FEDERAL ENERGY REGULATORY COMMISSION Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 1835-219—Nebraska North Platte/Keystone Diversion Dam Nebraska Public Power District

Mr. Brian Barels Nebraska Public Power District P.O. Box 0499 Columbus, NE 68602-0499

AUG 0 9 2002

Dear Mr. Barels:

We received your reports, filed on July 31 and August 5, 2002, in which you request to allow for the diversion of up to an additional 20,000 acre-feet of storage water for surface water irrigation purposes at the North Platte/Keystone Diversion Dam Project for the current irrigation season. Article 403 of the license requires, in part, that you divert no more than 45,070 acre-feet of storage water for irrigation at the Gothenburg, Dawson County and Kearney headgates in any water year, except as may be required by law.

You state that western and south-central Nebraska is currently in one of the worst droughts in recorded history. The water provided to the three canals specified in article 403 (Gothenburg, Dawson County, and Kearney) comes from a combination of natural flow and storage water. Typically, 10 percent of the total water delivered to these canals comes from storage. This year, the percentage of storage needed by these canals has risen to 25 percent. If the drought continues, it is estimated that storage water will account for 40 percent of the water delivered to these canals. While the overall amount of irrigation water diverted this year has not been greater than in other years, the amount of storage water used by those farmers this year has been unprecedented. As of July 27, 2002, you delivered 30,350 acre-feet of storage water to the three canals. At that rate (approximately 1,400 acre-feet per day), you will near the limit required by article 403 by mid August.

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You consulted with the U.S. Fish and Wildlife Service (FWS), Nebraska Game and Parks Commission (NGPC), Central Nebraska Public Power and Irrigation District (Central), and the Nebraska Water Users (NWU) regarding your proposal. You included with your filing, a signed agreement with Central, in which Central agrees to provide the additional water (from Lake McConaughy) to you in 2002 and in exchange, will allow Central to limit the quantity and rate of releases or requests for releases of storage water during a subsequent irrigation season (up to 2007).

The NGPC and FWS commented on your request in letters both dated July 29, 2002. The NGPC states the proposal may result in the following effects in Lake McConaughy (immediately upstream of Lake Ogallalla): decreased potential for refilling the reservoir to desirable levels; continued declines in accessability to Lake McConaughy (i.e., boat docks), loss of babitat; accelerated fish loss through the dam; possible stranding and mortality of fish in isolated pools; reduced benthic and planktonic communities; and increased natural mortality. In Lake Ogallalla, the NGPC anticipates an increased risk of warming (due to increased risk of warm water releases from Lake McConaughy) that could possibly affect the trout fishery. The FWS concurred with the NGPC's assessment of potential effects, but does not anticipate that your proposal will adversely affect federally listed species or the Environmental Account.

The NGPC and FWS state these concerns will be exacerbated by increased releases and delays in restoring adequate reservoir storage levels. The NGPC and FWS recommend the increased releases be replaced in the 2003 irrigation season through an equal reduction in 2003 storage releases.

By letters dated July 26, 2002, the NWU and Central supported the licensee's request.

Given the unprecedented drought, and the cooperative effort of Central, NGPC, and FWS, we concur with this temporary exceedence of the storage cap given it will offer immediate benefits to the region. We will therefore grant your request to raise the limit required by article 403 to allow for an additional 20,000 acre-feet of storage water to be diverted for irrigation purposes at the Gothenburg, Dawson County, and Kearney canals for the current water year.

¹84 FERC ¶ 61,078 (1998).

²Licensee for the Kingsley Dam Project (FERC No. 1417). The North Platte/Keystone Diversion Dam Project is located between the developments of the Kingsley Dam Project. The licensee for the Kingsley Dam Project is Central Nebraska Public Power and Irrigation District. Operation of the two projects is closely coordinated.

Thank you for your cooperation. If you have any questions concerning this letter, please contact Diana Shannon at (202) 502-8887.

Sincerely,

J. Mark Robinson

Director

Office of Energy Projects

Mr. William J. Madden, Jr. Winston & Strawn 1400 L Street, NW Washington, DC 20005-3502

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