



United States Department of the Interior

OFFICE OF THE SECRETARY
Office of Environmental Policy and Compliance
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Washington, D.C. 20240



ER 04/704
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OCT 27 2004

Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

RE: Draft Environmental Impact Statement and Notice of Settlement Agreement (FERC No. 2105) for the Upper North Fork Feather River Project, Plumas County, California

Dear Secretary Salas:

The U.S. Department of the Interior (Department) has reviewed the Draft Environmental Impact Statement (DEIS) and Settlement Agreement (SA) for the Upper North Fork Feather River Project, Plumas County, California (FERC No. 2105-089). Through its issuance of the DEIS and SA, the Commission requested that comments on the documents be submitted to the Commission by November 1, 2004.

We provide general and specific comments on the DEIS and SA and the Department of the Interior's response under the provisions of the provisions of the Fish and Wildlife Coordination Act (16 U.S.C. ' 661 *et seq.*), the Endangered Species Act (16 U.S.C. ' 1531 to 1543 *et seq.*), the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*), and the Federal Power Act (16 U.S.C. 791 *et seq.*).

The Department has organized its comments as follows: (1) Background; (2) General Overview; (3) Recommended Alternative Evaluation, including discussions on Non-adopted and Adopted Recommendations; (4) Additional Section 10(j) Recommendations, (5) Specific Comments; and (6) Conclusions.

1. Background

Alternatives evaluated in the DEIS were established to meet the equal purposes identified on page 1 of the DEIS, including power and developmental purposes (e.g., flood control, irrigation, and water supply); energy conservation; protection of, mitigation of damage to, and enhancement

of fish and wildlife (including related spawning grounds and habitat); the protection of recreational opportunities; and the preservation of other aspects of environmental quality.

The DEIS includes the SA (previously filed by the Applicant, Pacific Gas and Electric Company, on April 22, 2004) in its alternative evaluations and as an appendix. The SA was completed by a collaborative of agency and stakeholder representatives with the goal of reaching mutually acceptable protection, mitigation, and enhancement measures for inclusion in a new license that could be issued for the project. In the DEIS, the Commission's Recommended Alternative is defined as a "staff alternative," consisting of the SA with additional measures from Commission staff. The Recommended Alternative proposes to equally include the protection of environmental resources as identified in its stated purpose. The Commission states that its decision is based on its independent analysis and evaluation of comments, including those of the Department of the Interior (Department).

The DEIS also includes an evaluation of the Department's recommendations associated with sections 10(a), 10(j) and 18 of the Federal Power Act (FPA). This evaluation led to inclusion or exclusion of Departmental recommendations in the Recommended Alternative. Those recommendations not contained in the Recommended Alternative, but strongly supported by the Department as providing essential benefits, are further discussed in these comments for consideration that they be included by the Commission in the Selected Alternative of the Final EIS (FEIS).

2. General Overview

We are pleased to find the Recommended Alternative did adopt, in part or whole, a number of the Department's recommendations which were not included in the SA, including: additional monitoring of fish, macroinvertebrates, and amphibians (e.g., special study of salmonids and wakasagi if the Prattville intake is modified); a woody debris management plan; an adaptive management plan which allows for volume-neutral flow adjustment; some aspects of vegetation management; and others. Other recommendations were not adopted and the potential test river recreational flows in the Recommended Alternative differs significantly from the Licensee's October 2002 Final Application (FA), which did not include these flows. In response to the inclusion of these recreational flows, we provide a new recommendation (number 22) under section 10(j) of the FPA to ensure that adequate enhancement and protection of resources is not compromised by potential test recreational flows.

3. Recommended Alternative Evaluation

3.1. Non-Adopted Recommendations

Minimum Flows (Department's 10(j) recommendation number 1): The Recommended Alternative in the DEIS does not accurately characterize the difference in flow volume and habitat benefit between the SA and the Department's proposed flow schedules. In order to adequately protect and enhance aquatic resources, the Department believes an increased share of water allocation to minimum instream flows is warranted by the relationship of flow to physical habitat availability (weighted usable area as determined by the Instream Flow Incremental

Methodology (IFIM), *see* FA Appendix E3.1-10), and other functions such as invertebrate production and reproductive cues. The Department's recommendation number 1 better patterns seasonal flow management on the natural unimpaired hydrograph, including variation by water year type of the lowest flows in late summer, the peak flows in spring, and the average annual flow.

Using the long term occurrence of water year types (70 year record), we calculate the SA minimum flow schedule would provide an overall mean annual flow of 147 cfs and 90 cfs for the Belden and Seneca reaches, respectively. The Department's minimum flow schedules would provide an overall mean annual flow of 154 cfs and 100 cfs for these same reaches, a difference of 7-10 cfs. Both schedules are a significant improvement over the existing license, which provides 35 cfs in the Seneca Reach, and 140 cfs (May-August) or 60 cfs (rest of year) in the Belden Reach. Nevertheless, the SA flows fall significantly farther below habitat optima than do the Department flows, particularly for adult trout during the summer and early fall.

As shown in the IFIM study, physical habitat for adult trout increases rapidly with increasing flows up to about 75% (~240 cfs) and 86% (~170 cfs) of maximum weighted useable area (WUA) in the Belden and Seneca reaches, respectively (DEIS- p.101 lines 9-10). Because the seasonal flow minima for both the Department schedule and Recommended Alternative are within this range of rapid change, the increment of increased flow in the Department schedule would provide a significant benefit for adult trout.

To better illustrate this conclusion, we compared the change, relative to the existing license, in adult trout physical habitat during the late summer-early fall minimum flow period for the SA and Department's proposed flow schedules. Under the existing license, minimum Seneca Reach flows during this period would be 35 cfs (39% of maximum WUA) year-round, and Belden Reach flows (until September 1) would be 140 cfs (58% of maximum WUA). The Seneca reach SA minimum flow, a constant 60 cfs in all year types from September-October, would improve physical habitat to 54% of maximum WUA. In the Belden Reach, the SA minimum flow during September-October, would vary depending on water year type, from 75-140 cfs, yielding 45-61% of maximum WUA. The Department's recommendation number 1 would set the minimum flow during this same period in the Seneca Reach to 60-85 cfs (54-65% of maximum WUA), and to 100-140 cfs in the Belden Reach (52-61% of maximum WUA).

Considering the element of late season minimum flows, the Department's schedule would increase adult trout habitat late summer-early fall in the Seneca Reach by as much as 26% over the existing license. The SA flows would increase physical habitat under the same conditions by only 15%. This magnitude of difference is substantial and biologically significant. In addition, the Department's schedule provides for a modest increase in flow maxima in the spring of wet years, with a significantly increased range of flow (e.g., March critical dry-wet range for the Belden Reach is 170-180 cfs for the SA, and 150-225 cfs for the Department's schedules, respectively). In summary, when compared to the SA schedule the Department's proposed flow schedule not only provides justifiable increases in habitat quantity, but a better match to the seasonal and water year type variation of the natural unimpaired hydrograph.

Associated with management of instream flows, we note the Commission's adoption of Department's recommendation number 13, an increased provision of monitoring frequency of 5 years to which adaptive management is linked and, importantly, operational flexibility of pulse and minimum instream flows (p. 125, lines 27-29, DEIS) and lake levels is included. This differs from language in the SA (p. 24, lines 31-43), which discusses adjustment of minimum stream flows separate from pulse flows. If the total allocation of water (both instream and pulse flows) could be interchanged during the adaptive management process, this would allow for added flexibility in providing incremental physical habitat benefits.

If the Commission determines that the Department-recommended flows are not supportable in their analysis, the Department encourages the Commission to evaluate the feasibility and applicability of the following measures, alone or in combination: (a) an increment of water allocation above that specified in the SA, intermediate between the SA and the Department's 10(j) schedules; and (b) recognition of the potential to exchange pulse and instream flows, where deemed appropriate based on adaptive management and consideration by resource agencies.

Pulse Flows (Department's 10(j) recommendation number 2): The DEIS narrowly evaluates the benefits of pulse flows based solely on their effect on spawning gravel in the streambed, referring to the "primary objective of flushing fines..." (p. 114, line 34). Other benefits such as the inundation of flood plain benches, entrainment of debris and gravel, channel maintenance functions (limitation of vegetation encroachment, maintenance of edgewater habitat), and associated environmental cues and benefits to other species such as amphibians and riparian plants, are not acknowledged in the analysis.

In adopting the SA pulse flow provision, the Recommended Alternative would not provide any pulse flows in dry or critically dry years, which together constitute 35% of the 70 years of record in this basin. Such year-types may occur consecutively, which would mean over the long-term, periods of 2-5 years without any pulse flow under the Recommended Alternative, in contrast to historical occurrence of pulse flows every year. All of the ancillary benefits of pulse flows, including the extent to which they support habitat and biotic diversity, would be interrupted for an extended period. Pulse flows, as provided by the existing Recommended Alternative, would be insufficient to maintain a minimum standard of ecosystem functions (*see e.g.*, Topics 1 and 3-9 in USFS 4(e) recommendations).

In addition to pulse flows in wet and normal years, Department's recommendation number 2 proposes an occasional pulse flow in dry years *only if no other flow pulse were provided in January and February of that year*. The DEIS evaluation of that recommendation (p.114, lines 36-39) is based solely on benefits associated with spawning gravel. The numerous geomorphic, and biological benefits identified above are measurably increased at 700 cfs, including movement of gravels beyond 15 mm in diameter as predicted by the FA geomorphic study (FA Attachment E3.1-12, Table 5-5, p. 5-63) and incipient motion analysis (FA Attachment E2-A, Exhibits 1-2). In fact gravel beyond 15 mm did move at a number of sites during the Licensee's 700 cfs test releases.

Because many drier years are also warmer and may result in early trout spawning, the evaluation of cost of Departmental recommendation number 2 should assume, as with the SA pulse flows,

that our recommended additional dry year pulse flows be subject to the temperature criterion described in the SA (10 degrees C for two consecutive days in March). It is not clear if this criterion was included or excluded from the Commission's analysis. However, if not, the Department is interested in applying this temperature-based exception to reduce the cost of its recommended measure in additional evaluations.

Lower Butt Creek Pulse Flow Plan (Department's 10(j) recommendation number 3): Butt Creek exhibits a higher than optimal width/depth ratio, proportion of fines, large wood, and excess riparian encroachment, as well as a reduced competence in transportation of fines (FA Attachment E3.1-12, Geomorphic Study). The reduced competency may, in part, be responsible for the relatively shallow observed depth of most pools. A test flow of appropriate magnitude and duration, with pre- and post-flow assessments as in Recommendation #3, would be appropriate. The Department recommends the 3-5 year monitoring plan as proposed in the SA, with the additional stipulation that when disagreement occurs between resource agencies and the Licensee as to the need for pulse flows, the Commission is forwarded the Licensee's conclusion and any dissenting opinions, for the Commission's final decision.

Water Temperature Management Plan (Department's 10(j) recommendation number 5): The DEIS states that continued implementation of existing water temperature monitoring, as specified under the Rock Creek-Cresta SA, is sufficient to dismiss the need for a water temperature management plan associated with relicensing of the Upper North Fork Feather River Hydroelectric Project. As stated in FWS' previous December 1, 2003, filing, additional consideration of thermal effects and temperature criteria for the Belden and Seneca reaches is necessary to evaluate the temperature impact (or benefit) of any measure employed to meet requirements in the Rock Creek-Cresta SA.

The Rock Creek-Cresta SA is based on evaluation of a single specified temperature of 20°C which corresponds roughly to the upper temperature limit for trout waters. Since significant variation in trout growth and reproduction is well documented in the 10-20°C range, much of the temperature-related effects of the Recommended Alternative may not be known. To understand and minimize these effects, we recommend establishment of process to identify temperature criteria for the Seneca and Belden reaches.

If the water temperature management of these two relicensing efforts are to be linked, we also recommend the Commission require the Licensee to specifically evaluate the benefit or impact of any temperature control measure needed to meet the thermal criterion of the Rock Creek-Cresta SA on fisheries in the Seneca and Belden Reaches, prior to any decision to implement the measure.

Finally, the Licensee indicated, in its January 15, 2004, reply to FWS' filing, that it intends to complete a water temperature assessment whose "information shall include but not be limited to those analyses requested by FWS [i.e., in our December 1, 2003, filing]." Since the Licensee has indicated its willingness to evaluate FWS' water temperature concerns, and there is no similar requirement in the Rock Creek-Cresta SA to conduct such analyses, we recommend the Commission include the Water Temperature Management Plan as a measure in the Recommended Alternative.

Geomorphological Monitoring Plan (Department’s 10(j) recommendation number 6): The DEIS (p. 115) states a geomorphological plan is unwarranted because mature vegetation at several mid-channel bars was unaffected by the 1997 flood flows. This plan, including a longitudinal profile, mesohabitat dimensions and distribution, and other details as discussed in the Department’s December 1, 2003, filing, would be important in monitoring geomorphological responses to the revised base and pulse flow schedules alone, not just the vegetation management provisions. Such revised flows may, over the license term, result in important changes in geomorphic features that would assist adaptive management decisions. As an alternative measure, we suggest that longitudinal profiling and mesohabitat mapping be done once, mid-term of the license between license issuance, and studies for the next license (i.e., after 12 years).

Coarse Sediment Management Plan (Department’s 10(j) recommendation number 8): The DEIS proposes to adopt the SA plan based on its conclusion that the prescribed pulse flows and monitoring would achieve the “primary objective” of moving substrate and recruiting new substrate from adjacent areas (p 115, lines 37-38). The DEIS does acknowledge that it is “especially important” to monitor gravels, at least in the Seneca Reach. The SA plan, however, is focused solely on pulse flow effects, limits contingencies to modification of these pulses, and would not achieve the desired level of monitoring, nor provide the desired degree of resource protection through other contingency actions. Moreover, as mentioned in FWS’ December 1, 2003, filing, gravel quantity/quality may change in a gradual, cumulative manner over the license term due to the effect of the revised base and pulse flows, recreational flows or natural events such as debris slides, or flood flows. Potential deficiencies may currently exist as noted in our filing, such as immediately downstream of the various dams, and could be enhanced by non-flow means such as placement of gravel below dams or using mechanical disruption to increase the potential for entrainment of gravel from portions of bar deposits that are heavily encroached by vegetation. Accordingly, some level of long-term monitoring, and means for enhancement and/or adaptive action *in addition to* modifying the pulse flow schedule, is recommended.

The Department encourages the Commission to develop a proposal of non-flow related measures (e.g., gravel supplementation, vegetation encroachment control), capped by cost limits, which it deems appropriate, in conjunction with our modified alternative for monitoring of geomorphology (*see above*, response to inconsistency determination for recommendation number 6). A determination of acceptability would be made after this proposal is formulated and reviewed by resource agencies, including FWS.

Fish and Macroinvertebrate Monitoring Plans (Department’s 10(j) recommendations number 10 and number 11): Although the DEIS states that it has not adopted our recommendation, we note that the Commission’s Recommended Alternative recommends monitoring for 2 years beginning 4 years after license issuance, and every 5 years thereafter. This recommendation is more similar to the sampling interval suggested in FWS’ December 1, 2003, filing, than it is to the sampling schedule in the SA. Moreover, Commission staff’s additional measure (number 13, DEIS p. 343) fulfills the intent of our recommended special study of effects of any modifications to the Prattville Intake on trout in Butt Valley Reservoir. We find that the Recommended Alternative’s schedule and additional measure substantially meet the needs of the Department.

Erosion Control Plan (Department's 10(j) recommendation number 19): The Department's recommendation for an overall erosion control plan, as stated in our filing, is justified by the potential for impacts due to the variety of project and recreational facilities, and associated roadways. Although the Commission states that it did not adopt our recommendation, the DEIS (p. 243) references, and the Licensee's January 15, 2004, reply to FWS' December 1, 2003, filing includes, a road maintenance agreement with the Forest Service. Furthermore, the Commission's Recommended Alternative includes the SA measures to finalize the draft Recreational Resource Management Plan (RRMP), and an additional measure for a soil disposal plan. Key indicators in the draft RRMP include measures that would detect recreational use damage to habitat. We have reviewed these documents, and have determined that the road maintenance agreement, finalization of the RRMP, and the SA's mechanism to meet annually on land management issues, required consultation with the Department under Commission's Recommended Alternative measure 28 (SA p. 53 does not identify the Department specifically), and additional spoil disposal measure, together constitute an acceptable alternative to our recommendation.

Ramping Rates (Department's 10(j) recommendation number 20): The Department finds the provisions in the final SA which the Commission adopted to be an acceptable alternative to our ramping rate recommendation.

Wildlife Management Plan (Department's 10(j) recommendation number 21): The DEIS states that the Department has not sufficiently identified which populations, or why such populations, of wildlife should be monitored. However, our filing does identify by example the potential for modified operations to affect lake levels, and potentially the extent of habitat (e.g., emergent marsh, mudflat, shallow open water), in the causeway area of the lake.

We have, however, reviewed the FS4(e) condition number 37 referenced in the DEIS, which prescribes measures on Licensee-owned lands, and the requirement in that condition for consultation with the FWS, periodic review, and maintenance. Although we acknowledge the clear benefit of this measure, it does not appear to involve any required monitoring. We propose as an alternative measure, a reduced level of monitoring focusing on changes in habitat types and avian surveys only for those same Licensee-owned lands specified in FS4(e) condition #37. This would assist an understanding of the effects of these project operations, as well as the responses to enhancement measures or other adaptive management action.

3.2. Adopted Recommendations

Reservoir Operations (Department's 10(j) recommendation number 4): The DEIS states that the Commission has adopted the Department's recommendation number 4. However, in our December 1, 2003, filing, the Department did not include the multiple dry year provision of the Recommended Alternative. Nevertheless, the Department accepts this provision as stated in the Recommended Alternative. The Commission did not comment on the additional provision in our recommendation to reduce flow fluctuations during the trout spawning season, which was discussed in the Licensee's reply. The Commission should therefore explain its decision

regarding this element of our recommendation, as well as determine whether it is provided in part or whole under FS4(e) condition number 30 in the FEIS.

Vegetation Management Plan (Department's 10(j) recommendation number 7): The Department's December 1, 2003, filing provided for a vegetation management plan which would achieve objectives of monitoring long-term changes, enhancing channel processes through manipulation, and minimizing maintenance impacts. Much of our justification is based on the uncertainty that the pulse and flow regime, alone, would achieve the desired extent of control of noxious vegetation and vegetation encroachment within the active channel and floodplain of the project reaches. This encroachment has virtually eliminated active bar surfaces that formerly constituted a local source of gravel replenishment, as well as an element of habitat diversity. Reduced peak flows from project operation are directly responsible for this condition.

The Commission does acknowledge the merits of long-term riparian monitoring in detecting responses to the flow regime, as advised in Departmental recommendation number 19 (p. 155, lines 17-30) and further provides for this monitoring in the Wildlife Habitat Enhancement Plan (p.328). We note that the Commission accepts the FS4(e) condition number 35 as fulfilling the need to control undesirable vegetation, but is silent on either of the Department's measures specifically focused on encroached vegetation near or in the active channel, and emphasis on pilot level testing of control methods. Instead, the Commission notes the bramble control measures already proposed in the FA and SA. This bramble control measure is intended for human access and not for enhancement of channel function. We recommend a pilot study of excess encroached vegetation control for the purpose of enhancing riparian and riverine habitat.

Woody Debris Management Plan (Department's 10(j) recommendation number 9): The Commission has adopted the Department's recommendation, and we expect its implementation to result in a significant benefit to both terrestrial and aquatic resources beyond that in the SA. Particular benefits include aquatic habitat diversity and structural cover, nitrogen fixation, and support of additional wildlife species associated with woody debris. We agree with the Commission's emphasis on the Belden Reach. Large woody debris management is a frequently-applied means of habitat enhancement in many restoration and mitigation projects, and it should not be excluded from this project.

Amphibian Monitoring Plan (Department's 10(j) recommendations number 12): The Commission's Recommended Alternative meets the intent of the Department's recommendation number 12, providing for more intensive sampling than we had initially recommended, and requiring specification in its plan of the consultation process with the FWS, should presence of California red-legged frog be confirmed during monitoring.

Adaptive Management (Department's 10(j) recommendation number 13): The Commission has adopted this recommendation in its entirety. We expect its implementation to provide the needed flexibility, beyond that in the SA's measures, to adjust environmental measures including, as indicated in our December 1, 2003, filing and in the DEIS, volume neutral flow schedule or minimum lake storage levels.

Recreational Activities Monitoring Plan (Department’s 10(j) recommendation number 14):

The DEIS (p. 357) states that Commission staff recommend adoption of this measure, analyzed earlier (p. 154), referencing section 3.3.5 (Recreational Resources) for further discussion. We have reviewed the draft RRMP indicators (Table 2 *in* Appendix E5BT of the FA) and agree with the Commission that its finalization, after consultation with the Department, would be sufficient to fulfill this recommendation. We note that the Commission (p. 329, measure 28), but not the SA as written (SA p. 41), provides for this consultation.

4. Additional (New) Section 10(j) Recommendation

Test River Recreational Flows (Department’s 10(j) recommendation number 22): Pursuant to section 10(j) of the FPA (16 U.S.C, 791 *et seq.*) and to carry out the purposes of the Fish and Wildlife Coordination Act (16 U.S.C, 661 *et seq.*), the FWS recommends that the following additional condition to protect, mitigate damages to, and enhance fish and wildlife resources, be included in the new project license:

Condition: We recommend that test river recreation flows not be initiated until 6 years after license issuance. Subsequent to those test flows, the FWS would participate in the Technical Review Group (TRG) to recommend whether or not the flows should be continued. We further recommend that boating flows be specified by flow volume, with duration, frequency, and magnitude to be allocated by the TRG.

Justification: The justification for this provision, as detailed below, is to allow for response of the biotic community to the new instream flow regime, and initial monitoring in years 4 and 5, without the potentially confounding effect of test river recreational flows. Flexibility in scheduling would provide a means to avoid and/or better evaluate impacts to resources and other recreational uses.

The basis of the revised flow schedules in the Recommended Alternative is to provide more appropriate flow-related physical habitat, cues, and other processes, that would mimic the natural, seasonal and year type variation in hydrology, and contribute to overall biological diversity and productivity. Summer recreational flows of the magnitude proposed in the Recommended Alternative (at least 650 cfs) are not natural, are 3 to 7 times the proposed minimum instream flows, and could have significant impacts on both extant species, as well as the establishment of other potential species that are rare or not currently present, but which could benefit from the revised flow schedules. Such flows could result in displacement of aquatic or terrestrial organisms, mortality, substrate movement, depletion of cold water, physiological effects, and effects on reproductive cues, as well as conflict with other recreational uses such as camping, and fishing.

Among the elements diminished in the Belden Reach, for example, are native amphibians. The new license flows may result in migration of currently absent species, such as native amphibians, or improved natural production by important evaluation species, such as rainbow trout. We agree with the Commission’s analysis (p. 123) that the aquatic community would be in a state of flux in the first few years after implementation of the new flow regimes, and that at least 5 years would be needed to establish a new baseline.

We also agree with Commission staff's recommendation to modify the monitoring program to reflect the expected response by conducting 2 years of monitoring in years 4 and 5, but the potential for boating flows as early as one year post-license, as potentially permitted under the Recommended Alternative, would not allow for a determination of the effect of the instream flows alone. It would not be possible to separate the beneficial (or adverse) effects of the new flow regime from the effects of the test recreational flows if these were instituted concurrently. The DEIS discusses some of the short-term effects of recreational flows documented in monitoring of another licensed project (number 1962 Rock Creek-Cresta); however, this type of study can only discern instantaneous effects and not the potential effect of boating flows on enhancement/ establishment of species absent or in very low abundance. For the Belden and Seneca Reaches, the Commission states its expectation that the proposed Recommended Alternative would be "adequate" to maintain and improve habitat for listed amphibians, but (p. 157, lines 31-33) "...it may take at least 5 years for populations to become established to the point where they are likely to be detected by monitoring."

The Recommended Alternative does not require a period of adjustment prior to initiating test river recreational flows. Although the Recommended Alternative specifies consultation with agencies and submittal and approval by the Commission, there is no required period of adjustment to the new instream/pulse flow regime; recreational flows could be instituted as early as 1 year after the new license is issued.

Moreover, the language in the Recommended Alternative does not make clear the discretion of the TRG to modify test flow schedules from those specified in SA Table B, p. 27. The preceding paragraph (SA p. 25, lines 28-30) states that the TRG "shall not recommend any flow schedule that exceeds the frequency, magnitude or duration of flows prescribed for any given month...in Table B (emphasis added)." This reduces the ability of the TRG to modify the schedule to limit impacts to resources and balance recreational needs. For example, a reduction in frequency must either be offset by increased magnitude or duration - otherwise, boating flow would simply be reduced. In addition, neither the SA nor DEIS calculates and discloses the actual water volume which may be released as recreational flow in a given year type. If recreational flows are established, we recommend that flexibility in scheduling be maximized such as by specification of a maximum water volume by year-type, and allocation to be determined by the TRG.

We advise the Commission against using the Rock Creek-Cresta studies alone, to justify (or exclude) recreational flows for this license. The Belden Reach is a potential spawning reach for trout, has much smaller dimension substrates that would be moved at much lower flows than the large substrates in the Rock Creek-Cresta reaches, and lacks some native amphibians present in the Rock Creek-Cresta reaches.

We recommend the Commission modify the Recommended Alternative so that test river recreational flows in the Belden Reach are deferred until at least 6 years after the new license is issued (a difference of 5 years beyond that currently proposed). With such a provision, the initial monitoring (which the Commission proposes to commence in years 4 and 5) could then more accurately measure a new baseline, and subsequent monitoring of recreational test flows can then assess the effect on any new or enhanced organisms, or habitat elements, that may have

established as a result of the new instream flows. This would permit the TRG to make a much more informed decision on whether such test flows should proceed in this reach.

5. Specific Comments

Page 8: The DEIS fails to mention the FWS' September, 16, 2003, letter to the Commission that no decision had been reached on the SA, and that negotiations were not complete.

Page 12: The DEIS reference to the Licensee's proposed PM&E measures appears to refer to the SA, and not those submitted to the Commission in the FA.

Page 37: The mean annual flow at Butt Creek per DEIS Table 3-2 is 29 cfs (not 30 cfs); this is also inconsistent with the 18 cfs cited on page 97.

Page 134 (lines 7-23) (Cumulative Effects on Aquatic Resources): The DEIS concludes that recreational boating effects such as scouring of the streambed would be detected and corrected, but neglects to consider the longer term effect as mentioned above, that these flows may preclude establishment of some species - or result in such low population levels that effects could not be detected with monitoring (*see* Additional Section 10(j) Recommendation, above).

Page 221: The citation in Table 3-32 to PG&E 2002a may be incorrect, as this reference appears to correspond to the schedule for the Rock Creek and Cresta Reaches, not the Belden Reach.

Page 249 (lines 24-27) (Reservoir Levels): The DEIS states that water surface elevations specified in the SA provide for surface elevations 5 to 10 feet higher than current levels. This seems excessive compared to the levels shown in Table 3-3, in which we note the SA criteria to be close to the 90% exceedance values. The differences should be re-checked and/or the derivation of them stated in the final EIS.

Page 355: The annualized cost estimate in the DEIS is inconsistent, either \$4+ million or \$469,000 (compare Table 5-1 and page 359) and should be checked and corrected as appropriate.

6. Conclusions

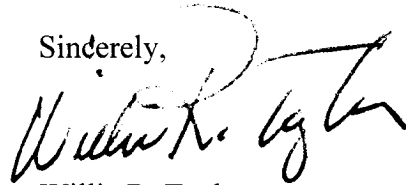
The Department of the Interior does not object to issuance of a new license for the Upper North Fork Feather River Project, provided its recommendations to protect, mitigate, and enhance fish and wildlife resources are incorporated into the new license. The Department considers its recommendations, terms and conditions, and prescriptions in this letter to be modified preliminary recommendations, subject to amendment, if warranted, based on results of new information and conclusions developed in the Commission's FEIS. The opportunity to amend, modify, or add to these recommendations and prescriptions is also reserved if resource conditions change, project plans are altered, or other new information is developed.

The Department has a continuing interest in working with the Commission to ensure that impacts to resources of concern to the Department are adequately addressed. For continued consultation and coordination on this issue, please contact the Field Supervisor, Sacramento Fish and Wildlife

Office, U.S. Fish and Wildlife Service, 2800 Cottage Way, Room W-2605, Sacramento, California 95825, telephone: (916) 414-6700.

We appreciate the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Willie R. Taylor". The signature is written in a cursive style with a large initial "W".

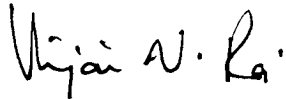
Willie R. Taylor
Director, Office of Environmental
Policy and Compliance

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that I have caused this day the foregoing letter to be served upon each person designated on the official list compiled by the Secretary in the Upper North Fork Feather River Project proceedings, FERC No. 2105.

Dated at WASHINGTON, DC this 27th day of October 2004.



Vijai N. Rai
United States Department of the Interior
Office on Environmental Policy and Compliance
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