



THE HYDRO COMPANY, INC.

DBA THE NEVADA HYDRO COMPANY, INC.

July 22, 2008

Billie C. Blanchard, AICP
Project Manager for TE/VS Interconnect
California Public Utilities Commission's
505 Van Ness Avenue
San Francisco, CA 94102

RE: Application Completeness Review – Talega-Escondido/Valley-Serrano 500 kV
Interconnect Project Proponent's Environmental Assessment -- Application No.
A.07-10-005

Dear Ms. Blanchard,

Thank you for your letter of March 6, 2008, in which you identified the deficiencies in our January 2008 Proponent's Environmental Assessment (PEA) for the Talega-Escondido/Valley-Serrano 500 kV Interconnect Project. We are pleased to enclose a revised PEA addressing the issues raised in this letter.

We have also incorporated into the document the directive from your April 9, 2008 letter, pertaining to the definition of the "project" before the Public Utilities Commission (Commission) and the relationship between the pumped storage and transmission facilities.

You will see that we have completely reorganized and updated the PEA, based on the organizational structure set out in the Commission's January 11, 2008 "PEA Checklist."

Attached, therefore, are the following:

1. Complete July 2008 PEA (both paper and electronic versions).
2. Cross references to the items identified in "Attachment A" and "Attachment B" of your March 6, 2008 letter.

We anticipate posting the entire PDF version on our web site, "leapsforward.org" in the next few days.

Please let us know whether you have any questions.

Very truly yours,

David Kates

Enclosures