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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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PACIFIC GAS AND ELECTRIC PROJECT NO. 2106-047
COMPANY, - California

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MONDAY, OCTOBER 23, 2006
7:00 P.M.

TRANSCRIPT OF PROCEEDINGS

KATHERINE BRUNET, C.S.R. License No. 9898

1 APPEARANCES:

2

3 FERC TEAM: EMILY CARTER

4

5 SHANA MURRAY

6

7 MATT BUHYOFF

8

9 KATHERINE ZENGION

10

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14 TRANSCRIPT OF PROCEEDINGS taken at the HOLIDAY
15 INN HOTEL, 1900 Hilltop Drive, Redding, California, on
16 MONDAY, OCTOBER 23, 2006, commencing at the hour of
17 7:00 P.M., before KATHERINE BRUNET, Certified Shorthand
18 Reporter.

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1 MS. CARTER: Okay. Good evening, everybody.

2 I want to welcome you all to the Scoping Meeting
3 for the McCloud-Pit project. My name is Emily Carter.
4 I'm the FERC project coordinator. I'm an environmental
5 biologist.

6 And tonight's meeting, we started out with the
7 Open House so we can see if there are any issues that
8 anybody brought up on things that were not included or not
9 detailed enough in the PAD and the scoping document.

10 And now we'll start the public meeting, and we'll
11 go over everything. I'll do a brief overview of the
12 licensing process and the purpose of scoping. And then
13 Steve Nevares will do a brief overview of the project and
14 the project description. And then we'll talk about the
15 issues and a summary of any issues that came up during the
16 Open House session.

17 Then we can go into a discussion of the issues,
18 and if anyone has anything they want to add. Then I'll
19 talk about the study criteria and important dates, and if
20 we have any questions.

21 Some housekeeping things. The bathrooms are out
22 the door to the left. And we also have a court reporter.
23 So it's very important if you do speak, if you can state
24 your name and your affiliation first. And we have a
25 microphone that hopefully it will work.

1 Do you need me to be using it?

2 But first, I want to get introductions. And I
3 think we'll go around the room and see. We'll start with
4 the FERC team. And there are two other members of the
5 team that couldn't make it. We have Alan Mitchnick,
6 Terrestrial Resources and Threatened and Endangered
7 Species. And then Frank Winchell will be handling
8 Cultural Resources.

9 MS. MURRAY: I'm Shana Murray. I'm going to be
10 doing Recreation and Land Use Resource area.

11 MR. BUHYOFF: My name is Matt Buhyoff. It's
12 spelled B-u-h-y-o-f-f. And I'm the fish biologist.

13 MS. ZENGIION: My name is Katy Zengion. And I'm
14 with the Office of General Counsel.

15 MS. EFIRD: I'm Carol Efird. I'm recreation
16 consultant with PG&E with the Louis Berger Group.

17 MR. BLOUNT: I'm Clinton Blount, Albion
18 Environmental, consultants to PG&E?

19 MR. BRADSHAW: I'm Lloyd Bradshaw with the Hearst
20 Corporation.

21 MR. BATTAGLIA: I'm Phil Battaglia with the
22 Hearst Corporation.

23 MR. MONTGOMERY: Ross Montgomery, Pit River
24 Tribe.

25 MR. HOUGH: Sam Hough. I'm directing attorney of

1 California Indian Local Services.

2 MR. BACHMAN: I'm Steve Bachman. I'm a
3 hydrologist with the Forest Service out of McCloud.

4 MR. RODDIGER: Daniel Roddiger, R-o-d-d-i-g-e-r,
5 (inaudible).

6 MR. ELMORE: Melvin Elmore, Pit River Tribe.

7 MR. WILCOX: Scott Wilcox, Stillwater Sciences,
8 consultant with PG&E.

9 MS. WALTER: Janet Walter, PG&E community and
10 governmental relations.

11 MR. SIMS: Andrew Sims with KleinSchmidt,
12 consultants to PG&E.

13 MR. KLOBAS: John Klobas, K-l-o-b-a-s, PG&E. I'm
14 responsible for operating the project.

15 MR. GEARY: Gene Geary. I'm a fishery biologist
16 for PG&E.

17 MR. NEVARES: I'm Steve Nevares, N-e-v-a-r-e-s.
18 I'm PG&E's project manager. And I think I have a big
19 responsibility for all the consultants and other people
20 from PG&E being here tonight.

21 MS. FARAGLIA: I'm another PG&Eer. I'm Annette
22 Faraglia, F-a-r-a-g-l-i-a, PG&E law department.

23 MS. MACDOUGALL: I'm yet another. Alison
24 MacDougall, cultural resources specialist for PG&E.

25 MR. THORESON: I'm Randy Thoreson. I'm with the

1 National Park Service. We do hydro relicensing, technical
2 outreach. T-h-o-r-e-s-o-n.

3 The gentleman to my left is Steve Bowes. He's
4 also with the National Park Services.

5 MS. VALENZUELA: Kathy Valenzuela with the Forest
6 Service, V-a-l-e-n-z-u-e-l-a.

7 MS. TUPPER: I'm Julie Tupper with the Forest
8 Service. I'm the project regional manager.

9 MR. SMITH: Dennis Smith. I'm the fish biologist
10 for the Forest Service. And that's S-m-i-t-h.

11 MR. KURTOVICH: I'm Marty Kurtovich. I'm with
12 PG&E.

13 MR. YOUNG: Kevin Young, Louis Berger Group.

14 MR. HOLEMAN: Jim Holeman, Louis Berger Group,
15 H-o-l-e-m-a-n.

16 MS. CARTER: Okay. Great. I'm glad everyone
17 could come out tonight. And when we -- actually, if
18 anyone wants to make comments, we do have a microphone.
19 That way it will be easier for the court reporter here.

20 One thing I do want to make clear, the written
21 comments. So today is the Scoping Meeting. And the PAD
22 for the project was filed July 27th of this year. And
23 then the Scoping Document was issued on September 25th.
24 And the Scoping Meeting today. And then 30 days from
25 today are when the comments are due, which is November

1 23rd.

2 And I want to reiterate November 23rd because in
3 the Scoping Document the date is wrong. So written
4 comments, as well as Study Plans -- written comments on
5 the PAD and the Scoping Document, as well as Study Plans,
6 are due on November 23rd. Study requests are due on
7 November 23rd.

8 Paper copies were sent out to the mailing list.
9 And I understand there were some issues with the mailing
10 list. So if you are not on it, you can see me. And I can
11 either make sure that you do get on it or you can send a
12 letter to the secretary of the Commission and request that
13 your name be added.

14 And then, also, to be the best involved in the
15 project, you can sign up for e-mail notification through
16 the FERC web site. And there is, I think, a brochure in
17 the back that lists how the FERC electronic services work,
18 including e-filing and e-subscriptions. E-subscriptions,
19 you register through our web site. And any time anything
20 is filed or we issue, you'll get an e-mail notice with a
21 link to the actual document. And that's one great way to
22 stay in contact and up-to-date on everything that is going
23 on.

24 We also have several other things back on the
25 back table, including our -- out on the regulations

1 regarding the ILP process and how everything is supposed
2 to work. And we have a Scoping Document if you need a
3 copy. And PG&E has put copies of the PAD and copies of
4 their preliminary proposed Study Plan. Those are all on
5 the back table.

6 Okay. Brief introduction into the ILP.

7 Yeah?

8 SPEAKER: November 23rd is Thanksgiving. Is it
9 really due November 24th?

10 MS. CARTER: Yes. 30 days is November 23rd.
11 But, yes, November 24th. But you'll probably want to get
12 it done on Wednesday because you don't want to think about
13 it over Thanksgiving. But, yeah, you can have until the
14 24th.

15 Okay. So the ILP. The PAD was filed in July.
16 The PAD is a combination of all the existing information
17 that PG&E put together regarding all the studies and
18 information that exists for the McCloud-Pit project.

19 And then right now we're in the Scoping Process
20 where we issued -- FERC issued the Scoping Document,
21 looking at all issues that were addressed in the PAD. And
22 then we generally covered all of them in our Scoping
23 Document.

24 And that was one thing I want to mention. If
25 anyone -- we did an outline of all the issues that we saw

1 as being important. But if you would like to see a more
2 detailed analysis, if we issue a Scoping Document II, we
3 can be more detailed. That is something you can put into
4 your comments, if that is the case.

5 The purpose of Scoping is to find out what the
6 issues are for the project. PG&E has gathered all the
7 existing information and outlined what they think are the
8 issues. And that's in the PAD. And the Scoping is to
9 make sure everything is covered. And if it wasn't, to
10 hear back from you and find out what else needs to be
11 included.

12 The next step is Study Plan development. So it's
13 taking all the issues that come up in scoping. And if you
14 see that an issue needs to be studied or if PG&E is not
15 proposing a study for an issue that you feel needs to be
16 studied, then you can file a Study Request, also due on
17 November 23rd, that addresses that resource. And I'll
18 talk a little bit later about what needs to go into a
19 Study Request.

20 Then PG&E will file their Study Plan proposal.
21 And the studies will be done. And then an application is
22 filed. Their application is due July 31st, 2009.

23 So, under the National Environmental Policy Act,
24 FERC is responsible for scoping and studying the
25 environmental impacts of this project. And through

1 scoping, as I mentioned, we want to gather all the issues
2 and the impacts from this project on the environment. So
3 we have to identify the issues. We have to discuss the
4 existing information and conditions and then explore any
5 additional information needs. And this is also the time
6 to bring up any additional information needs. And then I
7 will also, if you have any process plan questions, we can
8 discuss those.

9 Now, Steve is going to give an overview of the
10 project.

11 MR. NEVARES: Okay. Let me grab a couple of
12 things off the table here that will help. You're going to
13 make me switch it over to my presentation?

14 Where am I at? I've got to find it myself.

15 Okay. If you want to stand up and stretch for a
16 little while. Take a break. Where is my techno geek son
17 when I need him?

18 Okay. Slide show. There we go.

19 Well, thank you, Emily. And thank you, FERC, for
20 posting this meeting and giving me a chance to talk a
21 little bit about this project. We're pretty excited about
22 relicensing this project. As I mentioned, I'm PG&E's
23 relicensing project manager.

24 I'll quickly run over the project features and
25 how it operates and a little bit about how we gathered up

1 the issues that were identified in the PAD. And you see
2 them posted up on the back wall.

3 Quickly, the project consists of four dams and
4 reservoirs: McCloud, Iron Canyon, Pit 6, Pit 7 and one
5 afterbay, Pit 7 afterbay. Three Powerhouses: James B.
6 Black, Pit 6, Pit 7. A little over ten miles of tunnel.
7 A little over seven miles of transmission lines. And
8 there are also public recreation facilities as part of the
9 project.

10 Project benefits. Well, it's PG&E's largest
11 conventional hydro project. It produces 368 megawatts of
12 electric power, or that's its capacity, rather. And
13 annual generation is 1542 gigawatt hours. And to put that
14 into more layman's terms, that is enough power to power
15 the Sacramento Metro area. So it's a big project.

16 It's part of the overall Pit River system, which
17 includes the Hat 1 and 2 project, the Pit 1 and the Pit 3,
18 4 and 5 project. The Pit 3, 4 and 5 project just
19 completed relicensing. And we're expecting a new license
20 for that soon. But this entire complex is a very
21 important generation source for PG&E. And, obviously, the
22 reservoirs and other facilities provide recreation
23 opportunities.

24 Project operations. Its primary load are peaking
25 and load following. Operations are based on meeting all

1 minimum instream flow requirements, safe operation,
2 available water and electric system demand.

3 It also provides automatic generation control,
4 where this project can be operated by California's
5 independent system operator. As load goes up overall in
6 the state, this project can be ramped up on a real-time
7 basis to meet that demand. And it also can be ramped back
8 down to meet peak load needs. It's a very important
9 aspect of this project and a very important service, to
10 provide stability to the overall state electric system.

11 The Powerhouses are operated and monitored
12 24 hours a day, seven days a week, 365 days a year from
13 our Pit 5 switching center, which is located just north up
14 river from the James B. Black Powerhouse. We also have
15 daily operator visits to the Powerhouses. We prepare an
16 Annual Operation and Maintenance Plan for the project.
17 And we take an annual maintenance (inaudible) typically
18 about this time of the year, John?

19 MR. KLOBAS: Correct.

20 MR. NEVARES: John knows everything about this
21 operation. He's our generation supervisor for this
22 project. So if there is anything here that I screw up,
23 John will tell me.

24 This is an overall view of the McCloud-Pit
25 project area. And do we have the laser pointer?

1 Okay. This is really bad. This is even worse
2 than it is on my screen.

3 Here we are at Lake Shasta. We're hovering over
4 Lake Shasta. This is the upper Fall River Valley. This
5 is the Hat Creek project, Pit 1 project, Pit Dam, Pit
6 River arm and the 3, 4, 5 project. This is the McCloud
7 arm of Lake Shasta. This is McCloud Reservoir and McCloud
8 River coming into McCloud Reservoir. Going over the ridge
9 here, we hit Iron Canyon Reservoir and then down into the
10 Pit River drain where we have James B. Black, Pit 6 --
11 actually, Pit 5, Pit 6, Pit 7 on down into Lake Shasta.

12 This is, hopefully, a little bit more
13 understandable. Here we have McCloud Reservoir. It's
14 created by a dam of McCloud River. The water is
15 transferred by a tunnel over to Iron Canyon Reservoir.
16 Through Iron Canyon the water goes through a tunnel in a
17 penstock through James B. Black Powerhouse. That is
18 McCloud Dam, McCloud Reservoir. A better shot at McCloud
19 Dam with the spillway. There's Iron Canyon Reservoir and
20 Iron Canyon Dam.

21 So McCloud Reservoir through the tunnels to Iron
22 Canyon Reservoir tunnel and penstock, James B. Black
23 Powerhouse. James B. Black discharges directly into the
24 Pit River into the upper end of Pit 6 Reservoir.
25 Downstream is Pit 6 Dam and Powerhouse which is located

1 right at the base of Pit 6 Dam. Going on downstream, we
2 hit Pit 7 Dam and Pit 7 Powerhouse, discharges directly
3 into the Pit River, into and on down the Pit River to the
4 Pit 7 afterbay, which attenuates flows from changes in
5 operation, water flows from Pit 7 Powerhouse.

6 Purpose of relicensing. Purpose of relicensing
7 is to balance the beneficial uses of the project's
8 effective resources in the context of current social
9 priorities.

10 This project was built in the late '50s, early
11 '60s and licensed in the early '60s. And we're still
12 operating based on that license. The purpose of
13 relicensing is to take another look at the effective
14 resources and rebalance the resources of electric
15 production, environmental, given current social
16 priorities.

17 Our goal in relicensing is to preserve power
18 generation for our electric customers. This provides a
19 very economic source of electricity for our customers,
20 achieves sound environmental stewardship and sustained
21 positive stakeholder relationships.

22 And we intend to include all stakeholders in this
23 relicensing proceeding. And by "stakeholders" we mean all
24 the resource agency personnel and any other agents and
25 individuals who are interested in this project

1 relicensing. And we intend to seek collaborative
2 solutions during this relicensing, achieve a sustainable
3 balance of beneficial uses, both electrical and non
4 electrical uses of these resources.

5 Purpose of scoping. Really, the purpose of
6 scoping, at least from PG&E's perspective, because you
7 already had your purpose, was to really develop a list of
8 preliminary issues. And these issues represent concerns
9 or questions arising from either the project or its
10 operation that maybe needs to be addressed during
11 relicensing. So that's the primary purpose of scoping.

12 And then all these preliminary issues will then
13 be evaluated for project nexus. What project nexus means,
14 does the issue relate directly to the project or its
15 operation. And then what is the availability of existing
16 information to address those issues.

17 Now, we've already started with an initial list
18 of preliminary issues that we have in the PAD and in FERC
19 Scoping Document 1. And those are the white sheets that
20 are all posted there in the back. Also, we have the same
21 list in our preliminary proposed Study Plan.

22 We filed our PAD, which is this document, the
23 thick one, on July 27th of -- last July. And, as Emily
24 said, the PAD is a summary of existing relevant and
25 reasonably available information to help inform interested

1 parties at the start of relicensing.

2 This document talks about the project, the
3 facility and how it operates, and the existing
4 environmental study and the existing information that is
5 available on the project.

6 Section 6 of the PAD. It talks about impact
7 issues, studies, measures and plans. And in Section 6, we
8 identified 66 preliminary issues when we were preparing
9 this document. And these issues came from interviews with
10 the resource agencies and other interested people in the
11 project.

12 We had a series of four outreach meetings over
13 the last year or so, talking to people about the project
14 and gathering information. And that's where the 66 issues
15 came from.

16 Each of these 66 issues were evaluated as to
17 their nexus to the project, are they related to the
18 project or its operation and what is the available
19 information to address those issues. Of those 66 issues
20 37 had a project nexus. And we determined that additional
21 information was needed to address those issues.

22 And it's our anticipation with the outreach we've
23 done up to this point on the project, all the work we've
24 done to prepare the PAD, that we've identified the
25 majority of preliminary issues at this point encapsulated

1 in these 66.

2 Now, of the 66 I mentioned, 37 had a project
3 nexus. And there was an identifying information gap.
4 Four of those 37 issues we proposed 25 relicensing
5 studies. And most of the studies -- obviously, with 25
6 and 37 issues, it is not a one-to-one match. So some of
7 those studies address more than one issue. And the PAD
8 provided, in Section 6, a brief description of each of
9 those 25 studies. About a paragraph.

10 On July -- or August 11th, a couple weeks after
11 we issued our PAD, we issued this document, the thinner
12 document. And this is our preliminary proposed Study
13 Plan. This document is not required by FERC, but PG&E
14 felt it was important to provide a preliminary proposed
15 relicensing Study Plan which includes the 25 detailed
16 individual study descriptions to address the information
17 needs that were identified in the PAD.

18 And, really, the purpose of this document is to
19 help facilitate discussions with the interested parties
20 and develop our proposed Study Plan which is due to be
21 filed January 8th. And, again, these 25 studies'
22 descriptions are based on the 37 issues and FERC's seven
23 study criteria. Let me go back. FERC's seven study
24 criteria, which Emily will talk about a little bit more.

25 So how should you approach scoping? Well, the

1 first thing you do is take a look at our 66 issues that we
2 identified, the issues that FERC identified in scoping
3 Document 1, and see if the issues, statements in the
4 descriptions meet your issues with the project.

5 And what we did with our issue statements is we
6 tried to encapsulate them, the issues were very similar,
7 so we didn't end up with 300 issues. So we tried to make
8 the issues broad enough to capture all the kind of sub
9 issues around that one item.

10 So at this point it's not real important to get
11 really detailed about it because this is just a step of
12 the process. It's not an end product. But if there is
13 anything you think that you see that we missed up here
14 that you think needs to be addressed, you know, that's
15 what we're here for tonight.

16 And just to -- in closing, I just want to talk a
17 little bit about how we plan to approach this relicensing
18 and how PG&E likes to approach all its relicensing. And
19 that's, we're committed to a collaborative approach to
20 relicensing. These resources are very important to
21 everybody that has a stake in this project. And we feel
22 like we're going to come out with the best solutions and
23 the best license and the best solution for the project if
24 we work together on it and to try to come up with
25 solutions that we can satisfy as many of the participants'

1 needs and concerns with the project. And really the
2 measure -- when you work in a collaborative like this, you
3 come up with a solution. "Can you live with it" is the
4 standard that we look for.

5 The project can't meet 100 percent of everybody's
6 needs. But, hopefully, the things that are important, we
7 can meet those needs. And everybody at the end of the day
8 can look at this relicensing and believe that we did a
9 good job here. And we can all live with the solutions
10 that we come up with.

11 A couple resources Emily mentioned. FERC's web
12 site. That is their address. We also have a public
13 relicensing web site. I'm not going to even try to read
14 the address. In fact, it is changing. But if you Google
15 McCloud-Pit relicensing, you'll come up with our web site.

16 Our web site will have information on the
17 project. Our PAD is posted there, other documents,
18 summaries of meetings, upcoming meetings, trying to keep
19 the public informed about what is going on with
20 relicensing. It's a good resource, along with getting on
21 FERC's e-mail notification list.

22 So, also, I'm, you know, available. I'm
23 available to anybody that is interested in the project.
24 Give me a call. Drop me an e-mail. I'll give you my
25 business card. And I'm really excited that we're getting

1 this thing going finally after a year of dancing around.
2 So, that's the end of mine.

3 MS. CARTER: Okay.

4 MR. NEVARES: Any questions, by the way?

5 MS. CARTER: As Steve mentioned, the Study
6 Request criteria, which is very important when it comes to
7 developing your Study Requests.

8 So back in July of 2003, we issued the final
9 rule, which discusses the licensing processes and lays out
10 the integrated licensing process, which became the
11 standard process last July. So now all FERC projects --
12 and FERC is responsible for licensing non Federal hydro
13 electric projects -- must use the integrated licensing
14 process unless requested otherwise.

15 And the integrated process is, as called,
16 integrated. So the purpose is -- in the very beginning
17 everything is very intense. There are a lot of dates to
18 meet. But everyone is involved, including FERC. And we
19 all try to work together to get all our goals and
20 interests out there and discussed.

21 So we start with the Scoping Process where we
22 identify the issues and everyone's concerns. And then
23 once we have that, we move on to Study Requests. And
24 Study Requests, as outlined in our final rule, must
25 address seven criteria. And these are extremely

1 important.

2 The first is to identify the goals and objectives
3 of the study and why it needs to be done. And then
4 resource management goals. This is for resource agencies
5 and how this study fits into a resource agency's
6 management goals.

7 If you're the public, the next criteria applies
8 to you. And how this study will -- is in the public
9 interest. Why it needs to be done. Who is going to
10 benefit from it. And why would you benefit from that
11 information.

12 The fourth criteria is existing information. It
13 lists a list of what information is out there and why we
14 need this new information. So if there is a study but
15 it's 20 years old, it needs to be updated. But there is
16 some existing information or there is no existing
17 information regarding that resource.

18 The next step -- the next criteria, and this is
19 the most important, is the nexus to project operation and
20 effect. This must be covered. And it's how the study
21 that you're requesting relates to the project and how the
22 project is impacting this resource. And that is a very
23 important issue. That criteria needs to be outlined
24 implicitly in your Study Request.

25 Next is to go over methodology and to make sure

1 it's consistent with accepted practice. And then,
2 finally, is to consider the level of cost and effort and
3 why alternative studies wouldn't suffice. So if there is
4 existing information using a certain type of analysis and
5 a different type of study is needed, you need to go into
6 why this maybe more expensive study is necessary as
7 opposed to just a survey. That type of thing.

8 So those are the criteria that must be addressed.
9 And in the preliminary proposed Study Plan that PG&E has
10 filed, it's a good outline of what a study would look
11 like. So you can use that as a template as you're
12 developing your own. And if you have any questions, you
13 can always contact me. And I can get you the information
14 that you need.

15 So, those are the Study Requests. And those are
16 due, as I've mentioned several times, I know, but I just
17 want to make sure it's out there, November 23rd. And from
18 that point, then PG&E will put together from the
19 information filed on the Scoping Document and the Study
20 Requests, PG&E will put together their preliminary or
21 their proposed Study Plan, which they've already put out
22 there, as Steve mentioned, their preliminary proposal. So
23 you can have an idea of what their exact studies proposed
24 look like.

25 And after -- that's 45 days from the date that

1 the Study Requests are due. So that will be due on
2 January 7th, 2007. And then within 30 days of that, there
3 will actually be a meeting where everyone can get together
4 again and discuss the studies that have been proposed, the
5 studies that PG&E have actually put into their plan.

6 (Inaudible) where we will discuss how everyone's concerns
7 need to be addressed if they haven't been and to kind of
8 tweak the studies to make sure we cover interests as best
9 as possible.

10 And there is a 60-day period to have maybe
11 additional meetings if needed to go over the different
12 issues on those, I think it was 25 studies.

13 The dates. Study Requests and Comments. The
14 proposed Study Plan is due January 7th. The initial Study
15 Plan meeting must be held by February 6th. The revised
16 Study Plan, so when PG&E takes into account all the
17 comments on the proposed Study Plan, is due May 7th. And
18 then the office -- the Director of the Office of Energy
19 Projects with FERC will issue a Study Plan determination
20 on June 6th, which will be the final out- -- the final
21 letter that states what studies must be completed.

22 So that's the schedule. And now we'll go into an
23 overview of the issues that have been brought up. As
24 Steve mentioned, 66 issues were addressed in the PAD. And
25 then FERC, we issued our Scoping Document where we looked

1 at those issues and kind of made a general outline of
2 those that we thought needed to be addressed in the
3 environmental document. So we'll start with the team.
4 And we'll kind of go over, briefly, the outlined issues
5 that we put in our Scoping Document and then any issues
6 that came up tonight during our Open House discussion.

7 Matt.

8 MR. BUHYOFF: All right. If any of you were able
9 to go to the table back there, you saw we came up with
10 some Water Resources and Aquatic Resources issues. I'll
11 briefly go through these. And, again, this isn't an
12 exhaustive list. And if anyone has anything to add
13 tonight, go ahead and say so or after the meeting feel
14 free to walk back there. And there is a pad of paper, and
15 you can list some of those down.

16 Beginning with Water Resources. We identified
17 the effects of project operation, including inter-basin
18 transfer of water, on the water temperature, dissolved
19 oxygen, contaminants, and other water quality parameters
20 in the project reservoirs and project-affected stream
21 reaches.

22 Secondly, we saw the effects of project operation
23 on the turbidity of the McCloud River below the McCloud
24 Dam being a potential issue.

25 Finally, effects of project operation on stream

1 channel maintenance.

2 And I'll mention that I'm just going through the
3 FERC-generated list of issues. If you would like a copy
4 of the issues that also include the issues that PG&E
5 identified, there is a sheet back there.

6 In terms of Aquatic Resources, we looked at the
7 effects of project operation on fish populations in the
8 project reservoirs and project-affected stream reaches.

9 The effects of project operation on fish
10 entrainment.

11 Inter-basin transfer of aquatic species,
12 including non-native species.

13 The effects of erosion siltation caused by
14 project operations on aquatic species and habitat,
15 including spawning habitat in reservoirs and stream
16 reaches.

17 The potential for fish stranding.

18 The adequacy of the current minimum instream flow
19 requirements for the protection of mollusk species.

20 The effects of project structures and operation
21 on the amount of large woody debris recruitment in the
22 McCloud River, the Pit 6 and 7 reservoirs and the Pit 7
23 afterbay.

24 The effects of project operation on the species
25 Sacramento sucker and tule perch in the Pit 6 and 7

1 reservoirs and Pit 7 afterbay.

2 And, finally, the effects of project operation on
3 the Sacramento sucker in Iron Canyon Creek.

4 So at this point I would just like to ask anyone
5 that hasn't contributed already if there are any
6 additional issues we should put on regarding water
7 resources and/or aquatic fish resources.

8 SPEAKER: Can you clarify the difference between
9 your list and PG&E's list?

10 MR. BUHYOFF: Yes. Our list was generated after
11 we went through PG&E's, their PAD. And some of it are
12 based on PG&E's filings. And some are just our own -- our
13 own thoughts on the matter based on the information we had
14 at hand.

15 MR. SMITH: Dennis Smith.

16 MR. BUHYOFF: Yes.

17 MR. SMITH: So the question I guess I have is are
18 you going to address or include PG&E's identified resource
19 issues as Scoping Document II?

20 MS. CARTER: If that is -- if everyone is
21 interested in seeing that, we can do that. We sort of
22 generalized everything. But depending on comments, if
23 everyone would like to see a more detailed list of issues,
24 then we can definitely do that.

25 Any other? Anything else for Water and Aquatic

1 Resources?

2 Okay. I'll go over the Terrestrial Resources.

3 We have the effects of project operations and
4 facilities on vegetation, wildlife species and habitat.

5 Effects of project operations on the presence,
6 establishment and spread of noxious weeds and exotic
7 plants of concern around project facilities.

8 The potential relationship between the spread of
9 black locust and project operations.

10 Effects of project transmission lines on raptors.

11 Effects of project operations on wetland,
12 riparian and littoral vegetation community types around
13 project facilities and reservoirs.

14 And the effects of project operations on
15 culturally important plants.

16 That's what we have for Terrestrial Resources.

17 On Threatened and Endangered Species. Effects of
18 project operations on rare, threatened, endangered or
19 special status species or critical habitats.

20 Does anyone have anything additional that they
21 feel should be added to those lists?

22 Okay.

23 MS. VALENZUELA: Kathy Valenzuela with the Forest
24 Service.

25 I just wanted to be clear that on the special

1 status species, that would include the Forest Service
2 sensitive survey and management and watch list species?

3 MS. CARTER: Yes.

4 Okay.

5 MR. MONTGOMERY: I have a question in here. Ross
6 Montgomery.

7 In here it doesn't mention anything about, say
8 like the Native Americans or the tribes, like with the
9 cultural, (inaudible) sites and stuff like that.

10 MS. CARTER: That's actually handled later under
11 Cultural Resources.

12 MS. MURRAY: We're coming up on that.

13 I'm going to go ahead and go over Recreation and
14 Land Use Resources issues that were brought to the table.

15 Potential effects of the proposed action and
16 alternatives on access to project waters, existing
17 recreation activities, and future recreation activities
18 within the project area.

19 Effects of project operations on quality and
20 availability of flow-dependent river recreation
21 opportunities. Examples would be kayaking, fishing,
22 swimming, et cetera.

23 Effects of various reservoir water levels and
24 release schedules on recreational access and use during
25 spring, summer and fall activities on the reservoirs and

1 rivers below the dams.

2 Adequacy of existing and proposed recreation
3 facilities, including accessible facilities, to meet
4 current and future recreational demands.

5 We also had a comment tonight. Within the PAD,
6 there was no reference to the Scorp. And for those of you
7 who don't know what Scorp is, and correct me if I'm wrong,
8 Scorp is the state recreation plan. Every state has one.
9 They have to update these every ten years. Okay. Yeah.
10 Every ten years.

11 So there was a comment that there was no
12 reference made to the Scorp, which just looking at our
13 past projects, usually we refer to them in our
14 environmental documents. But that is duly noted.

15 But were there any other comments on Recreation
16 and Land Use?

17 All right. We'll go over Aesthetics.

18 Effects of the project operations, including
19 maintenance activities on aesthetic resources within the
20 project area.

21 Effects of project facilities, transmission
22 lines, maintenance, and reservoir operations on the
23 aesthetic quality of the reservoir and downstream rivers.

24 And the potential for development of scenic
25 overlooks.

1 Does anyone have anything else to add to our
2 Aesthetic Resources? Any issues?

3 Okay. You can all pretend that I'm Frank
4 Winchell for the moment since he's not here, and someone
5 needs to go over Cultural Resources.

6 Effects of the continued project operation or
7 change in project operation or facilities on historic
8 properties and archeological resources, the potential for
9 project structures to be eligible for inclusion in the
10 National Register of Historic Places.

11 Effects of project operations on Indian tribal
12 interests or traditional cultural properties within the
13 APE.

14 Did you have an additional comment?

15 MR. HOUGH: Sam Hough, California Indian Services
16 for the Pit River Tribe.

17 I have a question about the effects of project
18 recreation on Cultural Resources within the APE. I don't
19 see that listed here, but I don't know if that would be
20 included as project operations. It doesn't sound like the
21 same thing to me.

22 MS. CARTER: It is included. We can clarify
23 that, but it was meant -- it was meant to encompass it.
24 So, yes, that is something that is definitely considered
25 an issue as well.

1 MS. MURRAY: Any other comments for Cultural?

2 MR. HOUGH: It's the PG&E identified resource
3 issue -- sorry. Sam Hough again for the Pit River Tribe.

4 It's their issue number three, consideration of
5 cultural development of resource management measures.
6 They've indicated that there is no additional information
7 needed. Is that because it's already been studied and all
8 the information is known or because they don't intend to
9 study it?

10 MS. CARTER: Steve, can you address that?

11 MR. NEVARES: You're talking about CR3?

12 MR. HOUGH: Yes.

13 MR. NEVARES: I think what the intent is there --
14 I think what the intent is there is that no additional
15 information is needed because we don't know yet what the
16 potential measurements may be. (Inaudible) recreation
17 facility or its new industry proposed has a potential to
18 affect the public resources. That is addressed in the PAD
19 under Section 6.26.2.8.

20 MS. MACDOUGALL: (Inaudible).

21 THE COURT REPORTER: I can't hear.

22 MS. CARTER: She can't hear you.

23 MS. MACDOUGALL: It is sort of addressed in there
24 and explains why that is. It's not that there won't be
25 any conflict. We just need to develop what goes on as

1 it's developed.

2 I've got to say it again? Exactly the same.

3 Exactly the same.

4 Basically I think Sam's question is already
5 addressed in the PAD under Section 6.2.8 where it talks
6 about this particular issue, and that we will be
7 addressing these issues as they come up in the licensing.
8 But right now we don't have anything to address just yet.

9 Does that make sense?

10 MR. HOUGH: Yes.

11 MS. CARTER: Does that answer your question?

12 MR. HOUGH: Yeah. Excuse me.

13 MR. NEVARES: What page are you actually looking
14 at?

15 MS. MACDOUGALL: It says section 2.8.

16 MR. HOUGH: It's on 6.2-16.

17 MR. NEVARES: Take a look at that, Sam.

18 MS. CARTER: Were there any other questions or
19 issues that needed to be included with Cultural Resources?

20 Okay. And then the last one is Developmental
21 Resources. And, actually, the team member for FERC on
22 this one will be Jim Fargo. And I forgot to mention him
23 earlier.

24 But the issues for Developmental Resources we
25 identified in the PAD are: The cost of proposed

1 protection, mitigation and enhancement measures and their
2 effect on projected operation and economics.

3 And the current and project need for power, both
4 within the licensee's service area and the region.

5 Does anyone have anything additional to add to
6 Developmental Resources?

7 Okay. So those are the issues that we've
8 outlined in the Scoping Document. I understand -- I know
9 that the PAD is a large document. But hopefully everyone
10 has had a chance or is able to go through it and look at
11 the issues that were identified there.

12 And then this is a very front-loaded licensing
13 process, integrated licensing process. It's very intense
14 in the first year. And once we start moving, we keep
15 going. And deadlines are very important. So I hate to
16 sound like a broken record, but I wanted to, again,
17 reiterate that the comments on the PAD and Scoping
18 Document, as well as Study Requests, are due on November
19 23rd.

20 Let's see. The Scoping Document and the
21 commencement of proceedings was issued on September 25th.
22 We have a copy in the back. It can also be found on the
23 Commission's web site.

24 The proposed Study Plan is due from PG&E on
25 January 7th. And then there will be a meeting by

1 February 6th to discuss the Study Plans and everyone's
2 comments on them, the proposed Study Plans and comments.

3 And that was all I had for today. So if there
4 was anyone else.

5 Dennis?

6 MR. SMITH: Dennis Smith, Forest Service. I'm
7 not tracking. On the back of the Scoping Document --

8 MS. CARTER: Yeah. Those dates are wrong. They
9 were off of the wrong -- the original commenting that I
10 had, which was incorrect. And then everything went from
11 there. So that is not the correct process plan. There
12 will be a different one.

13 SPEAKER: So that will be revised?

14 MS. CARTER: Yes.

15 MR. THORESON: Randy Thoreson, National Park
16 Service.

17 How much notice do you give when you set the date
18 for the Study Plan? Do you have a process before the
19 meeting actually takes place?

20 MS. CARTER: That is a PG&E meeting. But usually
21 it's at least 30 days.

22 MR. NEVARES: Are you talking about this one
23 tomorrow afternoon?

24 MR. THORESON: No. The Study Plan meeting that
25 has to be undertaken by February 6th.

1 MR. NEVARES: Is that the licensee's meeting?

2 MS. CARTER: I believe it's the licensee's
3 meeting. But regulations require that it has to be held
4 within 30 days. There will be notice of it. And we like
5 to give at least 30 days' notice.

6 MR. THORESON: Before the meeting?

7 MR. NEVARES: Any meetings PG&E holds, our
8 typical practice is to give 30 days' notice. So it's
9 important -- if you've got your name signed up on the
10 list, we'll include you in the mailing announcing those
11 meetings.

12 MS. CARTER: And the other thing included in the
13 Scoping Document is instructions on the additional
14 information requested by FERC, as well as the instructions
15 for filing. That can all be found on page 6.

16 And you can file written comments with the
17 secretary at our Washington D.C. address. And then we
18 also really encourage electronic filings, which can be
19 done through our web site. And that information can all
20 be found within the Scoping Document.

21 Were there any other comments?

22 MR. SMITH: Dennis Smith again. I just had a
23 comment for the public. That if you want to see Study
24 Plans, there are plenty of FERC Study Plans on the web
25 site where every single project in the past and the latest

1 in California is (inaudible).

2 MS. CARTER: Yes. You can go to our web site
3 under e-library and do a search. And you can bring up
4 some good examples.

5 So, okay. We'll, if there are no additional
6 questions, we'll wrap up for this meeting. I want to
7 remind everyone, we have another meeting tomorrow at 9:00
8 a.m. And I want to thank you everyone for coming. I
9 appreciate you showing up tonight.

10 (The deposition was concluded at 7:55 o'clock
11 p.m.)

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CERTIFICATE OF REPORTER

STATE OF CALIFORNIA)
COUNTY OF SHASTA)

I, KATHERINE BRUNET, do hereby certify:

That said proceeding was taken down in stenographic shorthand by me, a Certified Shorthand Reporter, at the time and place therein stated, and was thereafter reduced to typewritten form using computer-aided transcription, and that the transcript is a true record of the proceedings.

I further certify that I am not of counsel or attorney for any of the parties hereto, or in any way interested in the event of this cause, and that I am not related to any of the parties hereto.

WITNESS MY HAND THIS 25TH DAY OF OCTOBER, 2006.

KATHERINE BRUNET
Certified Shorthand Reporter No. 9898