October 1, 2007

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: DeSabla-Centerville Project No. 803-068
Application for Major Project-Existing Dam

Dear Secretary Bose:

Pursuant to 18 CFR § 4.32, Pacific Gas and Electric Company (PG&E or Licensee) applies to the Federal Energy Regulatory Commission (FERC) for a new license for the DeSabla-Centerville Project, FERC Project No. 803, (Project) as described in the attached application. PG&E is the existing Licensee, and current owner and operator of the Project. In 1929, a minor-part license was issued to PG&E by the Federal Power Commission (predecessor to FERC) for portions of the Project located on Federal lands. The minor-part license expired on October 11, 1979. The current license requirements are contained in FERC’s order issuing new license dated June 12, 1980, all subsequent orders amending the license, and filed exhibits that are approved by FERC. The current license expires on October 11, 2009. On October 4, 2004, PG&E filed with FERC a Notice of Intent to file an application for a new license by October 11, 2007.

PG&E files the application in both paper (1 original and 2 copies) and CD-ROM (6 copies) format.

The application consists of two volumes. Volume I contains the following material and is in one part:

- Executive Summary
- Initial Statement, including Draft Public Notice PG&E will place in local newspapers and Draft Tendering Notice for FERC’s use
- Exhibit A - Project Description
- Exhibit B - Project Operations and Resource Utilization
- Exhibit C - Proposed Construction Schedule
- Exhibit D - Statement of Cost and Financing
- Exhibit F - Design Drawings
- Exhibit G - Project Maps
Volume II contains Exhibit E, Environmental Reports, and is divided into four parts:

Part A
- Introduction
- Description of River Basins
- Cumulative Effects
- Compliance with Applicable Laws
- Existing and Proposed Project Facilities and Operations
- Affected Environment
  - Geology and Soils
  - Water Resources

Part B
- Affected Environment (continued)
  - Fish and Other Aquatic Resources

Part C
- Affected Environment (continued)
  - Wildlife Resources
  - Botanical Resources
  - Wetlands, Riparian and Littoral Habitats
  - Species Protected under the federal Endangered Species Act
  - Recreation Resources

Part D
- Affected Environment (continued)
  - Land Use
  - Aesthetic Resources
  - Cultural Resources
  - Socio-Economic Resources
- Environmental Assessment
- Resource Management Measures
- Unavoidable Adverse Impacts
- Economic Analysis
- Consistency with Qualifying Plans
- Consultation Document
- Literature Cited

Some of the information in the application is sensitive and is filed under separate cover in both paper and electronic format. The information is included in separate packages, depending on the information. Each package (and CD-ROM) includes this transmittal letter and is clearly labeled with PG&E’s name, the Project name, the FERC Project number, a description of the contents of the package or CD-ROM, the security classification, and the date of the filing. This sensitive information includes:
- **Exhibit F Design Drawings and Exhibit H Single Line Diagrams (CEHI)** - Licensee considers Exhibit F Design Drawings and Exhibit H Single Line Diagrams to be Privileged, Non-Public Critical Energy Infrastructure Information. This information is not made available to the public in any format.

- **Exhibit G Project Maps (NIP)** - Licensee considers these maps to be Privileged, Non-Internet Public Information. The maps are filed separately to assure they are not unintentionally made available on the Internet by any party.

- **Maps Showing Location of Cultural Sites (Proprietary/Confidential)** - Licensee considers maps showing the location of cultural sites to be Proprietary/Confidential Information. The cultural site maps are filed separately to assure they are not unintentionally made available on the public.

Since PG&E is not proposing any changes to the Project’s water-retaining structures, the recent Part 12 Dam Safety Reports include all the information required to satisfy the Exhibit F Supporting Design Report requirements. Therefore, PG&E has not included a separate supporting design report with this license application.

By copy of this letter, PG&E also provides one copy of the non-sensitive (Public) portions of this application in CD-ROM format to the Regional Engineer of the Commission’s San Francisco Regional Office, to every resource agency and Indian tribe consulted, and to other governmental offices in accordance with 18 CFR § 4.38. PG&E will also provide the Public portions of this application in CD-ROM format to other interested parties as listed in the attached Distribution List.

At the time this application is filed, Licensee believes it has completed all studies identified in FERC’s August 17, 2005, Study Plan Determination as amended by FERC from time to time, with the following exceptions:

- **Study 6.3.2-5. Measure and Evaluate Water Quality in Project Reservoirs and Project-Affected Stream Reaches**: PG&E collected water quality data in 2006 and included this information in the application. PG&E also collected water quality data throughout the Project area in late summer 2007. The water samples are being analyzed by qualified laboratories, and PG&E expects to have the results by November 2007. PG&E expects to compile the results, discuss them with Relicensing Participants, and file the results with FERC by January 1, 2008.

- **Study 6.3.3-4. Characterize Fish Populations in Project Reservoirs and Project-Affected Stream Reaches**: PG&E collected fish population data in 2006 and included this information in the application. As required by FERC, PG&E will sample fish at six stream locations in October 2007, compile an analyze the data. PG&E expects to discuss the information with Relicensing Participants, and file the information with FERC by January 1, 2008.
• Study 6.3.3-6. _Assessment of Fish Entrainment and Upstream Fish Passage Issues at DeSable-Centerville Project Facilities_: As provided in FERC’s letter dated July 5, 2007, FERC will review and evaluate the results of all additional fish sampling (described above) and make a determination regarding the need for additional work under Study 6.3.3-6.

• Study 6.3.2-4. _Develop Water Temperature Model and Monitor Water Temperatures_: As provided in the Study Plan Determination, PG&E developed an SNTEMP Water Temperature Model for the lower WBFR. However, at the request of some Relicensing Participants, PG&E monitored water temperature in the lower WBFR through summer/early fall 2007, and is in the process of recalibrating the lower WBFR SNTEMP model using these data. PG&E expects to provide the revised model to Relicensing Participants and file the model with FERC by February 15, 2008. In addition, PG&E has offered to make reasonable runs of the water temperature models if so requested by Relicensing Participants.

• Study 6.3.3-3. _Assessment of RT&E Amphibian and Aquatic Reptile Species Habitat Near Project Reservoirs and Project-Affected Stream Reaches_: PG&E has completed all portions of this study with the exception of developing a foothill yellow-legged frog (FYLF) two-dimensional flow/habitat model. Habitat Suitability Criteria for use in the model are in the process of being finalized by the Forest Service; site location for modeling was selected on August 23, 2007; and data are scheduled for collection during the period October 1 through December 15, 2007. PG&E plans to compile the model, discuss it with Relicensing Participants, and file it with FERC by February 15, 2008.

• Study 6.3.8-2. _Traditional Cultural Properties_: Due to execution of a confidentiality agreement with some potentially-affected Indian Tribes, PG&E does not expect to complete its Section 106 informal consultation until late 2007. PG&E expects to file a consultation report including a draft Historic Properties Management Plan (HPMP) with FERC by February 15, 2008.

While not a formal study, PG&E is in the process of consulting with the NOAA Fisheries, regarding a supplemental Biological Assessment (BA) for continued Project operations. PG&E expects to file the supplemental BA with FERC by first quarter 2008.

In closing, PG&E would like to thank FERC staff, the State and federal land and resource agencies, local agencies, Indian Tribes, non-governmental organizations and unaffiliated members of the public for their efforts in assisting the relicensing process. PG&E emphasizes its commitment to continuing discussions regarding resource management measures with these entities as long as meaningful progress is being made. PG&E will keep FERC apprised of these efforts and results.
If you have any questions regarding this letter or the attachments, please contact me at (415) 973-4696.

Sincerely,

[Signature]

David W. Moller, Director
Hydro Licensing

Attachment: PG&E's DeSabra-Centerville Hydroelectric Project, FERC Project No. 803, License Application (1 original and 2 paper copies and 6 CD-ROM copies)

cc: See attached FERC 803 Interested Parties Mailing List
FERC 803 Interested Parties Mailing List

**Via E-Mail**

Bill Kuntz  
Bureau of Land Management

Sarah Kupferberg  
Stetson Engineering

Duane Marti  
Bureau of Land Management

Joe Molter  
Bureau of Land Management

Eric Ritter  
Bureau of Land Management

Ron Rogers  
Bureau of Land Management

Nancy Jensen  
Butte College

Ed Chombeau  
Butte Creek Watershed Conservancy

Chuck Kutz  
Butte Creek Watershed Conservancy

Sharan Quigley  
Butte Creek Watershed Conservancy

Teri Faulkner  
Butte Creek Watershed Conservancy  
Ridge Equestrian Association

Harllee Branch  
CA Dept. of Fish & Game

Robert Hughes  
CA Dept. of Fish & Game

MaryLisa F. Lynch  
CA Dept. of Fish & Game  
Tracy McReynolds  
CA Dept. of Fish & Game

Keith Nakatani  
CA Hydropower Reform Coalition

Mike McGuirt  
California Office of Historic Preservation

Michael B. Jackson  
CA Sportfishing Protection Alliance

Chris Shutes  
CA Sportfishing Protection Alliance

Shari McCracken  
Butte County

Curtis Knight  
California Trout

Anthony Carrasco  
California Water Service Co.

Heather Hacking  
Chico Enterprise - Record

Dan Efseaff  
Chico Paddleheads

Roland McNutt  
Chico Paddleheads

Carolyn Short  
Chico Paddleheads

Dave Steindorf  
American Whitewater
Gabriella Messina  
Environmental Advocates, CSUC

Elisabeth Blaug  
Federal Energy Regulatory Com.

Aaron Liberty  
Federal Energy Regulatory Com.

Alan Mitchnick  
Federal Energy Regulatory Com.

Russ Collar  
Friends of Butte Creek

Allen Harthorn  
Friends of Butte Creek

Michael Smith  
Friends of Butte Creek

Kelly Catlett  
Friends of the River

Soren B. Jespersen  
Friends of the River

Mike Despain  
Greenville Rancheria

Danielle Cresswell  
Haling & Associates

Shari McCracken  
Land of Natural Wealth and Beauty

Chester Conway  
Mechoopda Indian Tribe of Chico  
Rancheria

Rebekah Funes  
Mechoopda Indian Tribe of Chico  
Rancheria

Arlene Ward  
Mechoopda Indian Tribe of Chico  
Rancheria

Marissa I. Fierro  
Mechoopda Indian Tribe Office of  
Environmental Planning and Protection

Stephen Bowes  
National Park Service

Howard Brown  
NOAA Fisheries

Steve Edmondson  
NOAA Fisheries

Dan Hytrek  
NOAA Fisheries

Stacy Li  
NOAA Fisheries

Eric Theiss  
NOAA Fisheries

Steven Thomas  
NOAA Fisheries

Kevin McCormick  
Plumas National Forest

Cheryl Mulder  
Plumas National Forest

Marty Dunlap  
Sacramento River Preservation Trust

John Merz  
Sacramento River Preservation Trust

Kevin Lewis  
Shasta Paddlers
Russ Kanz
State Water Res. Control Board

Sarah Yarnell
U.C. Davis

Kathy Brown
U.S. Fish & Wildlife Service

Ryan Foote
U.S. Fish & Wildlife Service

Mark Gard
U.S. Fish & Wildlife Service

Deborah Giglio
U.S. Fish & Wildlife Service

John Icanberry
U.S. Fish & Wildlife Service

Michael Derrig
U.S. Forest Service

Thomas Garcia
U.S. Forest Service

Jane Goodwin
U.S. Forest Service

Craig Odyard
U.S. Forest Service

Ken Roby
U.S. Forest Service

Kurt Sable
U.S. Forest Service

Dennis Smith
U.S. Forest Service

Julie Tupper
U.S. Forest Service

Kathy Turner
U.S. Forest Service

Richard Roos-Collins
Natural Heritage Institute

Derek Hilts
US Fish & Wildlife Service

Robert J. Baiocchi
Jim Brobeck
Elaine Ellsmore
Andrew Harris
Kit Kerby
Cal Ling
Dale Marsh
Paul Persons
Tim Sagraves
Walt Schafer
Paul Ward
Via U.S. Mail

Albert Martin
Berry Creek Rancheria of the Maidu Indians
5 Tyme Way
Oroville, CA  95966

Patty Reese-Allan
Berry Creek Rancheria of the Maidu Indians
#5 Tyme Way
Oroville, CA  95966

Paul McIntosh
Butte County
25 County Center Drive
Oroville, CA  95965-3380

Ed Craddock
Butte County Water Resource Conservation
1 County Center Drive
Oroville, CA  95965

Ren Reynolds
Butte Tribal Council
1693 Mount Ida Road
Oroville, CA  95966

Kent Smith
CA Dept. of Fish & Game
1701 Nimbus Road
Rancho Cordova, CA  95670-4503

Harlee Branch
CA Dept. of Fish & Game
1416 Ninth Street, Suite 1335
Sacramento, CA  95814

Regional Manager
CA Dept. of Fish & Game
1701 Nimbus Road
Rancho Cordova, CA  95670-4503

Knox Mellon
CA Dept. of Parks & Recreation
Office of Historic Preservation
P.O. Box 942896
Sacramento, CA  94296-0001

Glenda Nelson, Tribal Chairperson
Enterprise Rancheria of the Maidu Indians
1940 Feather River Blvd., Suite B
Oroville, CA  96965

Environmental Protection Agency
75 Hawthorne
San Francisco, CA  94105

Takeshi Yamashita
Federal Energy Regulatory Com.
901 Market Street, Suite 350
San Francisco, CA  94103-1778

Lorrie Jaimes
Greenville Rancheria
P.O. Box 279
Greenville, CA  95974

Grant Jones
Jones Resort
13487 Achilles Court
Magalia, CA  95945

Patsy Seek
Konkow Valley Band of Maidu
1185 Eighteen Street
Oroville, CA  95965

Maidu Advisory Council
2128 Myers Street
Oroville, CA  95966

Maidu Cultural and Development Group
P.O. Box 426
Greenville, CA  95947
Clara LeCompte  
Maidu Nation  
P.O. Box 204  
Susanville, CA 96130

Steve Santos  
Mechoopda Indian Tribe of Chico  
Rancheria  
125 Mission Ranch Blvd  
Chico, CA 95926

Gary Archuleta  
Mooretown Rancheria of Maidu Indians  
#1 Alverda Drive  
Chico, CA 95966

Candice Miller  
Mooretown Rancheria of Maidu Indians  
#1 Alverda Drive  
Oroville, CA 95966

Jim Pedri  
Regional Water Quality Control Board  
415 Knollercrest Drive  
Redding, CA 96002-0101

William Foster  
US Fish & Wildlife Service  
2800 Cottage Way, Rm W-2605  
Sacramento, CA 95825

Justin Ly  
U.S. Fish & Wildlife Service  
2800 Cottage Way - Rm W-2605  
Sacramento, CA 95825

Roger Cole  
P.O. Box 68  
Forest Ranch, CA 95942

Lou DeMeyer  
9551 Cummings Road  
Durham, CA 95938

Lee Heringer  
3964 Chico River Road  
Chico, CA 95928

Phil and Judy Larocca  
5347 La Playa Court  
Chico, CA 95928

Joe Marine  
1025 35th Avenue  
Apt. 9  
Sacramento, CA 95822

Tom Richardson  
26 Vermillion Circle  
Chico, CA 95928

John Rudderow  
2137 Honey Run Road  
Chico, CA 95928

Joyce Simmons  
14911 Nimshew Road  
Magalia, CA 95954

Cary Steen  
12702 Merritt Horning  
Chico, CA 95928