December 9, 2013

Via Electronic Submittal (E-Filing)

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Potter Valley Project (FERC No. 77)
Urgent Request for Flow Variance Due to Limited Water Availability

Dear Secretary Bose:

Pacific Gas and Electric Company's (PG&E) Potter Valley Project, FERC No. 77 (Project), is experiencing the driest year on record and, as a result, can no longer sustain the current minimum flow requirements while also ensuring the safe operation of the Project due to extremely low storage levels in Lake Pillsbury. A reduction in discharge from Lake Pillsbury is needed to eliminate the risk of vertical bank collapse in the reservoir bed that could occur unless discharge is reduced. Thus, PG&E is requesting an immediate flow variance of 80 cfs on the Eel River below Scott Dam (E-2), 75 cfs on the Eel River below Cape Horn Dam (E-11), and 30 cfs on the East Branch Russian River below Potter Valley Powerhouse. PG&E proposes, with agency concurrence, that the flow variances described in the table below remain in effect until they are no longer operationally necessary and inflow to Lake Pillsbury meets "dry" or "normal" flow requirement criteria. The proposed releases are consistent with the water conditions experienced at the Project over the last 11 months.

On December 5, 2013 PG&E hosted a collaborative conference call with representatives from the National Marine Fisheries Service (NMFS), California Department of Fish and Wildlife (CDFW), United States Forest Service (FS), and Round Valley Indian Tribes (RVIT) (agencies) to discuss the current situation. The United States Fish and Wildlife Service was invited, but did not participate. During that call, the PG&E and the agencies agreed that changing the flows to be consistent with "critical" classification requirements and exceptionally low inflow requirements is the best course of action for salmonids in the upper Eel River given the current low storage levels.

Proposed Flow Requirements

Article 52 of the Project License requires PG&E to comply with the Reasonable and Prudent Alternative (RPA) that was made part of the license by FERC Order issued
January 28, 2004. Below is a summary of the current minimum flow requirements and the proposed minimum flow requirements with the variances.

| Eel River below Scott Dam (E-2) East Branch Russian River below Potter Valley Powerhouse (E-16) | 100 | 20 | "Critical" classification flow requirement |
| Eel River Below Cape Horn Dam (E-11) | 100 | 25 | Exceptionally low inflow flow requirement |

**Eel River Below Scott Dam (E-2) & EBBRR Below Potter Valley Powerhouse (E-16)**

Item B of the RPA lists the required minimum flow requirement for E-2 and Item C lists the required minimum flow for E-16. PG&E is currently in a "normal" classification and proposes, with agency concurrence, a flow variance to be consistent with the flow requirements associated with a "critical" classification. The "normal" classification was designated in June and remains in effect through December. The "normal" inflow criterion was met due to precipitation received in December 2012 and the Project has received negligible precipitation since then. The proposed flow variance would reduce the flow requirement at E-2 from 100 cfs to 20 cfs and would reduce the flow requirement at E-16 from 35 cfs to 5 cfs. PG&E would continue to implement the flow requirements associated with a "critical" classification until no longer operationally necessary and inflow to Lake Pillsbury meets the criteria for a "dry" or "normal" classification.

**Eel River Below Cape Horn Dam (E-11)**

Item A of the RPA lists the required minimum flow for E-11. Between December 1 and March 31, the minimum flow requirement (Floor) is calculated as described below:

**Floor = 100 cfs, but if CLP (BOM) is less than EXCL (BOM) and if the previous month's Floor was not equal to 100 cfs, Floor = 25cfs**

- CLP (BOM) is the cumulative inflow to Lake Pillsbury on the beginning of the month. As of December 1st, CLP(BOM) was 2,796 acre-feet.
- EXCL (BOM) is exceptionally low inflow into Lake Pillsbury as of the beginning of the month. Section A.10 of the RPA defines EXCL (BOM) on December 1st as 2,000 ac-ft.
- Between October 16th and November 30th, the flow requirement at E-11 was 25 cfs.
On December 1st, Lake Pillsbury inflow was merely 796 ac-ft over the low inflow criteria and the vast majority of that inflow was received in December 2012. As a result, PG&E proposes, with agency concurrence, to implement the low inflow criteria of the RPA and reduce the flow requirement at E-11 from 100 cfs to 25 cfs as soon as possible. PG&E would continue to implement the 25 cfs flow minimum until no longer operationally necessary and inflow to Lake Pillsbury meets “dry” or “normal” criteria.

**Biological Impact**

PG&E and the agencies believe the above proposed minimum flow requirements are necessary to conserve water in Lake Pillsbury and provide for the continued release of water for the long-term protection of Chinook salmon and steelhead in the watershed. The initial portion of this season’s Chinook salmon spawning run is currently reaching the project area and beginning to spawn. Based on observations of spawning activity during surveys conducted on December 5, 2013, Project biologists believe that the majority of the early salmon redds would remain within the wetted channel given a streamflow reduction from the existing 100 cfs minimum flow requirement to the proposed 25 cfs minimum flow requirement. Implementation of the proposed flow reduction in an expedited manner will help avoid the potential dewatering of salmon redds that will be constructed by fish that have not yet reached the spawning areas.

Enclosed is documentation of agency and tribe consultation and all responses received. NMFS, CDFW, and RVIT are supportive of the proposal, although RVIT does not support releases in the Russian River. As described above, PG&E’s proposal is consistent with the License required releases described in the RPA.

If you have any questions concerning this matter, please call me at (415) 973–3076. PG&E will continue to work collaboratively with the agencies and keep FERC apprised of the situation.

Sincerely,

\[signature\]

Neva Geldard, License Coordinator
Hydro Licensing

Enclosures:
1. Documentation of Agency Consultation
2. Consultation Responses from NMFS, CDFW, RVIT

cc: Attached List
cc List:

Acting Regional Engineer
San Francisco Regional Office
Federal Energy Regulatory Commission
901 Market Street, Suite 350
San Francisco, CA 94103

Mr. Lee Johnson, District Ranger
US Department of Agriculture, Forest Service
Upper Lake Ranger District
10025 Elk Mountain Road
Upper Lake, CA 95485

Mr. Matt Myers
California Department of Fish and Wildlife
Northern Region
601 Locust Street
Redding, CA 96001

Mr. Scott Harris
California Department of Fish and Wildlife
P.O. Box 1690
Willits, CA 95490

Mr. Steve Kramer
U.S. Department of Interior
Fish and Wildlife Service
1655 Heindon Road
Arcata, CA 95521

Mr. Jeffery Jahn
National Marine Fisheries Service
777 Sonoma Ave, Suite 325
Santa Rosa, CA 95404

Mr. Carlino Bettega, President
Round Valley Indian Tribes
P.O. Box 448
77826 Covelo Road
Covelo, CA 95428

Ms. Stephanie Boggs
Natural Resources Department
Round Valley Indian Tribes
P.O. Box 277
243 East Covelo Road
Covelo, CA 95482
Enclosure 1: Documentation of Agency Consultation
All –

As discussed during today’s conference call regarding PG&E’s immediate variance request for the Potter Valley Project, attached is a revised draft variance request. In summary, the attached variance request proposes the following:

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As discussed today, this proposed reduction in minimum flow requirements is consistent with the very dry flow conditions and storage in Lake Pillsbury. Please provide any comments or revisions as soon as possible. Any comments you provide will be addressed and sent to FERC with the submittal.

Thank you all very much for your effort on this.

Neva Geldard
License Coordinator
Power Generation - Hydro Licensing
Pacific Gas & Electric Company
Phone: 415-973-3076/Cell: 415-407-4748
nmk2@pge.com
December 6, 2013

Via Electronic Submittal (E-Filing)

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Potter Valley Project (FERC No. 77)
Urgent Request for Flow Variance Due to Limited Water Availability

Dear Secretary Bose:

Pacific Gas and Electric Company’s (PG&E) Potter Valley Project, FERC No. 77 (Project), is experiencing the driest year on record and, as a result, can no longer meet minimum flow requirements while also ensuring the safe operation of the Project. PG&E is requesting an immediate flow variance of 80 cfs on the Eel River below Scott Dam (E-2), 75 cfs on the Eel River below Cape Horn Dam (E-11), and 30 cfs on the East Branch Russian River below Potter Valley Powerhouse. PG&E proposes, with agency concurrence, that the flow variances described in the table below remain in effect until they are no longer operationally necessary and inflow to Lake Pillsbury meets “dry” or “normal” flow requirement criteria.

On December 5, 2013 PG&E hosted a collaborative conference call with representatives from the National Marine Fisheries Service, California Department of Fish and Wildlife, United States Forest Service, and Round Valley Indian Tribes (agencies) to discuss the current situation. During that call, the PG&E and the agencies agreed that changing the flows to be consistent with “critical” classification requirements and exceptionally low inflow requirements was the best course of action.

Proposed Flow Requirements
Article 52 of the Project License requires PG&E to comply with the Reasonable and Prudent Alternative (RPA) that was made part of the license by FERC Order issued January 28, 2004. Below is a summary of the current minimum flow requirements and the proposed minimum flow requirements with the variances.

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**Eel River Below Scott Dam (E-2) & EBRR Below Potter Valley Powerhouse (E-16)**

Item B of the RPA lists the required minimum flow requirement for E-2 and Item C lists the required minimum flow for E-16. PG&E is currently in a “normal” classification and proposes, with agency concurrence, a flow variance to be consistent with the flow requirements associated with a “critical” classification. This would reduce the flow requirement at E-2 from 100 cfs to 20 cfs and would reduce the flow requirement at E-16 from 35 cfs to 5 cfs. PG&E would continue to implement the flow requirements associated with a “critical” classification until no longer operationally necessary and inflow to Lake Pillsbury meets the criteria for a “dry” or “normal” classification.

**Eel River Below Cape Horn Dam (E-11)**

Item A of the RPA lists the required minimum flow for E-11. Between December 1 and March 31, the minimum flow requirement (Floor) is calculated as described below:

Floor = 100 cfs, but if CLP(BOM) is less than EXCL(BOM) and if the previous month’s Floor was not equal to 100 cfs, Floor = 25 cfs

- CLP(BOM) is the cumulative inflow to Lake Pillsbury on the beginning of the month. As of December 1st, CLP(BOM) was 2,796 acre-feet.
- EXCL(BOM) is exceptionally low inflow into Lake Pillsbury as of the beginning of the month. Section A.10 of the RPA defines EXCL(BOM) on December 1st as 2,000 ac-ft.
- Between October 16th and November 30th, the flow requirement at E-11 was 25 cfs.

On December 1st, Lake Pillsbury inflow was merely 796 ac-ft over the low inflow criteria and the vast majority of that inflow was received in December 2012. As a result, PG&E proposes, with agency concurrence, to implement the low inflow criteria of the RPA and reduce the flow requirement at E-11 from 100 cfs to 25 cfs as soon as possible. PG&E would continue to implement the 25 cfs flow minimum until no longer operationally necessary and inflow to Lake Pillsbury meets “dry” or “normal” criteria.

**Biological Impact**

PG&E and the agencies believe the above proposed minimum flow requirements are necessary to conserve water in Lake Pillsbury and provide for the continued release of water for the long-term protection of Chinook salmon and steelhead in the watershed. The initial portion of this season’s Chinook salmon spawning run is currently reaching the project area and beginning to spawn. Based on observations of spawning activity during surveys conducted on December 5, 2013, Project biologists believe that the majority of the early salmon redds would remain within the wetted channel given a streamflow reduction from the existing 100 cfs minimum flow requirement to the proposed 25 cfs minimum flow requirement. Implementation of the
proposed flow reduction in an expedited manner will help avoid the potential dewatering of salmon redds that will be constructed by fish that have not yet reached the spawning areas.

Enclosed is documentation of agency and tribe consultation and all responses received.

If you have any questions concerning this matter, please call me at (415) 973–3076. PG&E will continue to work collaboratively with the agencies and keep FERC apprised of the situation.

Sincerely,

Neva Geldard, License Coordinator
Hydro Licensing

Enclosures:
Email to agencies and tribes regarding potential need for flow variance
Response from agencies and/or tribes (if received)

cc: Attached List
cc List:

Acting Regional Engineer
San Francisco Regional Office
Federal Energy Regulatory Commission
901 Market Street, Suite 350
San Francisco, CA  94103

Mr. Lee Johnson, District Ranger
US Department of Agriculture, Forest Service
Upper Lake Ranger District
10025 Elk Mountain Road
Upper Lake, CA 95485

Mr. Matt Myers
California Department of Fish and Wildlife
Northern Region
601 Locust Street
Redding, CA  96001

Mr. Scott Harris
California Department of Fish and Wildlife
P.O. Box 1690
Willits, CA 95490

Mr. Steve Kramer
U.S. Department of Interior
Fish and Wildlife Service
1655 Heindon Road
Arcata, CA 95521

Mr. Jeffery Jahn
National Marine Fisheries Service
777 Sonoma Ave. Suite 325
Santa Rosa, CA  95404

Mr. Carlino Bettega, President
Round Valley Indian Tribes
P.O. Box 448
77826 Covelo Road
Covelo, CA 95428

Ms. Stephanie Boggs
Natural Resources Department
Round Valley Indian Tribes
P.O. Box 277
243 East Covelo Road
Covelo, CA 95482
Enclosure 2: Consultation Responses from NMFS, CDFW, RVIT
Geldard, Neva

From: Dick Butler - NOAA Federal <dick.butler@noaa.gov>
Sent: Friday, December 06, 2013 2:33 PM
To: Geldard, Neva
Cc: Jeffrey Jahn - NOAA Federal; Matt Myers; Steve Kramer (Steve.Kramer@fws.gov);
Stephanie Boggs; Lee Johnson; Scott Harris; Donnie, Scott@Wildlife;
swilliams@berkleywilliams.com; Kubicek, Paul F; Irma Lagomarsino - NOAA Federal;
Joyce Ambrosius - NOAA Federal
Subject: Re: Potter Valley Project Immediate Variance Request

All,

NMFS supports the proposed variance due to the current extremely low storage levels in Lake Pillsbury and critically dry weather conditions. The RPA includes release requirements during critically dry years as we are now experiencing. However, these requirements have not been triggered under the RPA since this year has been such an anomaly with much of the last significant inflow occurring in December 2012. The exceptionally low inflow into Lake Pillsbury criteria of 2,000 acre-feet on December 1, was not met. The cumulative inflow into Lake Pillsbury on December 1, was 2796 acre-feet; the criteria was exceeded by only 796 acre-feet. Further, the classification of Dry or Critical in the RPA does not begin until January 1. Since the exceptionally low inflow criteria was not met and the dry classification does not occur until January 1, the RPA required minimum releases to increase to 100 cfs on December 1 which has increased the rate of drawdown of storage in Lake Pillsbury which is problematic given the current persistent dry conditions and limited amount of storage available.

Although the exceptionally low inflow criteria were not met and the dry classification does not occur until January 1, the proposed variance is to operate as if the exceptionally low inflow criteria were triggered. Thus, the project operations are consistent with the RPA exceptionally low inflow conditions for releases at Cape Horn Dam, the RPA critical low inflow conditions for releases at Scott Dam, and for diversions to the Russian River as described and analyzed in the NMFS 2002 biological opinion. Therefore the proposed minimum flow variance is consistent with the intent of the RPA during critically dry years and is necessary to conserve water in Lake Pillsbury for the continued release of water for a longer duration of time for Chinook salmon and steelhead in the Upper Eel River. The proposed variance will provide similar conditions for salmon and steelhead during a critical dry year as analyzed in the NMFS 2002 biological opinion and will allow for the continued operation of the fish ladder at Van Arsdale Fisheries Station at Cape Horn Dam allowing salmon and steelhead migration to continue past the dam to spawning areas between the two dams.

Based on available information on Chinook salmon in the Eel River below Cape Horn Dam, salmon are beginning to actively spawn in areas within the thalweg of the channel that are unlikely to be dewatered due to proposed decrease in releases. The increase in releases beginning on December 1 most likely allowed for the migration of salmon further upstream towards their spawning grounds spreading out the areas where they will spawn in the main stem Eel River and allowing migration upstream of Cape Horn Dam. The increase in release is similar to a block water release that can be implemented under the RPA and reducing the release will allow for spawning to occur and continued migration for some Chinook salmon and steelhead. However, the reduced releases should occur as soon as possible to minimize the potential for redds to be dewatered as more fish begin to spawn.
In summary, NMFS supports the proposed variance due to the critically dry conditions, extremely low storage level in Lake Pillsbury, and forecast of no significant precipitation events in the coming weeks. The variance is consistent with the intent of the RPA and should be implemented as soon as possible to provide the maximum protection for salmon and steelhead in the Upper Eel River under the current critically dry conditions. Please keep us updated on the status of the request to FERC and on implementing the variance if approved by FERC.

Dick Butler and Jeffrey Jahn,
North Central Coast Office

On Thu, Dec 5, 2013 at 7:52 PM, Geldard, Neva <NMK2@pge.com> wrote:

All –

As discussed during today’s conference call regarding PG&E’s immediate variance request for the Potter Valley Project, attached is a revised draft variance request. In summary, the attached variance request proposes the following:

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As discussed today, this proposed reduction in minimum flow requirements is consistent with the very dry flow conditions and storage in Lake Pillsbury. Please provide any comments or revisions as soon as possible. Any comments you provide will be addressed and sent to FERC with the submittal.

Thank you all very much for your effort on this.

______________________________
Neva Geldard
License Coordinator
Power Generation - Hydro Licensing
Pacific Gas & Electric Company
Phone: 415-973-3076/Cell: 415-407-4748
nmk2@pge.com

PG&E is committed to protecting our customers' privacy.
To learn more, please visit http://www.pge.com/about/company/privacy/customer/

--
Dick Butler
North Central Coast Branch Supervisor
California Coastal Area Office, Santa Rosa
West Coast Region
National Marine Fisheries Service
(707) 575-6058
December 6, 2013

Neva Geldard, License Coordinator
NMK2@pge.com
Power Generation – Hydro Licensing
Pacific Gas & Electric Company
(415) 873-3076

Subject: CDFW Regional Approval of Proposed PVP Flow Reduction

Dear Ms. Geldard,

This letter is to document California Department of Fish and Wildlife (CDFW), Northern Region, review of PG&E’s letter to FERC requesting an immediate flow variance of 80 cfs on the Eel River below Scott Dam (E-2), 75 cfs on the Eel River below Cape Horn Dam (E11), and 30 cfs on the East Branch Russian River below Potter Valley Powerhouse.

The current and proposed flows are tabulated below:

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Considering the immediate needs for Eel River salmon downstream of the Potter Valley Project (PVP) to focus their spawning in thalweg areas, and the need to provide for continuing flow over their reds to ensure a successful hatch of deposited eggs, we believe this proposed flow reduction is the prudent action to take at this time. Additionally, the flow reduction will reduce the risk of bed erosion within Lake Pillsbury due to inner channel bank collapse that could result in vastly elevated levels of

Conserving California’s Wildlife Since 1870
suspended sediment that would impact the aquatic community within and downstream of the PVP.

Therefore, the CDFW Regional Management approves the proposed flow reduction to be approved by FERC and implemented by PG&E as soon as possible.

Sincerely,

Neil Manji,
Regional Manager, Northern Region

cc:  Scott Downie, Scott.Downie@wildlife.ca.gov; Scott Harris, Scott.Harris@wildlife.ca.gov; Matt Myers, Matt.Myers@wildlife.ca.gov; Curtis Milliron, Curtis.Milliron@wildlife.ca.gov; Jeffrey Jahn, Jeffrey.Jahn@NOAA.GOV; Dick Butler, Dick.Butler@NOAA.GOV; Park Steiner, parksteiner@pacific.net; Paul Kubicek, PFK1@pge.com
Geldard, Neva

From: Scott Williams <swilliams@berkeywilliams.com>
Sent: Friday, December 06, 2013 4:28 PM
To: Geldard, Neva
Cc: Dick Butler - NOAA Federal; Jeffrey Jahn - NOAA Federal; Matt Myers; Steve Kramer (Steve_Kramer@fws.gov); Stephanie Boggs; Lee Johnson; Scott Harris; Downie, Scott@Wildlife; Kubicek, Paul F; Irma Lagomarsino - NOAA Federal; Joyce Ambrosius - NOAA Federal
Subject: RE: Potter Valley Project Immediate Variance Request

All:

The Round Valley Indian Tribes supports the proposal of, and the rationale outlined by NMFS below, with one exception.

Though it is snowing at the Tribal Headquarters in Covelo, as we write this, we rely upon the PG&E forecast for the remainder of this month. It appears to the Tribes that reductions in releases from Pillsbury will occur either now or in three weeks. We support the reduction now to preserve water in Pillsbury that will be released over coming weeks to ensure enough of a wet river channel that spawners and redds have a decent chance of survival. We take exception to the proposed flow variance to the extent that it authorizes any releases at all to the Russian River. Given the critically dry circumstances combined with active spawning in the Eel River by Chinook salmon, diversions in any amount from the Eel River during this period will only increase the risks to the fishery and cannot, therefore, be justified.

Please keep us informed as to any decision by FERC and any actions taken by the company in response to FERC’s decision. Thank you.

Scott Williams and Curtis Berkey
Counsel to Round Valley Indian Tribes

-------------------------------

Scott W. Williams

From: Dick Butler - NOAA Federal [mailto:dick.butler@noaa.gov]
Sent: Friday, December 06, 2013 2:33 PM
To: Geldard, Neva
Cc: Jeffrey Jahn - NOAA Federal; Matt Myers; Steve Kramer (Steve_Kramer@fws.gov); Stephanie Boggs; Lee Johnson; Scott Harris; Downie, Scott@Wildlife; Scott Williams; Kubicek, Paul F; Irma Lagomarsino - NOAA Federal; Joyce Ambrosius - NOAA Federal
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Dick Butler and Jeffrey Jahn,

North Central Coast Office

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Neva Geldard
License Coordinator
Power Generation - Hydro Licensing
Pacific Gas & Electric Company
Phone: 415-973-3076/Cell: 415-407-4748
nmk2@pge.com
PG&E is committed to protecting our customers' privacy.
To learn more, please visit http://www.pge.com/about/company/privacy/customer/

--
Dick Butler
North Central Coast Branch Supervisor
California Coastal Area Office, Santa Rosa
West Coast Region
National Marine Fisheries Service
(707) 575-6058