



April 19, 2012

Michael J. Ryan, Regional Director
Great Plains Regional Office
Bureau of Reclamation
P.O. Box 36900
Billings, Montana 59107-6990

Tim Carey
Denver Regulatory
Office U.S. Army Corps of Engineers
Littleton, Colorado 80128

Dear Director Ryan and Mr. Carey,

A few weeks ago, Save the Poudre sent you each letters with requests about the FEIS for the Windy Gap Firming Project (WGFP). Since that time, we have obtained new information that we also request that you address in a supplement to the WGFP FEIS.

We recently obtained a memorandum (dated March 21, 2012) from the Platte River Power Authority (PRPA) regarding their "surplus" Windy Gap water and a proposal to sell or lease that water to Oil and Gas companies for drilling and fracking.

First, this letter reveals serious concerns about PRPA's need to be participating in the WGFP. This letter strongly suggests that PRPA does not have a need for the total amount of water that they have requested in the WGFP.

"Initially, 5,150 acre-feet of the Windy Gap water was planned for use at Rawhide Unit 1. An additional 4,060 acre-feet was identified and held in reserve for future generation units at the Rawhide Energy Station. This left approximately 6,790 acre-feet as surplus Windy Gap water. It is unlikely that future coal units will be constructed at Rawhide, but the water held in reserve can be used for other types of generation, such as gas-fired combined cycle generation. Even with the use of all water identified or current and future generation, Platte River still has surplus Windy Gap water." (<http://savethepoudre.org/documents/PRPA-Surplus-Water-Sales0001.pdf>, page1, underlined added)

Second, language in the letter could be construed as suggesting that PRPA does not need and is therefore "speculating" in WGFP water. The FEIS "Purpose and Need" for WGFP states that PRPA needs water for current power generation:

"Water Need. Platte River's participation in the WGFP is to meet the water needs for their current power generation facility, not to meet future water needs for expansion of power generating capacity." (FEIS, Chapter 1, 1.7.13, page 1-39)

But the PRPA March 21, 2012 memo states that PRPA can sell or rent it back to its owner cities, serve as a current or future 'water bank' for those cities, or sell water to someone else in perpetuity:

"In the past, the Board has wanted to hold this Windy Gap water for potential future use by the four cities, but this surplus Windy Gap may be leased to the cities or others subject to Board approval." (page 1)

Third, as of the writing of this letter to you, PRPA has not yet decided if it will sell or lease water to the Oil and Gas Industry for drilling and fracking. If PRPA does go forward with this lease, we, again¹, request that the WGFP FEIS analyze the full potential for water to be used for drilling and fracking in a supplement to the FEIS. As this memo from PRPA states:

"Platte River's surplus effluent is in demand because a large portion of the effluent is reusable and can be used to extinction anywhere within the State of Colorado, thereby making it an ideal supply of water for oil and gas well development. Windy Gap return flow water may also be used for oil and gas well development anywhere within the State of Colorado." (page 3, underline added)

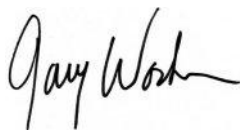
We note that the memo suggests that PRPA can lease water for drilling and fracking at a price (\$300 - \$500/acre foot) that is ten times, or higher, than the price it can lease water to farmers for irrigated agriculture (\$10 - \$40/acre foot). PRPA may be able to profit significantly from selling or leasing WGFP water for drilling and fracking.

Therefore, we request that you:

1. Reconsider whether PRPA has a purpose and need for participating in the WGFP.
2. Consider whether PRPA is speculating in water rights.
3. If PRPA moves forward with a sale or lease of water or effluent to Oil and Gas drilling and/or fracking companies, include a full analysis of these impacts (as noted in the October 4, 2011 letter, below) in a supplement to the WGFP FEIS.

Thank you for considering our concerns.

Respectfully,



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<http://savethepoudre.org>
970-218-8310
Cc: U.S. EPA

¹ We made this request in our previous letters to you, dated March 13, 2012, and dated October 4, 2011.
March 13, 2012: <http://savethepoudre.org/documents/STP-letter-to-BOR-WGFP-FEIS-3-13-2012.pdf>
October 4, 2011: http://savethepoudre.org/documents/STP_letter-to-BuRec-WGFP-Water-For-Fracking-10-4-2011.pdf