



**Pacific Gas and
Electric Company**

Matthew A. Fogelson
Attorney at Law
Registered In-House Counsel,
Licensed in the District of Columbia and
New York

Law Department
77 Beale Street, B30A
San Francisco, CA 94105-1814

Mailing Address:
P. O. Box 7442, B30A
San Francisco, CA 94120-7442

415.973.7475
Fax: 415.973.5520
E-Mail: MAFv@pge.com

March 23, 2007

Via FERC E-Filing

Philis J. Posey, Acting Secretary
FEDERAL ENERGY REGULATORY COMMISSION
888 – 1st Street, N.E., Docket Room #1A East
Washington, D.C. 20426-0001

Re: Kilarc-Cow Creek, FERC Project No. 606

Dear Ms. Posey:

Enclosed please find an original and eight (8) copies of a Proposed License Surrender Application Schedule for the Kilarc-Cow Creek Project (“Project”) submitted by Pacific Gas and Electric Company (“PG&E”), licensee for the Project.

PG&E filed a notice of intent to file a subsequent license application for the Project on March 8, 2002. Thereafter, PG&E extensively analyzed anticipated new license conditions and determined that such conditions would make the Project an uneconomic source of power. On March 31, 2005, PG&E filed the Kilarc-Cow Creek Project Agreement by and between PG&E, the U.S. Fish and Wildlife Service, California Department of Fish and Game, National Park Service, California State Water Resources Control Board, NOAA Fisheries, Trout Unlimited, and Friends of the River. Under this Agreement, PG&E agreed not to seek a new license for the Project, but to continue operating the Project until the current license expires on March 27, 2007, and pursuant to annual licenses thereafter, until the Project is (1) acquired by another license applicant; or (2) decommissioned by Commission order. In the event the Commission orders PG&E to decommission the Project, the Agreement identifies what the signatory parties believe are the subjects that would need to be addressed and the desired conditions of each of these subjects after decommissioning. Specific actions necessary to achieve the desired conditions would be determined in the future.

On June 27, 2005, Synergics, LLC, on behalf of Cow Creek Hydro, LLC filed a notice of intent to file an application for the Project. Under Commission regulations, Synergics was required to file a license application by December 27, 2006. Synergics did not file an application by the deadline and its motion for an extension of time was denied. Consequently, PG&E is required to file the enclosed schedule for the filing of a surrender application by March 27, 2007. The proposed schedule contemplates PG&E’s filing a surrender application by March 26, 2009.



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If you have any questions regarding the Proposed License Surrender Application Schedule, please contact PG&E's Project Manager, Steve Nevares at (415) 973-3174, e-mail SAN3@pge.com, or myself at (415) 973-7475, e-mail MAFv@pge.com.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

Matthew A. Fogelson
LAW DEPARTMENT

Attachment

cc: **FERC:**

Mr. G. Matthew Buhyoff, Fishery Biologist (OEP) MC PJ-A4.4, Rm. 63-16
Mr. Robert J. Fletcher, Ecologist (OEP) MC P-J-12.3, Rm. 7T-11
Mr. Hossein Ildari, Deputy Director - Division of Hydropower, Administration & Compliance (OEP) MC PJ-12, Room 7T-01
Mr. Alan D. Mitchnick, Environmental Biologist (OEP), MC PJ-14.4, Room 6A-09
Mr. Timothy J. Welch, Chief – Hydro West Branch (OEP), MC PJ-14.4, Room 61-05

Mr. Wayne White, Field Supervisor, U.S. Fish & Wildlife Service
Mr. Donald B. Koch, Regional Manager, California Department of Fish & Game
Mr. Jonathan B. Jarvis, Regional Director, National Park Service, Pacific West Region
Ms. Victoria A. Whitney, Chief Div. of Water Rights, CA State Water Res. Control Bd.
Mr. Rodney McInnis, Regional Administrator, NOAA Fisheries
Mr. Steven Evans, Conservation Director, Friends of the River
Charles Bonham, Esq., California Counsel, Trout Unlimited

To All Parties on Service List for Kilarc-Cow Creek Project, FERC Project No. 606

**Pacific Gas and Electric Company
Kilarc-Cow Creek, FERC Project No. 606
Proposed License Surrender Application Schedule**

D	Task Name	Start	Finish	2007				2008												
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4								
1	Kilarc Cow Creek Surrender Application	Wed 12/27/06	Thu 3/26/09																	
2	Surrender Schedule	Wed 12/27/06	Mon 4/30/07																	
3	PG&E Files Proposed Surrendered Application Schedule	Wed 12/27/06	Tue 3/27/07																	
4	FERC Approves Schedule	Wed 4/4/07	Mon 4/30/07																	
5	Study Plan Development	Tue 3/27/07	Fri 10/31/08																	
6	Public Meeting	Tue 3/27/07	Tue 3/27/07																	
7	Stakeholder Study Plan Development Consultation Meetings	Mon 4/16/07	Fri 6/29/07																	
8	Prepared and Issue Revised Schedule Based on Stakeholder Consultation	Mon 7/2/07	Wed 8/1/07																	
9	Field Data Collection	Mon 5/28/07	Fri 10/26/07																	
10	Field Data Development and Status Report	Mon 10/29/07	Fri 1/18/08																	
11	Stakeholder Meeting(s) to Review 1st Year Data	Mon 1/21/08	Wed 2/13/08																	
12	Stakeholder Study Plan Consultation Meetings on 2nd Year Field Data Collect	Thu 2/14/08	Wed 5/7/08																	
13	Field Data Collection	Fri 5/30/08	Fri 10/31/08																	
14	Prepare Surrender Application	Mon 1/21/08	Wed 3/25/09																	
15	Prepare Draft Surrender Application	Mon 1/21/08	Thu 8/14/08																	
16	File Draft Surrender Application	Thu 8/14/08	Fri 8/15/08																	
17	Agency Review	Fri 8/15/08	Thu 11/6/08																	
18	Stakeholder Consultation Meeting(s)	Mon 9/8/08	Fri 12/19/08																	
19	Prepare Final Surrender Application	Thu 12/25/08	Wed 3/25/09																	
20	File Surrender Application	Thu 3/26/09	Thu 3/26/09																	