UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

JUL - 6 2005

David L. Saliba
Fossil Plant Manager
APS Four Corners Power Plant
Mail Station 4900
PO Box 355
Fruitland, NM 87416-0355

Dear Mr. Saliba:

We received the proposal for information collection (PIC) for the APS Four Corners Power Plant, submitted in partial compliance with the 316(b) phase II regulatory requirements, along with a cover letter from you dated April 18, 2005. The purpose of this letter is to provide you with written EPA comments on your PIC. Most of these comments have already been discussed informally between EPA and APS staff.

Although we support appropriate restoration alternatives for compliance with 316(b) at the Four Corners Power Plant, EPA is concerned by APS's stated intent to consider creation of Morgan Lake as an "existing" restoration measure under the 316(b) rule. The PIC states:

> "Four Corner's creation of aquatic habitat that supports the current Morgan Lake recreational fishery is not different than that of other such restoration programs. APS plans to pursue quantification of the aquatic habitat it created to determine if it is adequate to support a level of fish production adequate to offset 80% to 95% of the annual impingement mortality necessary to comply with the IM performance standard."

EPA does not believe the initial creation of the cooling lake should be considered a restoration measure under the 316(b) Phase II rule. Under 125.95(b)(5)(iii), the restoration plan must provide "quantification of the ecological benefits of the proposed restoration measures." If the creation of Morgan Lake is to be considered restoration, the ecological benefits of the restoration project must be quantified, and the destruction of any habitat that existed prior to the creation of the lake must be taken into account. EPA believes it is likely that the dry wash that was impounded to create Morgan Lake contained valuable ecosystem functions. Additionally, as the project was begun in the late 1950s, it is unlikely that data is available to quantify net ecological benefits of the project. Therefore, we do not believe this compliance strategy will be successful. However, we would welcome restoration proposals that would enhance existing uses of Morgan Lake. These types of restoration projects could have on-the-ground benefits for the community in addition to providing compliance with 316(b) for APS.