



File Code: 1950

Date: August 22, 2011

Dear Interested Party,

The U.S. Forest Service (USFS), Chugach National Forest is requesting comments on a proposal to issue three special use permits to Chugach Electric Association (CEA) for the Cooper Lake Hydroelectric Project. The decision on whether to issue the special use permits is subject to National Environmental Policy Act (NEPA) procedures.

In order to meet NEPA obligations, the Forest Service is proposing to:

- 1) Adopt the 2006 Federal Energy Regulatory Commission (FERC) Cooper Lake Hydroelectric Project, Environmental Assessment (2006 EA).
- 2) Supplement the EA to account for inventoried roadless area designations; modifications to the existing Cooper Lake dam and construction of the proposed diversion dam, pipeline, access road and ancillary infrastructure; and any new information or changed circumstances since the completion of the 2006 FERC EA.

The three special use permits would authorize the occupancy and use of USFS lands. The permits will allow the following project activities:

- 1) Proposed Stetson Creek diversion project facilities.
- 2) Existing Cooper Lake Dam access road.
- 3) Existing 115 kV transmission line between the Quartz Creek and Anchorage substations.

Background

The project area is located near the community of Cooper Landing in south-central Alaska. The project occupies 3,012 acres of the Chugach National Forest and is within a portion of an inventoried roadless area.

CEA proposes to continue operating the Cooper Lake Project in much the same manner as it has since 1962; however, a new diversion structure, pipeline and outlet works are proposed that would divert flows from Stetson Creek, a tributary of Cooper Creek, into Cooper Lake. A new outlet structure would be added to the Cooper Lake dam to release the warmer lake water to Cooper Creek to improve fish habitat conditions. Generation flows would continue to be withdrawn through an intake structure on Cooper Lake to a powerhouse on the shores of Kenai Lake. The impacts of these project components were disclosed in the 2006 EA. Since publication of the 2006 FERC EA, engineering design refinements have resulted in minor modifications to the proposed diversion dam, access road and ancillary infrastructure. Figure 1 depicts the project location and proposed facilities.

Proposed Action

The Proposed Action is the same as described in the 2006 FERC EA with the following proposed modifications:



- 1) Revised location for the Stetson Creek diversion dam. The new location is approximately one-quarter mile further upstream on Stetson Creek, just above a small waterfall to take advantage of the elevation. This revised location will:
 - a. Lengthen the underground pipeline between Stetson Creek and Cooper Lake to approximately 11,910 feet compared to 11,000 feet as disclosed in the 2006 plan.
 - b. Lengthen the access/maintenance road built within the pipeline bench between Stetson Creek and Cooper Lake to approximately 11,910 feet compared to 11,000 feet as disclosed in the 2006 plan.
 - c. Improve the pipeline's hydraulic characteristics and reduce exposure to steep slopes within the Stetson Creek drainage.
- 2) Revised outlet location at Cooper Lake dam. The new location runs through the existing Cooper Lake dam spillway compared to the 2006 plan to run through the main Cooper Lake dam.
- 3) Modified pipeline type and size (between Stetson Creek and Cooper Lake). The 2006 plan was for steel pipe; however, the new design is for high-density polyethylene (HDPE) pipe. The inside diameter of the HDPE pipe would be 36.25 inches; the previous plan for steel pipe had a 36 inch inside diameter.

In conformance with NEPA regulations and meeting USFS policy requirements, this Supplemental EA will address the impacts of the project on inventoried roadless areas; any new information or changed circumstances since the publication of the 2006 EA; and the design modifications.

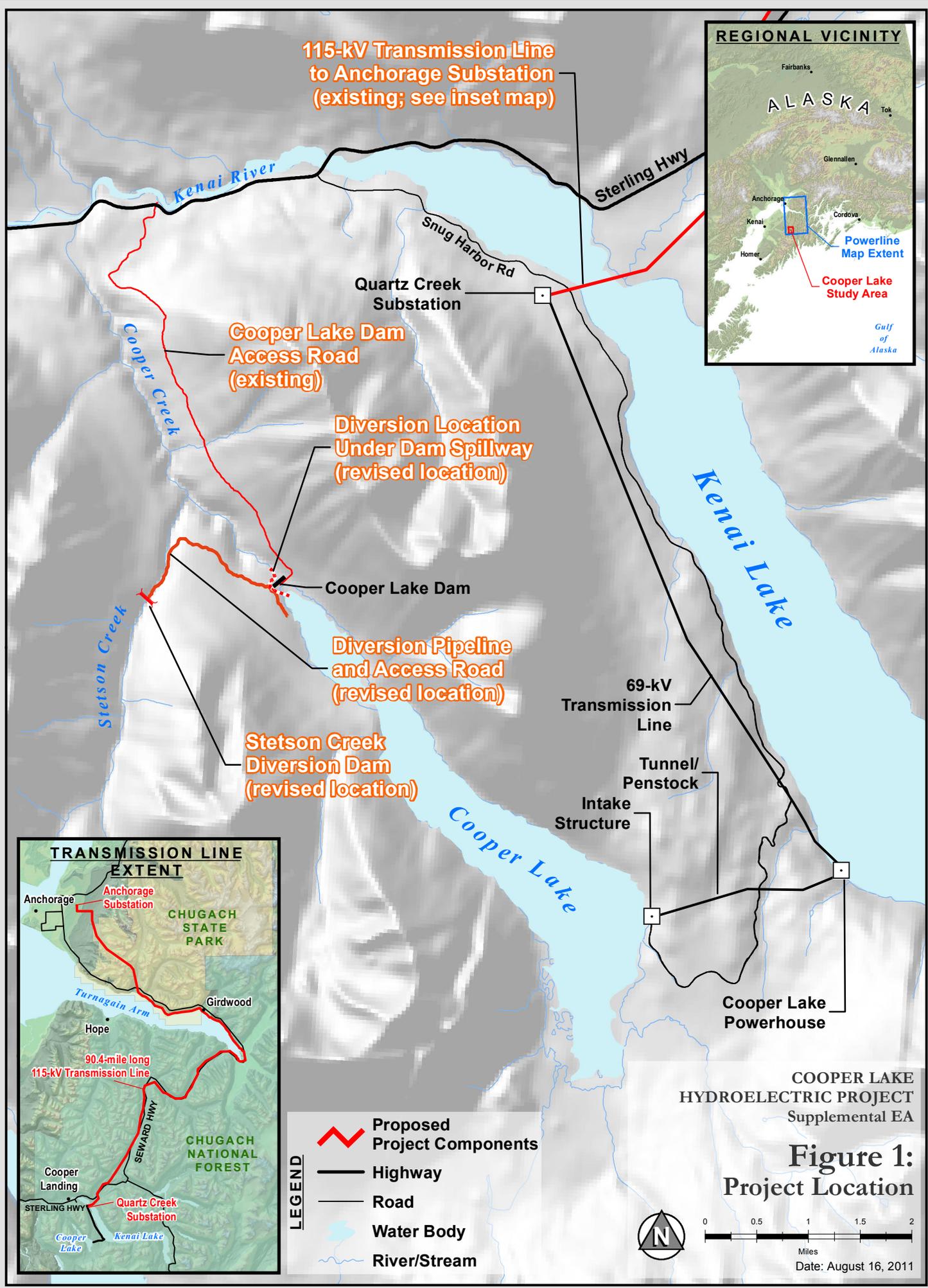
Public Involvement

The USFS respectfully requests comments on the proposed issuance of Special Use permits by September 22, 2011.

If you have any questions, please contact Julianne Hanson, HDR Project Manager at 644-2165 or Joshua Milligan, Chugach Environmental Coordinator at 743-9436.

Sincerely,

/s/ Terri Marceron
TERRI MARCERON
Forest Supervisor



115-kV Transmission Line to Anchorage Substation (existing; see inset map)

Cooper Lake Dam Access Road (existing)

Diversion Location Under Dam Spillway (revised location)

Cooper Lake Dam

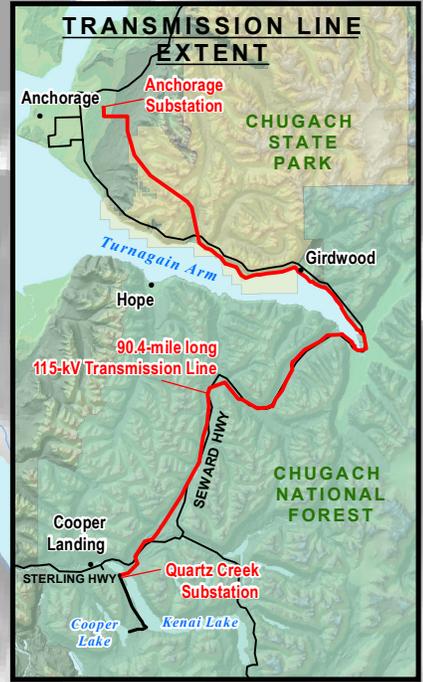
Diversion Pipeline and Access Road (revised location)

Stetson Creek Diversion Dam (revised location)

69-kV Transmission Line

Tunnel/ Penstock Intake Structure

Cooper Lake Powerhouse



COOPER LAKE HYDROELECTRIC PROJECT Supplemental EA

Figure 1: Project Location



Date: August 16, 2011