

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

- - - - - x  
IN THE MATTER OF: : Project Number  
TACOMA HYDROELECTRIC PROJECT : 12589-000  
- - - - - x

Double Tree Hotel Durango  
501 del Camino del Rio  
Durango, Colorado

Tuesday, August 10, 2005

The above-entitled matter came on for scoping  
meeting, pursuant to notice at 9:10 p.m.

MODERATOR: DAVID TURNER, FERC

## P R O C E E D I N G S

(9:10 a.m.)

1  
2  
3 MR. TURNER: Let's get started here, folks. I  
4 want to welcome you to the scoping meetings for the Tacoma  
5 development. As you all know, we're beginning a licensing  
6 process here for the Tacoma and Ames Facilities. Tacoma and  
7 Ames are two developments associated with the project Public  
8 Service of Colorado is seeking to get separate licenses for  
9 each of those this time around. And, therefore, we're  
10 trying to deal with the Tacoma and the Ames somewhat  
11 separately and segregated, at least for administrative  
12 purposes at this point.

13 So we're focusing principally on the Tacoma  
14 facility today, but if time allow us, I think there some  
15 folks that wanted to talk about Ames issues rather than  
16 going through the scoping meetings for those tomorrow. So,  
17 at the end of the meeting, if we have some time, we can talk  
18 about that at that point.

19 Before we get underway, let me introduce myself  
20 and my team here. My name is David Turner. I'm with the  
21 Federal Energy Regulatory Commission. I'm the project  
22 coordinator on this relicensing effort for the Commission.  
23 And to my left is Nick Jayjack. He's our fisheries  
24 biologist that will be working on this, to his left is Patti  
25 Leppert who will be dealing with recreation and land use

1 issues, and to her left is Liz Malloy from our Office of the  
2 General Counsel.

3 Just a few housekeeping details in the sense of  
4 we are recording this proceeding. We have a court  
5 stenographer here. So I'm going to ask you, as you speak,  
6 to make sure you say your name and your affiliation so we  
7 can correctly attribute your comments on the record. I'm  
8 also going to need to pass around the mike so that it feeds  
9 into the system. So it's a little bit awkward. We only  
10 have one mike, but it was doable last night and we'll just  
11 have to work around it. It's a fairly small crowd.

12 I'm going to talk a little bit about what we want  
13 to accomplish here today in terms of the objectives and go  
14 down through the agenda. This is the scoping meeting.  
15 We're kicking off the new integrated licensing process here.  
16 We're pulling our -- doing our deepest scoping up front  
17 where we're looking for and make sure that we understand --  
18 that is the Commission here -- understands the issues that  
19 may be surrounding this project and we want to hear from  
20 you. And we've pulled together in the scoping document that  
21 we issued to you already about a month or so ago the issues  
22 that we've identified. There's copies of handouts out  
23 front. Let me just back up a little bit. I've included a  
24 copy of the scoping document. If you didn't receive one of  
25 those and you would like to get on the mailing list for

1 future information, please let me know and we'll get you on  
2 that project mailing list.

3 There's a handout of the flow chart for the  
4 integrated licensing process and I'll talk about a little  
5 bit more and familiarize you if you have any questions about  
6 what's going to be happening over the next couple of years.  
7 There's a handout of the slides here today. These are  
8 basically just talking points to make sure we stay on track.  
9 They're not really used so much for making any particular  
10 points, but will hopefully get things moving along. And  
11 there is a handout on the study criteria, which we'll talk  
12 about a little bit more. So please make sure you've picked  
13 up a copy of those and use that information. You'll be  
14 needed that information over the next couple of months and  
15 years as we progress down this process.

16 Back to the objectives and agenda. Again, we're  
17 here to make sure we understand the issues that we reviewed  
18 the information in the pre-application document that was  
19 filed by the Public Service Company and we want to make sure  
20 that we've captured your issues. You'll probably see in  
21 there some changes from how we understand them as well as  
22 some changes of things we may have left out because we  
23 didn't see maybe how they were actually connected to the  
24 project. So we want to talk about those here today and any  
25 information gaps that we may be needing to fill.

1           I'm going to ask Alfred in a few minutes to give  
2 a very brief overview of the project operations, just as a  
3 quick refresher. I know many of you probably are involved  
4 in resource work groups and know this project better than  
5 many of us, but I think it's good to start out with a good  
6 base and refresher of what we're talking about. I'm also  
7 going to ask Alfred to talk a little bit about what's been  
8 happening as they develop their pre-application document and  
9 as you've started working in your resource work groups.

10           Another objective today was to talk about other  
11 processes that the Commission often faces like endangered  
12 species consultation and water quality certification. If  
13 there's anything unique to those processes that we need to  
14 consider or factor into that in terms of the schedule that's  
15 associated with the integrated licensing process, we want to  
16 talk about those needs and see if we can accommodate it so  
17 that we can process this license application as quickly as  
18 possible.

19           Then, finally, we'll get into the meat of really  
20 what this meeting is about and start talking about the  
21 issues in the information document -- the information that's  
22 contained in it. In the handout -- in the Scoping Document  
23 I we issued, and I think it begins on page 16, is the issues  
24 that we identified based on the information that was filed.  
25 We'll be talking about those issues sequentially as we go

1 down and make sure, again, we haven't missed anything or  
2 mischaracterized anything.

3           Again, just real briefly, this is being recorded  
4 for our purposes to make sure we have an adequate record. I  
5 hope everybody signed in so that we have your address and  
6 your name and keep an accurate record of who was here. And,  
7 again, state your name and affiliation before making a  
8 statement. Is there anybody here that actually wants to  
9 make an oral statement for the record as we go along? I  
10 just want to make sure we've allocated enough time. We have  
11 until 3:00 o'clock. I don't know that we'll need all that,  
12 but if we do, I just want to make sure that we give you your  
13 opportunity.

14           MR. HARRIS: Steve Harris, Southwestern  
15 Conservation District. In the process of the discussion,  
16 are most of the issues going to come up or should we be  
17 making a statement if they don't? I'm little unsure on how  
18 this is all going to work.

19           MR. TURNER: I think it should come up when we're  
20 discussing the issues. But, if it doesn't, at the end  
21 please feel free to add input.

22           I kind of already went through this in terms of  
23 what we want to accomplish today and to begin to talk about  
24 the issues, talk about what's known and what's not known and  
25 how the projects are operating, explore some of the

1 information that we may need to gather to fill any data gaps  
2 in addressing those issues. And then, also again to discuss  
3 the process plan -- to understand what's going to happen  
4 over the next few months and the next couple of years as  
5 this licensing proceeding moves forward.

6 I know that you've been working very closely in  
7 the resource work groups and some of this may be somewhat  
8 redundant, but I do want to make sure that it's on the  
9 record and staff has a good understanding of what's been  
10 happening so far. And with that, I guess I'll turn it over  
11 to Alfred for a very, very brief overview.

12 MR. HUGHES: Actually, I don't think I see any  
13 new faces in the room today. Most all of you have heard the  
14 spill on operations at least once if not several times. If  
15 you'd like me to go over it again or if FERC would like for  
16 me to go over it again, I'd be glad to. But please indicate  
17 by raising your hand.

18 (Show of hands.)

19 MR. HUGHES: Okay then. How we got to today?  
20 Actually, I'll once again ask John Divine, our lead  
21 consultant in the relicensing from Divine Turbine  
22 Associates, to really cover what we've been doing really to  
23 the pre-formal process and PAD development. So John, if you  
24 wouldn't mind again.

25 MR. DIVINE: Thanks. A little bit of background

1 -- I'm sorry. John Divine, Divine Turbine Associates.

2 MR. TURNER: Sorry. It's a pain but, if these  
3 guys could figure out how to deal with this without the  
4 names, it would be great. But they're not mind readers.

5 MR. DIVINE: About a year ago Public Service of  
6 Colorado -- a little over a year ago -- developed a list of  
7 parties with a potential interest in the relicensing of some  
8 80 -- over 80 groups, individuals, agencies. Sent out an  
9 invite to join us at an introduction to relicensing meeting.  
10 David was there and we were pleased to have him there in  
11 describing the ILP process and what we're all about to go  
12 through. And what we did at that meeting was identify this  
13 overall relicensing process and identified some of the key  
14 areas that people might have an interest in.

15 There were four key areas that were identified --  
16 broad areas of interest -- water resources, terrestrial  
17 resources, cultural and recreation, land use and aesthetics.  
18 We then invited folks to participate in what we call  
19 resource work group meetings and have now gone through a  
20 series of six of those, starting last September was the  
21 beginning. And what we did there the whole participation  
22 team went through a fairly systematic process of, first,  
23 identifying what the people thought the issues were and make  
24 sure we discussed those and then took an effort at defining  
25 those fairly closely. So we tried to come to an agreement -

1       -just made sure we had a common understanding of, once we  
2       understood what the operation of the project was as a group,  
3       what might those issues be and precisely how would you  
4       define them.

5                   That helped us understand what then. We went to  
6       the next part, which was the connection to the project or  
7       project effects with respect to that issue or project nexus.  
8       We spent a couple of meetings on that and we prepared some  
9       drafts in terms of what we call project effects, shared  
10      those with the work groups -- each of the work groups, went  
11      back and forth on that and I think we got to agreement on  
12      all of those project effects areas.

13                   And then with that we talked a little bit about  
14      what additional information or what existing information was  
15      out there to try to solve some of those issues or address  
16      those issues, and we found out -- we believed as resource  
17      work groups -- in the resource work groups that a number of  
18      issues had enough existing information to at least satisfy  
19      the concern eventually and we have to work through those.  
20      But there were many issues. I'd say some 20 overall that  
21      additional information was going to be needed. So that put  
22      us on a path then with the resource work groups to develop  
23      study plans of how that information would be obtained and we  
24      have now circulated first drafts of pretty much -- probably  
25      not all of the issues, but those that have worked through in

1 the resource work groups. I think all but one of the  
2 issues, through the resource work group process, we have a  
3 draft study plan out there. Some of those we're on our  
4 second draft and I think pretty close to completion of  
5 those.

6 So we're still working through the study plans,  
7 but I'd like to take a moment here and thank all the people  
8 who participated in those resource work groups. It's been a  
9 long process already and has taken a lot of commitment, but  
10 I think we've made a lot of progress.

11 If there's any questions on the resource work  
12 groups or what we've been through, I'd be glad to handle  
13 those. But that's kind of an overview.

14 (No response.)

15 MR. TURNER: Thanks Alfred and John.

16 With that overview, I'd kind of like to go into  
17 where we're are now, where it's going to be coming up next  
18 in the process so we all have a good feeling for what we're  
19 going to be needing to do over the next -- particularly, the  
20 next two or three months as well as the next couple years.

21 As John and Alfred indicated, I've come out and  
22 talked about the integrated licensing process to the groups  
23 as a whole and introducing the concepts that are associated  
24 with the integrated relicensing process. It's new to the  
25 Commission. We just promulgated that in July of 2003. We

1 have seven licensees that are utilizing the relicensing  
2 process. We've learned a lot from those and to the credit  
3 of the Public Service of Colorado is doing an excellent job  
4 of getting these things off the ground in this particular  
5 case and hopefully it will keep things running smoothly as  
6 we go through this.

7 But, on May 20th, they filed a notice of intent  
8 to seek a new license from the Tacoma development. That  
9 kicked the process off formally and the integrated licensing  
10 process, as I've indicated before, is very structured in  
11 terms of these timeframes and what needs to be accomplished  
12 and when.

13 (Slide.)

14 MR. TURNER: This overview is a very brief,  
15 semantic of that very detailed flow chart that you should  
16 have picked up. I'd like to point out a couple of things on  
17 that flow chart. And, basically, it includes a couple of  
18 different colored boxes, and within the boxes there is some  
19 colored text. The boxes are phases are divided into two  
20 things -- pre-application development of the application --  
21 pre-application filing and that the development of the  
22 application. And then post-filing activities and that's how  
23 the Commission processes that application. We're beginning  
24 that pre-application development now.

25 In that box there's some red text. That red text

1 denotes where we're going to be looking for input and  
2 products to be produced by individuals -- state agencies,  
3 the public -- all the stakeholders in this proceeding. The  
4 black boxes of the black text refers to actions and input  
5 that the Commission or the Public Service of Colorado will  
6 be providing such as filing of proposed study plans and  
7 revised study plans or the Commission's development of their  
8 environmental assessment. So pay attention to those red  
9 boxes. Keep those handy. I use that flow chart almost  
10 daily to figure out what I have to do next. There are some  
11 very defined timeframes in the regulations to accomplish  
12 these things and to accomplish the objectives in the  
13 integrated licensing process and we're going to stick to  
14 those timeframes.

15 We're in the scoping process now. We're going to  
16 talk about some of the issues and some of the information  
17 gaps today. We're doing the Ames development tomorrow --  
18 Thursday and Friday. But one of the things to note is that  
19 in this phase, by September 20th -- everybody needs to be  
20 aware of that date -- we need to have any additional  
21 comments on scoping issues. If you don't want to provide  
22 oral comments here today, you can file those with the  
23 Commission. We can do it through -- you can do that  
24 electronically. Go to our FERC website at [www.FERC.gov](http://www.FERC.gov) and  
25 register and file any comments you want to include under our

1 E-library menu. There are some instructions in the scoping  
2 document on how to file that. You can also file your  
3 comments in, but we found that it's almost more convenient  
4 and efficient sometimes to get those comments in at the last  
5 minute doing it electronically.

6 There is a number there on our website. If you  
7 have problems registering, but we encourage you to do that  
8 as you need to or want to. And also encourage you to  
9 subscribe to E-filing so that you can get any issuances  
10 coming out of the Commission, any filings with the  
11 Commission in a timely manner.

12 Again, September 20th is the deadline for filing  
13 your comments on scoping issues. For any information that's  
14 in the PAD that you want supplemented in the sense of if  
15 they missed -- the Public Service of Colorado missed some  
16 information that needs to be included in the record -- you  
17 can provide that information at that time. And probably the  
18 most important one is to keep in mind any study request that  
19 you feel needs to be addressed or gathered to address the  
20 issues has to be in to the Commission at that point in time,  
21 too.

22 Once we get that information, we're going to be  
23 going through a series of meetings to talk about any  
24 disputes in the studies. I know you all have been working  
25 very closely with Public Service of Colorado to resolve a

1 lot of those issues up front. I think it's great and  
2 admirable and it will make our lives a lot easier to meeting  
3 those timeframes. But where those disputes lie there's a  
4 90-day period to resolve that, try to work with the  
5 Commission and the folks over at Public Service of Colorado  
6 and you guys to come to some conclusions and resolution on  
7 any of those study disputes.

8 At the end of that 90-day period, Public Service  
9 of Colorado will submit a revised study plan that will  
10 basically lay out what its proposing to do to fill the  
11 information gaps. There will be a brief period of time in  
12 there, 15 days, in which you can comment on that study plan,  
13 and then the Commission will issue a determination as to  
14 whether or not it approves the study plan. And, if not, how  
15 it might be modified. And then the applicant will be  
16 required to go out and conduct those studies.

17 I see a hand up in the back. Hang on a second.

18 MR. WILLIS: Garrish Willis, Forest Service.  
19 David, and this might be a question for Liz, but if an  
20 agency or a party basically is in agreement with a study  
21 that has been proposed through the resource work group but  
22 that study is not an official filing with FERC yet, is there  
23 any way that we can, rather than regurgitate the entire  
24 study as proposed by the company, you know, incorporate it  
25 and just say we have no comments about the study or are in

1 favor or approve of the study as being proposed by the work  
2 group?

3 I guess what I'm getting at is, instead of going  
4 through and regurgitating everything that's in a proposed  
5 study that's gone through this process -- the pre-filing  
6 process -- is there a way that we can -- say that my agency  
7 agrees with the study as proposed before it's filed?

8 MR. TURNER: Before the proposed study plan is  
9 filed? That means you're going to have to file your study  
10 request prior to that. And Liz correct me if I go wrong  
11 here, but I would -- I don't see a reason why you could not  
12 do that. I would be very specific in your study request in  
13 terms of at least identifying the ones that you are in  
14 concurrence with and the approach. You may not have to go  
15 into the depth of the regulations, and we'll talk about the  
16 study criteria in a minute. However, I caution you to do  
17 two things. One, if there's any potential for disputes or  
18 disagreements on how that study might be laid out eventually  
19 in the proposed study plan, you're going to want to address  
20 those criteria so that we understand your position and your  
21 interest and how that relates to your interest so that when  
22 we make a study determination -- I mean when the Commission  
23 does -- when the office director makes his determination, we  
24 have the full record of where you're going and what you need  
25 to see and why you needed to see it.

1           I lost my train of thought there. I think you  
2 could do that. It becomes a risk on your part. There is an  
3 opportunity to comment on the proposed study plans. So, if  
4 you do see some surprises there, you could still lay those  
5 out in the comments at the proposed study plan meeting and  
6 still come back and address specific criteria. So the risk  
7 is somewhat, I think, tempered. But, ultimately, if there  
8 is a chance or a potential for those things to go awry from  
9 what you need or what the applicant's proposing, we're going  
10 to need to know that information and how that criteria fits  
11 your needs.

12           MS. MALLOY: I think David's right. As an  
13 attorney, if I were your attorney, I would be telling you to  
14 file what you want. I think, as a practical matter, the way  
15 I would -- if I were your attorney, I would be advising you  
16 as if your working with the work groups and you have  
17 basically what the draft is or what it's going to be. I'd  
18 see about using that, duplicating it, filing it as your own  
19 and saying you're concurring with it. But that's as an  
20 attorney. I'm fairly protective because it is the agency's  
21 responsibility to put forth what studies it wants. But I  
22 agree with you. If you're in agreement, you shouldn't  
23 recreate the elephant or whatever animal.

24           So, if there's some way that you can sort of do  
25 both -- get on the record what it is you are looking for so

1 that if there is any change down the road you're sort of on  
2 the record.

3 MR. DIVINE: John Divine with Divine Turbine  
4 Associates. We talked about this a little bit in the  
5 resource work groups and there are some study plans that  
6 we've worked through and issues and project effects that we  
7 have pretty good agreement on with all of the parties that  
8 have been in the resource work groups. So we talked about  
9 what to do on September 20th and one of the ideas that we  
10 kicked around was make a filing of just what has been  
11 produced in the resource work group if you're in agreement  
12 with it because it covers the seven criteria. It was built  
13 and constructed to try to cover the seven criteria. To the  
14 extent that you're not in agreement with it yet and still  
15 have specific work to do, you could then add the areas of  
16 disagreement yet to be worked out or to be satisfied with  
17 the study plan. Does that seem like a reasonable  
18 possibility?

19 MS. MALLOY: Would this be filing one with a list  
20 of people who agree with it? Or would each person be filing  
21 sort of the same thing?

22 MR. DIVINE: We didn't get through all that and  
23 it's a good subject for discussion. I guess, in the work  
24 group we thought that it might be best just to file -- each  
25 group file it. Some may agree with it to the status that

1       it's reached and some may not. And some folks may have  
2       different areas of disagreement yet, so to file it  
3       individually -- as an individual or a group or an agency and  
4       then clarify. If there's areas that you're in agreement,  
5       fine. If you're not, these are the areas that still need to  
6       be worked out for the agency or group to be satisfied.

7               MS. MALLOY: I mean that sounds doable. The key  
8       thing would be the agencies and individuals clearly would be  
9       identified with what they agreed with and that's why I  
10      asked. Either way you'd want to make it clear which ones  
11      everyone agreed with or which ones different people agreed  
12      with. So, if you filed it separately, that would work.  
13      And, if it's the same document, for the ones that are agreed  
14      upon, that helps as long as you go through. The key thing  
15      is going through all the elements that we require. But, if  
16      you've done that, we'll be happy.

17             MR. DIVINE: Then the follow-up to that we talked  
18      about in the work groups is that PSCO would turn around the  
19      areas that were in agreement. That would be the same study  
20      plan that was then filed in the proposed study plan and were  
21      not we'd have to continue to work through areas of  
22      disagreement between that September 20th and November 4th  
23      filing.

24             MS. MALLOY: And the one thing is on the ones  
25      that there are disagreements still each group agency would

1 need to file what it is they're looking for, for that study  
2 area -- again going through the criteria.

3 MR. TURNER: Any other questions, comments?

4 MR. WILLIS: I was just wondering -- this is  
5 Garrish Willis again -- if we could just maybe do a round  
6 robin -- people identify who's here so we have an idea of  
7 who we're speaking with.

8 MR. TURNER: Not a bad idea. I thought about  
9 that and it crossed my mind and left it real quickly. Why  
10 don't we start on this corner here.

11 (Audience introductions made.)

12 MR. TURNER: Thanks Garrish. Anything else? Any  
13 other questions on where we are in the process and I'll keep  
14 on going here very briefly.

15 Once we have an approved study plan, as I said,  
16 PSCO would be conducting those studies as is approved,  
17 developing its license application. There will be  
18 opportunities to again review the results of those studies,  
19 modify them as necessary and add any studies. However, the  
20 bar for getting those modifications and adding these studies  
21 is going to become higher. What we're really trying to do  
22 is encourage some thoughtful considerations very much like  
23 you've been doing now in terms of what the issues are and  
24 what the information gaps are and try and define those  
25 studies now. But there will be opportunities to revisit

1 that information, but we want to make sure we're getting  
2 focused on what we're facing over the next couple of years  
3 so we have a good study plan.

4           Once the application is filed, and they must file  
5 in May of '08 -- did I get that right this time? June of  
6 '08? Okay. That's a good date. June of '08 -- PSCO has to  
7 file their application in June of 2008. Once we get that  
8 information in and we review it and make sure the  
9 application is complete, we'll issue a notice ready for  
10 environmental analysis. That's the key for asking for any  
11 final comments as well as agency and stakeholder  
12 recommendations for how the project should be operated over  
13 the next license term. We'll take that information and  
14 we'll conduct an environmental assessment on it -- prepare  
15 an environmental assessment on the project which we'll lay  
16 out how the Commission views and make recommendations to --  
17 how we will make its recommendations to the Commission for  
18 what its next license will look like. The Commission will  
19 consider that and then, hopefully, issue a license within  
20 about a year and a half of the actual application being  
21 filed.

22           Are there are any questions over that? I know  
23 that's a very quick review. If you want to talk about any  
24 of the details of the IOP process as a whole, I'd like to  
25 hold that to the end. We can go back and do that, but if

1       there's any burning desires or questions to talk about the  
2       process, you can raise it now.

3                       (No response.)

4                       MR. TURNER: I assume silence -- everybody either  
5       understands it or is still so confused they don't know how  
6       to ask the question. All right. Silence will continue on.

7                       I just want to talk a little bit about some of  
8       the key dates and, again, some of the things we're going to  
9       be talking about and facing over the next couple of months.  
10      Again, the study requests are due on September 20th. The  
11      Public Service of Colorado will take that information that  
12      has been gathered and file a proposed study plan by November  
13      4th. Any disputes over study needs will need to be resolved  
14      over the next 90 days with the first study plan meeting  
15      scheduled somewhere around December 4th of 2005. It must be  
16      conducted by then. Over that next 90 days, we'll try to  
17      again resolve those disputes. Public Service of Colorado  
18      will take that information and file a revised study plan  
19      reflecting its proposals and addressing any places where  
20      there is still disagreements and why they're not conducting  
21      or doing something that's been requested.

22                      We'll consider that information and then make a  
23      decision or the office director of the energy projects will  
24      make a determination as to whether or not to approve that  
25      study plan. And, if not, what kind of modifications would

1 need to be conducted to that study plan to make it approved.  
2 And then PSCO would then be required to go forward and to  
3 conduct those studies as approved.

4 Before the day is out, probably towards the end  
5 of the meeting, I do want to talk a little bit about the  
6 schedule for the proposed study plan meetings to resolve  
7 disputes. Now I know our hearts and desires here are that  
8 things will be resolved very quickly with the filing of the  
9 proposed study plan, but just on the outside chance, I'd  
10 like to open up our calendars and look at potential dates  
11 and discuss some of those dates in terms of some of those  
12 meetings. That's been a very productive type of action in a  
13 number of other proceedings that are ahead of this one where  
14 they've kind of already laid out some of the dates. You may  
15 not use those dates to resolve disputes, but at least gets  
16 things looking far enough ahead and putting them on your  
17 schedules. Hopefully, we won't need them. And maybe you  
18 guys have already talked about that in terms of your  
19 meeting.

20 Have you, John?

21 MR. DIVINE: John Divine. We talked about having  
22 an additional resource group meeting the week of September  
23 26th through the end of the week. The meaning behind that  
24 timing has been to have the study plan comments and request  
25 for studies in by the 20th and then get right back together

1 as resource work groups and go through areas where we still  
2 have not reached agreement in the study plan development  
3 process. So that would help us in our development of the  
4 proposed study plan due on November 4th and hopefully  
5 resolve any outstanding issues or continue to work towards  
6 resolving any outstanding differences over the study plan.

7 MR. TURNER: And that time is when you would want  
8 to continue develop the future dates. So you're starting  
9 your resolution amongst yourselves before you actually put  
10 in your proposed study plan?

11 MR. DIVINE: Correct. I don't we've talked as  
12 work groups beyond September 20th yet. That's something  
13 we'll haven't really brought up and we should do that. I  
14 think it's a good idea to open our calendars today. We're  
15 hopeful that we get things resolved by that resource work  
16 group meeting, but we have not scheduled anything beyond  
17 that at this point.

18 MR. TURNER: Okay.

19 MR. HARRIS: Steve Harris. What if you have --  
20 on the study plans -- if you have a difference of opinion  
21 between two members of the work group and it's not between  
22 that member of the work group and the applicant? Does FERC  
23 decide? The applicant decides? How do you handle those?

24 MR. TURNER: The applicant will eventually put  
25 forth his proposed study on how he's going to develop it.

1 Then the Commission is going to look at the record and the  
2 requests from the two different parties and both parties  
3 will have to lay out, as Liz talked about, their reasoning  
4 for the information and their approach to addressing that  
5 information. Then the Commission will decide which route is  
6 the appropriate route to go.

7 I'm not going to discuss these in any real depth,  
8 but as long as we're talking about studies, I just want to  
9 remind you that the criteria that you need to address in  
10 your study requests are seven. You need to talk about your  
11 study goals and objectives. You need to consider your  
12 resource management goals, if you're an agency, for  
13 instance, like Forest Service which are management. You  
14 need to consider any other public interest considerations.  
15 This is really one that's geared toward non-governmental  
16 organizations like Whitewater Rafters. They don't have a  
17 mandate like many of the state agencies do, but they still  
18 have some interest in the resources and concerns, so you  
19 need to express those.

20 You need to talk about what information is  
21 existing and why there is an information gap. And probably  
22 the most critical one here is drawing the connection to that  
23 information gap to the nexus and the issue to the nexus of  
24 the project's operations. You need to talk about the  
25 methods that you think the company should do and demonstrate

1 the accepted practices. If not, why that deviation is  
2 advisable. Then you also need to talk about the  
3 consideration of the level of effort and costs. What we're  
4 looking for here is principally to get an idea of what the  
5 scope of effort you really believe the applicant needs to  
6 undertake to gather that information. It's not one of we  
7 want you to do. This is going to cost \$10,000 to do. I  
8 mean it's great information. The applicant is proposing  
9 something to do for \$5000. We're not really looking at that  
10 level of detail, but yet, trying to understand the scope of  
11 effort and how far apart. Are we looking at a cadillac  
12 version of the study versus a volkswagen.

13 Then the Commission is going to consider whether  
14 or not, when we look and make that determination, is the  
15 level of information you're gathering that incrementally  
16 great that the applicant should go forth and expend the  
17 monies for the cadillac to gather that information.

18 Any questions?

19 (No response.)

20 (Slide.)

21 MR. TURNER: Again, this one was just a kind of  
22 reminder for me that we want to talk about any other process  
23 needs, but I didn't see folks that we typically want to deal  
24 with like Fish and Wildlife Service or the state water  
25 quality certifying agency here today. So if there is any

1 other needs that -- if there are any other process needs  
2 that we want to consider, let us know here and now. But I  
3 don't there is in this particular case, but let me know if  
4 there is.

5 (No response.)

6 MR. TURNER: Okay. With that, we'll get down to  
7 the real meat of today's meeting and that is talk about the  
8 issues. The way I thought we'd work this is, if everybody  
9 would open to page 17 of the scoping document, you'll see  
10 the list of issues that the Commission has understood or  
11 gathered from the various filings that we had so far and our  
12 understanding of those. Each of us will take our resource  
13 specialties and run through the list.

14 I guess with that, I'll turn it over to Nick. If  
15 there's something in the way we've characterized the issue  
16 that hasn't fully captured what your concerns were, please  
17 let us know. If we've left something out, let's talk about  
18 that. For instance, there's a few things that I want to  
19 probe and ask some questions about so we fully understand  
20 what's going on here and how the issues were raised.

21 MR. SCHWARTZ: Gary Schwartz, Forest Service.  
22 One of the difficulties we're having is determining -- one  
23 of the issues or concerns that we've got is understanding  
24 what the proposed action is because there are liable to be  
25 different ramifications of issues, depending on what the

1 proposal is. And there's been discussion about installing  
2 an initial turbine of four to six megs down at the Tacoma  
3 plant, potentially doing some work on the flow apparatus,  
4 maybe replacing the flume with pipe, increasing capacity,  
5 and the next result would be the potential for more water to  
6 be diverted at periods of time from Cascade Creek. And,  
7 without knowing what the proposal is, it's difficult for us  
8 to know what the issues are associated with the proposal.

9 MR. TURNER: That's a good point. I understood  
10 about the addition of new turbine. We've talked about that.  
11 And right now I think that would be the safe bet as to  
12 consider that as on the table for discussions in terms of  
13 how the project would be operated with a new turbine. I  
14 know Alfred and them are still considering the overall  
15 feasibility. But, based on some conversations we had at the  
16 power house site tour Tuesday morning, that seemed to be a  
17 real possibility and I would advise you to consider that as  
18 the alternative and adjust your issues around that.

19 As far as replacing the penstocks or the flume  
20 with other pipes, I don't recall that being raised at this  
21 point. Is that something you want to talk about Alfred in  
22 terms of your proposal?

23 MR. HUGHES: Alfred Hughes, Public Service of  
24 Colorado. Not as part of this relicensing. So we're not  
25 proposing replacing anything. Obviously, at some point the

1 flume will have to be replaced. I think everybody  
2 understands that and we've talked about it in the field and  
3 on various tours, but no plans to do it as part of this  
4 relicensing. Obviously, if we did do that after the  
5 issuance of the new license, it's enough of a change that  
6 would require an amendment and we'd be back in consultation  
7 as well.

8 MS. MALLOY: I guess one question for Alfred. I  
9 should have spoken faster before you handed that up. Other  
10 than the additional turbine that might be going in, are  
11 there any other variations of things that you're looking  
12 into on this project?

13 MR. HUGHES: No changes -- no to project  
14 operations -- just the addition of the fourth unit. We have  
15 discussed, out in the field, obviously maintenance  
16 continues. Even before this license, we will be doing  
17 maintenance on various parts of the project. But no changes  
18 to project operations or features.

19 MS. MALLOY: So, Garrish, to that end I would say  
20 that studies that would go to probably the addition or not  
21 would probably be what we'd be looking at because we'd be  
22 looking at a "no-action," which would be continuing without  
23 any change or an addition. So keep that in mind.

24 MR. SCHWARTZ: My question was basically -- was  
25 based on two factors. One is the PAD describes the water

1 right that Public Service of Colorado has and they're  
2 utilizing about little over half of their existing water  
3 right. So that kind of alludes to the potential for more  
4 energy to be generated if they utilized up to their full  
5 water right. And they included that in their PAD which  
6 makes me think that somehow that's a fact that's related to  
7 this relicensing.

8 And, secondly, if they were doing the feasibility  
9 analysis for capturing that additional water, it seems like  
10 this would be a good opportunity to be doing that rather  
11 than to defer the decision later. But that's a business  
12 decision that the company makes. From our standpoint, we'd  
13 like to see one package come in, get this licensing over and  
14 you guys go about your business. But, you know, that is a  
15 decision that the company would have to make. But I just  
16 wanted to raise the question because there's some evidence  
17 in the PAD that kind of leads one to think that maybe  
18 there's something brewing. And, if there's not, and it  
19 sounds like there isn't at this point, I just wanted to have  
20 that clarified.

21 MR. HUGHES: And you're correct, Garrish.  
22 Obviously, we are still evaluating the feasibility. And, in  
23 the PAD, we did have to reflect accurately what the water  
24 right is, which is the full 400 cfs at Cascade. Right now  
25 it is limited to what the system that is currently

1 constructed can carry, which is about 215 cfs. I also agree  
2 with you and would love to just clarify things and get all  
3 the work done at once, but being a small hydro and looking  
4 from a business perspective, with the cost associated with  
5 relicensing and with mitigating with the new license, this  
6 is just not the time. The system is performing and with  
7 regular maintenance it will stand through this relicensing  
8 and probably for years after that, if that's the way we  
9 intend to operate it. But, at some point, yes, we will make  
10 the decision. It's just not going to be during this  
11 relicensing.

12 MR. JAYJACK: David, I have a quick question.  
13 This is Nick Jayjack from FERC. Alfred, yesterday on the  
14 site visit you had mentioned that the purpose of the fourth  
15 generating unit would, as I understood it, simply be to  
16 replace the aging Units 1 and 2, which were installed, I  
17 believe, 1906 when the project was first built, constructed  
18 and operated. Is that correct?

19 And related to that, it would be my understanding  
20 that the intent, at least right now, is not to divert  
21 additional water but like I'm alluding to, basically, just  
22 replace the water that's already being run through Units 1  
23 and 2 at certain times of the year?

24 MR. HUGHES: You're correct for the most part,  
25 Nick. There are no plans to divert more water as a result

1 of a decision to add a fourth unit. It just would be a more  
2 efficient use due to the inefficiency of the two older units  
3 of the existing resource that we do have. It doesn't mean  
4 we're retiring the other two units. As we talked about  
5 during the water years we experienced this year there was  
6 opportunity, certainly, during spring runoff where we could  
7 have utilized four units throughout that period. We'll also  
8 be utilizing those units probably for greater on-peak  
9 production. There will be occasions where we're going to  
10 just operate higher loads using all four units if we do  
11 actually add the fourth one.

12 MR. TURNER: But, to clarify, Nick, I think where  
13 you may be getting confused is that, if you recall the  
14 current flume's capacity isn't passing all that they could  
15 utilize for their generation and that's where Garrish's  
16 question is coming from. I don't remember what the capacity  
17 -- you're licensed at and what your PAD is.

18 MR. HUGHES: The PAD says 275 cfs.

19 MR. TURNER: Right. And the water right I think  
20 is like 400?

21 MR. HUGHES: That's correct.

22 MR. TURNER: That's maybe where Garrish is coming  
23 from. There is an illusion that they might change some  
24 issues with regard to the penstocks that they could utilize  
25 more of the water flow. I don't know if that was where you

1 were going with the question or not, Nick.

2 MR. JAYJACK: I was simply trying to clarify for  
3 Garrish what I was understanding what was going on and maybe  
4 to give you a little piece about that it's not about  
5 diverting more flow. It's using what's there but being more  
6 efficient with what's there.

7 MR. TURNER: So I think that's -- from the  
8 baseline where we're looking at now for environmental  
9 assessment is the way things are operating now with the  
10 current capacity. And, if things were to change, then  
11 obviously that would open up a new reason to look at  
12 information gaps and a new reason to look at additional  
13 studies if PSCO was to make a business decision prior to  
14 filing its application. But, given the current description  
15 of their plans, I wouldn't consider that. I would think  
16 things basically is a status quo proposal with the exception  
17 of the additional unit.

18 Nick, you want to take us into fisheries and  
19 aquatic?

20 MR. HUGHES: Sure. The aquatic and fishery  
21 resources issues that have been identified in the scoping  
22 document start on page 16. So, if you have your scoping  
23 document, you're welcome to follow along with me.

24 I've listed five issues that were actually  
25 identified in the PAD as preliminary issues for analysis and

1 I've reworded them somewhat to, one, fit the mold of our  
2 scoping document and, two, to take a stab at providing a  
3 little bit more clarification of the direction that the  
4 issues are pointing toward.

5 Issue Nos. 1 and 5 have to do with looking at or  
6 investigating a little less water to provide some enhanced  
7 flows in reaches that are currently bypassed by dams on  
8 Cascade Creek and Little Cascade Creek. So that's basically  
9 what those two issues do. They simply kind of lay out the  
10 framework for discussing about providing some amount of  
11 minimum flow pass the diversion dams.

12 Issues 2 and 3 have to do mainly with Electra  
13 Lake -- water storage there as well as released from Electra  
14 Lake to the Animas River, having to do with temperature as  
15 well as having to do with the storage of water in the  
16 context of endangered -- threatened and endangered species  
17 further downstream and how the storage of water in Electra  
18 Lake may play into other storage and diversions that are  
19 occurring in the San Juan River Basin and what the effect  
20 might be on listed species.

21 If you note next to a couple of the issues there,  
22 I've put an asterisk there. All that means is we're going  
23 to look beyond just the project effect on the resources, but  
24 we're also going to look at how other projects cumulative  
25 work with this project to have a potential effect on the

1 resources.

2 The fourth bullet is worded "what effect would  
3 the operation of a fourth generating unit have on aquatic  
4 resources in the Animas River." That is an issue that we  
5 inserted toward the end. The reason I'd asked the question  
6 earlier was also related to giving myself a little better  
7 understanding of this issue. It's probably not as well  
8 developed as the other issues. It sounds like simply  
9 because the proposal is in flux right now. So this issue  
10 may go away. It's open for discussion now if somebody would  
11 like to help me to focus the issue a little bit more than  
12 that. I was originally thinking in terms of kind of similar  
13 issue that Garrish raised. What effect diverting more water  
14 might have on the resources there. But it sounds like what  
15 you're proposing to do is simply use the water that's  
16 already available.

17 Anyhow, the floor is open for discussion on that  
18 issue as well as the other four. Thank you.

19 MR. HARRIS: Steve Harris. The No. 1 bullet  
20 there is probably the major issue on the Tacoma relicensing.  
21 The implication here is this sounds kind of neutral and that  
22 you're just going to go steady Cascade Creek, but the  
23 potential result is a bypass requirement. And the way I  
24 understand the process is that Forest Service may recommend  
25 a bypass. Just so that you know, bypasses by the Forest

1 Service are one of the hot button topics in Colorado that's  
2 been worked on in a number of different formats over the  
3 last few years. One of those we would expect the Forest  
4 Service to follow their existing policy. Mark Gray sent a  
5 letter to Senator Allen I think two years ago that  
6 specifically addressed bypasses. We would expect that to be  
7 followed.

8 There's an MOU between the State of Colorado and  
9 the Forest Service that was dated -- and I have a couple of  
10 copies of that one -- just a year ago, a year and a half ago  
11 on bypass being the last resort. That the state and the  
12 Forest Service attempt to work together to resolve issues  
13 before you go to a bypass.

14 Also, related to that the Southwest District is  
15 currently working with the Forest Service on the Forest  
16 Management Plan revision. And in that Forest Management  
17 plan one of the objectives of Southwest is to address  
18 issues, not just this one, but similar issues in the bypass.  
19 Our concern the potential for a bypass. If there's a  
20 bypass, there's going to be a problem. And we want to make  
21 sure that in this process every attempt is made to work this  
22 out, not just for Southwest and not just between the  
23 entities, but also with the State of Colorado and other  
24 involved parties before we go there.

25 MS. MALLOY: Could I ask one question and it

1       could be I may have a different definition of bypass in my  
2       head.  Could you explain what you mean by "bypass?"

3               MR. HARRIS:  Right now Cascade is able to divert  
4       the entire flow of the river.  Let's say there was a 5 cfs  
5       amount that had to be left in the river.  That's what I'd  
6       call it.  Even if it's 1 cfs.

7               MS. MALLOY:  So a minimum flow through the reach  
8       that's bypassed by the diversion.

9               MR. HARRIS:  Correct.

10              MS. MALLOY:  That's the same.  I just was  
11       confused.

12              MR. HARRIS:  In this particular case, this  
13       diversion has been in place for a hundred years.  
14       Biologically, it's just common sense it would seem that the  
15       natural environment, the human environment, everything has  
16       kind of adjusted to what it is.  And, if you put a bypass  
17       in, you're going to have a change that needs to be addressed  
18       and you're better off leaving it the way it is.  But there  
19       is also some legal and political issues in this and that's  
20       what I'm trying to bring up.  These aren't necessarily  
21       issues in the study plans, but when this particular study  
22       plan comes we're going to be taking a close look to see how  
23       it's bent -- to be sure that it isn't a foregone conclusion  
24       that the Forest Service is going to have a bypass.  That's  
25       it for a little bit.

1                   Southwestern conservation district, just to  
2 mention that, covers the entire southwest of Colorado. It  
3 also includes Ames plant, too. It was formed in the '40s.  
4 It has a very small mill levy and generally addresses basin-  
5 wide issues such as bypasses, also endangered species. And,  
6 when we get to that part, Southwest has been involved in  
7 that recovery program for 15 years. Other types of basin-  
8 wide issues we try to keep up with and I'm the consulting  
9 engineer representing Southwest for about 20 years on it, so  
10 there's a lot of history. We've also have -- Southwest has  
11 attorneys that have been involved that long and so this is  
12 just another of those many issues we deal with constantly.

13                   MR. TURNER: I think I saw a hand up back here.

14                   MR. JIMENEZ: Justin Jimenez. And this isn't in  
15 regard to what Steve Harris just discussed. It was mainly  
16 what I was going to ask about as I wasn't -- I haven't been  
17 able to attend the resource working groups. I'm sure this  
18 has come up. But Nick mentioned issues -- bullet No. 1 and  
19 the last bullet as well -- and it discusses what effect do  
20 project diversions have at the Cascade Creek Diversion Dam  
21 have on aquatic species in Cascade Creek, and it also talks  
22 about Little Cascade Creek as well. And I know Elbert Creek  
23 is also in the watershed and the project has some effects on  
24 it. And I was just wondering -- I'm sure it probably did  
25 come up in the resource working groups -- and I was just

1 wondering why that wasn't included as well as one of the  
2 issues to be addressed?

3 MR. JAYJACK: It's simply because I didn't catch  
4 that Elbert Creek was also involved as I'd read through the  
5 PADs. But, if it is, it certainly can be added as an issue  
6 for us just to look at, of course -- an issue for analysis.

7 MR. DIVINE: John Divine. The way the resource  
8 work groups worked we started back in September of last year  
9 and the first thing we did was just kind of broadly throw it  
10 open to whatever anybody thought might be issues related to  
11 the project, and just kind of threw them up on the board and  
12 didn't try to fine tune or anything at that point. And,  
13 over the first two or three meetings, just kept working on  
14 the issues and the definitions of those issues and what  
15 people thought were issues.

16 Certainly, project diversions at Cascade Creek,  
17 the first bullet, was an issue. With respect to the others,  
18 they just hadn't come up -- what effect the operation of the  
19 -- I think the reason on Little Cascade Creek -- the issue  
20 there that was discussed was there's an interrelationship  
21 between Little Cascade Creek, of course, and Cascade Creek.  
22 So waters that would remain in Cascade Creek would be  
23 reduced waters that would be available to Little Cascade  
24 Creek. And we talked about the spawning and things like  
25 that in Little Cascade Creek, and there's a study plan

1 that's being developed for industry and flow assessment on  
2 Cascade Creek and there's a descriptive survey study plan  
3 that has been developed and submitted to the resource work  
4 groups for describing Little Cascade Creek and the effect of  
5 flows in Little Cascade Creek.

6 With respect to below Aspus Dam, Little Cascade  
7 Creek's drainage area is about 4 square miles. The flows in  
8 it and you look at the 4 square mile drainage area at that  
9 point in Colorado. I think Elbert Creek, which has a gauge  
10 on it is about 6 square miles at the gauge. I mean these  
11 are rough numbers, but maybe 7 square miles. Oftentimes the  
12 flows in Elbert Creek are dropped to very, very, very low  
13 numbers according to the gauge and down less than 1 cfs and  
14 in the half cfs and lower range. The 4 square mile drainage  
15 areas often are intermittent drainage areas in that area of  
16 Colorado. So, with respect to the Little Cascade Creek  
17 below Aspus, we didn't talk about it a lot in the resource  
18 work groups, but without the flows from Cascade Creek, it's  
19 likely to be an intermittent stream. So it was often --  
20 absent would be dry times of the year and we didn't get into  
21 any great discussion of that resource work group. We did  
22 kind of talk about it a little bit and that maybe the reason  
23 why it didn't then come up to a prominent issue.

24 There is a toe drain system on the dam at Aspus  
25 Dam and Little Cascade Creek. It flows constantly draining

1 or a toe drain system designed into the dam. With respect  
2 to Elbert Creek, again, there's a flow release at the valve  
3 house down below the dam and there's a water right  
4 requirement to be released into Elbert Creek and so it just  
5 hasn't come up. We are going to do a survey there. There  
6 is a study plan to survey the wetland and riparian habitats  
7 on Elbert Creek. So we are addressing it to make sure we  
8 understand the existing environment there.

9 There weren't any specific project impacts that  
10 were identified there on Elbert Creek below the dam, but we  
11 did identify the potential for enhancements to Elbert Creek  
12 below the dam and that's why the study plan was developed to  
13 identify the wetland, the riparian habitats there and map  
14 those and survey those and to look at the potential for  
15 enhancements. So there actually is a study plan that's  
16 being developed that in process and has been circulated to  
17 the resource work groups that would examine that.

18 Does that help?

19 MR. HUGHES: Alfred Hughes. David, it's my  
20 understanding from the scoping document -- I mean this is  
21 not a limit to what is going to be looked at. Just because  
22 you put issues in a scoping document and they differ  
23 somewhat or don't include everything that has been  
24 identified in the resource work groups, doesn't mean that we  
25 stopped there. I mean it's certainly our intention with the

1 issues that have been identified in these work groups that  
2 we continue our work through those. That just because one  
3 specifically isn't showing up here clearly doesn't mean we  
4 just stopped work on it.

5 MR. TURNER: Stop work on it, no. But we want to  
6 make sure that we have captured all the issues as we  
7 understood them and that's where I was going. If there is  
8 something in here that we have condensed too much such that  
9 we are not capturing your issue, let's talk about it because  
10 the environmental assessment needs to look at each of those  
11 things. If there is the potential for the license to be  
12 conditioned in such a way to address a particular issue, it  
13 needs to be examined in the environmental document. And our  
14 reasoning and rationalization for including that in the  
15 license needs to be addressed. So, if there is something  
16 that we've too condensed here or left out that you think is  
17 needed, we need to talk about it.

18 If there is something we left out, there may be a  
19 reason behind that. And that's one of the reasons why I  
20 also want to approach that question. So, if there's  
21 something that we're missing, please let us know now.

22 MR. HUGHES: Alfred Hughes again. It's my  
23 understanding, though, that really this flushes out in the  
24 study plan. That when we submit our study plan that even if  
25 it's including some that are not specifically mentioned

1 here, but you see a study plan over an issue, that that's  
2 going to be part of the study plan and it will address that  
3 issue.

4 MS. MALLOY: This is a slightly different  
5 purpose, though. As part of integrating the whole process,  
6 we're doing the scoping now, which is earlier than in the  
7 traditional process. As part of scoping, that's part of our  
8 NEPA process. So what we're identifying is the issues we  
9 will be looking at in the NEPA process in our EA or EIS. So  
10 we just want to make sure we've captured them all. We don't  
11 do it specifically. Some people will say you didn't capture  
12 that I want to look at the acre of land behind my house.  
13 And we say, well, we don't go that detailed. But we want to  
14 make sure we've got the big baskets covered and that we  
15 haven't left any out. And it probably will be resolved. It  
16 probably will be studied. But we just want to make sure  
17 here in this formal little step that we've covered it and  
18 make sure that we've identified it.

19 MR. TURNER: Plus, I guess if there's information  
20 being gathered, which may be where you're going, it may be  
21 gathered and it would be filtered in and factored into some  
22 of these discussions. The study plans could address that,  
23 but I wouldn't necessarily call it an issue. I mean what is  
24 the existing environment out there for doing -- information  
25 to gather that to address it as part of the topic. You

1 don't have to lay that out in the scoping document to say  
2 we're going out and studying amphibians here to get a handle  
3 on how to enhance things. But it's kind of captured, like  
4 Liz said, in the big picture.

5 MR. WILLIS: Garrish Willis, Forest Service. I'm  
6 kind of torn as to where to take this because I can  
7 understand where David and Liz are coming from. Alfred, an  
8 example might be the effect of diversions out of Cascade  
9 Creek into Little Cascade Creek and the enhanced fishery  
10 above Aspup Dam and through the channel into Electra Lake.  
11 It's not been identified as a benefit -- as an issue at this  
12 point. So it's not showing up in FERC's scoping list or  
13 issue list, but it's something that the company is going to  
14 spend a lot of money studying to see what the beneficial  
15 effects on that fishery are by the project operation.

16 To me, that sounds like an issue that would be  
17 good to have potentially listed and identified early on in  
18 the process so that when the study plan comes in FERC  
19 doesn't scratch their head and go why are they spending all  
20 this money studying this reach of Little Cascade Creek  
21 without having it identified as an issue?

22 MS. MALLOY: But wouldn't that fall under 1 and  
23 5? I mean it can be an benefit. I mean this is effect  
24 neutral. It's just that this is sort of an area we'll be  
25 looking at to see what the effect is -- positive, negative,

1 neutral, whatever. It's just sort of the area within sort  
2 of the scope of effect.

3 MR. TURNER: May I add, we did try to condense  
4 these things. We didn't get it down to the minutia  
5 necessarily, but we're looking at all the individual  
6 instream flows and where those flows are going and what  
7 those effects are going to be on those resources and where  
8 there might be need to be for enhancement.

9 MR. DIVINE: John Divine. We looked at the  
10 bullets as kind of condensed versions and I think we will  
11 have minor comments on them. But, for example, on Little  
12 Cascade Creek the study plan that has been developed there  
13 is to look at the project effects diversions on Little  
14 Cascade Creek. Primarily, the scope of this right now is  
15 focused on the study plan -- the descriptive survey that's  
16 out to the resource work groups for comments and actually  
17 have first-round of comments on is that descriptive survey  
18 for Little Cascade Creek above Aspous Dam because that was  
19 identified as the issue. So we'd have a minor comment on  
20 that.

21 But one of the thoughts that we had, and  
22 discussed a little bit in the resource work groups was the  
23 resource comments are due on September 20th and request for  
24 studies. And, to the extent that resource work group  
25 participants produce what has been produced so far within

1 the resource work groups and either cite their disagreements  
2 or whatever, there's a whole -- the first thing on all of  
3 those resource work group -- items that are produced there  
4 is the description of the issue. So it's kind of like a  
5 supplement or a comment to the scoping document will be the  
6 comments that come through to the Commission with the issues  
7 identified in there and the project effects. And there are  
8 some issues that I think have been condensed here that are a  
9 little broader said in those issue descriptions. And it's  
10 my understanding that, if comments received from agencies or  
11 the public or interested parties or PSCO would expand on the  
12 Scoping Document One or make comment on Scoping Document  
13 One, the Commission would issue Scoping Document Two that  
14 reflects the comments it receives and what it would consider  
15 necessary to address or changing in Scoping Document One.  
16 Is that not a process?

17 MR. TURNER: No, you're right. I guess I forget  
18 to mention that. We will be considering everything that's  
19 laid out here in terms of our comments and where there are  
20 significant changes or we might have difference of opinion  
21 on how to approach it, we'll address it in our scoping  
22 document -- Scoping Document Two.

23 MR. OSBORNE: Hugh Osborne, National Park  
24 Service. I guess kind of working towards some clarification  
25 that I'm needing based on some of the comments that have

1       been made by Garrish and others. I worked on one of the  
2       resource work groups and we haven't gotten to that yet.  
3       Patti is going to discuss that on recreation, land use and  
4       aesthetics and there were, I think, on this project 19  
5       issues identified by the resource work group, and most of  
6       those were found not to need a study plan completed. But is  
7       there a process, and is that what we're getting at that FERC  
8       will consider those issues and comments that have been made  
9       by the resource work group, which is what I understood from  
10      PSCO and DTA folks going through that process. That issues  
11      that were identified would not be dropped out of the process  
12      because we didn't need to do a study plan request for them.  
13      Is there a process for including those data.

14               MS. MALLOY: The choice to not do a study plan I  
15      assume was because there's existing information?

16               MR. OSBORNE: I'm sorry. Repeat that, please.

17               MS. MALLOY: I'm assuming the decision to not do  
18      a study plan on particular issues is because there is  
19      existing information?

20               MR. OSBORNE: Yeah. Primarily, there were some,  
21      I think, that were direct nexus with the project and its  
22      operations wasn't established. Well, for the most part, it  
23      was because information existed. We felt we had a pretty  
24      good handle on it.

25               MS. MALLOY: Where there's a nexus to the project

1 and there's existing information, but it's an issue we would  
2 consider in our NEPA analysis, it is something we would  
3 include among the issues in sort of the baskets.

4 MR. OSBORNE: It would be?

5 MS. MALLOY: Right. It wouldn't -- it isn't  
6 determinate on whether or not there's a study done, but  
7 whether it's necessary for our analysis of relicensing the  
8 project. The decision on whether to do a study is if there  
9 is no existing information that will address it.

10 MR. OSBORNE: Right.

11 MS. MALLOY: So that's a different thing. But if  
12 there is no nexus to the project - if it's not, then it  
13 might not be.

14 MR. OSBORNE: Right. I understand that. But  
15 from the 19 issues that we identified, there's a quarter of  
16 those here in the summary and a couple of them I think there  
17 was no nexus. But will those issues be considered through  
18 the process?

19 MS. MALLOY: Right. The ones where there's  
20 existing data and they're relevant to the project, yes.  
21 And, if they're not covered in these baskets -- again, we  
22 don't list specifically each little thing. But if they're  
23 not covered under what's here, we'd want to hear sort of a  
24 basket that we're missing if we've left any out.

25 MR. OSBORNE: Okay.

1                   MR. JAYJACK: I just want to put this into a  
2 little bit more context, at least for the aquatic and  
3 fishery resources. Basically, these five bullets I  
4 identified will ultimately be sections within the EA, at  
5 least for the aquatics and fisheries. So, for bullet 1,  
6 I'll probably have a subsection in the EA if this issue  
7 carries forward, which it most likely will at this point.  
8 It might be entitled something like "flows in Cascade  
9 Creek." And, with that subsection in the EA will look like  
10 is I'll identify what the Public Service proposal, if there  
11 is one, might be. I'll look at all the agency  
12 recommendations for flows, et cetera.

13                   Basically, my point is that these bullets are  
14 basically laying out the framework of what our environmental  
15 analysis is going to look like. It's independent of what  
16 information is available at this time and what studies will  
17 come up. This is a lot broader than that.

18                   MR. TURNER: Just to add -- this is David. But  
19 you do raise a key point for me, and that is -- and we talk  
20 about -- is the nexus to the project operations. If we  
21 reviewed that, and I think it was laid out there in some  
22 places in the issue assessments that were included in the  
23 PAD, that there was no nexus to the project operations.  
24 These might be good things the Public Service of Colorado  
25 might consider doing and may want to include or do on its

1 own, but it wouldn't necessarily be tied as an issue to the  
2 project operations. We may or may not be able to include a  
3 discussion of that in our environmental assessment or  
4 include a need or require the Public Service of Colorado to  
5 do those things.

6 That, in part, is what we want to talk about here  
7 today. If there is something that was in there and it's not  
8 included and it's high on your list, but there wasn't a  
9 nexus to operation, I'd like to talk about that a little bit  
10 today and kind of explore that issue as to why it wasn't  
11 included in terms of what we've captured in the big baskets.

12 Any other questions?

13 (No response.)

14 MR. TURNER: I've got 10:30. Would anybody like  
15 a break. All right. Why don't we take 15 minutes and come  
16 back.

17 (Recess.)

18 MR. TURNER: Everybody come in and have a seat  
19 and we'll get started, and maybe we can finish up here  
20 pretty quickly.

21 Is there any thing else we want to talk about in  
22 terms of aquatic or fisheries resources before we go to some  
23 of the other resource issues?

24 (No response.)

25 MR. TURNER: Silence means no I expect.

1           I'm going to be dealing with -- besides  
2           coordinating this project, I'm going to be dealing with the  
3           terrestrial resources. I, too, had a number of issues.  
4           Many overlap in the sense of some of the same concepts that  
5           we talked about for aquatic and fisheries resources.  
6           Mostly, again, the effect of current operations -- the  
7           storage and releases on riparian habitats in both terms of  
8           timing and quantity in the Animus, below Cascade Creek and  
9           what the current operations would have, if any, effect on  
10          those changes. And, as we probably talked about it, that  
11          might can be an issue that can be dealt with fairly quickly.  
12          It doesn't look like there will be a change in current  
13          operations, just more of better efficiency of the use of the  
14          water.

15                 The second bullet was the project stream  
16          diversions. Again, we're going to be looking at, as I  
17          explained before, just what the operations are on the  
18          various riparian resources and the wildlife that are  
19          independent on it, including all of the bypass reaches --  
20          Elbert Creek, Little Cascade and Cascade.

21                 The fourth bullet is primarily one dealing with  
22          noxious weed control. How PSCO's operations may be or may  
23          not be influencing the spread of noxious weeds in the  
24          various areas associated with project operations and if  
25          there are any needed changes in that regard.

1           The fifth bullet I found was, again, one of what  
2           the continued operations might be having on migratory birds  
3           and other special status species. We'll talk about  
4           endangered species in a second as its own separate  
5           discussion because there are some responsibilities we have  
6           under the Endangered Species Act. But here we're just  
7           primarily focusing on some special categories of the state  
8           and other seems to have an interest in like migratory birds  
9           and the effects.

10           The next to the last bullet was one of fuels  
11           reductions on project lands to assure their coordination of  
12           the Forest Service's efforts for their fuel program -- fuel  
13           reduction program as well as electrolyte. That was raised,  
14           and I have some questions regarding that one in particular  
15           in a minute, but I'll open up and see what other questions  
16           you folks have first. And then the last one was some  
17           potential for ground-disturbing activities on old growth  
18           forests. There are some pines, as I understand it, that are  
19           fairly old and a highly desired resources and Forest Service  
20           and others want to make sure that those are preserved to the  
21           extent possible.

22           Those are the issues that I've gleaned from  
23           reviewing the PAD and the information put together by the  
24           resource work groups in their issues assessment. Is there  
25           anything there that I've missed, mischaracterized?

1                   MR. JIMENEZ: I don't think this is something  
2 that is mischaracterized, but I just wanted clarification.  
3 On the third bullet on page 17 of the scoping document it  
4 identifies what effect would continued operation of the  
5 project have on any migratory birds. Principally, water  
6 fowl and other birds dependent on riparian habitat and  
7 special status wildlife species and habitats. I just want  
8 to clarify. Would that include like management indicator  
9 species that are identified in the Forest plan and sensitive  
10 species regionally identified?

11                   MR. TURNER: Yes. The indicator -- there are a  
12 lot of things that people have come up with as a special  
13 concern. I don't know why we don't include a field guide  
14 these days, but that definitely does cover those.

15                   Anything else? Anybody else?

16                   (No response.)

17                   MR. TURNER: I did have a copy of questions that  
18 I wanted to get a handle on. And that is in regard to the  
19 fuels reduction programs and how that fits in with the  
20 current project operations. As I understand it the current  
21 project boundaries is fairly narrow. It's linear in many  
22 places with a fairly narrow right-of-way. The project  
23 boundaries along the project reservoirs are fairly well  
24 confined to the reservoir itself.

25                   I was trying to get a better handle on, and maybe

1       some folks from the Forest Service can talk about how they  
2       would envision PSCO actually working with the Forest Service  
3       and Electra Sporting Club in that regard of the fuels  
4       reduction program. What exactly is the potential effect of  
5       the project operations on fuel reduction given the limited  
6       lands and operations that are surrounding the project?

7               MS. HOCKELBERG: Cindy Hockelberg, Forest  
8       Service. We have been coordinating with Electra Sporting  
9       Club. They're doing a fuels reduction project. And, as a  
10      neighbor, we're working with them to complete our fuel  
11      reduction project, which is south of Electra Lake. And  
12      another key thing is that there is an access road which goes  
13      along the flume from Electra Lake down that we've been  
14      working with Electra Sporting Club so that we can have  
15      access into those areas to complete our fuel management  
16      projects.

17             Our project is in that area where the pipeline is  
18      located, so we're just trying to coordinate, as we are with  
19      any fuels project, with adjacent landowners.

20             MR. TURNER: So it's not specifically a project  
21      effect, but just one of ensuring continued access to be able  
22      to do the things you need to do on adjoining Forest Service  
23      lands. Is there anything in particular you'd like to see?  
24      I guess where I'm going in there is, if we were done the  
25      line and you had your information and PSCO has agreed to

1 continue to work with you, is there something more other  
2 than access and coordination that you would want to see  
3 happen. And, if so, how does that fit into the operations?  
4 Is it their vegetation management practices and their right-  
5 a-ways? Or is there something else about the project  
6 operations that drives the concern here?

7 MS. HOCKELBERG: It really was raised as an  
8 access issue as we were going through our resource working  
9 groups and that we could retain access into that area to do  
10 our fuels treatment. It's a kind of isolated area. And  
11 then, also, as one of our issues in the resource working  
12 groups, we're looking at vegetation management overall as  
13 part of project operations. So there is some tie there.

14 MR. MUMMA: John Mumma, a member of one of the  
15 working groups of terrestrial, and sat in on a number of  
16 others. The Electra Sporting Club for the past three years  
17 have been very active in working on a fuels reduction  
18 program on the club-owned lands that are intertwined within  
19 the project boundary and adjacent to it and also adjacent to  
20 the national forest, and we've been working very closely  
21 with Pauline and her folks and the supervisor's office in  
22 terms of fuels program -- reduction program that they're in  
23 that starts on the highway around Havlin Lake and it goes up  
24 around Electra and back over to the realm of the Animus  
25 River. And I think the sensitivity and the awareness of why

1 the power company, the Electra Lake Sporting Club and the  
2 Forest Service is interested in working closely together is  
3 probably a large result of the big fires that hit on  
4 Missionary Ridge about three years ago. It was something  
5 this part of the world has not seen in a century anyway.

6 There are project lands -- they're withdrawn  
7 around Electra Lake -- that there has virtually been  
8 practically zero fuel reduction or treatment work on. The  
9 work group -- the discussion that came up was is there a way  
10 that the entities working together can work towards reducing  
11 the potential of a wildfire occurring in there that would  
12 obviously have impacts on the power lines, the facilities  
13 and the other structures that are in there. So it's been a  
14 very positive thing so far, but it was brought up early on  
15 as an issue over a year ago because of the vivid memory of  
16 what took place on Missionary Ridge.

17 MR. TURNER: It definitely helps put things in  
18 context. Thanks.

19 MS. ELLIS: Hi. Pauline Ellis, Forest Service.  
20 And I have not been involved with any of the study groups or  
21 the resource meetings, but I guess the one other point that  
22 I would want to piggyback on is this area was developed  
23 through the community. It was not just the Forest Service,  
24 but it was identified as one of our high potential areas for  
25 possible catastrophic wildfire. And because of that,

1 obviously, we have an interest in public lands, private  
2 citizens -- Electra Lake has an interest in their private  
3 land.

4 The point I'd like to make is that, Alfred, as  
5 far as what you would need for fuels reduction to protect  
6 your infrastructure -- that ought to be something that needs  
7 to be considered as well. I really don't know what your  
8 needs are, but for the whole project that would be something  
9 that we, the Forest Service, would look to the company to  
10 think about what needs you would have for protecting your  
11 facility.

12 MR. TURNER: Anything else from anybody?

13 (No response.)

14 MR. TURNER: Another question I had, and maybe  
15 you can help me put this in context as well, is we're  
16 dealing with the old growth pines and where they are located  
17 relative to the project. And, again, how you would envision  
18 PSCO working with you to help preserve those lands relative  
19 to where the project is and its current operations. So if  
20 you can talk a little bit about what -- I know the issue is  
21 preserving those because of the high quality and the value  
22 of the habitat they provide, but what is the nexus to the  
23 project operation effects that are driving the issues and  
24 where are those lands located? Or where are you likely to  
25 find those trees relative to the project?

1 MS. HOCKELBERG: Cindy Hockelberg, Forest  
2 Service. Our ecologist, Jeff Betters has been participating  
3 in the resource work group meetings, and just east of  
4 Electra Lake we're looking at a research natural area. And  
5 he's also identified a concern, through this resource  
6 working group, that there maybe some old growth stands of  
7 ponderosa pine in this area, so he has been looking at some  
8 mapping that's going on. And tied to the project is Public  
9 Service Company does do maintenance underneath their power  
10 line and around their pipeline. And we don't want it to  
11 affect any of those old growth ponderosa pine through their  
12 vegetation management operations, which is why we're trying  
13 to get also a handle on the vegetation management operations  
14 that do occur as the project is ongoing.

15 MS. ELLIS: Pauline Ellis. I shouldn't ask Cindy  
16 to define what a research natural area is, and this is not -  
17 - it has been identified as a potential research natural  
18 area. What it pretty much means is it's a very unique piece  
19 of ground. And, John, I'm sure you've tromped around there.  
20 So you know that there's some very unique resource values.  
21 So that's what Cindy is saying. Is that this is an area  
22 where we would look to preserve what is there with as little  
23 influence from activities or treatments as possible. And  
24 that's an area right now to the east of Electra Lake.

25 MR. HUGHES: Just as a point of clarification,

1 the transmission lines in the area are not associated with  
2 the Tacoma project, so we don't own any of the transmission.  
3 We'd still love to cooperate, but it doesn't apply to  
4 Electra at all. And, also, it was my understanding at least  
5 at one of the last several resource work group meetings from  
6 Jeff Ritters that there have not been any old growth  
7 ponderosa identified within project boundaries. So it's  
8 probably an issue for -- at least, for our operation, it's  
9 going to away through this process.

10 MR. TURNER: So there is no ponderosa pine within  
11 the project boundaries, but potential resource natural area  
12 abuts the right-of-ways for the penstock or where does the  
13 lay of that -- I haven't seen any figures or maps. Do you  
14 guys have any that defines where that area is being looked  
15 at relative to the project?

16 MS. HOCKELBERG: I think Alfred is right that  
17 Jeff has taken a look at it. I didn't go to the last work  
18 group meeting with Jeff and that there are no ponderosa pine  
19 within the project boundary that we're concerned with. He  
20 looked at it -- mapping and you're right about the power  
21 lines, too. I forgot about that. But we do have concerns  
22 with them, too.

23 MR. TURNER: So the issue goes away?

24 MS. HOCKELBERG: I think Alfred is correct on  
25 that point, too. That that issue will go away. Yes.

1 (Comment off mike.)

2 (Laughter.)

3 MR. DIVINE: I think our understanding of the  
4 R&A, the research natural area is that we do have a handle  
5 on the boundaries now and it's some distance east of Electra  
6 Lake project boundary. And we just didn't have it at the  
7 time of the PAD -- this precise boundary. But the Forest  
8 Service has given that to us now and we've yet to plot it on  
9 a map and make it public, but it is to the east of the  
10 project boundary. I think it is.

11 MR. TURNER: Okay. That makes my life a little  
12 easier. We'll get rid of one. Anything else that we want  
13 to talk about on terrestrial stuff?

14 (No response.)

15 MR. TURNER: All right. Let's talk a little bit  
16 about threatened and endangered species. This is something  
17 Nick and I both will be coordinating in our analysis. The  
18 Endangered Species Act requires the Commission to make sure  
19 that in its actions it does not jeopardize continued  
20 existence of species listed under the Endangered Species  
21 Act. The Fish and Wildlife Service has given us a list of  
22 species that would need to be considered. Not necessarily  
23 that project effects would be great on any of these, but  
24 we'll need to look at the effects of that and talk about  
25 them and determine if there would be any effect. And then,

1 if so, we would have to get a biological opinion from the  
2 Service on that effect or at least a concurrence of no  
3 effect -- no adverse effect.

4 We have designated Public Service of Colorado as  
5 our representative for developing biological assessment and  
6 the information needs to address endangered species. And,  
7 hopefully, they'll be interacting with the Fish and Wildlife  
8 Service with our cooperation and oversight to gather the  
9 data we need to look at those effects. But we've listed the  
10 species that we have so far based on the Fish and Wildlife  
11 Service's input. I know there's some discussion, and we  
12 want to talk about a little bit, in terms of Colorado pike  
13 and the razorback sucker, in particular, in regard to that.

14 Is there any questions or comments before we jump  
15 in? Nick, do you want to add anything?

16 MR. HARRIS: Steve Harris. As I've said earlier,  
17 Southwest District has participated in the recovery program  
18 since its initiation about 10 years ago. And it's called  
19 the San Juan Recovery Implementation Program. The original  
20 documentation was signed by Secretary of the Interior, the  
21 governors of Colorado and New Mexico as well as four Indian  
22 tribes. And I'm missing a few in there -- the Secretary of  
23 the Interior covers quite a few different groups -- to  
24 establish an overall program to recover these two fish,  
25 which are in the San Juan River generally from Farmington

1 downstream. That's where the critical habitat starts at  
2 Farmington and goes all the way to the confluence with Lake  
3 Powell, which moves up and down, depending upon the  
4 elevation.

5           The program has two goals. One is to recover the  
6 fish and to allow the states to develop their water up to  
7 the Colorado River compact. That program has been in place,  
8 like I said, for 10 years. New Mexico has developed roughly  
9 150, 160,000 acre feet of water during that time. Colorado  
10 -- Animus Suplat is the big piece at 57,000 acre feet and  
11 accumulated others are maybe 2 or 3000 acre feet. And what  
12 the program does is it gets funding mostly from the federal  
13 government through power revenues from Glen Canyon Dam  
14 primarily, but also Flaming Gorge and the Aspen unit up on  
15 the Gunnison. And the states contribute some money to fund  
16 studies and recovery efforts for the two fish. And those  
17 primarily have focused on studies up to now and over the  
18 last two or three years the effort is now moving into  
19 recovery and the recovery is primarily for stocking and flow  
20 recommendations.

21           The flow recommendations I sometimes say we've  
22 got this model that was developed over the last 10 years to  
23 evaluate the flow recommendations and I call it a  
24 frankenstein because we've literally developed it and now it  
25 comes back and we've got this model that is suppose to be a

1 planning tool and it's being used as a regulatory threshold  
2 and it simply isn't that accurate. I mean you've heard the  
3 old saying about marking it chalk and cutting it with an axe  
4 and then measuring it to the nearest quarter inch or so.  
5 Well, that's what we're doing here.

6 The flow recommendations are the issue for these  
7 consultations on old projects, new projects that depletions  
8 are what's measured. And so, if you have an old project --  
9 when the program was started in '92, they somewhat -- and  
10 grandfather isn't quite the right word -- but all depletions  
11 up through 1991 were included in what's called the  
12 "baseline" in the program. So those were included in the  
13 program. They didn't have to do anything else to continue  
14 to operate as they had in the past except that when a  
15 project comes in for a new consultation, such as this one,  
16 it has to go through the normal process of putting together  
17 a BA, consulting with the Fish and Wildlife Service and  
18 there's a little bit of an odd thing here because the  
19 recovery program is the Fish and Wildlife Service regional  
20 office out of Albuquerque, but Colorado is in the Fish and  
21 Wildlife Service regional office out of Denver. So you have  
22 to go from here. You consult with the Grand Junction office  
23 of Fish and Wildlife Service who then works with the  
24 Albuquerque Office of Fish and Wildlife Service to process  
25 the BA and come up with the BO on the other end.

1                   But because this project was pre-1991 depletion,  
2                   in fact, it was the 1905 depletion, it is in the model.  
3                   It's not a new depletion. There's no change in operation,  
4                   so there's no change in the depletions. There shouldn't be  
5                   an issue with the consultation. In other words, the  
6                   depletion is the main thing. So the depletion is taken care  
7                   of, the program is operating and it just takes time. It  
8                   takes six months to a year to get a consultation through is  
9                   what my experience is.

10                   New projects is a little different and I don't  
11                   see any reason to go into new projects, but these take maybe  
12                   a year, a year and a half. That's really in a nutshell.  
13                   This program has spent \$27 million over the last 10 years on  
14                   studies. There is an authorization for capital construction  
15                   of another \$18 million. There are fish bypasses and grow-  
16                   out ponds and all kinds of stuff as part of the program to  
17                   recovery the two fish.

18                   With that, I can answer some questions  
19                   specifically. Like I said, this thing is quite extensive.  
20                   If I'd known better, I got some little pamphlets and stuff  
21                   that I could have brought along, too.

22                   MR. TURNER: We'd like to see those as well as  
23                   the information. We'll have to do some digging on that.

24                   Any questions?

25                   MR. JAYJACK: I guess the Fish and Wildlife

1 Service does have on their website -- I'm not sure who it  
2 is. But I've initially went and looked at and read about  
3 the Colorado River Compact and, in particular, the San Juan  
4 recovery plan and did a little bit of research into that.  
5 But we're early so we'll keep looking into that and just see  
6 how the issue develops.

7 MR. HARRIS: And you're going to have Public  
8 Service Company prepare the BA and do the coordination. Is  
9 that what I heard you say?

10 MR. TURNER: Yes, as part of the integrated  
11 licensing process, one of the things we'd like to see filed  
12 with the Commission we need draft biological assessment that  
13 would deal with their proposed operations. Now, assuming  
14 that there isn't any changes in what we would be  
15 recommending to their proposal, we could use their  
16 biological assessment to initiate consultation. More  
17 frequently, we use our environmental assessment to initiate  
18 consultation with the services because it describes our  
19 recommended action for the Commission. But, as far as the  
20 design of the ILP, the integrated licensing process is set.  
21 One of the things we would like to do is work through the  
22 information that the services may need, make sure they have  
23 what they need so that they can issue us a timely biological  
24 opinion.

25 We, too, have seen long delays in getting out

1 biological opinions from the services and one of the goals  
2 of the ILP is to prevent that. So we want to make sure they  
3 have the information. They're getting it early if they need  
4 it and we can get things wrapped up.

5 MR. HARRIS: I think John has told me that you  
6 have already. I just started coordinating with the Grand  
7 Junction office early because the normal process here is to  
8 do the BA, not an EA. But I suppose it can be either way.  
9 So you might want to check that out just to make sure you're  
10 following the local process. Nobody can be the same.

11 MR. TURNER: If the regulations are the same,  
12 whether you put them in the same practice is another issue,  
13 but you can use an EA in the place of a biological  
14 assessment and has typically been the Commission's practice.  
15 But, in some cases, we will use something different.

16 MR. JIMENEZ: This is Justin Jimenez. And  
17 forgive my ignorance, but I'm having a hard time  
18 understanding how this is a depletion. I mean it seems like  
19 this is a use where the water remains in the system and gets  
20 back down to where the species critical habitat is. So I'm  
21 not seeing the depletion issue.

22 (Off Mike.)

23 MR. JIMENEZ: And there's more evaporation that's  
24 within the open flume, so I'd assume what's in the penstock  
25 and in the creek than there would be naturally going down

1 the -- if it was all in Cascade Creek.

2 (Off Mike.)

3 MR. TURNER: Correct me if I'm wrong, too, but I  
4 think the issue that the Fish and Wildlife is concerned  
5 would also be the changing of the time of the hydrology and  
6 the storage of the release and when those releases are being  
7 made to the species and when they may need it in the  
8 Colorado Basin.

9 MR. HARRIS: My understanding was that you  
10 weren't changing that from the current operations. And so  
11 the existing operation is -- remember this model is the  
12 gross evaluation of it. But, in Electra Lake, my  
13 understanding is specifically modeled in there and I think  
14 John has got a little more detail. The Bureau of  
15 Reclamation office here in Durango is who runs the model and  
16 has the data on just what they've included. I guess I would  
17 say, unless you could release a little more water during the  
18 peak flow time, which would be -- the flow recommendations  
19 generally try to get as high a flow as possible down in the  
20 lower reach of the San Juan River and we're talking -- you  
21 know, like to get up around 8 or 10,000 cfs. And, if you're  
22 not changing the operation, I just can't see why that would  
23 effect the timing either. But depletion is what they're  
24 mainly looking at.

25 MR. TURNER: I guess I was just trying to find

1 the depletion in their mind, but maybe I'm incorrect. We'll  
2 do some more digging into that.

3 MR. JAYJACK: The reason why we're going through  
4 this process, of course, is for the relicensing of the  
5 project and look at that. So, when and if a license is  
6 issued, it will authorize some type of project operation.  
7 Probably what they propose with some potentially some  
8 modifications. Because there is a reauthorization or a new  
9 action taking place, we have to take a look at what the  
10 effects would be on the species. I think we're on the same  
11 page. I think where you're going with this is that that  
12 operation has already been considered by the Fish and  
13 Wildlife Service as to how it deals with recovering the  
14 species and how it probably going to act generally in its  
15 biological opinion when its confronted with these types of  
16 effects, be it depletions or changing the timing in the  
17 flow, et cetera.

18 I guess what I'm just trying to clarify is it is  
19 a new action. We still have to analyze what the effects of  
20 reauthorizing the operations will be on the endangered  
21 species. We'll still have to go through the same steps --  
22 prepare a BA, analyze what type of effect will take place.  
23 And, if we make a call likely to adversely effect, we'll  
24 still have to get a biological opinion from the Fish and  
25 Wildlife Service.

1                   MR. HARRIS: Are you saying you have to look at  
2 what the flow in, say, down in the San Juan -- below where  
3 the San Juan River is without the project? Is that what  
4 you're proposing?

5                   MR. JAYJACK: No, not necessarily. A lot of  
6 this, as you said, has already been developed. The  
7 information is there, so what we'll likely look at is what  
8 the cumulative effect of this project is on those species.  
9 Like I said, the information is there. I think we already  
10 know what that is. We'll just have to go through the  
11 Section 7 consultation process -- you know, go through those  
12 steps to get whatever authorization we need to be able to  
13 issue the license.

14                   In other words, at this point it's already been  
15 developed, which is kind of unique compared to dealing with  
16 hydro projects elsewhere where we don't know exactly what  
17 the effect is necessarily this early in the process. But,  
18 like you said, the effects have already been well developed  
19 and they're pretty well understood right now.

20                   MR. HARRIS: The last thing you said sounded  
21 right, which is you have to go through the process. You  
22 have to do your BA or EA or whatever it is and all that  
23 normal stuff. But I'd try to use the existing modeling of  
24 Electra Lake with what the Bureau of Reclamation has done as  
25 your base. And let's say, if there's nothing wrong with

1 that, I'd use it. I wouldn't try to change too much. Then  
2 your BA is going to be easier to describe because you can  
3 say, well, it's whatever is in the San Juan River model.

4 MS. MALLOY: We always look at existing  
5 information, but at this point it's so early we can't -- we  
6 just have to say we have to go through the process. And  
7 then, as we do, it will sort of unfold before us.

8 MR. TURNER: Anything else on the SA stuff?  
9 Questions?

10 (No response.)

11 MR. TURNER: Let's go to recreation and land use.  
12 Patti.

13 MS. LEPPERT: My name is Patti Leppert and I  
14 would like to bring to your attention Section 4.2.4,  
15 Recreation Land Use as well as Section 4.2.5, Archeological  
16 and Historic Resources. In those sections I identified five  
17 issues and one issue respectively. And I'd also like to  
18 bring to your attention page 20 in the Scoping Document One  
19 under those particular headings as well. These were  
20 identified as proposed protection and enhancement measures  
21 and potential studies.

22 And, as I heard various discussion this morning,  
23 what is important, not only to me but my colleagues here,  
24 is, if you look on page 26 as well under Section 6,  
25 Information Requested, what we've discussed this morning and

1 anything that now will relate to recreation land use and  
2 cultural resources -- if there's any information out there  
3 that would help the staff to better define our issues. Or,  
4 in David's case, that we talked about it's no longer an  
5 issue, that would be a real benefit to us.

6 So, if we go back now to pages 17 and 18, I've  
7 outlined some issues here. I've taken into account, not  
8 only the PAD, but also the applicable work groups, their  
9 summaries and understanding that these issues also overlap  
10 Nick and David's issues. So to save some time here, if  
11 there's any other issues that you see in addition to this, I  
12 would like a clarification, in particular, on page 18 where  
13 I have identified, preliminarily, with respect to federally-  
14 administered lands. I, as a Commission staff, am unsure how  
15 many acres of Forest Service lands are located within the  
16 existing Tacoma project boundary.

17 I have in front of me the recreation land use and  
18 aesthetics resource working group -- this was dated in May  
19 18, 2005. And under Issue Assessment No. 7, it talks about  
20 the condition of project facilities on Cascade Creek. In  
21 there it also states that most of the project facilities in  
22 this portion, and the portion speaks to the area between  
23 Cascade Creek Diversion Dam and U.S. Highway 550 with  
24 respect to access, occupies federal lands managed by the  
25 U.S. Forest Service, but I could not find the amount of

1        acres of Forest Service land within the project boundaries.  
2        So, if either the company or the Forest Service, if not  
3        today, but maybe somehow later would submit that  
4        information, not only in this area, but if there is also  
5        areas that the Forest Service administers that's within the  
6        project boundary or adjacent to the project boundary, that  
7        would help me tremendous. But I am here for you and to  
8        listen. So I'll open up the floor for questions, comments,  
9        ideas.

10                    MS. HOCKELBERG: Cindy Hockelberg, Forest  
11        Service. In our resource working group, we identified that  
12        as an issue and Public Service Company is currently working  
13        with their surveyor. They've done a survey of the project  
14        area. As the next step, they're going to do some title  
15        research work to identify which lands are privately owned  
16        and which lands are National Forest System lands and if  
17        there's any other ownership within their project area such  
18        as Electra Sporting Club lands to identify the different  
19        unique ownerships. And I believe as part of that whole  
20        mapping exercise it will become clear which areas are -- how  
21        many acres are associated with each ownership.

22                    I would like to note that there are several  
23        improvements on National Forest System lands that are not  
24        within the project boundary. We have a couple of roads and  
25        some gates in our maintenance warehouse that are located

1 outside the project boundary which were formally under  
2 special use permit to Colorado Electric, who, of course,  
3 went bankrupt and the Excel Energy inherited this project.  
4 So that's an issue that we need to work on that's not  
5 identified in this. Does that answer your question?

6 MS. LEPPERT: Partially. Two questions. One is,  
7 when you say "the project area," that to me denotes  
8 something different or it could denote something different  
9 than project boundary. So, as you're working together,  
10 please be very specific where these lands are in relation to  
11 the project boundary -- the existing project boundary as  
12 filed with the Commission. Because project area could be  
13 more than the project boundary. Do you understand?

14 MS. HOCKELBERG: Yes. And I say project area  
15 because there are facilities outside the project boundary  
16 and we need to know where those facilities are located, such  
17 as these roads. Are they located on National Forest or are  
18 they on private? So that's why I say project area. But,  
19 yes, we're specifically looking at project boundary.

20 MS. LEPPERT: But I'm also interested in the  
21 project area, so that would be a tremendous help. When do  
22 you foresee this preliminary maybe coming out?

23 MS. HOCKELBERG: That's a Public Service Company  
24 question.

25 MR. CLAXTON: Larry Claxton, Public Service

1 Company. In regard to ownership, we put out an ownership  
2 map and it's pretty specific. But there is some tweaking  
3 that needs to take place. In fact, I spoke with our  
4 surveyors this morning and they are working on refining the  
5 ownership within the project boundary. And Cindy's right.  
6 We'll get some more definite information on components of  
7 access roads and other facilities that we use that are  
8 outside of the project boundary. And, hopefully, we can get  
9 some more definite maps and stuff in the next few months.

10 MS. LEPPERT: Great. Thank you.

11 MR. TURNER: We definitely need that for the  
12 application. And, actually, probably as you go through in  
13 talking about the issues, it will have a good factor in  
14 that.

15 Now these access roads and some of those others,  
16 there was a special use permit to Colorado U. They are  
17 associated with the project, but they're not in the project  
18 boundary now. Are they needed for project operations? So  
19 you will be expanding the project boundaries to include  
20 those?

21 MR. CLAXTON: Right now we're currently  
22 evaluating whether we want to get a special use permit for,  
23 for instance, the access roads or try to modify the project  
24 boundary. We haven't made that determination yet.

25 MS. MALLOY: If it's necessary to get to the

1 project works and to do repair and maintenance and such, it  
2 is required to be in the project boundary. So check on that  
3 among yourselves on what you're evaluating. All the project  
4 features that are required for the operation of the project  
5 are required to be within the boundary and that does include  
6 access roads if they're not used for other things.

7 MR. CLAXTON: And that's one of the things we're  
8 looking at is who all needs to use these access roads  
9 besides Public Service Company.

10 MR. WILLIS: Garrish Willis, Forest Service.  
11 There is one project feature that is not included in the  
12 project boundary that's a storage shed in the yard. It's  
13 adjacent to the access road to the diversion dam on Cascade  
14 Creek and I think that would definitely fall into the  
15 definition that you gave, Liz, as the project works.

16 MS. MALLOY: A storage yard, you say? A storage  
17 shed? So it just holds equipment?

18 MR. WILLIS: But there's also a mix use of the  
19 roads currently and I think Larry defined it pretty well.  
20 The company will come in with a proposal whether to include  
21 those roads in the project boundary or not will be based  
22 upon what the primary use is or the necessary use by the  
23 company.

24 MS. MALLOY: Yes. The only thing I'm not sure  
25 is, and I would have to think about that, if I'd consider

1       that a feature that had to be in the boundary. You know,  
2       the dam needs to be in the boundary, the flume in the  
3       boundary. But a storage shed I'm a little bit struggling on  
4       that, but I've only had a couple cups of coffee. But it  
5       would have to be -- I'd have to think on that. So that one  
6       we might need to look in further, but I'm not sure if we  
7       would include that in the boundary. But I'm not sure that  
8       we wouldn't. I mean I'm standing firmly ambiguous.

9                       (Laughter.)

10                   MR. TURNER: I didn't mean to open up a Pandora's  
11       Box.

12                   MR. CLAXTON: This is Larry Claxton again. I  
13       just wanted to make a note on this access road that we're  
14       talking about. It just recently was closed to motorized  
15       vehicle use and so the use of that road has changed a little  
16       bit and we're still determining how to address that issue.

17                   MS. HOCKELBERG: Cindy Hockelberg, Forest  
18       Service. I just wanted to note that there are more than one  
19       access road used by Public Service Company. So they'll need  
20       to look at all of them.

21                   MR. CLAXTON: Just one more not. Cindy and I  
22       have already schedule the meeting to sit down and talk about  
23       this and come up with some clarifications on it. So it is  
24       being addressed. We just don't have any finality to it at  
25       this point.

1 MS. MALLOY: Okay. Thank you.

2 MR. TURNER: Just keep in mind when you finally  
3 pull everything together in terms of what you want and what  
4 you don't need in the project boundaries.

5 I think I saw some hands over here. Did I miss  
6 it? Maybe not. Anybody else?

7 (No response.)

8 MR. TURNER: Okay. Anything else we want to talk  
9 about there? I know there's one big issue in terms of  
10 recreation. We had a good discussion last night. I  
11 encourage you read the transcripts, which we'll put on the  
12 record in a few days in terms of the use of Electra Lake and  
13 maintaining its recreational value and aesthetics. Is there  
14 anything in there that we'd want to discuss additionally  
15 with regard to Electra Lake?

16 (No response.)

17 MR. TURNER: One question I did have was there  
18 was an issue raised about connecting trails to some Forest  
19 Service trails. Has that issue been basically resolved? Is  
20 there a need to consider that further? I know PSCO makes an  
21 argument in there that there is a lack of need to do that at  
22 this point in time, but I was wondering where those trails  
23 are relative to the project boundaries and what those uses  
24 are and how that issue came about in terms of that and if  
25 it's still a valid issue?

1                   MR. OSBORNE: Hugh Osborne, National Park  
2 Service. In the recreation resource working group, we did  
3 talk about trails early on -- extending trails around the  
4 parameter or improving trails around the parameter of  
5 Electra Lake connecting with nearby Forest Service trails.  
6 The discussions lead to agreement that there wasn't really a  
7 need for additional maintained trails extending further  
8 around the lake, nor was it seen at the time as appropriate  
9 for establishing new linkages or new Forest Service System  
10 trails in the area.

11                   MS. HOCKELBERG: That's a discussion we have. We  
12 don't have many system trails in the project boundary area.  
13 What it really boils down to is some of the access issues  
14 down at the Tacoma plant and rafters taking out at that  
15 point and then hiking across the Tacoma land up the canyon  
16 towards Four Bay Lake.

17                   MR. TURNER: So it's just a very specific trail  
18 issue now rather than the broad category of additional  
19 trails. Okay. That helps.

20                   Anything else?

21                   (No response.)

22                   MR. TURNER: I think that kind of covered the  
23 questions I had with regard to recreation.

24                   The last section we had was developmental  
25 resources. We will be, obviously, looking at the various

1 costs of implementing any measures that come out of these  
2 proceedings, weighing that against the environmental  
3 benefits as we go through our balancing decisions and that  
4 will have to be considered and factored into any of our  
5 recommendations ultimately. So that is -- ultimately, there  
6 will be a section in the environmental assessment that will  
7 look at that balancing.

8 Any questions regarding that issue?

9 (No response.)

10 MR. TURNER: With that, I think that takes us to  
11 everything we wanted to accomplish and discuss at scoping  
12 today. Is there anybody else that wants to make any further  
13 comments for the record? Did we get to all the issues that  
14 you wanted to talk about?

15 Garrish?

16 MR. WILLIS: This isn't really a comment on the  
17 scoping document so much as just a question for the company.  
18 The ILP is set up much like the alternative licensing  
19 process in that it lends itself very well with the  
20 development of resource work groups to reaching a settlement  
21 on PM&E measures prior to the license being issued. And the  
22 Forest Service is involved in some other projects -- one  
23 other project with the ILP where up front the company  
24 indicated that they wanted to work toward settlement to  
25 streamline the process and I was wondering if you folks had

1 any inclination if that's where you were headed or not.

2 MR. DUDLEY: I can answer that to justify my  
3 coming down here. In these kinds of proceedings, we're  
4 always -- I'm sorry. Bill Dudley, attorney for Public  
5 Service.

6 In these kind of what's basically a regulatory  
7 proceeding -- a relatively long one -- I mean that's always  
8 what we're aiming for. At the end of the day, that's always  
9 where we're trying to go. And so I think the general answer  
10 is yes. I mean, if we can get that, it's going to be in  
11 everybody's best interest. Everybody is going to have  
12 something they can live with and it's going to streamline  
13 the process. So, just philosophically, that's where the  
14 company is at.

15 MR. HUGHES: Alfred Hughes. Absolutely, Garrish.  
16 In fact, we talked fairly early on, you and I, sidebar  
17 conversation. So, yes, that's the hope and the goal. We  
18 don't want to be doing this forever.

19 MS. MALLOY: I'm just going to add one comment,  
20 if I could. We love settlements. So, if you're able to,  
21 that's great. One thing to keep in mind in coming up with a  
22 settlement to be included in the license is the same as what  
23 we're looking now for the studies and such is a nexus to the  
24 project. So keep focused on what we can put in the license  
25 for a settlement that you would ask us to put into a

1 license. That doesn't mean you can't -- if you happen to  
2 have some neighbor issues where you find something that  
3 would be a great idea and a good working relation kind of  
4 thing that you couldn't add, but do it outside of the  
5 license. So, as you're developing, just keep focused on  
6 what we can put in a license.

7 MR. WILLIS: Garrish Willis, Forest Service.  
8 That brings up an interesting point. FERC sent out some  
9 informal guidelines on settlements a couple of months ago or  
10 a while ago. I think it was in relation to the Hell's  
11 Canyon project with some general guidance and I was  
12 wondering if that was going to be more formalized to give  
13 parties a better inclination of --

14 MS. MALLOY: I'm unaware of the Commission  
15 issuing --

16 MR. WILLIS: It wasn't the Commission. It was  
17 staff.

18 MS. MALLOY: Then it was staff guidance. I mean  
19 you can -- you know, if you have a copy or if you were  
20 there, you can use that. But it was informal.

21 MR. HARRIS: I guess it looks like we're about  
22 done. I'm unable to make the Ames meetings either Thursday  
23 night and it doesn't look like Friday. It's a long way to  
24 drive from Durango.

25 MS. MALLOY: Don't tell us that. We're about to

1 head out.

2 (Laughter.)

3 MS. HARRIS: Southwest is no less interested in  
4 Ames as they are in Tacoma. But, after going through this  
5 process, I think we can put our comments in a letter instead  
6 of having to attend the meeting. And I can also see why  
7 it's difficult to cover both projects at this point, too,  
8 because of the way the interaction is.

9 MR. TURNER: Thanks. Anybody else? Any final  
10 questions, comments?

11 (No response.)

12 MR. TURNER: With that, I would like to go ahead  
13 and adjourn the meeting. Thank you very, very much for your  
14 participation and sharing your thoughts. You definitely  
15 made some -- clarified a few things in my mind and improved  
16 our approach and we look forward to working with you  
17 throughout this process. Thanks for coming.

18 (Whereupon, at 12:00 p.m., the above-entitle  
19 matter was concluded.)

20

21

22

23

24

25