

P-606-000

WALLY HERGER
2ND DISTRICT, CALIFORNIA



COMMITTEE ON
WAYS AND MEANS

SUBCOMMITTEES:
BANKING MEMBER
TRADE
HUMAN RESOURCES

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Congress of the United States
House of Representatives
Washington, DC 20515-0502

April 16, 2007

OFFICE OF
EXTERNAL AFFAIRS
2001 APR 23 P 3 35
FEDERAL ENERGY
REGULATORY COMMISSION

Ms. Carol Connors
Deputy Director
Division of Congressional and Intergovernmental Affairs
Federal Energy Regulatory Commission
888 First Street NE #11H
Washington, DC 20426

Dear Ms. Connors:

Enclosed you will find correspondence I received from my constituent, Mr. Thomas Dye, concerning the Pacific Gas and Electric Company's Kilarc and Cow Creek hydroelectric facilities in Northern California (FERC Project 606).

If you will, please review the enclosed material and provide me a response suitable for forwarding to Mr. Dye. I would appreciate you briefly describing the relicensing process, the public's role in this process, and the specific relicensing/decommissioning schedule associated with the above-mentioned facility. I would also ask that you include information on the process by which an outside entity may acquire an orphaned project's license and facilities.

If you have any questions concerning this inquiry, please contact Alex Oehler of my staff at (202) 225-5560.

Thank you for your assistance with this matter.

Sincerely,

Wally Herger
WALLY HERGER
Member of Congress

WH:jo
Enclosure

2007-00086

Whitmore, CA
9 March 2007

Wally Herger
US Congressman
2268 Rayburn House Office Building
Washington, DC 20515-0502

**Subject: Federal Energy Regulatory Commission Project
No. 606**

Dear Wally:

Your response to my previous letter was greatly appreciated. Our effort to "SAVE KILARC" is becoming more organized and your effort and support on our behalf regarding PG&E property divestitures in the Whitmore area is certainly welcome.

I would like to point out some current developments that effect the preservation of properties important to our community as well as the State of California.

PG&E has informed me that a meeting will be held in Whitmore, on 27 March 2007 at the Whitmore Elementary School at 7:00 PM, to discuss the decommissioning process for the Kilarc/Cow Creek Power Stations and Reservoir/forebay. The Federal Energy Regulatory Commission (FERC) has required them to schedule a meeting, for local inputs, within a ninety (90) day period. The ninety (90) day period is up on the day the meeting is scheduled. The PG&E representative indicated the plan was just a rough schedule of steps to be taken. To quote the State Water Resources Control Board (SWRCB): "In March 2005, the State Water Board signed an agreement with PG&E, along with other State and federal agencies and non-governmental agencies and individuals, establishing a framework for potential decommissioning and a restoration scenario for the project." That signed agreement was two years ago, meaning the decommissioning process has been in the planning stage for three years without community involvement. Now by direction of FERC we get to hear about it.

The sole entity working to take over the Power Stations, Synergics Energy Services LLD, was denied an extension by FERC after considerable effort and expenditure. Synergics informed me they are out of options: "The State Water Resources Board, the California Fish and Game, and the National Marine Fisheries Services filed strong letters of opposition to granting an extension. Synergics, "attempted to get the Governors' Office to write a letter endorsing our effort to save the project, PG&E advised the Governors' Office a letter would not be needed for the extension since it was only an administrative item and granting an extension would be no problem. FERC denied our request". If PG&E's motives are suspect, it would be in timing, misinformation, and omissions.

The agreement noted indicates (as signed 22 March 2005) non-compliance by PG&E (the "Company"). Paragraph 1.2 reads: "Entities other than the Company may seek to acquire a new license for the Project following FERC prescribed process. The Parties accept that if an entity other than the Company indicates an interest in licensing the Project, the Company will need to provide such entities with Project information as required, including the results of relicensing studies performed to date. Additionally, the parties accept that in such circumstances the Company will not hinder the efforts of such entities to obtain a license for the Project".

Effort on the part of PG&E appeared to be lacking. Case in point, the effort expended by JW Associates Inc. on environmental studies was designated proprietary by PG&E and not released. Continuation of these studies was proposed, but John Bass could not comply without PG&E approval, which was not forthcoming.

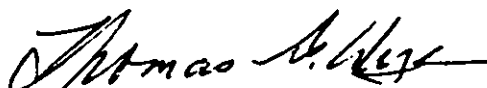
With the Governor and California leading the way to combat Global Warming, it is hard to see that the loss of a non-polluting, renewable source of energy that has been in operation for well over 100 years, and has not effected the fluctuating migration of fish, that is historic in nature, and is a recreational asset to the whole area, would be logical. Additionally, the power generated is a local area safety net. It provides power in the event of supply problems outside the communities it serves.

We the local population should not be penalized to pay the price for conditions for which the Cow Creek Watershed is not responsible. Conditions here may only be the beginning of a ripple effect throughout California.

There is considerable doubt that the involved agencies are adequately familiar with the area to make decisions, since the State Water Board letter of 26 December 2006 refers to Killarc (s/b Kilarc) and Killarc Creek, which does not exist.

Your previous letter indicated that some Federal requirements regarding fish had been relaxed; if this is the case, the March 2005 agreement probably would not include them. We welcome any effort that will help save this project that is extremely important to this areas safety and recreation.

In hope to "SAVE KILARC"



**Thomas Glenn Dye
SAVE KILARC CAMPAIGN
30655 Whitmore Rd
Whitmore, CA 96096**