



State Water Resources Control Board



Linda S. Adams
Secretary for
Environmental Protection

Division of Water Rights
1001 I Street, 14th Floor ♦ Sacramento, California 95814 ♦ 916.341.5300
P.O. Box 2000 ♦ Sacramento, California 95812-2000
Fax: 916.341.5400 ♦ www.swrcb.ca.gov/waterrights

Arnold Schwarzenegger
Governor

July 9, 2009

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Secretary Bose:

COMMENTS IN RESPONSE TO THE NOTICE OF APPLICATION ACCEPTED FOR FILING PURSUANT TO THE LICENSE SURRENDER APPLICATION FOR THE KILARC-COW CREEK HYDROELECTRIC PROJECT, FEDERAL ENERGY REGULATORY COMMISSION NO. 606

Thank you for the opportunity to comment on Pacific Gas & Electric Company's (PG&E) License Surrender Application (LSA) for the Kilarc-Cow Creek Hydroelectric Project (Project), Federal Energy Regulatory Commission (FERC) No. 606. The State Water Resources Control Board (State Water Board) staff has participated in the collaborative review process that led to the LSA, and continues to support the decommissioning process for the Project.

As stated in our November 7, 2008 comment letter to PG&E, the disposition of the water rights associated with the Project after decommissioning are still under question and need further discussion. Since then, PG&E, the California Department of Fish and Game, and the State Water Board staff have met and agree that PG&E's plan to abandon their water rights is the appropriate course of action to facilitate Project decommissioning. The State Water Board recommends that PG&E notify the Shasta County Superior Court once the water rights have been abandoned, as the Cow Creek watershed was adjudicated in 1969.

The Notice of Application Accepted for Filing pursuant to the LSA was issued by FERC on May 12, 2009 and called for recommendations and preliminary terms and conditions. The LSA was developed in collaboration with the State Water Board and staff is confident that the refinement of plans for Project decommissioning will continue to be developed in a collaborative manner. The State Water Board cannot issue terms and conditions until more complete Project decommissioning design plans are developed. The State Water Board will process the application for Section 401 Water Quality Certification (Certification) in a manner that will support the decommissioning schedule under the FERC process and will issue their terms and conditions for the Project in the Certification.

California Environmental Protection Agency

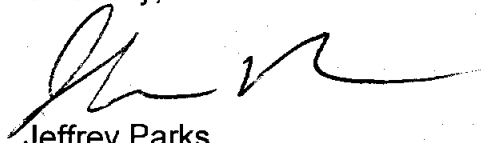
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Issuance of Certification is a discretionary action that requires the State Water Board to comply with the California Environmental Quality Act (CEQA). Although a final CEQA document is not required for an application for water quality certification to be complete, a final copy of a valid document must be provided before issuance of Certification can be considered. The State Water Board will act as lead agency for the purpose of compliance with the requirements of CEQA.

In addition, it is anticipated that PG&E will need to acquire federal permits from the United States Army Corps of Engineers (ACOE) for dredging activities associated with the deconstruction. PG&E will then also be required to request a Certification from the State Water Board for the ACOE permit. The State Water Board staff will also work with PG&E to process this application for Certification for the Project.

Thank you for the opportunity to provide comments on the Project. If you have any questions regarding these comments, please contact me at (916) 341-5319 or at jparks@waterboards.ca.gov.

Sincerely,



Jeffrey Parks
Water Resource Control Engineer
Water Quality Certification Unit

cc: Randal Livingston
Pacific Gas and Electric Company
Mail Code N11E
P.O. Box 770000
San Francisco, CA 94177-0001

Alexis Strauss
U.S. EPA Region 9
75 Hawthorne Street
San Francisco, CA 94105

James Pedri
Assistant Executive Officer
Central Valley Regional Water Quality
Control Board
415 Knollcrest Drive
Redding, CA 96002

Steve Edmondson
National Marine Fisheries Service
777 Sonoma Avenue, Suite 325
Santa Rosa, CA 95403-6528

Steve Bowes
National Park Service
600 Harrison Avenue, Suite 600
San Francisco, CA 94107

Matt Meyers
Department of Fish and Game
601 Locust Street
Redding, CA 96001

M. Kathleen Wood
U.S. Fish and Wildlife Service
2800 Cottage Way
Sacramento, CA 95825-1846