) which define how to accomplish the purposes of the project in a "fair and efficient manner, equitable to all parties having interests therein." In order to protect Grand County, the most affected party to the C-BT, the County was allowed to have a "representative that is recognized as the official spokesman for the county in all matters dealing with the project operations affecting Grand County." I am that designated representative.

WAPA has chosen to propose a project that benefits NCWCD, one of the parties identified in Senate Document 80 while ignoring the interests of Grand County that also are protected by Senate Document 80.

WAPA has also chosen to dismiss the replacement of the cable in the Adams Tunnel, a project that would not compromise the aesthetic value of Grand Lake and Rocky Mountain National Park. The cable replacement could also minimize the long-term transmission line maintenance costs as well as an above ground system, in our opinion. In addition, the cable is not as vulnerable to acts of mother nature such as wild land fire.

3. You are correct that the proposed WAPA project does not provide additional power to the CB-T project at this time, but provides reliability in case of failure of the Adams Tunnel cable, "regardless of future growth in the valley." This statement would seem to indicate more power is necessary in the future and this project would be able to handle that load. Growth not only equates to the need for more "electrical" power but for more water. The Granby Reservoir has a storage capacity of 539,758 af. of which there is a dead storage pool of 74,190 af. However, on average, the CB-T has only delivered about 230,000 af. per year through the Adams Tunnel. If

CB-T pumps its full delivery allowance in the future, plus the WG and WGFP needs, I do not believe you are able to state that no additional power will not be needed for the CB-T. Therefore, if you are proposing the project to prevent an anticipated future failure of the power source which serves the CB-T project, you must also consider anticipated changes in operation, which growth and additional need could require.

The Bureau of Reclamation currently has an Amendatory Contract for Introduction, Storage, Carriage, and Delivery of Water for the Municipal Subdistrict, Northern Colorado Conservancy District, Colorado Big-Thompson Project, Colorado dated March 1, 1990, among Reclamation, the Subdistrict and NCWCD. The storage and "carriage" of water from the WGFP project requires an amendment to this contract. Therefore, the CB-T project is operating today over its historic operation in addition to the possible future need for more CB-T project water. It will also have additional pumping or "carriage" demand from both WG and WGFP. The construction of Chimney Hollow Reservoir, which is the main component of the WGFP, allows CB-T water to be transported and stored in Chimney Hollow under what is termed as "prepositioning." If approved, the CB-T project would pump more water, require more electrical load, and change its historic operation.

4. As stated above, while the historic and current pump requirement of the CB-T project may be unchanged, the future requirements could be greater due to increased demand on the CB-T system. Your project anticipates future failure and "growth" but does not recognize that some of the "growth" anticipated is associated with the CB-T project, which not only produces power as a component part but provides water for growth. You state there is no correlation between the proposed project and any water development project, and in that you are incorrect. The WGFP will increase power production for the CB-T project and consequently for WAPA sale on the open market. WAPA is a direct beneficiary of the proposed water development project.
5. Grand County disagrees with your statement that the project does not impact - even incrementally- the aquatic resources, cumulative effects since the project would not affect reservoir water level fluctuations. You deny that the project has any connection with water development projects, yet power production will be increased by the WGFP and has been increased by the WG project. The WG project had aquatic resource effects, and the WGFP definitely will have aquatic resource effects as well as cumulative effects when considered with Denver Water's Moffat Firming Project. Turning Grand Lake, Colorado's largest natural lake, pea green during July, August and September, a high volume pumping season, is an aquatic resource impact. WAPA is gaining additional power production by both the WG project and by the proposed WGFP. WAPA has a direct tie to these projects, and the project to deliver and support the CB-T and its associated needs is direct.
6. WAPA will have more resource, however slight, by more water being pumped through the CB-T project and its component generation stations to support the proposed WGFP if approved.
7. We have explained above the connection with your project, the CB-T project, and other Northern needs and projects. However, in this numbered statement you say that schedules will not be altered. With the proposed WGFP, scheduling of water deliveries will be changed, therefore power needs may also change.

8. Grand County appreciates WAPA's efforts to minimize the visual impact of the project and the changes made to do so.

In conclusion, Grand County does not agree that WAPA has correctly considered our comments as a cooperating agency, and its determination that issues highlighted previously are outside the scope of the project and should not be addressed in an EIS are wrong. We feel that WAPA should coordinate with the Bureau of Reclamation and its review of the WGFP and consider all impacts of both projects cumulatively. We feel it unconscionable that one federal agency, in championing a project for its benefit, chooses to ignore the federal directives and intents of other federal projects.

Thank you for the opportunity to respond. We hope this letter will generate further discussions.

Sincerely,



Larline Underbrink Curran,
Senate Document 80 Representative and
County Manager

Senator Mark Udall
Senator Michael Bennett
Board of County Commissioners
Mr. Jim Hartman
Mr. Michael Collins
Mr. Michael Ryan
Mr. Michael Conner
Mr. Hank Ipsen, Holmes Roberts
Ms. Barbara Green, Sullivan, Green, Seavy
Ms. Kristin Manguso
Mr. Ed Moyer



DEPARTMENT OF PLANNING AND ZONING

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April 21, 2010

VIA EMAIL: rjones@wapa.gov

Mr. Rodney D. Jones, Environmental Specialist
Western Area Power Administration, Rocky Mountain Region
5555 E. Crossroads Blvd.
PO Box 3700
Loveland, CO 80539-3003

Re: Grand County Cooperating Agency Comments: Preliminary Draft Environmental Impact Statement (PDEIS) Western Area Power Administration (WAPA), Granby Pumping Plant - Windy Gap Substation Transmission Line Rebuild

Dear Mr. Jones,

Grand County appreciates the opportunity to provide cooperating agency comments on the above referenced PDEIS. It is our understanding that the project will be removing approximately 13.6 miles of existing single circuit 69-kV transmission line and constructing approximately 12 miles of new 138-kV double circuit transmission line, operating at 69-kV and 138-kV, and adding a second power transformer. The existing system is an 'H-frame' wood pole line with heights approximately 60-ft and located within a 30'ROW; they will be replaced with rusted colored Cor-Ten steel monopoles with a height up to 105-ft within a 100'ROW. Modifications will be needed at both the Granby Pumping Plant Switchyard (including a second power transformer) and the Windy Gap Substation to accommodate the second line. Grand County regulations require a Special Use Permit for the aforementioned activity.

Grand County previously provided a Comment Letter dated August 15, 2005. Grand County has concerns related to the Adams Tunnel cable, as well as direct consequences of the proposed installation and the overall impacts and impairments to visual resources within and adjacent to the Arapaho National Recreation Area and Three Lakes Design Review Area, including Rocky Mountain National Park (and its recent Wilderness Act) and the Indian Peaks Wilderness.

The Colorado Big Thompson Project (CB-T) was approved by the 75th Congress, First Session, June 15, 1937. The landmark legislation that created this Bureau of Reclamation project guaranteed certain things would be protected. One of the issues of grave concern to Grand County at the time was the scenic and recreational value of the area. Primary purpose #2 of the C-BT project set out in the 1937 legislation was "To preserve the fishing and recreational facilities and the scenic attractions of Grand Lake, the Colorado River and Rocky Mountain National Park." Primary purposed #2 is being compromised by a proposed taller transmission line that will have significant long-term, permanent visual effects.

The Arapaho National Recreation Area (ANRA) comprises over 36,000 acres located within the upper reaches of the Colorado River Valley and Three Lakes Area. Established by Congress in 1978, the

enabling legislation, Pub. L. 95-450, states that the area was established not only due to the high quality recreation, but to protect and conserve the scenic and historic values.

Consistent with the enabling legislation and to protect these significant aesthetic values, Grand County adopted the Three Lakes Design Regulations on February 2, 1981 for "the protection and perpetuation of a certain panoramic mountain and scenic views from parks and public spaces within the Design Review Area is required in the interests of pride, enjoyment, environmental enrichment and maintenance of a major economic assets for residents and visitors alike. This concern and the pressure of physical development has established the "visual landscape" as a basic resource that needs to be conserved". These regulations require protection of the aesthetics of the area through land use regulations that regulates height, color, placement, water quality protection, visual protection, design, setbacks, and glare.

We support the objective to improve system reliability and we understand the benefits to the citizens and visitors of Grand County. We acknowledge that system reliability will be improved with the looped transmission if the Adams Tunnel cable goes off-line. The delivery of reliable, cost-effective electrical service will support the needs of existing and future customers in an area extending from Rocky Mountain National Park, south to the YMCA Snow Mountain Ranch, between Byers Canyon and the Continental Divide. However, we also believe there are elements of the project that are inconsistent with criteria in the Three Lakes Design Review Area (Section 14.5) of the Grand County Zoning Regulations, as well as the Grand County Master Plan, Senate Document 80 and the establishment of the ANRA and Rocky Mountain Park Wilderness designation. We trust that our comments will be addressed and articulated in the DEIS and that WAPA can examine other options, and complete additional evaluation in order to determine how these concerns can be mitigated.

PURPOSE AND NEED

The purpose of the project is intended to address the electrical deficiencies anticipated due to the eventual failure of the Adams Tunnel cable and the antiquated line configuration in the Project Area. The combination of the eventual failure of the Adams Tunnel cable, increasing residential and commercial load demands in the study area, and antiquated structures, creates a high risk scenario and a potentially jeopardized power supply for all electric customers in the service area.

However, and although the project "need" is stated to be for current customers and future customer load growth, this project is needed to provide additional power to the pumping plants so they do not exceed voltage sag criteria when increasing West Slope water diversions in the future. Cumulative effects associated with reservoir water level fluctuations and proposed water development projects, including increased West Slope diversions, were identified as present and foreseeable future actions (PDEIS 5.11, pg.5-2). Grand County would assume that these comments and identified actions are directly correlated with a reliable power supply that would also allow increased diversions as part of the Windy Gap Firming Project. However, those actions and cumulative effects were not discussed within Aquatic Resources - Cumulative Effects Assessment and therefore, water quality effects on aquatic habitat was considered to be negligible. The correlation between West Slope diversions and degraded water quality, aquatic habitat impacts to fish and aquatic invertebrates is becoming more and more apparent, both physically and visually. Grand County requests that the water quality, aquatic habitat impacts and scenic visual impacts associated with reservoir water level fluctuations and proposed water development projects, including increased West Slope diversions be made part of the Aquatic Resources - Cumulative Effects.

ADAMS TUNNEL CABLE

The main objective of the project is to enhance system reliability by providing a looped transmission system. Grand County still has concerns with the potential loss of the 69-kV cable in the Adams Tunnel. This cable currently provides the only secondary source of electrical power to the Grand Lake-Granby area, a major share of the citizens of Grand County. This source of power is provided by hydroelectric on the east slope, is green and sustainable, and allows looped transmission service between Estes Park (Mary's Lake) and the Windy Gap Substations. While future reliability of the cable is a valid concern, replacement of the cable would seem to be a viable option. The cable has been reliable for over five decades, does not provide any visual impact, and can be accessed for repair through the tunnel. Grand County believes that replacement of this green power conduit should be the preferred alternative.

The PDEIS states that the project will comply with applicable requirements, including the statutes, regulations, and permit requirements list in Section 1.11. Senate Document No. 80 (referenced in PDEIS 1.11, line 7, pg.1-17) is the legal basis of the Colorado-Big Thompson Project (C-BT) and controls its construction, operation and maintenance. It was adopted by Congress to embody agreements and commitments negotiated by representatives of the eastern (Northern Colorado Water Users' Association) and western slopes (The Western Slope Protective Association – of which Grand County was a representative) in Colorado. Senate Document No. 80 includes stipulations related to power project operations, power and pumping systems and transmission lines, all of which are directly linked, interconnected and impacted by this proposed project.

The proposed project is a change in C-BT operations, interconnections, power generation and transmission. The construction of power plant no. 1, located along the Big Thompson River, just below Estes Park, was a necessary development in order to secure power for pumping purposes at the Granby pumping plant. Power plant no.1's hydro power is generated by utilizing west slope water. Power plant no. 5 (Green Mountain Reservoir hydro), Granby pumping plant and power plant no. 1 were to be interconnected. The transmission system consists of connecting power plant no.5 with the Granby pumping plant and a permanent 69,000-volt line to power plant no.1. Power plants nos. 1 through 4-A (down the Big Thompson Canyon) were also to be interconnected by two 115,000-volt lines and continuing to the market.

Senate Document No. 80 concluded that the power produced in the six power plants will produce a large quantity of "cheap" hydroelectric power that will materially benefit Colorado and that the revenues from the commercial power generated at power plant no.1 will pay for the power features as set up under the initial power development, in addition to the power required for pumping at Granby pumping plant (SD 80, Conclusions, pg.33). Grand County understands that the revenues, once the project was paid off, would sustain the long-term operation and maintenance of the project. The Adams Tunnel cable is part of the operation and Grand County requests that the DEIS contain more information regarding the Adams Tunnel cable maintenance.

Without a continued transmission connection between Granby pumping plant and power plant no.1, the east slope will be benefiting by having "cheap" hydroelectric power generated with west slope water. Grand County will no longer have the benefit of green hydro power from power plant no.1 and there has been no mention of mitigation for this. Hydroelectric is green power that exists today and should continue to provide sustainable power to the Granby pumping plant as always contemplated by the C-BT Project. The relationship between the loss of green power and the proposed project needs to be disclosed and analyzed in the DEIS.

Senate Document No. 80 states that the Granby pumping plant and Granby pump canal were designed at 150% of the capacity of the Adam's tunnel to permit the operation of the pumping plant at full capacity with off-peak power, and reduce the amount of pumping with firm power (SD 80, Power Project Operation, pg.22). The PDEIS states that NCWCD has an interest in extending the 138-kV transmission line directly to the C-BT projects facilities at Granby pumping plant switchyard in order to allow operational flexibility for motor starting at Granby and Willow Creek pumping plants, both on a daily and seasonal basis. Granby pumping plant has the ability to use reduced voltage starting protocols to minimize system impacts and voltage sags during motor starting. However, Willow Creek pumping plant does not have this capability and with full voltage motor starting, it impacts the power system more than the Granby pumping plant does with reduced voltage starting, sometimes exceeding the 6% voltage sag criteria. Again, this proposed project is a change in operation of the C-BT that directly benefits its pumping plants, without remaining interconnected to hydroelectric power.

Any changes in operations would require an agreement among all project beneficiaries due to the unique status of the C-BT Project and the mandates of Senate Document 80. Therefore, Grand County's agreement is required for changes in C-BT project operations. Thus, that the operational changes related to the C-BT and compliance with Senate Document 80 should be discussed and analyzed in the PDEIS.

VISUAL IMPACTS

The Three Lakes Design Review Area (Section 14.5 of the Grand County Zoning Regulations) was developed in 1981 to support the enabling legislation of the Arapaho National Recreation Area (ANRA). These standards are intended to foster sensitive and creative solutions for facilities located in this area. These standards apply to all projects located within and adjacent to the ANRA, including Lake Granby, Shadow Mountain Lake and unincorporated areas of Grand Lake. It should also be noted that the Town of Grand Lake adopted Design Review Standards in 1985, as well as Shoreline and Surface Water Regulations that address design and environmental impacts within the incorporated areas adjacent to Grand Lake.

The key element of design criteria in this area is a harmonious and appropriate design that protects the panoramic mountain and scenic views from parks and public spaces within the Design Review Area in the interests of pride, enjoyment, environmental enrichment and maintenance of major economic assets for residents and visitors alike. The visual landscape is a basic resource that needs to be conserved. The Grand County Zoning Regulations also require electric utilities to minimize the visual degradation of the landscape caused by power lines and towers.

In reviewing the 18 Key Observation Points within the Visual Simulation Contrast Ratings and Photographic Simulations (PDEIS, Appendix O), the proposed height and location of the proposed monopoles dominate the landscape character, are intrusive to the overall panoramic mountain and scenic view shed and don't easily blend into the natural, surrounding landscape. There are major impacts to locations adjacent to the Colorado River Headwaters Scenic Byway (US Highway 34), with some mitigation near County Road 64 proposed. The DEIS should disclose these impacts and their relationship to the County standards.

It was also noted that in reviewing the Viewshed Alternatives (Maps 4-1 – 4-7), the preferred Alternative D (Options 1 & 2) actually generated new "high" impacts to outlying residential properties and subdivisions that aren't currently in its existing sight line. These areas include portions of the

Granby mesa adjacent to the Airport, the Scenic Byway corridor below Lake Granby, portions of Bussy Hill, Sunnyside, Sunset Point, and areas north and south of CR 41. Although it is stated that "Because the closest designated wilderness area is located approximately 5.0 miles away, this project does not have the potential to affect, either directly or indirectly, any wilderness resources. Wilderness resources are therefore not described in the following direct and indirect effects discussion" (PDEIS 4.10.2, pg.4-74, line 34), portions of Indian Peaks Wilderness and Rocky Mountain National Park (& Wilderness) are located less than 5.0 miles from the project and people will still see the project impacts from those areas. Additionally, Lake Granby was not included in the viewshed analysis. There could be significant visual impacts to various recreation activities and public enjoyment on Lake Granby. The DEIS needs to disclose these impacts.

Table 4-12 (Effects to US Highway 34), the preferred Alternative D (Options 1 & 2) has significant more distance of the Scenic Byway that are highly visible (more than 3.5 miles of line), moderately visible (1.5 – 3.5 miles) than that existing today. Also, the distance of low visibility (under 1.5 miles of line) decreased, which is worse.

The Comparison of Alternative Effects for Visual Resources (PDEIS Table 2-7, pg.2-54) states that: "Taller Structures and associated disturbances result in moderate to significant long-term visual effects at sensitive locations". As well, the Cumulative Effects Assessment of Land Use (PDEIS 5.7.2, pg.5-7, line 13) states that "a decline in scenic quality associated with the construction of taller transmission structures could contribute to the adverse development climate in Grand County". In addition, Visual Resources (PDEIS 5.8.2, pg.5-8, line 15) state the long-term presence of the new line will incrementally contribute to adverse visual character changes in the region, with reduced effects due to the existing transmission line, and cumulative effects being adverse, but minor.

Grand County requests that WAPA further evaluate "Alternatives to above-ground structures, including undergrounding, reusing the Adams Tunnel cable, or laying the transmission line on the bed of Lake Granby" (PDEIS 1.8, pg.1-15, line11).

Grand County has received several comments from concerned citizens regarding underground installation and why it was not evaluated. Issues with line separation, line protection, safety and right-of-way are understood with a double circuit underground system. Grand County previously suggested alternative options and requested that WAPA evaluate: 1- an option for use of the existing pipeline between Windy Gap and Lake Granby for the installation of a cable system to carry the proposed electrical transmission lines, and 2- laying the transmission line on the bed of Lake Granby, enabling sections of the proposed electrical service from Windy Gap to Lake Granby to the Granby pumping plant to be underground and visually mitigated. The PDEIS stated that these options (Alternatives #7 & #8), in addition to the rebuilding and upgrading the Adams Tunnel cable (Alternative #6), were eliminated, primarily due to operational and maintenance difficulties, potential safety concerns and cost issues (PDEIS 2.5.6 - 2.5.8, pg.2-44 and 2-45). Although, cost was not identified as a reason Alternative #8 (submarine power cable below Lake Granby) was eliminated and Grand County requests that this option be further evaluated.

Senate Document No. 80 also states that the C-BT must be operated in such a manner as to most nearly affect 5 primary purposes. One of those primary purposes of Senate Document No. 80 that concerns Grand County related to this project is No. 2: "to preserve the fishing and recreational facilities and the scenic attractions of Grand Lake, the Colorado River, and Rocky Mountain National Park". In addition, Senate Document No. 80 states "The project and all of its features shall be operated in a manner

determined by the Secretary of the Interior as necessary to provide the water to preserve at all times that section of the Colorado River between the reservoir to be constructed near Granby and the mouth of the Fraser River as a live stream, and also to insure an adequate supply of irrigation, for sanitary purposes, for the preservation of scenic attractions, and for the preservation of fish life.”

This primary purpose of preserving scenic attractions, including water, is being compromised by a proposed transmission line with heights nearly double than those existing and located in areas that will have significant long-term, permanent visual effects to the ANRA, Three Lakes Design Review Area, Colorado River Headwaters Scenic Byway and new impacts to outlying residential properties and subdivisions that aren't currently in its sight line. From recreation-based tourism to services, accommodations and real estate development, Grand County's economy thrives on its visual scenic beauty, including water, particularly in direct proximity to this project.

CONCLUSION

In conclusion, the Grand County Board of County Commissioners is responsible for planning for the health, safety and well being of Grand County both now and in the future. We support providing reliable, cost-effective electrical services for the citizens of Grand County and its visitors, but not in a manner that:

- Affects our visual scenic beauty and livelihood by increasing visual impacts without proposing underground alternatives, reusing the Adams Tunnel cable, and laying the transmission line on the bed of Lake Granby.
- Does not address operational changes to C-BT outlined in Senate Document No. 80.
- Removes historical interconnection with green sustainable hydroelectric power from Big Thompson power plants for continued pumping plant power.
- Allows the use of West Slope water to be used for production of green sustainable energy on the East Slope without benefit or mitigation to West Slope or Grand County.
- Contributes to present and foreseeable future actions associated with reservoir water level fluctuations and proposed water development projects, including increased West Slope diversions, without addressing those cumulative effects to visual scenic beauty, water quality and aquatic habitat.

Grand County requests that our comments be addressed and articulated in the PDEIS and that WAPA examine other options, and complete additional evaluation in order to determine how these concerns can be mitigated.

If you have further questions on these issues, please contact me at (970)725-3347.

Sincerely,



Edward T. Moyer
Long Range Planner

Cc: Grand County Board of County Commissioners
Lurline Underbrink Curran, County Manager
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NOV 12 2010

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SUBJECT: GRAND COUNTY COOPERATING AGENCY COMMENTS: PRELIMINARY
DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR THE GRANBY
PUMPING PLANT-WINDY GAP SUBSTATION TRANSMISSION LINE
REBUILD

Dear Mr. Moyer:

Thank you for your letter dated April 21, 2010, that contains Grand County Department of Planning and Zoning's (Grand County) comments on the Preliminary Draft Environmental Impact Statement (PDEIS) for the Granby Pumping Plant-Windy Gap Substation Transmission Rebuild (Project).

While many of Grand County's comments will be addressed in the Draft Environmental Impact Statement (EIS), comments that are outside the scope of the EIS will not be addressed in the Draft EIS. The purpose of this letter is to provide Western Area Power Administration's (Western) responses to out-of scope comments and offer additional information relative to some inaccurate assumptions and statements made in the April 21, 2010, letter.

1. Grand County's statement that its regulations require a Special Use Permit before the Project can go forward comes as a surprise, as Grand County--as far back as 2004--has acknowledged that it does not seek procedural compliance with its regulations. As we point out later in this letter, Western has substantively complied with Grand County's regulations by working cooperatively with Grand County officials and taking measures to minimize the visual impacts of the Project. Ultimately, however, the Supremacy Clause (Article VI, Clause 2) of the U.S. Constitution precludes Grand County from requiring Western to obtain a Special Use Permit and from obstructing the accomplishment of Western's congressionally authorized objective to deliver Federal power in a safe and reliable manner.
2. Grand County contends that Primary Purpose #2 of Senate Document 80 is being compromised by the proposed Project. Primary Purpose #2 requires that the Colorado-Big Thompson (C-BT) project be operated in a manner that most nearly effects the preservation of the fishing and recreational facilities and the scenic attractions of Grand Lake, the

Colorado River, and Rocky Mountain National Park. As the Project does not change the manner of operation of existing C-BT facilities and auxiliary features, Western respectfully disagrees with Grand County's conclusion. The new transmission line structures that will replace the existing 1950s-era structures will not affect C-BT operations in any manner.

3. Grand County's statement that "this project is needed to provide additional power to the pumping plants" is incorrect. The existing transmission system already serves the power requirements for the motors of the C-BT pumping plants. The power required by the pumping plants' motors and any other electrical device doesn't change because of alterations to the transmission system. All electrical equipment (motors, household appliances, HVAC systems, etc.) have the same power requirements regardless of transmission voltage. The pump capacities for C-BT pumping plants were established in the original C-BT design based upon the capacity of the Adams Tunnel, and this Project does not change pump capacity.
4. Regarding Grand County's comments of cumulative effects associated with reservoir water level fluctuations and proposed water development projects identified in Chapter 5 of the PDEIS, Grand County assumes "that these comments and identified actions are directly correlated with a reliable power supply that would also allow increased diversions as part of the Windy Gap Firming Project." This is an incorrect assumption. There is no correlation between the purpose and need for the proposed Project and any water development project. Because the facilities constructed by this Project would serve the existing C-BT pump motors, the power requirements for the pump motors are unchanged. The existing transmission system already serves the power requirements for the pump motors.
5. The stated purpose of Chapter 5 of the PDEIS is to show "the impacts on the environment which result from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions." Since the Project would not affect reservoir water level fluctuations and proposed water development projects, it does not impact--even incrementally--Aquatic Resources - Cumulative Effects.
6. Grand County's statement that it will "no longer have the benefit of green hydro power" is not correct. This Project does not change Western's generation resources or its marketing plan. Western will continue to provide the same resources as it currently does. The loss of the Adams Tunnel cable does not require the use of "non-green" generation to serve west side pumping plant loads. East side C-BT generation is still interconnected to C-BT loads in Grand County through transmission paths that did not exist when the C-BT was authorized.
7. Grand County's statement that "this proposed project is a change in operation of the C-BT that directly benefits its pumping plants" is not accurate. This Project does not change the operation of the C-BT. Connecting the 138-kV transmission line at either Willow Creek or Granby Pumping Plant both provided acceptable solutions to the voltage sag criteria. Extending the transmission rebuild project from Willow Creek Reservoir to Granby Pumping Plant provided additional benefits for Western by replacing 6 more miles of a 70-plus-year-old transmission line, addressing right-of-way inadequacies, and, by using the existing

switchyard at Granby Pumping Plant, thus eliminating the need for a new, large substation near Willow Creek. While having the 138-kV line at Granby Power Plant will provide the Northern Colorado Water Conservancy District with flexibility to change motor starting procedures at the plant, starting the motors at full voltage versus reduced voltage is not a change to the operation of Granby Pumping Plant. How motors are started is strictly an electrical issue and does not change water pumping capacity or schedules at either Granby Pumping Plant or Willow Creek Reservoir.

8. Regarding Grand County's comment that Grand County zoning regulations require electric utilities to minimize the visual degradation of the landscape caused by power lines and towers, Western has substantively complied with these requirements. Western has made every effort to minimize the visual impacts of this Project. First and foremost is Western's decision to combine the new transmission circuit desired by Tri-State Generation and Transmission Association, Inc., with the rebuild of Western's existing 69-kV line onto a single right-of-way. This decision avoided two transmission lines on separate rights-of-way in the area. Further, Grand County had direct input on design criteria such as structure type, structure color, and the use of non-specular conductors and wires. Western also minimized visual impacts by carefully considering changes to right-of-way alignments. For example, Western proposed to configure the final transmission system to combine the two existing lines between Stillwater Tap and Granby Pumping Plant into a single transmission line. Western also proposed to use the more northern right-of-way along this segment, thus eliminating the line along Granby Reservoir shoreline and through the Cutthroat Bay campground. Western is sensitive to Grand County's comments regarding visual resources and will continue to look for ways to reduce visual impacts by making reasonable efforts to minimize structure heights during the design phase of the Project.

We hope the information provided in this letter is helpful and that it will serve to correct some misunderstandings about the Project. Please feel free to contact me at (970) 461-7333 if you have any questions or would like to discuss this Project further.

Sincerely,



Roy Gearhart
Project Manager

cc:

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