

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. ~~687-027~~⁶⁰⁶- California
Kilarc-Cow Creek Hydroelectric Project
Pacific Gas and Electric Company

May 6, 2010

Mr. Steven Edmondson
NOAA - National Marine Fisheries Service
777 Sonoma Avenue, Room 325
Santa Rosa, CA 95404

Mr. Randy Brown
U.S. Fish and Wildlife Service
1655 Heindon Road
Arcata, CA 95521

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SECRETARY OF THE
COMMISSION
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FEDERAL ENERGY
REGULATORY COMMISSION

Re: Request for Formal Section 7 Consultation per Endangered Species Act

Dear Mr. Edmondson and Mr. Brown:

As required by Section 7 of the Endangered Species Act (ESA), I am requesting formal consultation with your offices. We are providing for your review a Biological Assessment (BA) concerning Pacific Gas and Electric Company's (PG&E) application for surrender of project license. The Kilarc-Cow Creek Project (FERC No. 606) is located on Old Cow Creek, South Cow Creek, and tributaries in Shasta County, California.

On March 13, 2009, PG&E, filed for Commission approval, an application to surrender its license to operate the Kilarc-Cow Creek Project and to decommission and remove several project features.¹ A copy of the licensee's application to surrender its license and its proposed plan may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link.

By letter dated April 23, 2008, PG&E requested to be designated the Commission's non-federal representative for informal consultation on the proposed

¹ See Application for Surrender of License for Major Project – Existing Dam Kilarc-Cow Creek Hydroelectric Project, FERC Project No. 606 Pacific Gas and Electric Company, March 12, 2009.

decommissioning, with the U.S. Fish and Wildlife Service (FWS) and the National Marine Fisheries Service (NMFS) pursuant to section 7 of the ESA. By letter issued June 16, 2008, the Commission authorized designation to PG&E as our non-federal representative for informal consultation. On August 27, 2009, PG&E provided the Commission with its biological evaluation (BE) on the effects of PG&E's proposed action on the federally listed Central Valley steelhead (*Oncorhynchus mykiss*) and its habitat and Central Valley spring-run Chinook salmon (*O. tshawytscha*) and its critical habitat (enclosed).

After reviewing PG&E's draft BE, the Commission requested additional information on the effects of the proposed action on the California red-legged frog and valley elderberry longhorn beetle in a letter to PG&E dated September 16, 2009. PG&E responded on October 6, 2009, explaining that informal consultation previously took place regarding these two terrestrial species. Therefore, the Commission staff has reviewed the licensee's BE and we adopt it as our Biological Assessment (BA) without modification.

The enclosed BA finds that the effects of the proposed action on Central Valley spring-run Chinook salmon would be unlikely to be detected; therefore the proposed action is not likely to adversely affect spring-run Chinook salmon. In addition, because the designated critical habitat for spring-run Chinook salmon does not occur within the specific action area, no habitat would be adversely modified.

The overall long-term effect of the proposed action would be to improve aquatic habitat within the action area and would benefit Central Valley steelhead, although it is likely that some adverse effects would occur in the short-term that may result in the take of some individuals and/or adverse modification of designated critical habitat. These adverse effects could include construction-related impacts at the diversion dams, canals and forebays, and short-term deposition of sediments downstream of the proposed action area. However, it is anticipated that these adverse effects would be minimized through the inclusion of avoidance and minimization measures within the description of the proposed action. The BA concludes that the proposed decommissioning of the project is not likely to adversely modify designated critical habitat for Central Valley steelhead within the proposed action area. The proposed action is likely to contribute to the overall survival and recovery of the species through the long-term beneficial effects analyzed in the BA.

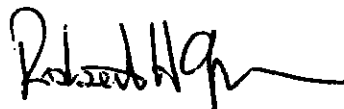
Please provide us your biological opinion on our findings no later than 135 days from your receipt of this request. If we do not hear from you within 30 days, we will

assume that you have sufficient information to initiate consultation and will provide us with your biological opinion by September 23, 2010.²

You may file your response electronically via the Internet; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-filing" link. The Commission strongly encourages electronic filings. In lieu of electronic filings, an original and eight copies of all documents may be mailed to the Secretary at the following address: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Mail Code PJ-12.3, Washington, D.C. 20426. Please put the docket number: "FERC Project No. 606-027", on the first page of your response. Please file your response within 135 days of receipt of this letter.

Thank you for your cooperation. If you have any questions concerning this matter, please contact the environmental coordinator for the project, CarLisa Linton, at (202) 502-8416.

Sincerely,



Robert H. Grieve
Biological Resources Branch
Division of Hydropower Administration
and Compliance

Enclosure

² Due date based upon 135 days from UPS delivery to you on March 7, 2010.

c: w/o enclosure:

Ms. Lisa Whitman
License Coordinator
Pacific Gas and Electric Company
P.O. Box 770000, Mail Code N11C
San Francisco, CA 94177