DATE: February 18, 2010

REPLY TO ATTN OF: KEC-4

SUBJECT: Environmental Clearance Memorandum

TO: James Hall
Customer Service Engineer – TPC-TPP-4

Proposed Action: Interconnection of Snohomish County Public Utility District No.1 (SNOPUD) Young’s Creek Hydro Small Generation

Budget Information: WO# 00231295, Task 01

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B4.6 Additions or modifications to electric power transmission facilities that would not affect the environment beyond the previously developed facility area including, but not limited to, switchyard rock grounding upgrades, secondary containment projects, paving projects, seismic upgrading, tower modifications, changing insulators, and replacement of poles, circuit breakers, conductors, transformers and crossarms.

Location: Snohomish County, Washington

Proposed by: Bonneville Power Administration (BPA)

Description of the Proposed Action: SNOPUD has requested interconnection of 7.5 MW of hydro generation from the existing Young’s Creek Hydro Project in Monroe, Washington. In order to accommodate this request, BPA will integrate the hydro power into BPA’s balancing authority area using existing BPA facilities and infrastructure. SNOPUD will be responsible for providing Young’s Creek Hydro data to BPA’s Dittmer Control Center via an Electric Industry Data Exchange link.

Findings: BPA has determined that the proposed action complies with Section 1021.410 and Appendix B of Subpart D of the Department of Energy’s (DOE) National Environmental Policy Act (NEPA) Regulations (57 FR 15144, Apr. 24, 1992, as amended at 61 FR 36221-36243, July 9, 1996; 61 FR 64608, Dec. 6, 1996). The proposed action does not present any extraordinary circumstances that may affect the significance of the environmental effects of the proposal. The proposal is not connected [40 C.F.R. 1508.25(a)(1)] to other actions with potentially significant impacts, is not related to other proposed actions with cumulatively significant impacts [40 C.F.R. 1508.25(a)(2)], and is not precluded by 40 C.F.R. 1506.1 or 10 C.F.R. 1021.211.

Moreover, the proposed action would not (i) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, (ii) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities,
(iii) disturb hazardous substances, pollutants, contaminants, or Comprehensive Environmental Response, Compensation and Liability Act-excluded petroleum and natural gas products that pre-exist in the environment such that there would be uncontrolled or unpermitted releases, or (iv) adversely affect environmentally sensitive resources.

This proposed action meets the requirements for the Categorical Exclusion referenced above. We therefore determine that the proposed action may be categorically excluded from further NEPA review and documentation.

/s/ Brenda Aguirre  
Brenda Aguirre KEC-4  
Environmental Project Manager

Concur:

/s/ Katherine S. Pierce  
Katherine S. Pierce  
NEPA Compliance Officer

DATE: February 18, 2010
Environmental Checklist for Categorical Exclusions

Name of Proposed Project: Snohomish Co. PUD No. 1 Young’s Creek Hydo Small Generation Interconnection

Budget Number: Work Order # 00231295, Task 01

This project has been found to not adversely affect the following environmentally sensitive resources, laws, and regulations:

<table>
<thead>
<tr>
<th>Environmental Resources</th>
<th>No</th>
<th>No with conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Cultural Resources</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>2. T &amp; E Species, or their habitat(s)</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>3. Floodplains or wetlands</td>
<td>x</td>
<td></td>
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<tr>
<td>4. Areas of special designation</td>
<td>x</td>
<td></td>
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<tr>
<td>5. Health &amp; safety</td>
<td>x</td>
<td></td>
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<tr>
<td>6. Prime agricultural lands</td>
<td>x</td>
<td></td>
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<tr>
<td>7. Special sources of water</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>8. Consistency with state and local laws and regulations</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>9. Pollution control at Federal facilities</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

Signed: /s/ Brenda Aguirre  Date: February 18, 2010