



File Code: 2770

Date: May 19, 2011

Mr. Christian Spens, Project Manager
Cascade Creek, LLC
3633 Alderwood Avenue
Bellingham, WA 98225

Dear Mr. Spens:

The Forest Service has completed its review of the Draft License Application (DLA) and Preliminary Draft Environmental Assessment (PDEA) for the Cascade Creek Hydroelectric Project and will be filing comments with FERC on or before May 19, 2011. We will not be filing Preliminary 4(e) Terms and Conditions at this time.

We find it unusual that the Draft License Application (DLA) and the Preliminary Draft Environmental Assessment (PDEA) were submitted for FERC and agency review before the completion of critical field studies. Based on our review, the DLA and PDEA are incomplete and fail to clearly display the issues, describe the alternatives, and disclose the direct, indirect, and cumulative effects of the proposed action and no action. Several effects analyses appear to be based upon erroneous and/or missing data, including yet-to-be completed fieldwork. Conclusions are unsubstantiated by facts.

The documents lack key information needed for the drafting of meaningful preliminary terms and conditions. In the absence of clearly-stated, site-specific information regarding project operations and stream flows, we would rely upon a desktop method, such as the Tennant method, for calculating instream flow requirements. The Forest Service would require that the project maintain a minimum instream flow of 60% of the mean monthly flow in all reaches of Cascade Creek.

The Forest Service strongly recommends that a revised and complete preliminary environmental document be prepared and circulated for review before the Final License Application and Draft EA/EIS are filed with FERC.

In addition, we recommend that an additional round of public scoping be conducted to update Petersburg residents and interested parties on the many changes in project facilities and operation since the earlier public meetings. We remain concerned about the review process for draft/final study plans and reports and are very confused as to the status of individual documents. Lastly,



we suggest that Cascade Creek LLC and all signatories to the Communications Protocol discuss on-going communications issues and consider the need for a new or amended protocol.

Our comments and suggestions are meant to be constructive and helpful to Cascade Creek, LLC. We are available to meet with you and your staff to discuss our comments and we do plan to participate in the June meeting in Petersburg. A copy of our comments is enclosed.

Please contact Barbara Stanley at (907) 228-6262 or bstanley@fs.fed.us if you wish to arrange an additional meeting.

Sincerely,



FORREST COLE
Forest Supervisor

Enclosure