

Testimony

**Prepared for Joint Committee Oversight Hearing
Subcommittees on Water and Power and National Parks, Forests and Public Lands.
Meeting Topic: “Mountain Pine Beetle: Strategies for Protecting the West”.
10:00 a.m. June 16, 2009**

Testimony prepared by: Charles A. Larsen, General Manager of Carbon Power and Light Inc.
Saratoga, WY 82331.

Honorable Committee Chairmen and Committee Members, my name is Charles A. Larsen and I am the General Manager of Carbon Power and Light Inc.(Carbon), a Rural Electric Cooperative providing distribution electric service to Member-Owners (consumers) of the Cooperative in south central Wyoming. The purpose of my testimony today is to provide you with information specific to Carbon’s experiences associated with the impact of the Mountain Pine Beetle (Pine Beetle) infestation and the impact that infestation is having on the Cooperative.

As stated Carbon is a Rural Electric Cooperative and like many Electric Cooperatives our service areas are large and our numbers of consumers are low. Carbon’s consumer density is 3.3 consumers per mile of line for a total of 6,100 meters. The geological makeup of Carbon’s service territory ranges from grassland, to foothills and portions of the Medicine Bow and Sierra Madre mountain ranges. For the purpose of this hearing, we will be focusing on Carbon’s distribution electric system serving within the aforementioned mountainous areas.

In 2006 and 2007 those of us living in south central Wyoming, watched as the Pine Beetle infestation, which was devastating Colorado’s northern forests, rapidly spread into our forested areas. Because Carbon has several “Special Use Permits” within the National Forests, which provide right-of-way access and allows us to provide distribution electrical service to numerous cabin communities, communication sites, a reservoir providing water to the City of Cheyenne and Forest Service Facilities we understandably became quite concerned with the inevitable impact that these dying trees would have on our overhead power lines within these permit areas. At the start of this process, it was anticipated that within a 5 year period the mortality rate of the lodge pole pine species in our forested areas will be 90 to 95%...this estimation is proving to be correct.

For clarification, each time Carbon extends its electrical distribution lines within the National Forest, we are required to apply for and receive approval from the U. S. Forest Service (Forest Service), under their permitting process, prior to constructing our facilities. Historically, the Forest Service has granted us right-of-way widths of 20 and 30 feet (10 to 15 feet either side of centerline). Carbon is then required to maintain that permit area, based on a set of guidelines provided for in the “Special Use Permit”. As you probably have already noted...20 to 30 feet is not very wide, however under a healthy forest situation, these widths have been adequate for many years. The permits for these right-of-ways are also very clear as to how Carbon must address trees leaning into the right-of way from outside the cleared permit area. Carbon must

either notify the Forest Service that a tree is a problem and get permission to remove it or if it is an immediate hazard it can be removed, provided we notify the Forest Service within 48 hours after doing so.

In October of 2007, recognizing the pending impact this tree mortality would have on our power lines; I requested a meeting with the Forest Service to discuss the situation. That meeting was held on October 9th and included myself, two Carbon employees and nine Forest Service employees. After expressing our concerns I was very surprised to learn that...all of those trees...dead and dying...*outside* our permit area, were now Carbon's future responsibility and expense to deal with. At this meeting and in subsequent meetings we were also informed that Carbon would be liable, if in fact one of those trees fell from outside the permit area, contacted our power line and started a forest fire.

This was the beginning of Carbon's quest to address the Pine Beetle impact...a process that to date has failed to facilitate the large scale removal of any hazard trees adjacent to our permit areas.

Early in this process, it seemed that the existing Forest Service Rules and Regulations were clear as to how to manage a healthy forest and the transition in dealing with a dead forest was something they had not planned for. For my part, I wrote numerous letters and met with Forest Service Officials, Wyoming's Congressional delegates, the Rural Utilities Service, the National Rural Electric Cooperative Association and neighboring Electric Cooperatives expressing my concerns and to attempt to seek some cohesive common ground in addressing the problem. Unfortunately...it was clearly apparent that no one knew just what to do. At this point, I must admit it felt pretty lonely out here in Wyoming.

Since that time, after numerous meetings (12 total), countless phone calls and emails, the Forest Service has worked with Carbon to commence with the process of preparing an Environmental Assessment (EA) which will be required prior to achieving our goal of widening the existing right-of-ways to 150 feet. That process started in November of 2008 and is yet to be completed. There is currently discussion regarding the requirement of an additional "Goshawk Study" under the biological component of the EA. It is now extremely unlikely that Carbon will be allowed to move ahead with any right-of-way widening in the current year.

Carbon currently has 34 miles of distribution power line that must be addressed. To address our potential liability Carbon has increased its general liability insurance amount from \$4 million to \$10 million. It is estimated that before this project is completed, the general expenses associated with the project, the EA and the actual clearing, Carbon will expend an amount in excess of \$1.3 million. In the scope of things currently taking place nationally...that may seem like a small amount, but for Carbon and other Cooperatives facing this similar issue, it is funding that we must borrow and which will be paid back through the electric rates of our current and future Member-Owners.

In closing, there are those who say this is a natural occurrence, those that say it is caused by climate change and there are those who say that it is due to mismanagement of our forests. At this point however, laying blame accomplishes very little. The Forest Service, Environmental

Community, General Public, Utilities and our Congressional Representatives must come together to address this issue. For Carbon...and other Electric Cooperatives serving in Pine Beetle impacted forests we need your help...the clock is ticking...and time is running out.

I would like to thank the Committees for your time and your consideration in this matter.

Charles A. Larsen
General Manager, Carbon Power and Light Inc.