

**APPENDIX A
SCOPING SUMMARY REPORT**

Proposed
**DRY FORK STATION PROJECT
HUGHES TRANSMISSION PROJECT**

Scoping Document



May 2006

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1.0 Introduction

This section discusses the basis for scoping and public involvement conducted as part of the National Environmental Policy Act (NEPA) process for the proposed Dry Fork Station Project and Hughes Transmission Project. It describes the purpose of and need for the proposed projects, the purpose of this scoping document, the information analyzed in preparing this scoping document, and the geographic scale of the analysis.

1.1 Environmental Impact Statement

An Environmental Impact Statement (EIS) for the proposed Dry Fork Station Project and Hughes Transmission Project will be prepared by the United States Department of Agriculture, Rural Utilities Service (RUS) to meet NEPA requirements (40 CFR 1501.4) because of the complexity and scale of the projects. RUS is the lead federal agency for the NEPA process.

An EIS is a written document mandated by NEPA and prepared for "major federal actions significantly affecting the quality of the human environment." Major federal actions are defined in the NEPA Implementing Regulations (40 CFR parts 1500-1508) as actions "with effects that may be major and which are potentially subject to federal control and responsibility" (40 CFR 1508.18). In this instance, the action is a decision by the RUS on whether or not to extend a loan to finance the Dry Fork Station Project. An EIS describes the purpose of and need for a proposed action, presents and evaluates various alternatives to meet the purpose and need, including a no action alternative, describes the environment that is potentially affected, and determines the significance of the environmental effects a proposed action and its alternatives may cause. The RUS would provide funding only for the proposed Dry Fork Station Project. This funding is the federal action associated with the proposed Dry Fork Station Project. Other project components, including the proposed Hughes Transmission Project, will be included in the EIS because they are connected actions.

1.2 Scoping

Scoping is an important step in the NEPA process. After the lead agency publishes a Notice of Intent to Prepare an EIS in the Federal Register, scoping is one of the first actions taken to determine the direction of the EIS. The process of scoping is defined as "an early and open process for determining the scope of issues to be addressed and for identifying the significant issues related to a proposed action" (40 CFR 1501.7). The lead agency shall be responsible for the following as a part of the scoping process:

- Invite and encourage participation of affected federal, state, and local agencies; any affected Native American tribe; the proponent of the proposed action; and other interested persons.

- Identify and determine the scope and significant issues that will be analyzed in detail in the EIS.
- Conduct public meetings to provide information to and solicit input from stakeholders.
- Identify and eliminate from detailed study the issues that are not significant or that have been covered by prior environmental review.
- Provide organization by allocating assignments for preparation of the EIS among the lead and cooperating agencies, with the lead agency retaining responsibility for the EIS.
- Provide information pertaining to any public environmental assessments or EISs that are being or will be prepared that are related to but are not part of the scope of the EIS under consideration.
- Include other environmental review requirements so lead and cooperating agencies can integrate these analyses with the EIS.
- Identify the timing of the preparation of environmental analyses and the agency's tentative planning and decision-making schedule.

1.3 Purpose of and Need for the Proposed Projects

Basin Electric Power Cooperative (Basin Electric) serves approximately 1.8 million customers in service territories in portions of nine states, including Wyoming, Colorado, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, and South Dakota. Basin Electric prepares projections (load forecasts) of the long-range power requirements of its 121 member cooperatives to ensure they have adequate generation resources to meet the future needs of their members.

Two Project Justification and Support reports were prepared for the proposed Dry Fork Station Project. These reports were completed in December 2004 and July 2005 to provide justification for a new baseload generating resource in northeast Wyoming. The initial report was completed using the current RUS approved load forecast (May 2004 Load Forecast). This report was based on the RUS's alternative evaluation study guidelines and loan financing requirements for the project justification and support steps. Upon completion of a new load forecast (June 2005), which identified higher demands than the previous forecast, the northeast Wyoming justification was reevaluated to determine if the size or alternatives changed because of the increase in the load forecast. This evaluation was documented in a second (supplemental) analysis report.

These electric system studies indicate that Basin Electric's member cooperatives will need additional electrical generation by 2011. This has prompted the proposal for the Dry Fork Station Project. Both reports were reviewed by the RUS Power Supply Division as part of Basin Electric's proposal for RUS financing for the Dry Fork Station Project.

The transmission system requirements are based on existing and projected Basin Electric member systems' performance needs. A substantial portion of the load growth in northeastern Wyoming is associated with energy sales to commercial and residential customers, which has prompted the proposal for the Hughes Transmission Project. Both projects are part of this NEPA process.

1.3.1 Proposed Dry Fork Station Project

The purpose of the proposed Dry Fork Station Project is to meet increased demand for electric power in the western portion (northeastern Wyoming and western South Dakota) of Basin Electric's nine-state service area. Demand is forecasted to grow by approximately 49 megawatts (MW) in the east and 21 MW in the west per year between 2006 and 2019. The increasing use of electricity in the Basin Electric member service area is caused by several factors, including industrial growth, energy sector (coal, oil, and gas) development, and new rural load development.

1.3.2 Proposed Hughes Transmission Project

The purpose of the proposed Hughes Transmission Project, a 230-kilovolt (kV) transmission line in Campbell and Sheridan counties in northeastern Wyoming, is to meet the increased demand for electric power in northeastern Wyoming and western South Dakota and to improve the regional power grid stability. Based on system studies in this region, the Hughes Transmission Project is necessary to meet current and forecasted demand and will be constructed before and whether or not the Dry Fork Station Project is constructed. The latest transmission load forecast is for an increase of 2,138,000 MW-hours in annual requirements from 2003 through 2019, an average annual increase of 4.7 percent. This proposed project is needed to maintain adequate voltage levels, improve Basin Electric member system reliability and continuity of service in the region, and reinforce the existing transmission system.

1.4 Purpose of This Scoping Document

For complex projects such as the proposed Dry Fork Station Project and Hughes Transmission Project, it is important to identify and define which specific environmental or other studies need to be reviewed and conducted during preparation of the EIS. Scoping is essential for the preparation of an EIS and is a useful tool for discovering alternatives to a proposed action, identifying potentially significant effects, eliminating insignificant issues, communicating information, consulting with agencies and organizations, and soliciting public comments. This public scoping document describes coordination with federal, state, and local agencies, Native American tribes, and any other interested parties on the scope of actions, alternatives, and effects that will be studied in the EIS. When provided by those parties, verbal and written comments are also included in this document. This document displays the informational materials

provided to the public and comments from the public on the projects. In addition, comment summaries and participation statistics are provided in an effort to include all concerns from interested parties.

1.5 Input Analyzed for This Scoping Document

Input analyzed for this scoping document was provided in the following ways:

- Public meetings held in northeastern Wyoming during June 2005 for the proposed Hughes Transmission Project
- Public meetings held in northeastern Wyoming during December 2005 for both the proposed Dry Fork Station Project and Hughes Transmission Project
- Meetings with federal, state, local agencies, Indian tribes, and other entities
- Comment forms mailed back to the RUS or Basin Electric, or posted on the project website

Later in this scoping document, more detail is provided on the type of input received from participants.

1.6 Geographic Scope of Analysis

The geographic scope of this EIS is a portion of northeastern Wyoming encompassing both the proposed Dry Fork Station Project and Hughes Transmission Project. Major cities or towns in the project study area include Gillette, Clearmont, and Sheridan in Campbell and Sheridan counties. **Figure 1.1** and **Figure 1.2** show the project study area and the location of the primary components of both proposed projects.

2.0 Initial Development of Alternatives

The RUS requires completion of several planning documents before scoping meetings are scheduled. These documents serve to define the proposed action and evaluate preliminary alternatives. For the proposed Dry Fork Station Project, an alternative evaluation study and a site selection study were submitted to the RUS in October 2005. For the proposed Hughes Transmission Project, a macro-corridor study was submitted to the RUS in October 2005. These studies produced the initial alternatives used during the scoping process. These alternatives are discussed in detail below. Additional alternatives may be developed throughout the NEPA process based on the results of scoping.

2.1 Alternative Dry Fork Station Sites

A site selection study for the proposed Dry Fork Station Project was prepared using a three-phase approach consisting of resource data collection, opportunity and constraint mapping, and a comparative analysis of alternatives. The process began with delineation of an 883-square mile project study area surrounding the northern and central Powder River Basin coal mines near Gillette, Wyoming. Thirty-three potential sites were identified based on preliminary opportunity and constraint mapping. A site reconnaissance process identified eight sites for more detailed analysis. After further evaluation, Basin Electric selected two sites to be carried forward into the EIS.

Both sites exhibit relatively low potential for environmental and land use effects from the proposed project. The cost of development and operational effects on both sites, while different, are still lower than all other site locations evaluated in the Site Selection Study. A further advantage is that both sites are located on the Dry Fork Mine property and would use the same proposed ash disposal area.

The proposed sites are located approximately 7 miles north of Gillette near the Dry Fork Mine between Highway 59 and Garner Lake Road. The proposed ash disposal area would be used for either site. **Figure 1.1** shows both sites.

2.2 Hughes Preliminary Alternative Corridors

A macro-corridor study for the proposed Hughes Transmission Project was prepared to identify preliminary alternative corridors. A three-phase approach consisting of resource data collection, opportunity and constraint mapping, and route refinement with an impact analysis is being used to identify preferred and alternative corridors. The process began with delineation of a 2,468-square mile project study area generally extending from Gillette to Sheridan, Wyoming. This project study area was selected because the proposed project would connect the Hughes substation east of Gillette with the Carr Draw substation west of Gillette and a new substation to be constructed north of

Sheridan. Opportunity and constraint criteria based on the available resource data were used to define alternative transmission line corridors. These criteria included:

- Length of transmission line
- Right-of-way (ROW) requirements and availability
- Land use considerations such as visual effects, proximity to residences, and effects to agricultural activities, as well as existing and future land uses
- Environmental resource considerations such as effects to cultural or biological resources, including wildlife, plants, and wetlands
- Jurisdictional and regulatory considerations
- Conflicts with airport height restrictions
- Cost

The alternative corridors developed using the described siting process are shown in **Figure 1.2**. Final alternative transmission corridors are currently being refined based on public and agency comments. The alternatives will be evaluated in sufficient detail to allow identification of a preferred corridor.

3.0 Scoping Process

Scoping activities for the proposed Hughes Transmission Project began in June 2005. These scoping activities focused only on the proposed Hughes Transmission Project as the proposed Dry Fork Station Project was not considered a connected action nor was there a requirement for compliance with NEPA at that time. These activities included identification and notification of stakeholders, agency and government meetings, public meetings, and development of a project update mailer. Each of these activities is described in more detail below. Materials developed for these scoping activities are contained in **Appendix A**.

Scoping activities for the proposed Dry Fork Station Project began in November 2005. Continued scoping for the proposed Hughes Transmission Project was combined with the scoping activities for the proposed Dry Fork Station Project. Scoping for the two projects was combined because they were considered connected actions and because NEPA compliance was required for the Dry Fork Station based on Basin Electric's application to the RUS for funding of that project. These activities included identification and notification of stakeholders, agency and government scoping, and public meetings. Each of these activities is described in more detail below. Materials developed for these scoping activities are contained in **Appendix B**.

3.1 Objectives

The objectives of the June 2005 scoping program for the proposed Hughes Transmission Project were to:

- Ensure that the community is fully informed about the proposed project and have input into the corridor selection.
- Communicate the need and benefits of the project to Basin Electric's employees, members, and the community at large.
- Identify the transmission line corridor(s) that would best meet Basin Electric's purpose and need and that would be most acceptable to the surrounding community.

The objectives of the November and December 2005 scoping activities for the proposed Dry Fork Station Project and Hughes Transmission Project were to:

- Identify the site and transmission line corridor(s) that best meet Basin Electric's purpose and need and that are most acceptable to the surrounding community.
- Ensure that the community is fully informed about the proposed projects, site and corridor selection, and subsequent permitting processes.

- Communicate the need and benefits of the projects to Basin Electric's employees, members, and the community at large.

3.2 Identification and Notification of Stakeholders

This section discusses the methods used to identify and notify stakeholders (landowners, relevant organizations, and community representatives) about the proposed projects and opportunities to participate in the scoping process for the proposed projects.

3.2.1 June 2005 Scoping for the Proposed Hughes Transmission Project

Government and agency representatives were notified before formal announcement of the proposed Hughes Transmission Project. A project overview fact sheet and other project information were also mailed to a list of government and agency representatives. This list is included in **Appendix A**. Government representatives were also invited to the public meetings.

A list of stakeholders was prepared at the beginning of the public involvement process. This list is included in **Appendix A**. Stakeholders were notified of the date and location of the public meetings through an invitation mailed approximately 10 days before the meetings. Approximately 375 landowners and other stakeholders were invited to these meetings.

A press release was distributed to local newspapers and broadcast media before publication of any advertisements. Public meetings were announced using advertisements in local newspapers (The Gillette News-Record and The Sheridan Press) and on local radio stations (KROE-AM, KYTI-FM, KLG-T-FM, and KGWY-FM). Advertisements were placed in local newspapers 2 weeks before the meetings. The specific dates and newspapers are listed below.

- The Gillette News-Record (June 14, 19, and 20, 2005)
- The Sheridan Press (June 15, 17, and 20, 2005)
- The Buffalo Bulletin (June 16, 2005)

Radio announcements were broadcast 27 times on each station between June 16 and June 22, 2005. Newspaper and radio affidavits are included in **Appendix A**.

3.2.2 November and December 2005 Scoping for the Proposed Dry Fork Station Project and Hughes Transmission Project

A Notice of Intent (NOI) to Hold Public Scoping Meetings and Prepare an Environmental Impact Statement for the proposed Dry Fork Station Project and Hughes Transmission Project was published in the Federal Register on November 9, 2005. A copy of the NOI is included in **Appendix B**.

A list of stakeholders, including agencies, government representatives, Native American tribes, and local public libraries was developed for notification during the EIS process. This list is included in **Appendix B**. These stakeholders were notified of the date and location of the public meetings through an invitation mailed approximately 10 days before the meetings. Approximately 40 stakeholders were individually invited to these meetings. Landowners were invited using mass media and postings in local public libraries rather than through individual notification.

A press release was distributed to local newspapers and broadcast media before publication of any advertisements. Public meetings were announced using advertisements in local newspapers (The Gillette News-Record and The Sheridan Press) and on local radio stations (KROE-AM, KYTI-FM, and KGWY-FM). Advertisements were placed in local newspapers 2 weeks before the meetings. The specific dates and newspapers are listed below.

- The Gillette News-Record (November 13, 15, 20, 22, 27, and 29, 2005)
- The Sheridan Press (November 19, 25, 26, 29 and December 2, 5, 8, and 12, 2005)

Radio announcements were broadcast 16 times on KROE-AM and KYTI-FM between December 1 and December 6, 2005. Radio announcements were broadcast 20 times on KGWY-FM between December 1 and December 7, 2005. Newspaper and radio affidavits are included in **Appendix B**.

3.3 Agency and Government Communications

This section discusses the methods used to identify, notify, and communicate with various agency and government stakeholders about the proposed projects, and to provide opportunities for these agencies and governments to comment on the proposed projects.

3.3.1 June 2005 Scoping for the Proposed Hughes Transmission Project

Communication with various agency and government stakeholders was an important part of scoping for the proposed Hughes Transmission Project. Meetings were conducted with the U.S. Army Corps of Engineers (USACE) and Bureau of Land Management (BLM). The Wyoming Game and Fish Department and U.S. Fish and Wildlife Service (USFWS) were contacted by telephone. Local jurisdictions, including Campbell and Sheridan counties and the cities of Sheridan and Gillette, were contacted. These contacts provided opportunities to exchange information, determine the level of analysis needed to address concerns, and contribute to the identification of project alternatives that meet objectives while minimizing potential effects. This process has also provided opportunities to discuss the purpose of and need for the proposed project and other details.

There are no tribal lands in the project study area or within the preliminary alternative corridors. However, coordination regarding traditional cultural properties was conducted by notifying neighboring tribes, including the Wind River Reservation in Wyoming, the Northern Cheyenne Reservation in Montana, and the Pine Ridge Reservation in South Dakota of the proposed projects and scoping meetings.

3.3.2 November and December 2005 Scoping for the Proposed Dry Fork Station Project and Hughes Transmission Project

The RUS distributed the public scoping documents (the Site Selection Study and Alternative Evaluation Study for the proposed Dry Fork Station Project and the Macro-Corridor Study for the proposed Hughes Transmission Project) to the agencies, government representatives, Native American tribes, and local public libraries identified in the mailing list in **Appendix B**. The RUS was the point of contact for comments from those agencies and organizations.

Government and agency representatives were notified before formal announcement of the proposed projects. Representatives from Basin Electric participated in numerous informative meetings and presentations, served on committees, and actively sought out potentially affected municipalities, counties, state agencies, and other stakeholders to ensure that they were informed and had the opportunity to offer their input into the projects and their processes. A Basin Electric representative was available by telephone and for personal meetings, as needed. Basin Electric conducted 84 meetings with 59 governments, agencies, or other organizations as part of this effort. These groups included:

- Campbell County Ambulance Service
- Campbell County Chamber of Commerce
- Campbell County Commissioners
- Campbell County Economic Development Corporation
- Campbell County Emergency Management
- Campbell County Engineer
- Campbell County Housing Group
- Campbell County School District
- Campbell County Staff
- City of Douglas
- City of Gillette City Council
- City of Gillette Housing Committee
- City of Gillette Staff
- City of Sheridan
- Converse Area New Development Organization
- Converse County Commissioners
- Crook County Commissioners
- Gillette Cam-Plex
- Johnson County Commissioners
- Johnson County Economic Development Group
- KFx Inc.
- PRECorp
- Sheridan County Commissioners
- Town of Sundance
- Town of Upton
- Town of Wright
- Union Representatives
- University of Wyoming
- Wallick and Volk (mortgage company)
- Weston County
- WREA Statewide
- Wyoming Attorney General's Office
- Wyoming Business Council
- Wyoming Department of Agriculture
- Wyoming Department of Education
- Wyoming Department of Environmental Quality
- Wyoming Department of Fire Prevention and Electrical Safety
- Wyoming Department of Health
- Wyoming Department of Revenue
- Wyoming Department of Transportation
- Wyoming Department of Workforce Services
- Wyoming Game and Fish Department
- Wyoming Industrial Siting Council
- Wyoming Office of Consumer Advocate
- Wyoming Office of the Governor
- Wyoming Partnership Office of Fannie Mae

- Town of Buffalo
- Town of Douglas
- Town of Glenrock
- Town of Hulett
- Town of Moorcroft
- Town of Newcastle
- Town of Pine Haven
- Wyoming Public Service Commission
- Wyoming Rural Electric Association
- Wyoming State Emergency Response Commission
- Wyoming State Engineer's Office
- Wyoming State Geological Survey
- Wyoming Workforce Services

An agency scoping meeting was held from 1:00 p.m. to 3:00 p.m. on December 7, 2005, in Gillette, Wyoming. This agency scoping meeting was designed to address the specific issues and concerns of each federal, state, and local agency potentially affected by the proposed projects. Government representatives were also invited to attend the public scoping meetings.

There are no tribal lands in the project study area; however, neighboring tribes, including the Wind River Reservation in Wyoming, the Northern Cheyenne Reservation in Montana, and the Pine Ridge Reservation in South Dakota were given copies of all scoping documents and materials. These tribes were included in the list of agencies and governments contacted for the proposed projects, and were invited to the agency and public scoping meetings.

3.4 Public Meetings

This section discusses the public meetings that were held as part of the scoping process for the proposed Dry Fork Station Project and Hughes Transmission Project EIS process.

3.4.1 June 2005 Public Meetings for the Proposed Hughes Transmission Project

Public meetings for the proposed Hughes Transmission Project were held on June 21, 22, and 23, 2005, in Sheridan, Clearmont, and Gillette, Wyoming, respectively. Public meetings were held from 3:00 p.m. to 7:00 p.m. to promote public participation, encourage information sharing, and identify potential concerns and issues outside of a permitting process.

The meetings were conducted in an "open house" format that enabled stakeholders to talk one-on-one with project representatives about particular issues or concerns associated with specific alternatives. The information gained during this process was used for additional data collection and analyses to help identify a preferred route for the transmission line. Comment forms were available at the meetings to record input.

3.4.2 December 2005 Meetings for the Proposed Dry Fork Station Project and Hughes Transmission Project

Public scoping meetings for the proposed Dry Fork Station Project and Hughes Transmission Project were held on December 6 and 7, 2005, in Sheridan and Gillette, Wyoming, respectively. Public meetings were held from 4:00 p.m. to 7:00 p.m. to

promote public participation, encourage information sharing, and identify potential concerns and issues outside of a permitting process.

The meetings were conducted in an "open house" format that enabled stakeholders to talk one-on-one with project representatives about particular issues or concerns associated with specific alternatives. The information gained during this process was used for additional data collection and analyses to identify potential issues and concerns with the proposed projects' alternatives. Comment forms were available at the meetings to record input, and a public website was established to allow for electronic comments and posting of public meeting materials.

3.5 Public Meeting Summary

This section summarizes the level of interest and participation in each of the public meetings held for the proposed projects.

3.5.1 June 2005 Public Meetings for the Proposed Hughes Transmission Project

Ninety-one people signed in at the June 2005 public meetings for the proposed Hughes Transmission Project. Landowners with agricultural or residential land were the primary attendees. In addition, a representative of the USFWS attended the meeting in Sheridan, and several local government officials attended the meeting in Gillette.

Twenty-one comment forms were received. These forms are reproduced in **Appendix C**. The issues and other questions, concerns, and comments expressed at the public meetings and on the comment forms have been included in the scope of the issues discussed in **Section 4.0** of this scoping document. A complete list of individual substantive comments is included in **Appendix C**.

3.5.2 December 2005 Meetings for the Proposed Dry Fork Station Project and Hughes Transmission Project

Ninety-three people signed in at the December 2005 public meetings for the proposed Dry Fork Station Project and Hughes Transmission Project. Landowners with agricultural or residential land were the primary attendees.

Twenty-five comment forms, letters, or website comment submittals were received from the public. An additional 10 letters or website comment submittals were received from agencies or governments. These comment forms, letters, and website comment submittals are reproduced in **Appendix D**. The issues and other questions, concerns, and comments expressed at the public meetings and in the submitted comments are included in the scope of the issues discussed in **Section 4.0** of this scoping document. A complete list of individual substantive comments is included in **Appendix D**.

3.6 Badger Creek Alternative Transmission Line Corridor

An additional alternative for the proposed Hughes Transmission Project was identified based on the public meetings conducted in December 2005. This alternative is called the Badger Creek Alternative, and is shown in **Figure 1.2**. No changes to the proposed Dry Fork Station Project were identified. An additional round of scoping activities, including letters to landowners along the new alternative transmission line corridor, additional agency notification, and additional local newspaper advertisements, was conducted in January 2006. Each of these activities is described in more detail below. Materials developed for these public involvement activities are contained in **Appendix E**.

3.6.1 Objectives

The objectives of the additional scoping activities for the proposed Hughes Transmission Project were to:

- Inform stakeholders, landowners, and the surrounding community about the new alternative transmission line corridor that had been identified
- Allow stakeholders, landowners, and the surrounding community an opportunity to submit comments on the new alternative transmission line corridor
- Identify the site and transmission line corridor(s) that best meet Basin Electric's purpose and need and that are most acceptable to the surrounding community
- Ensure that the community is fully informed about the proposed projects, site and corridor identification, and subsequent permitting processes

3.6.2 Agency Notification

A letter and map of the Badger Creek Alternative were mailed to the agencies, government representatives, tribes, and public libraries identified in the mailing list in **Appendix C**. The letter requested comments on the new Badger Creek Alternative. The RUS was the point of contact for comments from those agencies and organizations.

3.6.3 Public Notification

All landowners within the Badger Creek Alternative were identified using county assessor's data. A list of these landowners is included in **Appendix E**. Each identified landowner was mailed an information packet that contained a letter explaining the proposed projects, the scoping activities already conducted, and the newly identified alternative transmission line corridor. The packet also contained a map of the Badger Creek Alternative (along with the other, previously identified alternatives) and copies of all materials developed for the public meetings and other scoping activities conducted in November and December 2005. These landowners were also contacted personally by representatives of Basin Electric to invite them to participate in individual meetings to

discuss the proposed projects and the new alternative transmission line corridor. These individual meetings were set up to accommodate the landowners who may not have had the opportunity to attend the public meetings in December 2005.

In addition to the letters and information packets provided to landowners within the Badger Creek Alternative, newspaper advertisements were placed in The Gillette News-Record on January 22, 23, and 24, 2006, and The Sheridan Press on January 21, 23, 24, 2006, to inform the surrounding communities of the new alternative and enable the opportunity to comment. Newspaper affidavits are included in **Appendix E**.

Fourteen comment forms, letters, or website comment submittals were received from the public. An additional five letters or website comment submittals were received from agencies or governments. These comment forms, letters, and website comment submittals are reproduced in **Appendix F**. The issues and other questions, concerns, and comments expressed in the submitted comments are included in the scope of the issues discussed in **Section 4.0** of this scoping document. A complete list of individual substantive comments is included in **Appendix F**.

Thirty-eight landowners were identified along the Badger Creek Alternative transmission line corridor. All landowners were provided an information packet by mail. Follow-up phone calls were attempted with all landowners, although only 35 landowners were successfully contacted by phone. Personal meetings were conducted with 17 landowners at their request. Notes from these contacts and meetings are included in **Appendix F**.

4.0 Issues Summary

Potential issues to be considered in the EIS were initially identified through internal and interagency discussions conducted during proposal development. Specifically, many issues were identified during development of the site selection and macro-corridor studies. These potential issues in turn generated opportunity and constraint criteria used in the siting processes for the proposed projects. Consideration of some of these issues during the NEPA process is required by law (e.g., cultural resources, threatened and endangered species, wetlands, environmental justice). Others are common issues for the types of projects being proposed.

Comments received through the scoping process identified additional issues. The discussion of issues in this section is derived from the specific comments contained in **Appendixes C, D, and F** of this scoping document. Not all comments led directly to issue development. For example, comments expressing general support for, or opposition to, the proposed projects were not used to develop issue statements. Likewise, an expressed interest in being informed of project progress was not incorporated into issue statements.

Table 4-1 summarizes the number of comments received and the general focus of comments for each issue. The components of each issue are discussed in more detail later in this section. The order of issues is not intended to imply importance or level of interest on the part of the public or agencies.

Table 4-1 Scoping Comment Summary

| Issue | Number of Comments | General Focus |
|------------------------|--------------------|--|
| Air Quality | 21 | Dust generated by traffic, power plant emissions |
| Geology | 5 | Conflicts with Coal Bed Methane (CBM) development |
| Groundwater | 7 | Effects of ash disposal, storm water, and wastewater |
| Surface Water | 29 | General effects, sediment, wetlands, and floodplains |
| Soils | 3 | General effects |
| Vegetation | 26 | General effects to natural resources, rangelands |
| Wildlife | 58 | General effects to wildlife and habitats, big game, sage grouse, raptors |
| Fisheries | 2 | General effects |
| Special Status Species | 11 | General effects |
| Land Use | 70 | Conflicts with residential areas, use of existing corridors, effects on land uses (livestock, agriculture, irrigation) |

Table 4-1 Scoping Comment Summary

| Issue | Number of Comments | General Focus |
|--|--------------------|---|
| Cultural and Paleontological Resources | 24 | Effects to cultural resources and the cultural landscape |
| Visual Quality | 31 | General effects |
| Transportation | 18 | Traffic |
| Socioeconomics | 30 | Property values and general effects |
| Environmental Justice | 1 | General effects |
| Public Health and Safety | 43 | Traffic, electric and magnetic field (EMF), general effects |
| Alternatives | 66 | Hughes Transmission Project alternatives – general and specific corridors |
| Recreation | 1 | Minimal effects |
| Purpose and Need | 31 | General comments |
| Rights-of-Way and Easements | 36 | Easements, property rights |
| General Comments | 2 | Equal treatment of affected individuals |

An essential requirement of NEPA is to determine the relevance of issues to the decision to be made. The issue areas identified have been placed into one of three categories:

- **Relevant Issues.** These issues are important to the EIS process because significant effects to resources related to these issues may be caused by the proposed projects. All relevant issues will be analyzed in detail in the EIS.
- **Other Issues.** These issues relate to resources that would be minimally affected by the proposed projects. Often, mitigation measures that are part of the proposed projects would reduce the level of potential effects to immeasurable levels. In other cases, the resources in question do not coincide with proposed project activities, so these resources would not be affected. These issues will be discussed in the EIS, but not analyzed in detail.
- **Out of Scope Issues.** These issues concern factors that would not be affected by the proposed projects. These issues will be mentioned briefly in the EIS, but not analyzed.

The process of placing each issue into one of these categories was based on the potential for a resource to be affected by the proposed projects and the relative level of interest in the issue by various stakeholders and the public. In cases where consideration of an issue is required by law, regulation, or other factor, the category selection process also considered the required level of analysis.

4.1 Relevant Issues Identified

Sixteen relevant issues were identified during the scoping process. Each of these issues will be analyzed in detail in the EIS.

4.1.1 Air Quality

Specific components of the air quality issue related to the proposed Dry Fork Station Project include:

- Primary downwind areas
- Attainment status for air quality standards
- Identification of any PSD Class I and sensitive Class II areas
- Air dispersion modeling (showing compliance with NAAQS for CO, NO_x, SO₂, and particulates)
- Long-range air quality effects, such as acid rain, mercury deposition, greenhouse gases, air toxic emissions (including proposed efficiency of SO_x and mercury emissions control), and a quantitative estimate of emissions for CO₂ and air toxics
- Dust related to ash disposal and other sources
- Cumulative effects to air quality, especially considering existing effects

Specific components of the air quality issue related to the proposed Hughes Transmission Project include fugitive dust caused by construction traffic.

4.1.2 Geology

Specific components of the geology issue related to both proposed projects include:

- Topography (slope)
- Surface geology (location of clinker and other unstable surface deposits)
- Geologic hazards (faults and areas of mass movement)
- Mineral development facilities (coal mines, oil and gas wells, pipelines, and other infrastructure)

4.1.3 Groundwater

Specific components of the groundwater issue related to the proposed Dry Fork Station Project include the:

- Proposed water source and the effects of its use on groundwater
- Effects of selenium and metals in wastewater or storm water on groundwater

- Effects of proposed ash disposal methods on groundwater

No components of the groundwater issue were identified for the proposed Hughes Transmission Project.

4.1.4 Surface Water

Specific components of the surface water issue related to both proposed projects include the:

- Crossings of surface water (streams, rivers, and lakes)
- Floodplains
- Wetlands and other waters of the U.S.
- Riparian areas
- Effects to surface water quality from sediment input from construction activities

Additional specific components of the surface water issue related to the proposed Dry Fork Station Project, but not the proposed Hughes Transmission Project, include the:

- Effects of selenium and metals in wastewater or storm water on surface waters
- Need to monitor and treat runoff to prevent off-site effects to water quality
- Effects of proposed ash disposal methods on surface water
- Proposed water source and the effects of its use on surface waters

4.1.5 Soils

Specific components of the soils issue related to both proposed projects include the:

- Wind erosion hazard, primarily during and immediately after construction
- Water erosion hazard, primarily during and immediately after construction

4.1.6 Vegetation

Specific components of the vegetation issue related to both proposed projects include:

- The loss of native vegetation caused by construction
- Noxious weeds/invasive species moving into disturbed areas
- The use of integrated pest management to control noxious weeds/invasive species
- The loss or degradation of rangeland and pastures

- Reclamation on public and private lands to reduce potential for erosion, invasion by noxious weeds, and return land to productive use
- The use of native species in reclamation

4.1.7 Wildlife

Specific components of the wildlife issue related to both proposed projects include:

- Crucial ranges for wintering big game
- Crucial ranges for breeding sage grouse (including lek sites, nesting habitat, and brood-rearing habitat)
- Displacement of wildlife during construction
- Other habitats for big game, sage grouse, and other wildlife
- Big game migration routes
- Effects to migratory birds (a particular concern is the storm water ponds at the proposed Dry Fork Station).
- Effects to specific wildlife species (antelope, deer, sandhill crane, great blue heron, white pelican, goose, ducks, owls, raptors [particularly collision and electrocution], small game)
- Habitat fragmentation

4.1.8 Fisheries

Specific components of the fisheries issue related to the proposed Hughes Transmission Project include the effects to fisheries caused by degradation of water quality and sedimentation (during construction). No components of the fisheries issue were identified for the proposed Dry Fork Station Project.

4.1.9 Special Status Species

Specific components of the special status species issue for both proposed projects include the effects to threatened, endangered, proposed, candidate, sensitive, and other special status species and designated critical habitats, especially nesting and wintering bald eagles.

4.1.10 Land Use

Specific components of the land use issue for both proposed projects include:

- Patterns of land ownership (federal, state, private)

- Land status (parks, wildlife areas, wilderness study areas, and conservation easements)
- Proximity to development (residential, subdivisions, and industrial)
- Availability of existing corridors (transmission lines, railroads, roads [local, state, and interstate], pipelines, and communication lines)
- Coals mines/mineral ownership
- Oil and gas development (conflicts with CBM pipelines, well sites, and pits)
- Airports (distance and approach)
- Prime agricultural lands
- Effects on livestock grazing and agricultural operations (pastures, irrigation, and elk ranching)
- Access (new road effects, even with reclamation)

4.1.11 Cultural and Paleontological Resources

Specific components of the cultural and paleontological resources issue related to both proposed projects include:

- Need to conduct surveys for cultural, historic, and paleontological resources before beginning ground-disturbing activities
- Effects to prehistoric (Native American tepee rings, trails, and artifacts), historic, and paleontological resources

Additional specific components of the cultural and paleontological resources issue related to the proposed Hughes Transmission Project, but not the proposed Dry Fork Station Project, include:

- The route along Highway 14 may affect a number of cultural and historic sites.
- The transmission line may affect the natural and cultural landscape (wide-open spaces, ranching, and agriculture) in some areas that are relatively unaffected by modern development.

4.1.12 Visual Quality

Specific components of the visual quality issue related to the proposed Hughes Transmission Project include:

- Potential for skylining in some areas
- Aesthetics of relatively undisturbed landscapes
- Wyoming Highway 14 as a scenic route

Specific components of the visual quality issue related to the proposed Dry Fork Station Project include light pollution.

4.1.13 Transportation

Specific components of the transportation issue related to the proposed Dry Fork Station Project include:

- Traffic effects during the construction phase on Wyoming Highway 59
- The need to coordinate with the Wyoming Department of Transportation (WYDOT) the effects of the proposed projects on traffic, especially for the construction phase of the projects

Specific components of the transportation issue related to the proposed Hughes Transmission Project include conflicts between traffic and open grazing along roads that may be used for construction access.

4.1.14 Socioeconomics

Specific components of the socioeconomics issue related to both proposed projects include:

- Cost for planning, permitting, constructing, and operating
- Financing of the projects
- Housing during the construction period
- Population
- Employment
- Revenue to local and state governments
- Effects on property values from construction
- Cumulative burdens of industrial development on residents in the project area

4.1.15 Environmental Justice

Specific components of the environmental justice issue related to both proposed projects include communities and Native American tribes that may experience disproportionately high and adverse human health and environmental impacts.

4.1.16 Public Health and Safety

Specific components of the public health and safety issue related to both proposed projects include:

- Noise

- Traffic (including accident risk)

Specific components of the public health and safety issue related to the proposed Hughes Transmission Project include EMF.

4.2 Other Issues Identified

Two issues were identified during scoping as being irrelevant to the decisions on the proposed projects. The basis for each of these issues and the anticipated level of analysis in the EIS are discussed in this section.

4.2.1 Alternatives

The proposal documents identified alternatives for the proposed projects based on many factors. Two alternative sites for the proposed Dry Fork Station Project have been identified and will be analyzed in detail in the EIS. The Macro-Corridor Study for the proposed Hughes Transmission Project will be further refined to reflect input from scoping. A subsequent route refinement process and impact analysis will develop at least two alternative corridors that will be analyzed in detail in the EIS.

Comments were received on general alternatives for each proposed project and on specific components of each proposed project. Each of these sub-issues is discussed separately below.

4.2.1.1 Proposed Dry Fork Station Alternatives

Several alternatives to the proposed action for the Dry Fork Station Project were identified. These include:

- Wind
- A combination approach – meeting 10 percent of the need with wind, combined with Basin Electric’s existing intermediate load gas turbines, and constructing a smaller Dry Fork Station for base load
- Establishing a partnership with state and federal agencies to develop Integrated Gasification Combined Cycle (IGCC) technology

Wind and IGCC technologies were considered in the Alternative Evaluation Study for the proposed Dry Fork Station Project, but were dismissed from detailed study because they would not meet all of the selection criteria developed from the need for the proposed project. While the combination approach was not specifically examined, it would likely fail to meet all of the selection criteria as well. These alternatives will be discussed in the EIS, but will be dismissed from detailed study.

4.2.1.2 Specific Comments on the Proposed Action for the Proposed Dry Fork Station Project

Several specific comments were made on the proposed action for the Dry Fork Station Project. These comments include:

- Clarification of the proposed cooling method, especially considering the precedent set at the Wyodak site for the use of air cooling
- Quantification of the anticipated need for solid waste disposal

These comments will be addressed in detail in the description of the proposed action for the proposed Dry Fork Station Project in the EIS.

4.2.1.3 Proposed Hughes Transmission Project Alternatives

Several comments made general recommendations for selection of alternative corridors for the proposed Hughes Transmission Project. These recommendations include:

- Use existing corridors.
- Public lands are preferred to reduce effects to private lands.
- Less inhabited areas are preferred to reduce the number of individuals affected.
- The shortest route is preferred to reduce effects.

Each of these factors has been used and will continue to be used along with many other factors to develop and select alternative corridors for the proposed Hughes Transmission Project that will be analyzed in detail in the EIS.

4.2.1.4 Specific Comments on Corridors Identified for the Proposed Hughes Transmission Project

Several specific recommendations were made on the preliminary alternative transmission line corridors for the proposed Hughes Transmission Project. These include:

- The western route is too rough (topographically).
- The Kitty Field west line is preferred (no reason given).
- The south route is preferred because it follows existing corridors.
- The route north and east of Leiter is preferred (no reason given).
- Avoid the route through Clearmont (no reason given).
- Avoid the Highway 14 route (scenic, has already been negatively affected, and has many cultural/historical resources).

- The Echeta route is preferred (several comments, is shorter, has an existing railroad ROW, and little development).
- The north route (above Wyarno) is preferred, but should be farther north.
- The Badger Creek route is preferred (less severe terrain, no residences).
- The Highway 14 route is preferred (good access, existing corridor, minimizes new disturbance).
- Avoid the Badger Creek route (no reason given).
- Avoid the Wild Horse Creek route (new effects to landscape, avian hazard, riparian habitat, poor access).
- The northern route north of Clearmont and Wyarno is favored – the Clear Creek/Highway 14 route may affect nesting and wintering bald eagles.
- Follow the Little Badger and Spring Willow drainages (Badger Creek Alternative).
- Proposed route (Badger Creek) should be as far to the east as possible, down Indian Creek. Hay Creek is not a good route because of the proximity of residences.
- Consider an alignment near Beatty Gulch and Lower Prairie Dog Road, north and east of Trembath property.

Many of these recommendations are based on personal preference, and some clearly conflict with others. Each of the specific factors given for preferring a route or avoiding a route have been, and will continue to be, used as proposed Hughes Transmission Project corridors are refined. The analysis of the transmission line alternatives in the EIS will include a discussion and comparison of each of these factors.

4.2.2 Recreation

Only one comment specifically addressed recreation, and concluded that effects on recreation from the proposed projects would be minimal because of the predominance of private lands in the areas that would be affected. This issue will be discussed briefly in the EIS as any effects to recreation would be minimal.

4.3 Out of Scope Issues

Three issues were identified as being outside of the scope of the EIS. The basis for each of these issues and the anticipated level of analysis in the EIS are discussed in this section.

4.3.1 Purpose and Need

Specific components of this issue related to both proposed projects include:

- The proposed projects are too large relative to the apparent local need
- Perception that the proposed projects would be used to move power out-of-state to different markets and not support local needs
- Perception that the proposed projects would benefit primarily large, private corporations and not the general public, especially those directly affected by the proposed projects

The Alternative Evaluation Study for the Dry Fork Station Project and the Macro-Corridor Study for the Hughes Transmission Project established the purpose of and need for the proposed projects. In summary, the purpose of the proposed Dry Fork Station Project is to meet increased demand for electric power in the western portion of Basin Electric's nine state service area, which includes Wyoming, Montana, Colorado, New Mexico, Nebraska, North Dakota, South Dakota, Minnesota, and Iowa. The proposed project may produce more power than is needed when it initially comes online in 2011, as discussed in the Alternative Evaluation Study. This power would be exported from the region to the east or south. This additional power would be available for future growth in the region. The proposed Hughes Transmission Project is needed to meet increasing demand for power in northeastern Wyoming and western South Dakota and to improve regional power grid stability. While the purpose and need will be described in detail in the EIS for the proposed projects, further analysis of the purpose and need for the project is outside of the scope of the EIS.

4.3.2 Rights-of-Way and Easements

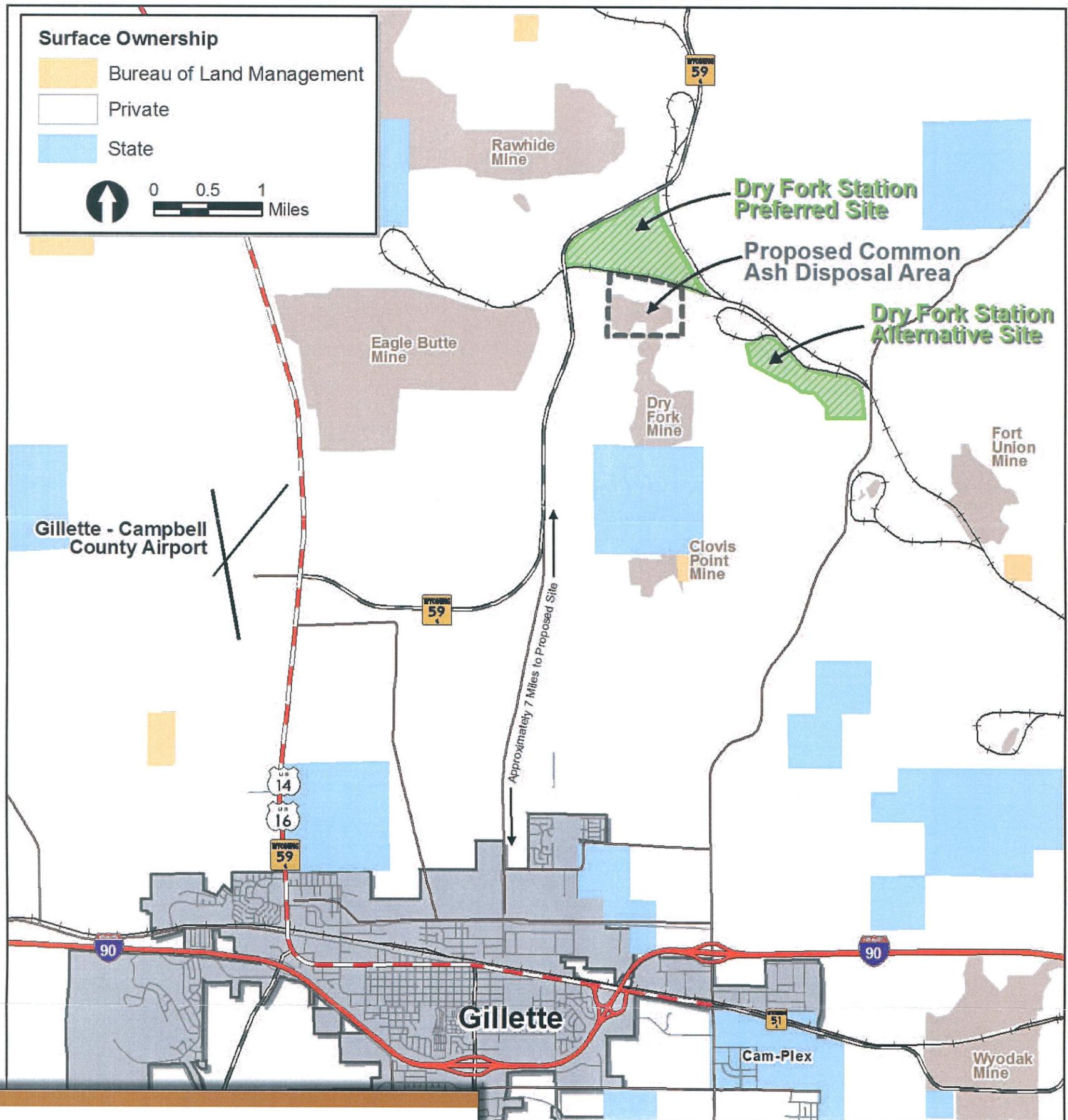
Numerous comments were made on property rights, ROWs, easements, types of payments for access, condemnation, and similar issues related to the proposed Hughes Transmission Project. These issues are clearly important to many individuals, but will not be addressed in the EIS as they are outside the scope of the EIS.

4.3.3 General Comments

Several persons commented that different individuals and particularly different landowners appeared to be getting different treatment and information based on their perceived power, wealth, or other factors. This issue will not be addressed in the EIS as it is outside the scope of the EIS. However, the EIS process will in all regards provide equal information and consideration to all interested parties.

FIGURE 1.1 PROPOSED DRY FORK STATION PROJECT

PREFERRED AND ALTERNATIVE SITES



Dry Fork Station preferred and alternative sites are located approximately 7 miles north of Gillette near the Dry Fork Mine between Highway 59 and Garner Lake Road. The proposed ash disposal area will be used for either site.

FIGURE 1.2 PROPOSED HUGHES TRANSMISSION PROJECT

ALTERNATIVE TRANSMISSION LINE CORRIDORS

