



July 7, 2011

Mr. Anthony J. Como
Director, Permitting and Siting
Office of Electricity Delivery and
Energy Reliability (OE-20)
U.S. Department of Energy
1000 Independence Avenue SW, Room 8G-024
Washington, D.C. 20585

**Subject: Champlain Hudson Power Express Project
U.S. Department of Energy Presidential Permit Application PP-362**

Dear Mr. Como:

On January 25, 2010, Transmission Developers, Inc. ("TDI" or "Applicants") submitted on behalf of Champlain Hudson Power Express, Inc. ("CHPEI") an application to the U.S. Department of Energy ("DOE") for a Presidential Permit and an amendment on August 5, 2010 (collectively, the "Application") in connection with the Champlain Hudson Power Express project ("Project"). On December 6, 2010, in connection with their submission of an application to the U.S. Army Corps of Engineers to obtain construction permits pursuant to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act of 1899, a coastal zone consistency certification assessment and accompanying forms were submitted to the New York State Department of State ("NYSDOS"). NYSDOS received this submission on December 8, 2010.

On June 8, 2011, NYSDOS issued its conditional concurrence for the Project which contained five conditions. To demonstrate their acceptance of these conditions, the Applicants are amending their Application as follows:

- 1) The transmission cables will be buried at the maximum depth achievable that would allow each pole of the bi-pole to be buried in a single trench using a jet-plow. Given the state of the available information, this is expected to be at least six (6) feet below the sediment water interface. Should the bi-pole occupy any federally maintained navigation channels it will be buried at least 15 feet below the authorized depth in a single trench within those channels. The cable will be maintained at these depths and depth of burial will be verified on a periodic basis so as to not become a hazard to navigation or marine resources.**

The original Application stated that the submarine cable generally would be buried to a depth of approximately three (3) to four (4) feet beneath the bed surface and separated by a distance of three (3) feet. The Applicants will now install the underwater cables in the State's coastal waters, which for this project would be the Hudson, Harlem and East Rivers, to the maximum depth achievable that allows each pole of the bi-pole to be buried side-by-side in a single trench

using the jet plow installation technology. Based on available information, the Applicants believe the burial depth in such situations will be six (6) feet below the sediment-water interface and that the trench will be approximately 2 feet wide. Where the bi-pole occupies any federally maintained navigation channel in the State's coastal waters, the cables will be buried at least fifteen (15) feet below the U.S. Army Corp of Engineer's authorized navigation channel depth in a single trench. The Applicants will maintain the cables at these depths and depth of burial will be verified on a periodic basis, in accordance with the Applicant's New York State Public Service Commission Article VII Certificate, so as to not become a hazard to navigation or marine resources.

- 2) All transitions from upland to submarine configurations within the coastal area will be accomplished by horizontal directional drilling and will be at a depth sufficient so as to not interfere with any current or future water dependent uses.**

The original Application stated that, in intertidal and shoreline areas, horizontal directional drilling ("HDD") is preferred to open trenching because it does not expose the surface to wave action. The Applicants have agreed to complete all transitions from upland to submarine configurations by HDD. The HDD installations will be at a depth sufficient so as to not interfere with any known current or foreseeable future water dependent uses.

- 3) The transmission cable will not occupy any area within the Hudson River north of the southerly boundary of the Inbocht Bay and Duck Cove SCFWH.**

The original Application stated that the cables would enter the Hudson River in the town of Coeymans, New York. The Applicants will now route the cables so they enter the Hudson River further south in the Town of Catskill, New York. This placement would locate the cables south of both the Inbocht Bay and the Duck Cove Significant Coastal Fish and Wildlife Habitat ("SCFWH").

- 4) The transmission cable will be in an upland, buried configuration around the Haverstraw Bay SCFWH.**

The original Application stated that, once in the Hudson, the underwater cables would be buried in the bed of the River south to the New York City metropolitan area. The Applicants will now route the cables so they will be buried in a western-shore upland bypass configuration that would avoid the Haverstraw Bay SCFWH.

- 5) When work will be conducted in identified SCFWHs, it will be conducted during the timeframes provided in the narrative describing the SCFWH. Outside of SCFWHs all in water work will be conducted in accordance with the recommendations developed during the Article VII proceedings.**

The Applicants will adhere to all SCFWH narrative timeframes when conducting work in an identified SCFWH. Outside of SCFWHs, the Applicants have, in consultation with state regulatory agencies, developed a schedule of construction windows (see Table 1) which the Applicants anticipate will be included in its Article VII certificate.

Table 1: Proposed Construction Windows

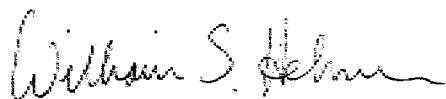
River Mile	Project Route Mile	Location	Construction Windows
Lake Champlain			
	0 to 73	U.S./Canada Border to Crown Point	May 1 - August 31
	73 to 103	Crown Point to Dresden	September 1 - December 31
Hudson River, Harlem River, East River			
107-103	230 to 234	Cementon - Malden	August 1 - October 15
103-97	234 to 239	Malden - Turkey Point	August 1 - October 15
97-91	239 to 246	Turkey Point - Kingston Point	August 1 - October 15
91-87	246 to 250	Kingston Point - Esopus Meadows	August 1 - October 15
87-80	250 to 257	Esopus Meadows - Crum Elbow	August 1 - October 15
80-76	257 to 261	Crum Elbow - Poughkeepsie	August 1 - October 15
76-68	261 to 269	Poughkeepsie - New Hamburg	August 1 - October 15
68-56	269 to 280	New Hamurg - Pollepel Island	September 15 - November 30
56-41	280 to 296	Pollepel Island - Verplanck	September 15 - November 30
41-33	296 to 305	Verplanck - Croton Point	OVERLAND
33-18	305 to 320	Croton point - Yonkers	July 1 - October 31
18-14	320 to 324	Yonkers - Harlem River	July 1 - October 31
all		Harlem River - East River	May 15 - November 30

The Applicants note that confidential settlement discussions regarding its application to the New York State Public Service Commission (“NYSPSC”) for siting approval are still on-going. These negotiations have covered a wide variety of topics that may be relevant to the DOE’s review of the Project and may affect the preferred routing. Therefore, the Applicants are proposing to submit revised sections of the Application after July 8, 2011 that will incorporate or reflect the five DOS conditional concurrence requirements as well as any conditions that come out of the Article VII process. The June 24th, 2011 report to the Administrative Law Judges called for settlement talks to be concluded by August 12, 2011. The Applicants believe and the NYSDOS has agreed this is the most efficient approach, as it would avoid having to submit and potentially resubmit sections of the Application in a relatively short period of time.

Please feel free to contact me at (518) 465-0710 or by e-mail at bill.helmer@transmissiondevelopers.com with any questions or concerns. We look forward to continuing to work with your office on this Project.

Sincerely,

TRANSMISSION DEVELOPERS INC.



William S. Helmer
Senior Vice President and General Counsel

cc: Donald Jessome, TDI
Sean Murphy, HDR|DTA
Jay Ryan, Van Ness Feldman
Kari Gathen, DOS
Jeffrey Zappieri, DOS