

FEDERAL ENERGY REGULATORY COMMISSION
Office of Energy Projects
Division of Dam Safety and Inspections c San Francisco Regional Office
901 Market Street, Suite 350, San Francisco, California 94103
(415) 369-3300 Office (415) 369-3322 Facsimile

July 27, 2007

In reply, refer to:
Project No. 606-CA
NATDAM No. CA83028, et al

Mr. Randal S. Livingston, Vice President
Power Generation, Mail Code: N11E
Pacific Gas and Electric Company
P. O. Box 770000
San Francisco, CA 94177-0001

Re: Operation Inspection Follow-up Letter

Dear Mr. Livingston:

On July 10-11, 2007, Mr. Jonathan Yip, staff civil engineer of the San Francisco Regional Office, performed an operation inspection of your Kilarc-Cow Creek Project, FERC Project No. 606. The cooperation of Ms. Liv Imset, Messrs. Chip Stalica, Mike Strawn, and Mike Tuck is appreciated.

The following project elements were inspected: the Old Cow Creek (Kilarc Main Canal) Diversion Dam, Kilarc Forebay Dam, South Canyon Creek Diversion Dam, North Canyon Creek Diversion Dam, North Canyon Creek Diversion Dam, Kilarc Powerhouse, Mill Creek Diversion, South Cow Creek Main Canal, Cow Creek Forebay and Cow Creek Powerhouse.

The project features appeared to be in good operating condition and well maintained. The house keeping in both powerhouses was satisfactory. The following item as noted in our inspection requires your attention:

The vegetation in the seepage weir area of the Kilarc Forebay Dam has grown too high and should be removed.

Please submit your plan and schedule for the above item by August 31, 2007. We appreciate your continued cooperation in the administering of your project. If you have any questions, please contact Mr. Jonathan Yip at (415) 369-3398.

Sincerely,

TAKESHI YAMASHITA

**Takeshi Yamashita, P. E.
Regional Engineer**