



Southern Colorado Transmission Improvements San Luis Valley – Calumet – Comanche Transmission Project

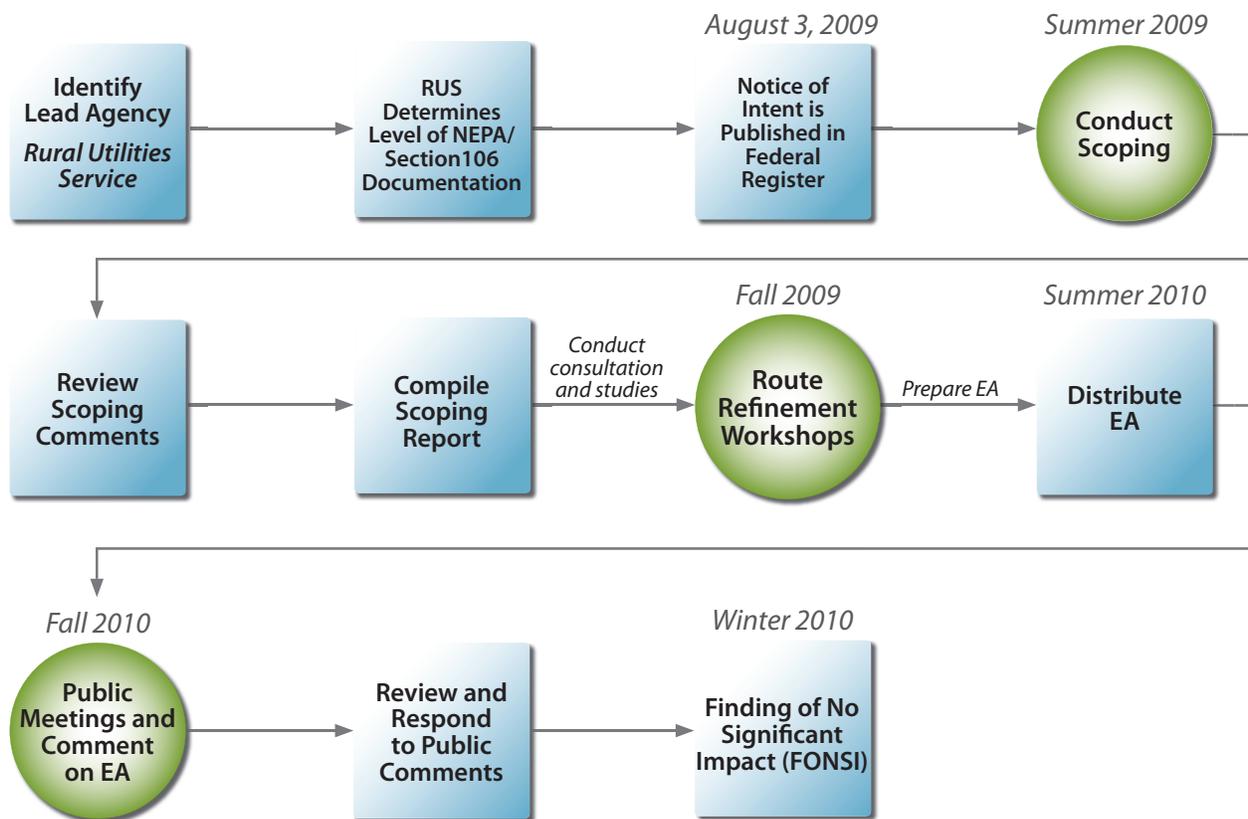
Federal Review Process

Tri-State Generation and Transmission Association, Inc. (Tri-State) is requesting USDA Rural Utilities Service (RUS) to provide financial assistance for their ownership interest of the San Luis Valley–Calumet–Comanche Transmission Project, proposed by Tri-State and Public Service Company of Colorado (PSCo), an Xcel Energy company.

Tri-State and PSCo are jointly proposing to construct an approximately 150-mile transmission project between the San Luis Valley Substation near Mosca and the Comanche Substation near Pueblo. Project components include new 230-kilovolt (kV) and 345-kV transmission lines, a new substation north of Walsenburg, expansion of three existing substations, and communication facilities.

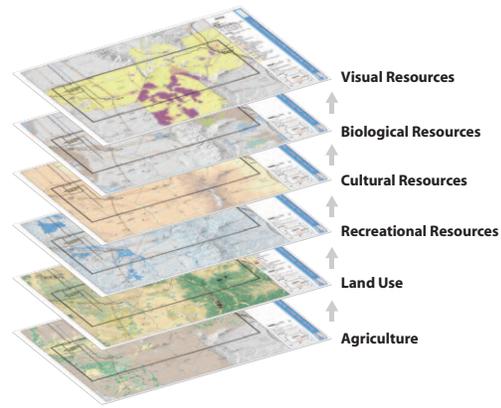
Prior to making a decision about whether to provide financial assistance for the proposed project, RUS is conducting an environmental review under the National Environmental Policy Act (NEPA) in accordance with RUS policies and procedures and Section 106 of the National Historic Preservation Act (NHPA). In accordance with NEPA, RUS must consider the environmental effects of a proposed project on human, biological, and physical resources in the environmental assessment (EA). Section 106 requires federal agencies to consider the effects of their undertakings on historic properties and affords the Advisory Council on Historic Preservation a reasonable opportunity to comment.

RUS is the lead federal agency for both NEPA and Section 106 review and compliance. Additional agencies may coordinate throughout the life of the project.



The NEPA process evaluates the projects potential effects on environmental resources such as

- Land use
- Threatened and endangered species
- Wetlands
- Cultural and historic properties
- Socioeconomics
- Scenic areas



Any final action by RUS related to the proposed project would be subject to, and contingent upon, compliance with all relevant federal, state, and local environmental laws and regulations and completion of the environmental review requirements as prescribed in the RUS Environmental Policies and Procedures (7 Code of Federal Regulations Part 1794).

The utilities would obtain the required approvals from federal agencies including, but not limited to, the following:

Jurisdiction	Permit/Decision/Action
USDA, Rural Utilities Service	NEPA: 7 Code of Federal Regulations (CFR) Part 1794 National Historic Preservation Act Section 106
Federal Aviation Administration	Title 14 CFR Part 77, Objects Affecting Navigable Airspace
U.S. Army Corp of Engineers	Clean Water Act, Section 404/Nationwide Permit 12, Jurisdictional Waters of the U.S.
U.S. Fish and Wildlife Service	Endangered Species Act, Section 7 Consultation

USDA Rural Development's Electric Programs

Providing reliable, affordable electricity is essential to the economic well-being and quality of life for all of the nation's rural residents. The Electric Programs provide leadership and capital to upgrade, expand, maintain, and replace America's vast rural electric infrastructure. Under the authority of the Rural Electrification Act of 1936, the Electric Programs make direct loans and loan guarantees to electric utilities to serve customers in rural areas.

The loans and loan guarantees finance the construction of electric distribution, transmission, and generation facilities, including system improvements and replacement required to furnish and improve electric service in rural areas, as well as demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems. Loans are made to corporations, states, territories and subdivisions and agencies such as municipalities, people's utility districts, and cooperative, nonprofit, limited-dividend, or mutual associations that provide retail electric service needs to rural areas or supply the power needs of distribution borrowers in rural areas.

Through the Electric Programs, the Federal government is the majority note holder for approximately 700 electric systems borrowers in 46 states.

The Electric Programs also provide financial assistance to rural communities with extremely high energy costs to acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities.

(SOURCE: www.usda.gov/rus/electric/index.htm)

Please contact Mr. Dennis Rankin for more information:

USDA, Rural Utilities Service
 1400 Independence Ave. SW, MAIL STOP 1571, Room 2244
 Washington, DC 20250-1571
 Telephone: 202.720.1953
 Email: dennis.rankin@wdc.usda.gov

