Department of Energy

Bonneville Power Administration P.O. Box 3621 Portland, Oregon 97208-3621

TRANSMISSION BUSINESS LINE

May 28, 2002

In reply refer to: Wallula-McNary Transmission Line Project

To: Persons Interested in the Wallula-McNary Transmission Line Project

Bonneville Power Administration (BPA) has been analyzing the potential effects of building a transmission line project from a proposed power plant near Wallula, Washington to the McNary substation in Oregon. The Wallula Power Project and Wallula-McNary Transmission Line Draft Environmental Impact Statement (DEIS) was released to the public on February 22, 2002. Comments on the DEIS (DOE/EIS-0330) were solicited and the comment period closed on April 11, 2002. The recent change in status of the proposed Starbuck power project caused us to re-evaluate the necessity of a portion of the proposed transmission line. This letter briefly gives an update on the project and provides you with contact information, if you have questions.

Project Overview

Bonneville Power Administration (BPA) is proposing to build a 500-kilovolt (kV) transmission line from the proposed Wallula Power Project to the new proposed Smiths Harbor substation. The new line would begin at the proposed natural gas-fired power plant in Walla Walla County, Washington, and run about 5 miles to the proposed Smiths Harbor Substation (see enclosed map). The Smiths Harbor substation would connect the new transmission line into the existing Lower Monumental-McNary 500-kV transmission line.

The segment of transmission line that is proposed between Smiths Harbor and McNary will not be needed for transmission of the power generated at Wallula facility. Capacity that would have been used by the Starbuck power plant on the existing Lower Monumental-McNary transmission line became available for the power produced by Wallula when the site certification process for Starbuck was put on hold. Therefore, the new transmission line is not needed for the Wallula facility.

BPA intends, however, to continue analysis of the proposed Smiths Harbor-McNary segment of transmission line in the Final EIS. The route for this transmission line segment may be needed in the near future due to increasing wind generation capacity in the area and the continuing potential for construction of the Starbuck project. We expect the Record of Decision (ROD) for the Wallula project in late summer. The decision made for this project and the reasons for the decision will be laid out in that document.

Process and Schedule

We are still working with the Washington State Energy Facility Site Evaluation Council (EFSEC) to finish the environmental analysis. While EFSEC carries out the environmental review requirements of the State Environmental Policy Act for siting the generation plant, BPA will carry out the requirements of the National Environmental Policy Act in siting the transmission line.

Following a hearing on the proposed power plant in July 2002, EFSEC will recommend to the Governor of Washington State whether to grant a permit to construct and operate the Wallula Power Project. BPA will decide whether and how to proceed with the transmission project and describe its decision in the ROD following the Governor's decision. If the Governor approves the project, construction of the plant could begin by early Fall. If BPA decides to proceed, construction of the transmission line would likely begin in 2003.

For More Information

If you have any questions about this project, please call me toll-free at 1-800-282-3713; directly at (360) 619-6596; or e-mail me at gobeck@bpa.gov.

Thank you for your continued interest in our work.

Sincerely,

/s/ Don Rose for GaryBeck 5-28-02 Gary Beck Project Manager