Department of Energy



Bonneville Power Administration P.O. Box 491 Portland, Oregon 98666-491

TRANSMISSION BUSINESS LINE

March 14, 2003

In reply refer to: T-DITT-2

To: People Interested in the Wallula-McNary 500-kV Transmission Line Project

The Bonneville Power Administration (BPA) has decided it will interconnect the Wallula Power Project with the Federal Columbia River Transmission System (FCRTS) through the construction of a new transmission line and substation. BPA will construct a new 5.1-mile, 500-kilovolt (kV) transmission line and a new substation if the Wallula Power Project is built. This proposed action was analyzed in the Wallula-McNary Transmission Line Project Final Environmental Impact Statement (DOE/EIS-0330), released in August 2002.

Enclosed is the Wallula-McNary 500-kV Transmission Line Project Record of Decision, signed by BPA Administrator Steve Wright. This letter briefly describes the decision, explains why the project is currently on hold and tells you how to contact us if you have questions or need more information.

The proposed Wallula Power Project is a 1,300-megawatt natural gas-fired, combined-cycle turbine power plant that Wallula Generation, L.L.C. is planning to construct. Construction will be on a site near the Columbia River in Walla Walla County, Washington, about eight miles south of the city of Pasco. The transmission line project involves constructing steel lattice transmission tower structures averaging 145-feet high, approximately 1,150-feet apart.

The new Smith's Harbor Substation will be located adjacent and connected to the existing BPA 500-kV Lower Monumental-McNary transmission line. The footprint of the new substation will be approximately seven acres, including a control house and graveled substation yard inside protective fencing. Land for the new substation, right-of-way for the transmission line corridor and access roads outside the transmission line right-of-way will need to be acquired.

Construction of this project is currently on hold due to current market conditions. Wholesale power market prices are down and there is no demand for power that would be generated by the Wallula Power Project. BPA anticipates new generation development within the next five years and will contact you when the project is ready to move forward.

The draft EIS for this project identified and evaluated an additional 28-mile segment of the proposed 500-kV transmission line to be constructed between the Smiths Harbor Substation and McNary Substation, as well as proposed upgrades to the McNary Substation. However, as discussed in the final EIS, these elements of the proposed action have been dropped from consideration at this time. It has been determined that upgrading the existing Lower Monumental-McNary transmission line will increase transmission capacity available on this line to the point of fulfilling the transmission line capacity requirements for the Wallula Project.

If you have questions about this project or would like a copy of the draft EIS, final EIS, or additional copies of the Record of Decision, you may call our toll-free line at 1-888-276-7790, or write to BPA's Public Information Center, P.O. Box 12999, Portland, Oregon, 97212. You may also get project information and access documents on our website at www.transmission.bpa.gov/projects.

Thank you for your time and efforts during the early planning, design, environmental, and decision-making phases of this project.

Sincerely,

/s/Gary Beck

Gary Beck Project Manager

Enclosure: Record of Decision