

December 9, 1999

Wesley C. Moody
General Manager
Power Production

Mr. David E. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D. C. 20426

**Subject: Big Creek Hydroelectric System – FERC License Project Nos. 167, 120, 2085,
2175 Request To Use an Alternative Licensing Process**

Dear Mr. Boergers:

This letter is a formal request by Southern California Edison (SCE), Northern Hydro Region, to use, as authorized by the Energy Policy Act of 1992, and described in the Federal Energy Regulatory Commission (FERC) Order 596, an Alternative Licensing Process (ALP) to relicense FERC Project Nos. 067, 120, 2085, and 2175 collectively called, along with FERC Project Nos. 2017, 2086, and 2174, the Big Creek System.

The Alternative Licensing Process (ALP) will include a basin-wide planning process focused on collaboratively identifying and addressing the issues related to relicensing the Big Creek System. The goal is to develop a negotiated settlement agreement by December 2004 supported by SCE, resource agencies, Indian tribes, non-governmental organizations, individuals and organizations from local and regional communities. SCE intends to incorporate the collaborative agreement in the Applicant Prepared Environmental Assessment and license applications in lieu of Exhibits E.

The specific goals of the Big Creek System ALP are to:

1. Combine into a single process the pre-filing consultation process, the environmental review process under the National Environmental Policy Act and administrative processes.
2. Facilitate greater participation by, and improve communication among, SCE, resource agencies, local and regional authorities and private interests, Indian tribes, the public and Commission staff in a flexible pre-filing consultation process.
3. Allow for the preparation of an Applicant Prepared Environmental Assessment (APEA) by SCE with input by stakeholders.
4. Promote cooperative efforts between SCE and the stakeholders to share information about resource impacts and mitigation and enhancement proposals and to narrow any areas of disagreement and reach a comprehensive settlement.
5. Facilitate an orderly and expeditious review of an agreement or offer of a settlement for use as a basis for protection, mitigation and enhancement measures for the hydropower licenses.

SCE, the licensee, and Big Creek stakeholders believe the common ownership by SCE and the location of the above referenced projects within one watershed basin presents a unique opportunity to address multiple licenses within a single collaborative licensing process.

Although Big Creek No. 4 (FERC Project No. 2017), Vermilion Valley (FERC Project No. 2086), and Portal (FERC Project No. 2174) are being relicensed independently, given their earlier expiration dates, SCE and the stakeholders contacted plan to discuss all licenses as part of the watershed planning process. The settlement agreement and subsequent APEA may

recommend protection, mitigation and enhancement measures for these early licenses to take advantage of the trade-off opportunities in the basin. Based on a successfully negotiated settlement agreement, SCE will request FERC to reopen these early licenses, if necessary, to amend the protection, mitigation and enhancement terms and conditions.

On March 9th, 1999, representatives of SCE met with Mark Robinson, Ann Miles and other FERC staff to discuss these ALP plans. Since that time, we have been in contact with approximately 50 key Big Creek stakeholders including representatives of national, state and local authorities and local and regional private interests (see attachment 2) to solicit their views and gauge their support for, and interest in, an ALP collaborative approach to relicensing.

In addition, SCE managers, or their representatives, met with the following key stakeholders to seek specific input into the design of an ALP collaborative process and an associated communications protocol:

J. Gangemi, Conservation Director, American Whitewater
D. Mitchell, Environmental Specialist Supervisor, CA Department of Fish & Game
R. Baiocchi, Consultant, CA Sportfishing Protection Alliance (CALSPA)
J. Canaday, Environmental Specialist for Wildlife/Riparian Ecology, CA State Water Resources Control Board
J. Edmondson, Conservation Director, Cal Trout
B. Ferguson, Fresno County Home Rule Advisory
J. Quaschnick, Presiding Judge, Fresno County
R. Moss, General Manager, Friant Water Users Authority
J. Carville, Policy Advocate, Friends of the River and CA Hydro Reform Coalition
R. Penny, Development Director, Friends of the River
R. Roos-Collins, Attorney, Natural Heritage Institute and Hydro Reform Coalition (HRC)
E. Roberts, Rancheria Enterprises
J. Paul Martzen, San Joaquin Paddlers Association
J. Good, Shaver Lake Fishing Club
G. Powell, Shaver Lake Marina
J. Sandstrom, Sierra Marina
J. Boynton, Forest Supervisor, Sierra National Forest, USFS
C. Efirm, Acting, Recreation/Lands/Wilderness, Sierra National Forest, USFS
T. Horst, Sierra Resource Conservation District.
Dr. Witzansky, Superintendent of Schools
A. Buelna, Operations Division Chief, US Bureau of Reclamation
D. Heagy, USDA Forest Service, Sequoia National Forest
T. Baxter, Team Leader, Regional Hydropower Assistance Team, USFS
L. Baty, Tribal Chair, Big Sandy Rancheria
D. Roberts, Tribal Chair, North Fork Mono Rancheria

There is great support for an ALP approach from stakeholders contacted, and we received valuable input from many on the design of the attached Communications Protocol. Signature pages from key stakeholders (Attachment 1) indicates their support for an ALP and their approval of the Communications Protocol. CA State Water Resources Control Board staff and CA Department of Fish and Game staff support, in concept, the ALP. The State Water Resources Control Board and Department of Fish and Game intend to send a letter supporting the ALP in the near future.

Enclosed are the signatures of stakeholders (attachment 1), a list of all stakeholders contacted, (attachment 2), a list of the projects (attachment 3), a project schedule (attachment 4),

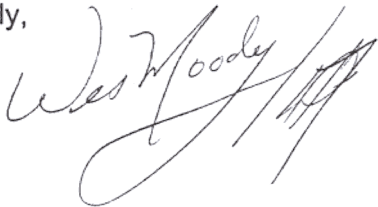
the Communications Protocol (attachment 5) and a Big Creek Relicensing Contact form (attachment 6).

We are attaching, in accordance with 18 CFR Section 4.34(i), a copy of the Communications Protocol produced with the help and approval of key Big Creek stakeholders. The attached Communication Protocol addresses the Commission's *ex parte* rule during pre-filing consultation by describing how SCE and FERC will document communications and provide public access to information relevant to relicensing. In addition, the Protocols reflect the up-front input and approval of key stakeholders by describing and setting forth some basic guidelines for the ALP collaborative process. We would emphasize, however, that a provision of the Protocol enables the ALP participants, based on consensus, to revise and add to this document. We expect detail to be added to this Protocol framework.

We anticipate an initial stakeholder meeting in February 2000, with an initial information package distributed soon after. We also foresee cooperative scoping of environmental issues; analysis of completed studies, and further scoping, if necessary.

SCE looks forward to working with FERC staff and the stakeholders during the preparation of the APEA. If you have any questions on this matter, please call Geoff Rabone, the Big Creek Relicensing Project Manager, at 909-394-8721.

Sincerely,

A handwritten signature in blue ink, appearing to read "Wes Moody". The signature is fluid and cursive, with a large loop at the end.

Attachments

cc: Service List
G. L. Rabone
T. J. McPheeters
N. J. Mascolo