

February 29, 2011

Naomi Handell
U.S. Army Corps of Engineers, New York District
Jacob K. Javits Federal Building
26 Federal Plaza, Regulatory Br., Room 1937
New York, NY 10278-0091

**RE: Champlain Hudson Power Express Project
USACE Application 2009-01089-EHA**

Dear Ms. Handell:

On December 6, 2010, Champlain Hudson Power Express Inc. and CHPE Properties Inc. (collectively the “Applicants”) submitted to the U.S. Army Corps of Engineers (USACE) an application to obtain construction permits for the Champlain Hudson Power Express Project (Project) pursuant to Section 404 of the Clean Water Act and Section 10 of the Rivers and Harbors Act. On behalf of the Applicants, please find enclosed a supplement to this previously submitted application, which includes changes to the Project as a result of negotiations with various New York State agencies and stakeholders participating in the siting approval process established by Article VII of the New York State Public Service Law (“Siting of Major Utility Transmission Facilities”). The enclosed supplement also includes additional information requested by your office in a letter dated July 5, 2011.

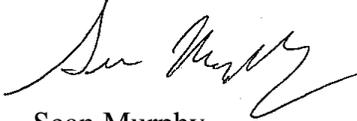
The application materials submitted in December 2010 were based on the Project route and specifications submitted to the New York State Public Service Commission (Commission) in July of 2010 in the context of the Article VII process. At the time these documents were submitted, the Applicants were just beginning to engage in settlement discussions pursuant to Commission's Settlement Guidelines, which provide for and mandate confidentiality for all such discussions. On February 24, 2012, the Applicants and multiple parties including state agencies, municipalities, and other organizations were able to reach settlement on a Joint Proposal of Settlement, which is supported by draft Certificate Conditions, Best Management Practices, and other items. As a result, there have been substantial modifications to the original Project routing as well as overall design, construction, and operation of the facility. The Applicants have therefore updated the application materials that were submitted to the USACE in December 2010 to reflect these new conditions.

In addition, in July of 2011 your office submitted a request for additional information on a broad range of topics. As we have discussed, the Applicants elected to postpone responding to this request in order to avoid submitting information which either violate the confidentiality requirements of the Commission’s settlement process or would have to be updated. With the completion of the settlement process, the Applicants are now in a position to respond with the information you requested in the letter of July 5, 2011.

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We look forward to learning of your reactions regarding the data provided and the issues discussed in the enclosed USACE Application Supplement. Please feel free to contact me at any time if you have any questions about the materials presented.

Regards,

A handwritten signature in black ink, appearing to read "Sean Murphy", written in a cursive style.

Sean Murphy
Senior Regulatory Scientist

Enclosure

cc: Don Jessome, Transmission Developers Inc.