

IN REPLY REFER TO:

PN-1632 PRJ-1.00

United States Department of the Interior

BUREAU OF RECLAMATION Pacific Northwest Regional Office 1150 North Curtis Road, Suite 100 Boise, ID 83706-1234

NOV 1 3 2015

Mr. James T. Carkulis Cat Creek Energy LLC 1989 South 1875 East Gooding, ID 83330

Subject: Initiation of Formal Lease of Power Privilege (LOPP) Study and Decision Process for the Cat Creek Energy Pump Storage Facility Proposed at Anderson Ranch Reservoir

Dear Mr. Carkulis:

This letter formally confirms that the Bureau of Reclamation has initiated the LOPP process in response to your November 5, 2014, request sent to Reclamation's Regional Director, Lorri J. Lee. Although representatives of Reclamation and Cat Creek Energy LLC have discussed your request, it is appropriate to formalize this acceptance.

The enclosed diagram portrays the LOPP process from receipt of your request, as referenced above, through Award of Preliminary Lease. At this point in time, Reclamation has completed sufficient correspondence with the Federal Energy Regulatory Commission (FERC) to confirm that Reclamation has jurisdiction over the portion of the project dealing with Anderson Ranch Reservoir and is thus the lead agency for conducting the alternatives analysis and environmental clearance aspects of the study effort. FERC has retained jurisdiction over the upper reservoir portion of the proposed project.

Within 30 days, Reclamation will proceed with notifications to the water districts, Native American Tribes, and other stakeholders.

Please contact Mr. Alex Chavez, Ph.D., PMP at 208-378-5290, or via email at achavez@usbr.gov.

Sincerely,

L'orri J. Lee

Regional Director

Enclosure