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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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TUESDAY, OCTOBER 24, 2006
9:10 A.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

11

12

13

14 TRANSCRIPT OF PROCEEDINGS taken at the HOLIDAY
15 INN HOTEL, 1900 Hilltop Drive, Redding, California,
16 California, on TUESDAY, OCTOBER 24, 2006, commencing at
17 the hour of 9:10 A.M., before KATHERINE BRUNET, Certified
18 Shorthand Reporter.

19

20

21

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24

1 MS. CARTER: Okay. Let's go ahead and get
2 started.

3 Good morning everyone. My name is Emily Carter.
4 I'm the project coordinator for the McCloud-Pit project.
5 And welcome to the second Scoping Meeting for the
6 McCloud-Pit project.

7 First off, I'll do a brief overview of the
8 agency. As I said, I'm Emily Carter. I'm the project
9 coordinator. And my team with me today, I'll let them
10 introduce themselves.

11 MS. MURRAY: Shana Murray again, outdoor
12 recreation planner.

13 MR. BUHYOFF: Matt Buhyoff, fish biologist.

14 MS. ZENGIION: Katy Zengion, Office of General
15 Counsel.

16 MS. CARTER: And then the other members of the
17 team that aren't here today. Frank Winchell will be
18 handling Cultural Resources. And Alan Mitchnick,
19 Terrestrial Resources and Threatened and Endangered
20 Species. And Jim Fargo will be doing Engineering
21 Developmental Analysis.

22 So, again, welcome. I'm glad everyone made it
23 out this morning. I appreciate you coming to this Scoping
24 Meeting to help us figure out the issues for the project.

25 We'll start off with -- I'll do a brief overview

1 of the licensing process and the purpose of scoping. Then
2 Steve Nevares with PG&E will give a project description
3 and an overview of the project description operations.
4 Then we'll go over just briefly what was talked about last
5 night at the Open House and first Scoping Meeting. Then
6 we'll go into an open discussion.

7 We want to keep it pretty informal. But if
8 anyone has any questions or things they want to bring up
9 related to the issues that have been mentioned, anything
10 we've left out. Then I'll go into a discussion of the
11 study criteria and the next steps and the important dates
12 in the process. Then we'll have time for questions and
13 comments.

14 First off, we have some housekeeping things. The
15 bathrooms are out the door and to the left. At the back I
16 have sign-up sheets. And if everyone can please sign in.
17 And include your address and e-mail so that we have a
18 record of who all was here.

19 We also have a court reporter. So what is
20 discussed today and what was discussed yesterday will be
21 put into the public record. It will be available no
22 sooner than 10 days from the meeting. And you can get it
23 from our web site from the e-library. So, also, if you do
24 speak, if you could please state your name clearly and
25 your affiliation so that she can put that into the record.

1 And we have a microphone to make that easier if we need
2 to.

3 Written comments for scoping as well as comments
4 on the PAD and Study Requests are due November 23rd. The
5 PAD, which we have a copy of on the back table, is
6 incorrect on the date. Those are due -- it says October,
7 but the date is actually November 23rd.

8 And the mailing list. The Scoping Document was
9 sent out to those on the FERC mailing list. And I
10 understand that some people were not included. And we
11 want to make sure that is corrected. So if you were not
12 on the mailing list, you can either follow the
13 instructions on page 6 for e-mailing or mailing a letter
14 to the secretary of the Commission to include you on the
15 mailing list. Or you can let me know, and I can make sure
16 your name gets added.

17 And then we also have a pamphlet in the back
18 regarding the electronic services offered by FERC, if you
19 want to pick that up. And it discusses e-filing as well
20 as e-library and e-subscription, which is a way to be
21 notified by e-mail whenever anything is filed or issued
22 regarding this project or any project that you're involved
23 in. And it's a great way to stay on top of things and
24 informed. And you can just register through the web site,
25 which is www.ferc.gov. And that will send you lots of

1 e-mails regarding anything on this project.

2 So a brief overview of the Integrated Licensing
3 Process. This last July became the standard licensing
4 process that everyone has to follow. And it's called the
5 Integrated Licensing Process because it's integrated. We
6 get involved early. And the first year is very intense.
7 There are a lot of deadlines that have to be met. And it
8 just keeps moving.

9 So the NOI, the Notice of Intent, and the
10 pre-application was filed by PG&E for the McCloud-Pit
11 project on July 27th. And we had a site visit in
12 September that I know many of you were able to attend.
13 And that was a great overview of the project. We could
14 actually see what was going on.

15 And this is just an abbreviated version of the
16 process. But PG&E has a nice big hand- -- or poster over
17 on the back wall that has the exact process and the
18 deadlines. And then you can also find that in the back of
19 the lovely final rule book that, if you still need copies,
20 will also be included on the back table. And we have
21 plenty so, please, take a couple.

22 Okay. So now we're at the scoping and process
23 plan part where we're doing scoping to find out the issues
24 on the project and go through the issues that were
25 identified by PG&E in their PAD and get input from the

1 public on what was either included, what was not included,
2 what needs to be studied for the environmental analysis,
3 that sort of thing. And we'll spend the next several
4 months developing the Study Plan to find out what studies
5 need to be done for the application.

6 Then PG&E will file their proposed Study Plan
7 with the Commission. And the Commission will make a final
8 decision on what studies need to be approved. And there
9 will be several opportunities to comment on the proposed
10 studies before it's actually approved and the studies are
11 completed by PG&E. And I'll discuss that a little further
12 later on.

13 Once the studies are completed, the application
14 is filed. And that is due July 31st, 2009, two years
15 before the license expires. And then from there the
16 Commission will review it for accuracy and make sure
17 everything is included. And then we'll issue our Ready
18 for Environmental Analysis notice requesting terms and
19 conditions and interventions. And then we'll work on our
20 environmental document. And an order should be issued
21 before the license expires.

22 So the scoping process. First role, under the
23 Federal Power Act FERC is responsible for licensing non
24 Federal Hydropower projects. And NEPA, The National
25 Environmental Policy Act, requires the disclosure of

1 environmental effects of the FERC licensing action. So
2 we're here for this meeting to go through the scoping
3 process.

4 Scoping Document 1 was issued on September 25th.
5 And that has -- includes a brief description of the
6 existing and proposed facilities, as well as a list of the
7 issues that we identified as being the most -- the
8 broadest issues.

9 We generalized them a little from those that PG&E
10 included in their PAD. But those issues are still
11 included. We were hoping in our issues to include all
12 those that PG&E documented. We wanted it be more broad to
13 kind of encompass everything.

14 So today, the purpose is to find out from you how
15 we did on that and whether everything was included, what
16 needs to be included, what does not need to be included,
17 and get an idea of the issues that need to be looked at
18 and don't need to be looked at in the environmental
19 analysis.

20 So the main purpose of scoping is to solicit
21 comments and input from the public, non-government
22 organizations, agencies, tribes, about the issues that
23 need to be considered or not considered, as I mentioned.

24 Specifically, we need to present the identified
25 issues. Understand, we're here to understand all the

1 issues that were raised and ensure that we didn't omit
2 anything, and then further define and eliminate those that
3 were identified.

4 We'll also begin discussing the information and
5 studies that will be needed for addressing those issues in
6 the environmental document and discuss the process plan
7 and also how other agency needs and group needs need to be
8 incorporated into the process plan, which we'll talk about
9 later. And now we'll do a project overview.

10 MR. NEVARES: Thank you. I don't have to
11 struggle with it now.

12 My name is Steve Nevares. I'm PG&E's relicensing
13 project manager for this.

14 If we could just go around the room and let
15 people introduce themselves.

16 MS. CARTER: Sure.

17 MR. NEVARES: And if we could just, you know,
18 have everybody kind of do a real brief introduction to get
19 an idea of who is here today. I would appreciate it.

20 MS. EFIRD: Carol Efird, consultant for SMUD for
21 Recreational Land Use.

22 MR. NEVARES: Excuse me. I can't let that go by.
23 You're not consultant to SMUD here.

24 MS. EFIRD: I'm sorry.

25 MR. NEVARES: You're a consultant to PG&E.

1 MS. EFIRD: I'm so sorry. I'm sorry. Carol
2 Efird, consultant for PG&E on this project.

3 MR. NEVARES: Thank you, Carol.

4 MS. EFIRD: Thank you, Steve.

5 MR. BRADSHAW: I'm Lloyd Bradshaw for the Hearst
6 Corporation.

7 MR. BATTAGLIA: Phil Battaglia, counsel for the
8 Hearst Corporation.

9 MR. BLOUNT: I'm Clinton Blount. I'm with
10 environmental consulting for PG&E.

11 MS. FARAGLIA: I'm Annette Faraglia. And for the
12 court reporter, that's F-a-r-a-g-l-i-a. And I'm with PG&E
13 law department.

14 MR. GEARY: Gene Geary, fishery biologist with
15 PG&E.

16 MR. KLOBAS: John Klobas, generation supervisor
17 with PG&E.

18 MR. BOWES: Steve Bowes, National Park Service.

19 MR. THORESON: Randy Thoreson, National Park
20 Service.

21 MS. MACDOUGAL: Allison MacDougall, PG&E.

22 MR. DIVITTORIO: Ken DiVittorio, terrestrial
23 biologist with PG&E.

24 MR. HOLEMAN: Jim Holeman, Louis Berger Group,
25 consultants to PG&E.

1 MR. SIMS: Andrew Sims, Kleinschmidt, consultants
2 to PG&E.

3 MR. YOUNG: Kevin Young, Louis Berger Group,
4 consultants for PG&E.

5 MR. BAUMGARTNER: Good morning. Steve
6 Baumgartner, Fish and Game, fishery biologist.

7 MR. KURTOVICH: Marty Kurtovich, PG&E.

8 MR. HOUGH: Sam Hough. The last name is
9 H-o-u-g-h. And I'm an attorney for the Pit River Tribe.

10 MR. RODDIGER: Daniel Roddiger, R-o-d-d-i-g-e-r.
11 I'm an attorney for the Pit River Tribe also.

12 MS. TUPPER: Julie Tupper with the Forest
13 Service.

14 MR. BACHMANN: Steve Bachmann, hydrologist with
15 the Forest Service.

16 MR. KANZ: Russ Kanz with Statewide Resources and
17 Control.

18 MR. CURRIER: Monty Currier, California
19 Department of Fish and Game.

20 MR. ZUSTAK: Last name is spelled Z-u-s-t-a-k.
21 I'm not an attorney, but I can spell.

22 MR. SMITH: Dennis Smith, Forest Service.

23 MS. VALENZUELA: Kathy Valenzuela, Forest
24 Service.

25 MS. TURNER: Kathy Turner, Forest Service.

1 MS. MANJI: Annie Manji, California Fish and
2 Game. That's M-a-n-j-i.

3 MR. WILCOX: Scott Wilcox, Stillwater Sciences,
4 consultant team project manager.

5 MS. CHAMPE: Christine Champe. "Champe" with an
6 "e." I'm with Stillwater Sciences. I'm a biologist.

7 MR. LIESIG: Russ Liesig, also with Stillwater
8 Sciences.

9 MR. MONTGOMERY: Ross Montgomery, Pit River
10 Tribe.

11 MS. CARTER: Thank you.

12 MR. NEVARES: Yeah, thank you everybody.

13 And this is the McCloud-Pit project, one of
14 PG&E's projects. And I want to welcome everybody today.
15 And I thank Emily for giving us an opportunity to talk a
16 little bit about the project.

17 I'm going to do just a quick overview of the
18 project and its operation and then talk a little bit about
19 our PAD and our preliminary proposed Study Plan.

20 The project consists of four dams and reservoirs:
21 McCloud, Iron Canyon, Pit 6, Pit 7 and one afterbay, Pit 7
22 afterbay. There are three powerhouses included: James B.
23 Black, Pit 6 and Pit 7. A little over ten miles of
24 tunnels. A little over seven miles of transmission line.
25 And there are also public recreation facilities associated

1 with the project.

2 The project benefits. This is PG&E's largest
3 conventional hydro project at 368 megawatts. In fact, per
4 our generation year ending September, this project
5 generated more kilowatts than any other project PG&E has
6 last year. So it's a very important project for PG&E.
7 It's part of our overall Pit River system. It's an
8 important generation resource for California, providing
9 low cost hydropower. And also at the reservoirs and other
10 facilities it provides public recreation opportunities.

11 To get some idea of what this project generates,
12 it generates enough power for a city the size of the
13 Sacramento metro area. So it's a good-sized hydro
14 project. It's primarily operated as a peaking and load
15 following. Operations are based on meeting all of our
16 minimum instream flow requirements, safe operation,
17 availability of water supply and electric system demand.

18 It provides automatic generation control, or AGC,
19 to the California independent system operator. And what
20 that means is this project has the capability on a
21 realtime basis to follow the low peak load during the
22 middle of the day and then drop load off as the load drops
23 off during -- later in the day. It's very important to
24 maintain electric stability across the entire State grid
25 system.

1 The powerhouses are operated and monitored
2 24 hours a day, seven days a week, 365 days a year from
3 the Pit-5 switching center with daily operator visits. We
4 prepare an annual Operation and Maintenance Plan for the
5 project. And we take an annual maintenance (inaudible)
6 typically this time of year.

7 This muddy graphic is an overview of the project
8 region. We're hovering above Lake Shasta here. This is
9 the McCloud arm of Lake Shasta. This is the Pit arm.
10 This is looking east into the Fall River Valley. Here is
11 the Pit-1 project, the Hat Creek project, the 3, 4 and 5
12 project. And here is the McCloud Reservoir, Iron Canyon
13 Reservoir and the Pit arm with the three powerhouses
14 located on it.

15 This is a little bit more detailed view of the
16 project. The McCloud Dam impounds McCloud River water,
17 creating McCloud Reservoir. Water from McCloud Reservoir
18 is routed through a tunnel to Iron Canyon Reservoir. From
19 Iron Canyon Reservoir the water flows through a tunnel and
20 penstock to the J.B. Black Powerhouse. J.B. Black
21 discharges directly into the Pit River and into the upper
22 end of Pit 6 floor bay. Downstream is Pit 6 Dam. At the
23 base of the Pit 6 Dam is Pit 6 Powerhouse, which
24 discharges right into the river, upper end of Pit 7 floor
25 bay. On downstream, Pit 7 Dam with Pit 7 Powerhouse right

1 at the base of the dam. And then it goes into the upper
2 end of Lake Shasta.

3 The Pit 7 afterbay, which is right here, is used
4 to attenuate flows, changes out of Pit 7 Powerhouse before
5 they enter Lake Shasta. So here you have a couple shots
6 of the McCloud Dam and Reservoir, Iron Canyon Dam and
7 Reservoir, J.B. Black Powerhouse, Pit 6 Dam and
8 Powerhouse, Pit 7 Dam and Powerhouse and then the
9 afterbay.

10 The purpose of relicensing. This project was
11 constructed in the late '50s, early '60s. And its current
12 licensing dates from the early '60s. And the purpose of
13 relicensing is really balancing the electrical benefits
14 and the national resources supplied of the area in the
15 contents of current social priorities.

16 Our goals of relicensing. Preserve power
17 generation for electric customers. This project provides
18 very inexpensive power, and it helps keep rates down. But
19 we want to do that by achieving sound environmental
20 stewardship and sustain positive stakeholder
21 relationships.

22 And stakeholders are everybody in this room, the
23 resource agencies or anybody that has an interest in this
24 project or the area. And we intend to include all
25 stakeholders in this process and seek collaborative

1 solutions that achieve a sustainable balance of beneficial
2 uses, both electrical generation and natural resources.

3 The purpose of scoping. Really, what it is is to
4 develop a list of the preliminary issues. And these
5 issues represent concerns or questions arising from the
6 project or its operation that may need to be addressed in
7 a relicensing process.

8 All preliminary issues will be evaluated for
9 project nexus, which means the issue needs to be directly
10 related to the project or its operation and availability
11 of existing information to address that issue.

12 We prepared an initial list. A preliminary list
13 of issues have been identified. They were identified in
14 our pre-application document, also in FERC's Scoping
15 Document 1. And on the back wall we have all of those
16 issues listed by resource. And also, there is a handout
17 that lists all the issues that have been identified by
18 resource.

19 Our PAD, which is this document, and hopefully
20 everybody is very familiar with this at this point, was
21 filed on July 27th. And it's a summary of existing
22 relevant and reasonably available information to help
23 inform interested parties at the start of relicensing.

24 And what this document is, is it goes over the
25 project, the project features, its operation,

1 environmental setting and a summary of the resource
2 information that is available. All the information that
3 is summarized in here is referenced. Those references are
4 available. We have a CD of all the references that were
5 used for this document. Also, on our web site, which I'll
6 give you the address later, the references are posted
7 there.

8 So we've done our best to try to summarize the
9 information and bring the important things forward. But
10 also we have the references available that were used to
11 develop this document.

12 PAD Section 6 entitled Impacts, Issues, Studies,
13 Measures and Plans, listed are 66 issues that were
14 identified during preparation of the PAD. These issues
15 were brought forward from the resource agencies when we
16 were gathering our information and other interested
17 stakeholders.

18 Section 6 lists all those 66 issues. And it
19 lists our evaluation of those issues, which I'm jumping
20 ahead here because it's on this slide. So if you go to
21 Section 6, you'll see all those 66 preliminary issues that
22 were evaluated as far as nexus to the project and if
23 adequate information was or was not available.

24 And Sam Hough brought up an issue last night
25 that, well, why is there no project nexus. Well, there is

1 a paragraph explanation of how we evaluate each of those
2 66 issues as far as project nexus and if information was
3 there or not. So if you go through that list and you
4 start questioning our evaluation, we did document it in
5 Section 6 of the PAD. Out of those 66 issues we
6 identified 37 that had a project nexus. And we felt
7 additional information was needed to address the issue.

8 Now, we feel that we've done a fairly thorough
9 job putting together the PAD, gathering the existing
10 information and identifying issues. So we don't really
11 expect to see any other preliminary issues. But if your
12 issue isn't identified up there already, we definitely
13 want to know about it.

14 We -- in the PAD we also -- to address those 37
15 issues, we have proposed 25 relicensing studies. And,
16 again, these are 37. They had a project nexus and needed
17 additional information that will be gathered by this
18 relicensing phase. And, obviously, there is not a
19 one-to-one relationship between the issues and the
20 studies. So some of the studies address multiple similar
21 issues. And a brief description of each of those 25
22 studies was provided in the PAD.

23 We also issued this document on August 11th.
24 This is our preliminary proposed Study Plan. And this is
25 not required by the ILP. But PG&E decided to prepare

1 this, based on our experience with the DeSabra
2 Centerville. We got to the same point in that process
3 where the resource agencies and other interested
4 stakeholders were required to develop Study Plans. There
5 was nothing like this out there. So we put this out in
6 this proceeding to help basically provide a straw man for
7 everybody to start from to work on putting together the
8 Study Plan for this project.

9 It includes the 25 individual study descriptions
10 and to address the needs identified, the information
11 gathering needs identified in the PAD. Again, its purpose
12 is to help jump-start the study planning process and
13 facilitate discussions on the Study Plan. The study
14 descriptions, again, are based on the 37 issues and FERC's
15 seven study criteria that need to be addressed when you're
16 putting together a Study Plan.

17 Well, what should be the approach of scoping?
18 Well, we've already identified the 66 preliminary issues
19 in our PAD. And, also, FERC has identified some similar
20 innocuous issues. Check to see if these issues and
21 statements meet your needs.

22 At this point, though, you don't really want to
23 try to over edit the issue statements. They're just a
24 step and not an end product. And we did try to kind of
25 consolidate multiple similar issues in this similar

1 statement. So we kept it down to a manageable level. But
2 if your issue is not covered, that's why we're here today,
3 is to identify those.

4 And just in closing, I would like to talk a
5 little bit about how we plan to proceed. And hopefully we
6 have been proceeding up to this point with a collaborative
7 approach to this relicensing. And PG&E is committed to
8 using a collaborative approach to relicensing this
9 project.

10 And what we mean by collaboration is bringing the
11 participants together, working with a common set of goals.
12 And then all participants at the end of the day, everybody
13 can live with the decisions that are made and the outcome.

14 And with that, I would like to remind people --
15 well, Emily has already mentioned FERC's web site. It's a
16 good place. Everything that is filed for this project is
17 on their web site. And you can get -- as Emily has
18 mentioned, you can get e-mail notifications.

19 And, also, we have a public web site. I'm not
20 going to try and recite the address. In fact, it is
21 changing. But if you Google McCloud-Pit relicensing, it
22 will pull it up. We're posting all of our filings on
23 there. All the references from the PAD are on there. The
24 preliminary proposed Study Plan in PDF format is there.
25 We'll be posting meeting summary notes there, a little

1 background. Kind of a current update of where we're at.
2 So check in on that every couple of weeks. We'll keep you
3 up to date on what is going on on the project.

4 With that, I'll turn it back over.

5 MS. CARTER: Thank you, Steve.

6 MR. NEVARES: Sure.

7 Anybody have any questions?

8 MS. CARTER: Okay. As I mentioned, the Scoping
9 Document was issued on September 25th. And that included
10 a list of issues that we developed after reviewing the PAD
11 and the available information that we had.

12 Now, we tried to be general in that list of
13 issues so that we can make sure to include everything,
14 sort of broadly under the umbrella of those issues. And
15 we incorporated PG&E's list into that.

16 But the purpose of this meeting is to find out
17 how we did with that to further refine all the issues to
18 make sure none were omitted and to make sure that all the
19 ones that we did include need to be studied.

20 The SD1 also included the information -- a
21 description of the information that we were requesting.
22 And on page 6, how to file that information with the
23 secretary, either through letter form and the address or
24 through -- electronically filed. And it included an
25 outline of the environmental assessment at this point.

1 So, I would like to begin by discussing the
2 information and to get started on what information we need
3 to develop the Study Requests.

4 PG&E, as Steve mentioned, has already sort of
5 jumped ahead and went ahead and issued their preliminary
6 Study Plan, which will be nice to have as we discuss the
7 studies. And as you develop your Study Requests, you
8 already know what they're looking into. And I will talk a
9 little bit after we go through the issues on what is
10 required in a Study Request.

11 So let's go ahead and open up now for discussion
12 on the issues and talk about agency needs and how we can
13 fit those into the process plan, and if you have any
14 issues that need to be included and discussion regarding
15 that.

16 We didn't -- we're not going to read through all
17 the issues. We did last night. But since I'm sure all of
18 you have gone through the lovely thick PAD and are
19 familiar with the issues that have been identified in the
20 Scoping Document that we listed, and since PG&E has mostly
21 filled this room, I'm sure they're very familiar with the
22 issues.

23 So we can open up for discussion and find out if
24 anybody has anything they would like to bring up.

25 Kathy?

1 MS. VALENZUELA: Kathy --

2 MS. CARTER: And don't forget to state your name.
3 We have a microphone if we need to use it.

4 MS. VALENZUELA: Kathy Valenzuela with the Forest
5 Service.

6 Just some things that I picked out a little bit
7 in the Scoping Document. I wanted to be sure that the
8 soil pile issues of erosion -- and it's kind of captured
9 in a broad way. But it's sort of that question from last
10 night about, is that included in the operations part?
11 Because PG&E captures it in -- oh, let's see, WR3. But I
12 just want to make sure that is a part of --

13 MS. CARTER: Right. All the issues identified by
14 PG&E are incorporated into the issues that we identified.
15 They're just more specific. We tried to be a little more
16 general to make sure everything was encompassed.

17 MS. VALENZUELA: Along those same lines is --
18 under Aquatic Resources, it talks about effects of project
19 fish operation on fish populations. Isn't that supposed
20 to be more generic, like Aquatic Resources, other non fish
21 species, or is that captured elsewhere? It was almost too
22 specific. And I kind of wondered about that.

23 MS. CARTER: Okay.

24 MR. BUHYOFF: Yeah. I can change that.
25 Absolutely.

1 MS. VALENZUELA: It just seemed a little too
2 specific.

3 MS. CARTER: Okay.

4 MR. BUHYOFF: Yep.

5 MS. VALENZUELA: I'm sorry. Let's see. Page 15,
6 which would be under the same Aquatic Resources section.
7 The second bullet on page 15, the effects of project
8 structures and operation on the amount of large woody
9 debris recruitment. I just wondered if Iron Canyon was
10 missing by accident or by design. It didn't speak to
11 whether we had a concern about woody debris recruitment
12 from Iron Canyon down to Iron Canyon Creek.

13 MR. BUHYOFF: Oh, no. That was by accident.

14 MS. VALENZUELA: Just an oversight.

15 MR. BUHYOFF: I'll change that to, yeah, "all
16 reservoirs."

17 MS. VALENZUELA: Yeah. It was just noticeable by
18 its absence. Not that it's necessarily a huge concern at
19 this moment, but we just wanted to make sure it was
20 captured broadly.

21 I'm curious -- and, again, this is a layman's
22 perspective. But you've picked out the next bullet --

23 MR. BUHYOFF: Yeah. Actually, before we go on
24 with Aquatic Resources, I had some discussion with Gene.
25 And I went through some of that. And, honestly, I don't

1 know why there was an oversight. I think what the
2 intention was was to pick out California state species of
3 concern that are protected.

4 And based on our discussion last night, I guess
5 you wanted to include in our threatened and endangered
6 species section, the forest sensitive -- Forest Service
7 sensitive survey and watch list?

8 MS. VALENZUELA: Yeah.

9 MR. BUHYOFF: I think what we're going to end up
10 doing is just try to encompass also the State list of
11 species of concern.

12 MS. VALENZUELA: That's fine.

13 MR. BUHYOFF: And so as far as I'm concerned,
14 those last two bullets are going to be taken out and just
15 put in more general.

16 MS. VALENZUELA: Okay.

17 MR. BUHYOFF: Additionally, something that was
18 absent here that was also picked up on were amphibian
19 species. We noticed that after doing the Scoping Document
20 because there was some, I don't know, difference.

21 So I wasn't sure whose spear of influence, if it
22 was going to be terrestrial or aquatic. So with Alan
23 Mitchnick gone, that just kind of got overlooked, so I'll
24 be adding that in. So just before we go on with Aquatic
25 Resources, those are some that were already kind of picked

1 out. And, yeah, so.

2 MS. VALENZUELA: Okay. Good. I was just curious
3 if those were going to be represented.

4 MR. BUHYOFF: Yeah. Again, it's good we do this.
5 It's good to go over these things again.

6 MS. VALENZUELA: Okay. And, I'm sorry, but I'm
7 going to back up because this is more editorial. Under
8 Section 5.1.1, Geographic Scope.

9 MS. CARTER: Yes.

10 MS. VALENZUELA: The last sentence in that
11 paragraph, I think something is wrong because you're
12 talking about Iron Canyon Creek from Iron Canyon
13 downstream to the confluence with the Squaw Valley Creek.

14 I think you mean McCloud River from McCloud
15 Reservoir to the confluence of Squaw Valley Creek.
16 Because Iron Canyon Creek doesn't run into Squaw Valley
17 Creek. So there is a geographic problem going here.

18 MS. CARTER: Okay.

19 MS. VALENZUELA: And I think then, in addition,
20 then Iron Canyon Creek from Iron Canyon Reservoir down to
21 the Pit River.

22 MS. CARTER: Okay.

23 MS. VALENZUELA: So it kind of got somehow
24 blended, I think.

25 MS. CARTER: Okay.

1 MS. VALENZUELA: So that was a problem. And
2 then --

3 MS. CARTER: That can be clarified.

4 MS. VALENZUELA: Yeah. I think it got chopped
5 somehow.

6 On your footnote, it was a concern or a
7 clarification. And it talks about where the three, four,
8 five joins with this project.

9 MS. CARTER: Uh-huh.

10 MS. VALENZUELA: And I was just a little -- if we
11 have issues or concerns or opportunities with the area
12 around the James B. Black, that is still within the
13 project boundaries?

14 MS. CARTER: Right.

15 MS. VALENZUELA: We can still have those
16 addressed, even though it talks about the 3, 4, 5 coming
17 in right there. I know it's a really awkward place in the
18 project because you've got two overlapping projects.

19 MS. CARTER: Right. That is correct, within the
20 project boundary.

21 MS. VALENZUELA: Okay.

22 MS. CARTER: I mean, James B. Black is associated
23 with this project, so of course.

24 MS. VALENZUELA: Okay. I guess I took it a
25 little bit as we were going to throw out that piece

1 between James B. Black and Pit-5 because it was in the 233
2 project. And I just want to be clear that we can still
3 address any issues in James B. Black and that segment of
4 the Pit 6.

5 MS. CARTER: Right. That is a little unclear.
6 So you are correct.

7 MS. VALENZUELA: Okay. And I think that's all.
8 Thank you.

9 MS. CARTER: Okay. Anyone else?

10 Yes?

11 MR. MONTGOMERY: Ross Montgomery, Pit River
12 Tribe.

13 I was talking earlier with the lady right here,
14 and I was asking about safety. I mean, how do you
15 actually contain the electricity when it's being generated
16 out of the thing? You know, you've got to contain it.
17 You can't just have it -- I mean, what happens if it hits
18 the water? Would it kill the wildlife in the river or is
19 it a fire hazard?

20 MR. KLOBAS: You're talking electromagnetic
21 fields?

22 MR. MONTGOMERY: Well, I'm just talking, you got
23 to generate the power from one source, right, and send it
24 out on the power lines? How do you contain it in that one
25 area or does it work that way?

1 MR. KLOBAS: Well --

2 MS. CARTER: Could you state your name, please.

3 MR. KLOBAS: Electricity is contained -- I'm
4 sorry. John Klobas, K-l-o-b-a-s, generation supervisor
5 for PG&E.

6 Just real quickly, electricity is contained in
7 wire. It can't be stored, you know. So when you're
8 feeding electricity into the electrical grid, you have to
9 feed in exactly the right amount of electricity at all
10 times. If the demand goes up, you have to increase what's
11 going in. If the demand goes down, you have to decrease.
12 And that is one of the things this project does.

13 But the electricity is contained in electrical
14 conductors. And the way that works is the electricity
15 travels along the outside of the wire. Okay. It doesn't
16 necessarily travel through the center of the wire like a
17 lot of people believe, which is why we use braided wire.
18 Because there is a lot of surface area in braided wire,
19 because you get a lot more electricity on it. But it's
20 all contained within the wire, all around the wire.

21 And the same thing with the generators. The
22 generators are nothing more than a real large mass of
23 windings of electrical conductors. So it's all contained
24 within the inside of the generators.

25 MR. MONTGOMERY: So there is no possible way of

1 shorting out and hitting the river?

2 MR. KLOBAS: I wouldn't say there is no possible
3 way. Any time there is -- there's got to be a ground
4 fall. Any time there is a ground fall, that provides a
5 path for heavy current, which would damage the equipment.
6 And we have protective relays that open the fall in a
7 matter of just a few cycles, microseconds, practically, on
8 that.

9 So I would say the possibility of energizing a
10 waterway is extremely remote.

11 MR. MONTGOMERY: Well, if it did, would it just
12 juice the whole river?

13 MR. KLOBAS: I don't know. I don't know if I can
14 even answer that question. I don't think that would ever
15 happen.

16 MR. MONTGOMERY: But you said it's not
17 impossible.

18 MR. KLOBAS: I would say it's not impossible, no.
19 Anything is possible, but.

20 MR. MONTGOMERY: Okay.

21 MR. KLOBAS: Okay.

22 MS. CARTER: Okay.

23 MR. KLOBAS: Water is a good conductor.

24 MS. CARTER: Anyone else have additional issues
25 or any discussion of issues that should be omitted?

1 Yes, Dennis?

2 MR. SMITH: Dennis Smith, Forest Service.

3 I have a little bit of a concern about how broad
4 and general the scoping is.

5 MS. CARTER: Okay.

6 MR. SMITH: I'll give you an example. In the
7 terrestrial section you talk about effects on raptors.
8 And, for instance, if we do a raptor study and we find
9 Eagles are feeding on the floor bays and afterbays, then
10 we go in and we look at metals and biomagnification of
11 metals and effects on Eagles.

12 And I guess what is my opinion after having
13 DeSabra because we only have, really, one bite at the
14 apple for the study, we suggest a study. And if "X" is
15 found, then we have a phase two of that study to determine
16 those future effects.

17 And at least the scoping purpose of this is to
18 discuss what is actually going to be in the EA. And these
19 are all very general. They don't address the specifics.
20 So my question, I guess, to FERC is: How specific should
21 we get in your Scoping Document? Do we need a Scoping
22 Document II? And do we flush out those micro issues that
23 may be addressed in the EA now or do we wait until we have
24 discussion on the Study Plans?

25 MS. CARTER: Well, the purpose of our Scoping

1 Document was to outline the big issues and make sure that
2 they were covered. And since PG&E had outlined detailed
3 issues, we wanted to just incorporate those and include
4 any others that we felt necessary under a large umbrella
5 just saying, "Okay. These are the issues that we found."

6 We didn't get into specifics because we wanted to
7 make sure that we knew what the specifics were through
8 these meetings and your comments on the Scoping Document.
9 So through your comments, written comments or comments
10 today, we can decide whether to do a Scoping Document II
11 if everyone would like to see a more detailed listing of
12 those issues that were identified.

13 MR. SMITH: So I thought I just heard you say you
14 were going to incorporate PG&E's issues into your Scoping
15 Document?

16 MS. CARTER: They have been. We looked at those
17 and tried to make them broader so that they would be
18 included sort of under the umbrella of our issues. But
19 they are all included.

20 MR. SMITH: So -- Dennis Smith again. So what
21 I'm interpreting from your answer is that once we discuss
22 the studies, then FERC will make a decision on how
23 specific the Scoping Document is?

24 MS. CARTER: Yes. Once we get everyone's
25 comments on the Study Requests and comments on the Scoping

1 Document and PAD, we'll have a better idea of what
2 everyone feels needs to be included within the EA.

3 Does that answer your question?

4 MR. SMITH: Yes, I think so.

5 MS. CARTER: Okay. Anyone else?

6 MR. SMITH: Dennis Smith. Actually, I have
7 another issue.

8 Go ahead, Russ.

9 MR. KANZ: Russ Kanz, State Water Park.

10 This is sort of a follow-up on Dennis. And maybe
11 -- I don't know how this has worked on other projects. If
12 issues come up down the road -- because it's obviously
13 very early for some of us to even understand what issues
14 may be relevant to this project, and this is all very
15 generic.

16 If issues come up later through studies or other
17 information, how do you intend to then -- if they're
18 significant issues, would you rescope those later before
19 you -- at the REA point? Do you know how that is going to
20 work?

21 MS. CARTER: I don't. We haven't gotten to that
22 yet on any of the projects. Hopefully, through the
23 studies -- and I'll talk a little bit more specifically
24 about the study process and the Study Plan process. But
25 after the studies are going on, there will be a year

1 meeting where we'll discuss what has already been -- where
2 the study stands, what sort of has already come up.

3 And then that will sort of maybe give a better
4 idea of the issues and whether everything has been
5 included. But if new major issues come up, then we would
6 have to address them.

7 Does that answer your question?

8 MR. KANZ: Yeah, I think so.

9 MS. CARTER: I don't know really how it would be
10 handled because we haven't --

11 MS. MURRAY: I'm going to interrupt.

12 I feel like your concern is that if major issues
13 come up along this process, that it's too late to discuss,
14 and they're already out if they're not in the Scoping I.
15 And I don't think that's -- yeah. If issues come up later
16 within the process, they are going to be addressed. It's
17 not going to be a too late, too bad.

18 MR. KANZ: I guess I understand that. It's just
19 probably more of a technical issue of how that really gets
20 scoped at a later point.

21 MR. NEVARES: Steve Nevares, PG&E.

22 Probably -- you know, Russ, we've worked together
23 a lot with the resource agencies. If a significant issue
24 comes up during the process, we're going to try -- PG&E is
25 going to try and address that with the stakeholders.

1 And I understand your concern about missing out,
2 and Dennis's comment about one bite of the apple. But,
3 believe me, if a significant issue comes up and we're in
4 the process, maybe even in the first study season, we're
5 going to -- PG&E is going to try to do their best to
6 resolve that issue and get it addressed when we file our
7 draft license application or our proposed -- you know,
8 that's how we would deal with it. Because we don't want
9 something lingering out -- a significant issue out there
10 lingering out once we get our application filed. We'll do
11 our very best to address it.

12 MR. KANZ: Another just sort of technical
13 comment. Your mailing list on here is ancient.

14 MS. CARTER: That is the official FERC mailing
15 list.

16 MR. KANZ: From?

17 MS. CARTER: For this project. So to have it
18 updated -- I can't remove any names from the list. They
19 have to actually write in. That agency or organization
20 has to write in and request from the secretary that they
21 be removed. I can add names. So if names need to be
22 added, you can either write to the secretary or send it to
23 me. And I can make sure that it's included.

24 MS. TUPPER: Julie Tupper, Forest Service.

25 We have this issue. The secretary's office has

1 been very slow, to be polite, in dealing with this. Our
2 person now has direct contact with the person who updates
3 the FERC mailing list. I will send you the lady's name,
4 if you would like. Because that is the only way -- we
5 basically had someone go jump up and down and scream in
6 the secretary's office. It's totally separate from the
7 folks up here. It's literally over in the secretary's
8 office that deals with it. And they haven't dealt with it
9 in ages.

10 So we just got all of ours, I think, redone by
11 personally sitting there and having the people do it. We
12 have the lady's name. And maybe you can send her a
13 personal message, and you'll get your changes.

14 MR. KANZ: Either that or I'm going to have my
15 secretary call you and complain every time she has to send
16 a letter to everyone on this list.

17 MS. CARTER: Well, if you can give me the
18 addresses, I will make sure that they're included.

19 MR. KANZ: Some of these people have retired.

20 MS. CARTER: Right.

21 MR. KANZ: And some of these people I know don't
22 have an interest in this project.

23 MS. CARTER: And that was one of the reasons why
24 I did include the official FERC mailing list. Hopefully,
25 once this process is starting, we can update -- we can get

1 the mailing list updated and make sure that everyone that
2 needs to be is included. And everyone that --

3 MR. KANZ: Please do. The worst example is the
4 Pit 3, 4, 5 project because of the deregulation issue, we
5 had people -- everybody's name was on that list. And it
6 was ridiculous. And it was a huge burden for the agencies
7 to provide mailings to that list. It was just -- and I
8 think most of those people didn't care.

9 MS. CARTER: Yeah. We'll definitely -- and
10 especially through this process -- what usually has worked
11 really well is to develop an e-mail list so that all the
12 -- all the communications between everyone goes to
13 everyone on that e-mail list. And that tends to be the
14 people that have been most involved as opposed to
15 everyone.

16 And then the official clerk mailing list will
17 hopefully get updated now that this process has sort of
18 kicked off. But I know that we've had some problems with
19 the mailing list. And we're trying to get it figured out.
20 So if anyone does have issues, please talk to me. And I
21 can make sure that we can work to figure out to make sure
22 everyone is included.

23 MR. KANZ: I mean, it would be simple to send
24 just a postcard to those people and say, "If you want to
25 stay on this list --

1 MS. CARTER: Yeah. And that might be -- we might
2 do something like that.

3 Yes.

4 MR. THORESON: Randy Thoreson, National Park
5 Service.

6 This was brought up last night. And I just want
7 to bring it up again in this format. What I was
8 interested in was a list by PG&E contract -- contract FERC
9 lead and then contractor for the various study areas so we
10 know who the contractors are, singular or plural, working
11 on the various study areas, who the PG&E contact list
12 study areas and who the FERC contact. And I think that
13 would be very helpful. And I brought this up last night,
14 too.

15 So, I don't know. You know, maybe we don't need
16 to take the time today to do that. It's just a request to
17 develop such a list. It would be very easy to do just a
18 one-pager and say like -- you know, a lot of resources.
19 Who is the PG&E lead on that? Who is the FERC lead on
20 that? Who is the contractor? Recreation interest lots,
21 same thing. Would that be reasonable to request at this
22 time?

23 MR. NEVARES: Well, it's PG&E's preference,
24 really -- Steve Nevares again.

25 As to any inquiries about any studies is routed

1 through myself. And then I route it down to the project
2 team, specifically.

3 MR. THORESON: Okay.

4 MR. NEVARES: I mean, you know, I don't want to
5 make this sound really formal, but kind of try to play
6 traffic cop a little bit with, you know, PG&E's
7 contractors, with our consultant team. We want to make
8 sure they understand where their direction is coming from.
9 So that's the only thing.

10 MR. THORESON: I don't mind doing that.

11 MR. NEVARES: Yeah.

12 MR. THORESON: But I think you know what I'm
13 asking.

14 MR. NEVARES: Yeah. Yeah.

15 MR. THORESON: Because if we're talking about
16 Recreation Aesthetics, who is the lead at PG&E, and who is
17 the lead in FERC, which we talked about last night, who is
18 the contractor?

19 MR. NEVARES: Actually, I'll be the lead for
20 Recreation Aesthetics for PG&E. And Carol is the lead for
21 our consultant.

22 MS. CARTER: And the other thing is, through --
23 there will be a Study Plan meeting after all the Study
24 Requests are filed and after PG&E puts together their
25 proposed Study Plan, which I'll talk about in a little

1 bit. And through those meetings, I mean, there will be
2 open discussions between everyone involved on the specific
3 studies. So that will be another good opportunity to find
4 out who is involved, too, with these things.

5 MR. NEVARES: I'm more than happy to provide
6 that. I would like to route it through me, just so I
7 know.

8 MR. THORESON: That's fine.

9 MS. CARTER: And the FERC team is right here.
10 Dennis, did you have a question earlier or did it
11 get answered?

12 MR. SMITH: Actually, no.

13 MS. CARTER: Okay.

14 MR. SMITH: Dennis Smith, Forest Service.

15 What we'll do is, if we don't see something in
16 here we'll -- at Thanksgiving when we have to submit,
17 we'll be very specific to at least include it, if we think
18 it's even in the realm of possibility.

19 MS. CARTER: Okay.

20 MR. SMITH: And then once we go through the Study
21 Plans, you know, how far we go.

22 MS. CARTER: Yes. And include any written
23 comments. The specifics we would like to see in the
24 written comments so that we know we've caught everything.
25 And we have it on the public record. Or if you know of

1 them today, you can get it on the public record today.

2 Are there any other issues for discussion
3 regarding specific resources? If not, I'll move on to a
4 brief discussion of the Study Requests criteria.

5 In addition to comments on scoping and the
6 pre-application document, this is also the time to submit
7 Study Requests which are due the same time as the
8 comments, which is November 23rd.

9 And PG&E has already put together, as mentioned
10 earlier, their preliminary proposed Study Plan which is
11 what they think right now would be included in their
12 proposed Study Plan. And it's a very detailed listing of
13 their studies and how they propose to do them. So that is
14 a great resource you can look at as you develop your own
15 Study Requests and what additional studies you think
16 should be also addressed.

17 And as you're putting together your Study
18 Requests -- we have developed to better focus the issues
19 on relicensing, we have developed seven criteria, which
20 can be found in section 5.9B of our regulations, which
21 again, is the lovely final rule book that if you need
22 additional copies, I don't want to have to take them back
23 with me. So they're in the back.

24 And the seven criteria are very important. The
25 first is identified. Study goals and objectives, why the

1 study needs to be done.

2 Then the second one relates to agencies. And
3 it's to consider your management goals and how the study
4 relates to those and why the study needs to be done to
5 fulfill your goals.

6 The third one relates to the public. So if you
7 are a member of the public, why the study is in the public
8 interest and why it should be completed. What additional
9 information you'll get out of it will be in the public's
10 interest.

11 Then you have to look at considering the existing
12 information that is out there. The PAD is a -- includes
13 all the information that PG&E has on the study or on the
14 project. So your study should look at: What information
15 is out there and what new information is needed and why it
16 is needed.

17 The next one. Nexus to project operations and
18 effects is very important. This one definitely needs to
19 be -- all of them need to be included. But this one is
20 extremely important. And why the study that you're
21 proposing is related to the project, what its nexus is and
22 how it is related to operations and the effects.

23 Next is a brief description of methodology that
24 is consistent with accepted practice. This doesn't have
25 to be anything too detailed. Those details can be flushed

1 out later. At least which -- putting out into the Study
2 Request what methodology you would consider appropriate
3 and how it -- that it relates to accepted practice.

4 And then the final one is a consideration of
5 level of effort and cost and why alternative studies would
6 not suffice. You don't have to go into great detail on
7 this one. But it's just, you know, how much time and
8 effort it will take and why maybe either a cheaper study
9 wouldn't be appropriate or why a more expensive study is
10 inappropriate and just a survey would be necessary and
11 that type of thing.

12 These criteria are important because they make it
13 clear what the intended goals and methods and how they
14 relate back to the project operation are for your Study
15 Request. And if you need a template for the Study
16 Request, there have been several projects now that have
17 been through the ILP. And there are some great templates
18 out on -- you can look through the web site. And you can
19 also use PG&E's preliminary proposed Study Plan and maybe
20 follow what they have already done.

21 So as I mentioned, this process, it's a
22 collaborative process. We're all involved early on and
23 work together to develop the studies and the information
24 needed for the environmental document.

25 And it's very intense in the first year. Dates

1 are very important. And there are many deadlines to
2 remember. The first being that Study Requests and
3 comments, as I mentioned several times, not to sound like
4 a broken record, but just to make sure it's out there, is
5 that the Study Requests and comments are due November
6 23rd. Then PG&E will file their proposed Study Plan by
7 January 7th.

8 An initial Study Plan meeting, where we all get
9 together to discuss what PG&E has proposed and any
10 comments on it and sort of begin the informal resolution
11 process. If there are any discrepancies between what PG&E
12 proposed and what you feel is necessary, those can be
13 addressed at the initial Study Plan meeting, which has to
14 be held by February 6th. It's also been useful to have
15 several meetings that address resources and to really get
16 into the issues in the studies that have come up.

17 Then after the initial Study Plan meeting and the
18 90-day sort of informal resolution process, PG&E will put
19 together their revised Study Plan, which is due by
20 May 7th. And then the Director of the Office of Energy
21 Project will make a final determination on the Study Plan
22 by June 6th of next year. And that final determination is
23 what puts out studies that PG&E need not complete. So
24 you'll have two opportunities to comment on the plan
25 before the director issues a determination.

1 And that's all I had. So we can -- if anyone
2 else has any other questions. I know I just gave a brief
3 overview of the ILP. So if you need anymore information,
4 you can find it in the white book or you can ask me.

5 We have plenty of information on the back table.
6 PG&E provided hardcopies of their PAD and preliminary
7 study plan if you need additional copies of that. I also
8 have copies of the Scoping Document back there and a
9 handout on FERC's electronic information.

10 Yes?

11 MR. BATTAGLIA: When do you plan on issuing a
12 revised?

13 MS. CARTER: Right.

14 MR. BATTAGLIA: Since most of these dates are
15 off?

16 MS. CARTER: Right.

17 The process plan that was included in the Scoping
18 Document is also incorrect. So I will be issuing a new
19 one. And -- I will be issuing a new one. I don't know if
20 I'll wait until after I receive all the comments and we
21 can just update everything together or if I'll issue one
22 on its own. But a new one will be issued.

23 Dennis?

24 MR. SMITH: Dennis Smith, Forest Service.

25 This question goes directly to the Study Request

1 that we're going to submit. So you know, and Gene and
2 some of the people, Kathy, that have worked on DeSabra,
3 that we had -- it turned out we had phase sets. And this
4 goes to costs for PG&E. I'll give you a prime example.

5 Amphibian costs. The proposed stratified random
6 sampling was at 20 percent. We talked to the Ph.D.
7 biologists. They want to do 100 percent. So if you have
8 low numbers of --

9 THE COURT REPORTER: Wait. Wait. Wait. I
10 cannot hear what he is saying.

11 MR. SMITH: Better? Better?

12 So if you have -- so if you have -- is it turned
13 up too high?

14 So if you have --

15 This is specific, I guess, to Steve's benefit, is
16 that -- so if we know and we say, "Okay. We're going to
17 ask for a study." Instead of asking for 100 percent right
18 up front we say, "We don't know what the level -- what the
19 population levels are." We'll ask for 20 percent at the
20 beginning of the first year. If we don't find anything
21 and Ph.D. amphibians thinks we missed something, then
22 we'll go to, you know, 80 percent or whatever.

23 So how -- and this is not just this study. This
24 is other studies. So how do you want us to deal with that
25 in the Study Request? Do you want us to actually be very

1 specific about -- because when we talk about this, it's
2 dollars. And it's dollars that they have to spend. How
3 should we address that in the request? Or should we just
4 leave it generic. And then when we get into the actual
5 details of developing the specific studies, then we hammer
6 that out?

7 MS. CARTER: My recommendation would be to sort
8 of include -- generally include the phase approach in your
9 Study Plan. And then the specifics, wait to flush those
10 out during the Study Plan meetings. So don't include --
11 the phase approach is best. And then that also can go
12 into the -- when you discuss the level of effort and such,
13 you know, you can put in that if you don't need to go
14 further, the first phase will be this level. But the
15 specifics can be worked out during the Study Plan meeting.

16 MR. SMITH: Okay. And a follow-up on that.
17 Dennis Smith again. I'll try to be loud.

18 How specific do you want us on step number six,
19 methodology? Because we can actually pull out studies off
20 the FERC web site or out of this file book, and the only
21 things that will change, probably, will be the
22 site-specific issues for that project.

23 MS. CARTER: If you have the specifics, I would
24 include them. If you're not sure or there are a couple
25 different ways it can be done, I would put your preferred.

1 And then you can discuss the specifics at the Study Plan
2 meeting. But if you know how you would like it done and
3 you actually have the specifics, then I would recommend
4 including them.

5 Kathy.

6 MS. VALENZUELA: Kathy Valenzuela with the Forest
7 Service.

8 I want to make a broad statement that in previous
9 meetings with PG&E, the concern was brought up about the
10 fact that we didn't have any -- we were concerned about
11 the lack of Study Plans based on the DeSabla efforts.

12 And I wanted to thank you guys for putting out
13 the preliminary proposed Study Plans. I think it's a
14 really good effort. I think it was a result of the
15 DeSabla and a lot of folks in this room all the way
16 around.

17 And, you know, we've been reviewing a lot of the
18 plans. And we're very pleased with the level of detail.
19 You know, there is more of this, of course. We all have
20 comments. But I just wanted to say that that's a really
21 good effort. And I wanted to make sure that the FERC knew
22 that, that I appreciate it very much. You know, the work
23 that was put into that document, I know it was a lot of
24 front-end loading for them.

25 MS. CARTER: Yes. It was nice to have that.

1 MR. WILCOX: Scott Wilcox with PG&E consulting.

2 Dennis, I was just going to say with regard to
3 detailed studies that maybe in other relicensing Study
4 Plans, whatnot, if that's supplemental to what is already
5 in the existing preliminary proposed Study Plan, I think
6 that would be useful to detail. If it's something else
7 entirely in terms of a different methodology, then that's
8 a little bit different.

9 We would like to be able to use or build upon
10 what is in the existing Study Plan to the extent that that
11 addresses whatever your Study Plan issue might be, as
12 opposed to perhaps just a wholesale replacement of it with
13 something completely different, unless there is a reason
14 to do something completely different.

15 MS. CARTER: Okay. Any other questions or things
16 we should discuss today?

17 Joe?

18 MR. ZUSTAK: Joe Zustak, with the Forest Service.

19 With respect to requesting mitigation. If we're
20 going to consider that as a result of this project, do we
21 need to have a proposed Study Plan to support that
22 mitigation?

23 MS. CARTER: I don't understand.

24 MR. ZUSTAK: For example, the white sturgeon. In
25 the document it states that some Fish and Game biologists

1 feel that due to the construction of Pits 6 and 7, the
2 white sturgeon population is no longer able to spawn.

3 Okay. And as possible mitigation, we can do cage
4 culture within the lake. I guess what I'm asking is, do
5 we need to actually substantiate that the white sturgeon
6 no longer can spawn, which would be difficult to do, if we
7 want to ask, in fact, for that mitigation measure?

8 MS. CARTER: I believe so, yes.

9 MR. ZUSTAK: Thank you.

10 MR. BUHYOFF: Yeah. I mean, you want to be able
11 to support any mitigation measures with, obviously, some
12 kind of basis. So in that regards, I would say, you know,
13 other --

14 MR. ZUSTAK: In this particular case, I think it
15 would be fairly difficult to demonstrate that we've lost
16 the sturgeon spawning habitat, simply because it would be
17 difficult to assess what is currently there since it is
18 under reservoirs. I mean, we might be able to draw
19 parallel to other systems. Though exactly what, I'm not
20 sure at this time.

21 If, in fact, we can find it within the Fish and
22 Game's files that there is, perhaps, some surveys that
23 have been conducted in the past that have not come to
24 light yet --

25 MR. BUHYOFF: Sure.

1 MR. ZUSTAK: -- would that be enough for you
2 guys?

3 MR. BUHYOFF: Yeah. And, obviously, we can, you
4 know, we'll talk about that more in meetings. But I think
5 just as long as you can provide a basis, be it, you know,
6 if it's not an actual study itself. I mean, one that, you
7 know, performing. If there is a documentation to provide
8 some kind of background representing that, yeah.

9 MS. FARAGLIA: Annette Faraglia, PG&E.

10 I think one of the things, too, we have to
11 consider is that FERC has repeatedly said that baseline is
12 current operations as it is today, not as it was 100 years
13 ago. So I think everyone knows that, but that has to be
14 considered when things are presented; that you can't
15 recreate what existed in 1890. And, indeed, you're not
16 supposed to.

17 MS. CARTER: Correct.

18 MR. THORESON: Randy Thoreson, National Park
19 Service.

20 Are you going to -- procedurally, are you going
21 to post the Study Requests received?

22 MS. CARTER: Well, the Study Requests, as they
23 are filed with FERC, they'll go onto the e-library.

24 MR. THORESON: Immediately?

25 MS. CARTER: Right.

1 MR. THORESON: So we could be seeing some Study
2 Requests before November 23rd?

3 MS. CARTER: As they're filed; right.

4 MR. THORESON: And that's from agencies, interest
5 groups, individuals?

6 MS. CARTER: Anyone interested with the project;
7 correct.

8 MR. KANZ: Russ Kanz with the State Water Park.
9 Just a comment on the schedule. Looking at this,
10 we don't get two full study seasons because this isn't
11 going to start until, in theory, June. And that could be
12 problematic.

13 MS. CARTER: Right. The studies are done. And
14 if it gets to the point where PG&E has to file their
15 application and the studies have not been completed, then
16 they can still file the application. And we'll look at
17 what has been filed. And then as they finish things, it
18 can be -- the application has to be filed on July 31st.
19 But if there are still outstanding studies, then the
20 results will just be filed as they come in.

21 And some other times there are certain studies
22 that can be started. Like if they know for sure that a
23 study is going to be required, they might decide to start
24 it before we make a final determination. That's been done
25 on a few projects. But that's up to the applicant.

1 MR. NEVARES: Steve Nevares, PG&E.

2 Russ, I don't know if you -- you're probably
3 aware that we've already been doing work since last year.
4 And there are some other studies that we'll advance ahead
5 and try to accommodate, you know, getting as much of the
6 2007 study season as we can. So we're looking at that.
7 And they're advancing ahead to address that issue.

8 MR. GEARY: Gene Geary, PG&E.

9 Russ, I would say, really, the key issue -- and
10 we ran into this on DeSabla, as Dennis recalls, is where
11 we are in the Study Plan development process.

12 If there is significant disagreement on certain
13 Study Plans, then PG&E management may not feel that
14 they're willing to step out in front and start studies in
15 advance of a FERC-approved study process. We had that
16 happen with instream flow process on DeSabla.

17 In cases where everybody is really in agreement
18 and the FERC approval is just a formality, then right now
19 it's PG&E's intention to begin work as appropriate in the
20 spring of '07. But it really depends on how things
21 develop during the Study Plan process.

22 MS. CARTER: Are there any other questions or
23 comments?

24 Okay. If not, I would like to thank everyone
25 again for coming. I really appreciate everyone that was

1 here last night and today. It's great to have everyone
2 here and be able to hear concerns and issues. So I
3 appreciate that.

4 And I want to remind everyone about the sign-up
5 sheets in the back so that we know who was here. And
6 thank you again. And we'll be seeing you the next round
7 of meetings.

8 (The proceeding was concluded at 10:20 o'clock
9 a.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