



United States
Department of
Agriculture

Forest
Service

Cleveland National
Forest

Trabuco Ranger District
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File Code: 2720

Date: June 11, 2012

Mr. Rex Wait
The Nevada Hydro Company
2416 Cades Way
Vista, CA 92081

Dear Mr. Rex Wait,

This letter is to acknowledge that we are in receipt of your Special Use Proposal (form SF299) for the Lake Elsinore Advanced Pumped Storage (LEAPS) Project, including a proposed sub-station on National Forest System Lands near Case Springs. This project has been proposed to the Federal Energy Regulatory Commission (FERC). The proposal is also unsigned; however it was delivered to me personally by Mr. Rex Wait, Vice President of The Nevada Hydro Company (TNHC), at our meeting in Corona on May 3, 2012. A signed copy will be required for our screening process.

Although we have not officially accepted your proposal, we will keep your forms on file here at the District Office in Corona. I understand that you have submitted your project to the California Public Utilities Commission (CPUC) for a Certificate of Public Convenience and Necessity ("CPCN") for the construction and operation TE/VS Interconnect as a stand-alone transmission line. Significance of the CPCN, include;

1. Interconnection for LEAPS
2. Interconnect the SCE and SDG&E transmission systems
3. TNHC would become an "electrical corporation." Assuming that the CPCN is granted, TNHC will not need separate eminent domain hearings before it may commence acquisition of rights-of-way through private property. "An electrical corporation may condemn any property necessary for the construction and maintenance of its electric plant."

FERC and USFS coordinated to develop an Environmental Impact Statement ("EIS") on LEAPS and the TE/VS Interconnect in accordance with the National Environmental Policy Act. FERC issued the Final EIS ("FEIS") for LEAPS license which includes the TE/VS Interconnect for public comment on January 30, 2007. Adoption of the FEIS by FERC will complete the Federal environmental review process for the license. The Forest Service filed Final Terms and Conditions for inclusion in any license issued for this proposed project pursuant to section 4(e) of the Federal Power Act on March 29, 2007.



Once your company has been identified and received a Certificate of Public Convenience and Necessity (CPCN) by the CPUC, the U.S. Forest Service will continue the process of screening your proposal.

If you have any questions or concerns regarding this letter, please feel free to contact Becky Brand, Special Use Administrator at 951-736-1811 ext. 3222.

Sincerely,


KEITH W. FLETCHER
District Ranger