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DIV OF WATER FIGHTS

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245 Market Street San Francisco, CA 94105 *Mailing Address* Mail Code N11C P.O. Box 770000 San Francisco, CA 94177

June 24, 2009

Ms. Victoria A. Whitney
Deputy Director, Division of Water Rights
California State Water Resources Control Board
1001 I Street, 14th Floor
Sacramento, CA 95814

RE: Pit 1 Project, FERC No. 2687

Request for Change in Article 401, Condition 13 of the License for the Pit 1 Hydroelectric Project, in Shasta County, California

Dear Ms. Whitney:

On May 26, 2009, the United States Fish and Wildlife Service (USFWS) sent a letter to the Federal Energy Regulatory Commission (FERC) and the State Water Resources Control Board (SWRCB) expressing a concern regarding a decline in the endangered Shasta crayfish (*Pacifastacus fortis*), and requesting the suspension of flushing flows at Pacific Gas and Electric Company's (PG&E) Pit 1 Project, FERC No. 2687. A copy of USFWS May 26, 2009 letter is attached.

PG&E's FERC License and Existing Section 401 Conditions

On March 19, 2003, FERC issued a new license for the Pit 1 Project. This license includes Clean Water Act Section 401 conditions and requires PG&E to release flushing flows to control nuisance aquatic vegetation and mosquito production in Fall River Pond, and to prepare a plan to monitor the effectiveness of flushing flows.

The specific Section 401 Conditions are as follows:

13. The Licensee shall control growth of aquatic vegetation and mosquito production in the Fall River Pond by releasing a continuous minimum fish/aquatic habitat release as described in Condition 8 and by releasing flushing flows through Fall River Pond for two consecutive days (Saturday and Sunday) three times per year. Flushing flows are defined as 1,250 cfs or the natural flow to the Pit 1 Forebay, whichever is less. The flushing flow will be released in May or June when warranted by vegetation growth in the Fall River Pond. The second flushing flow will be released in July, and the third flushing flow will be released at the end of August, prior to the Labor Day weekend. The releases will be made from approximately 2 a.m. Saturday morning and continue until approximately 3 p.m. the following Sunday afternoon and

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then be ramped down over a period of time. PG&E shall develop a vegetation flushing flow ramping plan in consultation with the Department of Fish and Game and the California Water Board and obtain written approval of the plan by the Chief of the Division of Water Rights. The Licensee shall implement the flushing program as soon as practicable after issuance of the new license.

The Licensee shall provide as much advanced public notice as possible of a proposed flushing flow release but no less than 48 hours through a boat-a-phone or existing PG&E website.

14. The Licensee shall monitor the effectiveness of releasing flushing flows to control aquatic vegetation and mosquito production in Fall River Pond. The initial monitoring shall be for 5 years after the issuance of the new license. The Licensee shall develop a vegetation flushing monitoring program in consultation with the Fall River Mills Community Services District, Fall River Chamber of Commerce, the Pine Grove Mosquito Abatement District, and the Department of Fish and Game, and obtain written approval of the program by the Chief of the Division of Water Rights. The Chief of the Division of Water Rights may modify or terminate the flushing flow monitoring program after review of the 5-year monitoring report prepared by the licensee.

PG&E's Request for Modifications to Section 401 Conditions

Many factors can contribute to a species' decline. In the interest of responding to the USFWS' concerns, and in the spirit of continued cooperation with the USFWS, PG&E hereby asks the SWRCB to modify certain Section 401 water quality certificate (Certification) conditions that were incorporated into the Pit 1 Project license. Specific modifications requested include: changes to Certification Condition 13, Flushing Flows to Control Aquatic Vegetation; and Certification Condition 14, Flushing Flow Effectiveness Monitoring. These modifications are consistent with USFWS' recommendations.

The requested modifications in Certification Conditions 13 and 14 are to review the results presented in the first four years of the annual flushing flow reports and terminate the flushing flows in Pit 1 during the summer months. Based on monitoring results from flushing flows conducted in 2005 through 2008, surface vegetation cover under the current license has been minimal. Based on the monitoring results, the continuous minimum base flows through Fall River Pond have had a substantially greater role in suppressing vegetation than the flushing flows.

After the SWRCB modifies the water quality certificate conditions, PG&E will then file the new conditions with FERC for incorporation into the Pit 1 Project license. To further address the USFWS' concerns, PG&E requests the SWRCB to permit that summer flushing flows be halted as early as July 2009. PG&E also requests that the SWRCB provide the proposed modifications to the FERC by July 10, 2009.

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If you have any questions, please call me at (415) 973-3642.

Sincerely,

Charles White, Senior License Coordinator Hydro Licensing

Attachment

cc: Attached List

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cc List:

Mr. Russ Kanz State Water Resources Control Board P.O. Box 2000 Sacramento, CA 95812-2000

Ms. Cay Goude, Field Supervisor U.S. Fish and Wildlife Service 2800 Cottage Way, Rm W-2605 Sacramento, CA 95825

Ms. Kim Squires U.S. Fish and Wildlife Service 2800 Cottage Way, Room W2605 Sacramento, CA 95825

Dennis Heiman Central Valley Regional Water Quality Control Board 415 Knollcrest Drive, Suite 100 Redding, CA 96002

Mr. Robert Bailey
District Conservationist
Natural Resources Conservation Services
3644 Avtech Parkway, Suite C
Redding, CA 96002-9241

Ms. Kathy Brown Conservation Partnerships Program Coordinator U.S. Fish and Wildlife Service 2800 Cottage Way, Room W2605 Sacramento, CA 95825

Mr. Josh Hull U.S. Fish and Wildlife Service 2800 Cottage Way, Room W2605 Sacramento, CA 95825

Mr. Woody Elliott
District Resource Ecologist
California Department of Parks and Recreation
Northern Buttes District
400 Glen Drive
Oroville, CA 95966

Mr. Gary Stacey, Regional Manager California Department of Fish and Game 601 Locust Street Redding, CA 96001

Mr. Steve Baumgartner California Department of Fish and Game 601 Locust Street Redding, CA 96001

Mr. Matt Myers California Department of Fish and Game 601 Locust Street Redding, CA 96001

Mr. Glenn S. Yoshioka Native Nongame Fishes Coordinator Fisheries Branch California Department of Fish and Game 830 S Street Sacramento, CA 95811

Mr. Steve Clay
Partners for Fish and Wildlife
Modoc National Wildlife Refuge
P.O. Box 1610
Alturas, CA 96101

Ms. Jessica Jim, Chair Pit River Tribe 37014 Main Street Burney, CA 96013

Mr. Ross Montgomery Jr. Sergeant-at-arms Pit River Tribe 37014 Main Street Burney, CA 96013 ORIGINAL



United States Department of the Interior



FISH AND WILDLIFE SERVICE Sacramento Fish and Wildlife Office 2800 Cottage Way, Room W-2605 Sacramento, California 95825-1846

In Reply Refer To: 81420-2008-I-1103-1

Ms. Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

Ms. Victoria A. Whitney, Deputy Director Division of Water Rights California State Water Resources Control Board 1001 I Street, 14th Floor Sacramento, California 95814 SECRETARY OF THE COMMISSION

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Subject:

Request for Change in Article 401, Condition 13 of the License for the Pit 1 Hydroelectric Project, FERC Project No. 2687, in Shasta County, California

Dear Ms. Bose and Ms. Whitney:

This letter is in response to information presented to the U.S. Fish and Wildlife Service (Service) during the course of post licensing meetings for the Pit 1 Hydroelectric Project, Federal Energy Regulatory Commission (FERC) Project No. 2687, in Shasta County, California. At issue are the effects of the flushing flows described in Article 401, Condition 13 of the license on the endangered Shasta crayfish (*Pacifastacus fortis*). This letter is issued under the authority of the Endangered Species Act of 1973, as amended (16 U.S.C. §1531 et. seq.)(Act), and the regulations governing interagency consultations (50 CFR § 402).

As part of the FERC license for the project that was issued on March 19, 2003, the State Water Resources Control Board (SWRCB) 401 Water Quality Certification requires the licensee, Pacific Gas and Electric (PG&E), to release flushing flows through Fall River Pond and hence the spring-fed Pit 1 bypass reach for two consecutive weekend days three times annually in May/June, July, and August (Condition 13) to control growth of aquatic vegetation and mosquito production in the Fall River Pond and to monitor the effectiveness of these flushing flows for five years after issuance of the new license (Condition 14). PG&E has been implementing these summer flushing flows annually since 2003.

On April 22, 2009, the Shasta Crayfish Technical Review Committee and Shasta Crayfish Recovery Team met to review the first five and six-years of monitoring for the Pit 1 and Hat Creek (FERC No. 2661) projects. During this summary review workshop, the status and



precipitous decline of Shasta crayfish observed in the Pit 1 bypass reach was discussed. In October of 2005 a total of 21 Shasta crayfish were found (6 adults, 7 juveniles, and 8 young of the year) in this reach, but only one adult dying male was found in September of 2008. Conversely, two competitor/predator non-native crayfish species more tolerant to temperature fluctuation have doubled and tripled respectively during the same time period.

On May 11, 2009, a five-year summary meeting for the Pit 1 Water Quality Monitoring was held with the State Water Board and Regional Water Quality Control Board. The Service and California Department of Fish and Game were in attendance. Technical discussions regarding the flushing flows included the status of Shasta crayfish in the spring-fed Pit 1 bypass, the reduction and/or elimination of coldwater refugia, and an increase of daily minimum temperatures to 21°C. In addition, as a result of information presented during the May 11, 2009, meeting, it appears that the Minimum Instream Flow, as required by the FERC license, is controlling the control nuisance aquatic vegetation in Fall River Pond and that flushing flows do not appear to be necessary.

The Service is concerned that the flushing flows are facilitating the decline of the endangered Shasta crayfish in the Pit 1 bypass. Therefore, the Service requests the suspension of the flushing flows this summer (2009) prior to the five-year licensee review and recommendation to prevent any further adverse effects and take of Shasta crayfish in the Pit 1 Bypass Reach.

Please address any questions or concerns regarding this request to Kim Squires or Arnold Roessler, Forest and Foothills Branch Chief, at (916) 414-6600.

Sincerely,

Chris Nagano

Chief, Division of Endangered Species

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CC:

FERC Project 2687 Service List