January 13, 2004

In reply refer to: KEC-4

To: People Interested in the COB Energy Facility Interconnection Project

COB Energy Facility, LLC, a subsidiary of Peoples Energy Resources Corporation, proposes to construct a 1,160-megawatt natural gas-fired, combined-cycle electric generating plant in Klamath County, Oregon, near the city of Bonanza. Electric power from the energy facility would enter the regional grid at the Bonneville Power Administration (BPA) Captain Jack Substation via a proposed 7.2-mile 500-kilovolt (kV) transmission line. This letter briefly explains what is being proposed, outlines the next step in the environmental process, provides information about upcoming public meetings, and tells you how to comment.

Background
The proposed electric transmission line would cross federal lands under the jurisdiction of the Bureau of Land Management (BLM). Two alternatives are being considered: the Proposed Action Alternative and the No Action Alternative. In the No Action Alternative, BPA would not provide a connection to the Captain Jack Substation and/or BLM would decide not to grant the electric transmission line right of way. In the Proposed Action Alternative, BPA would provide a connection to the regional grid at the Captain Jack Substation and BLM would grant the requested right of way.

This proposal would provide electrical consumers in the BPA service area with increased power generation to serve increasing demand, and high-voltage transmission service to deliver that power. BPA prepared a draft Environmental Impact Statement (EIS) in November 2003; the final EIS is scheduled for release in March 2004.

Public Meetings
As part of the environmental analysis process, BPA would like to hear your comments on the project. Your comments will be incorporated in the final EIS and will help us make an informed decision. Listed below are scheduled upcoming public meetings:

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<th>Thursday, Jan. 22, 2004</th>
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<tr>
<td>12 p.m. - 2 p.m.</td>
<td>3 p.m. - 5 p.m.</td>
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<td>Lorella Community Hall</td>
<td>Klamath County Fair Grounds</td>
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<td>9787 E. Langell Valley Rd.</td>
<td>3531 South 6th St.</td>
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<tr>
<td>Lorella, OR</td>
<td>Klamath Falls, OR</td>
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At these meetings BPA and Peoples Energy representatives will accept oral and written comments, and be available to answer questions on the proposed project and the EIS. Information on the proposed project will be available for review.

**How to Comment**
Comments will be accepted through Feb. 13, 2004. There are a number of ways for you to comment on the project. You can mail the enclosed comment form to BPA, Communications – DM-7, P.O. Box 14428, Portland, OR 97293-4428, fax them to 503-230-3285, or email us at comment@bpa.gov. Please include the name of this project, the COB Energy Facility Project with your comments.

**For More Information**
If you have questions or would like more information about the COB Energy Facility Project please call our toll-free number 1-888-276-7790. Additional project information is available on our Web site at: [http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/](http://www2.transmission.bpa.gov/PlanProj/Transmission_Projects/). Thank you for your interest in our work.

Sincerely,

/s/ Thomas C. McKinney 01/13/04

Thomas C. McKinney

Enclosures:
Comment Form