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November 30, 2006

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Subject: Status Report on Settlement Negotiations for Relicensing of Southern California Edison Company's Mammoth Pool (FERC Project No. 2085); Big Creek Nos. 1 and 2 (FERC Project No. 2175); Big Creek Nos. 2A, 8, and Eastwood (FERC 67); and Big Creek No. 3 (FERC Project No. 120)

Dear Secretary Salas:

The purpose of this letter is to provide a status update regarding settlement negotiations associated with Southern California Edison Company's four hydroelectric projects included in the Big Creek Alternative Licensing Process (ALP), which in addition to the Mammoth Pool Hydroelectric project, (FERC Project No. 2085), includes the Big Creek Nos. 1 and 2 (FERC Project No. 2175), Big Creek Nos. 2A, 8, and Eastwood (FERC Project No. 67) and Big Creek No. 3 (FERC Project No. 120) hydroelectric projects.

As the Federal Energy Regulatory Commission (Commission) is aware, SCE filed its license application for the Mammoth Pool project in November 2005. License applications for the other three projects will be filed in February 2007. The licensing process is being conducted using the Commission's alternative licensing procedures, under 18 CFR § 4.34(i). Pursuant to the ALP, SCE has been engaged in collaboration with stakeholders since May 1999 and intensive settlement negotiations with interested stakeholders since May 2005. These negotiations have resulted in substantial progress and agreements among a broad base of stakeholders on a large number of issues. SCE, governmental agencies, and other parties involved in the process are currently working together to finalize a settlement agreement with recommended license articles and management and monitoring plans.

To apprise the Commission of the substantial progress made by the negotiating parties and to further support the SCE request that the Commission not issue the Ready for Environmental Assessment notice for the Mammoth Pool project until the final settlement agreement is filed, attached is the draft settlement agreement compiled by SCE and the ALP Plenary stakeholders who have expressed an interest in signing a settlement agreement. The attached draft agreement includes detailed license articles, some of which state that SCE will comply with the management plans and monitoring plans that

will be attached to the settlement agreement. These plans have been tentatively approved by the ALP Plenary, with the exception of the Sediment Management Plan, the Removal Plan for Crater Creek, Tombstone Creek, South Slide Creek and North Slide Creek Diversions, the Temperature Monitoring and Management Plan, and the Transportation System Management Plan. SCE expects that these remaining plans will be approved by the time the license applications are filed in February 2007. As the approved plans are voluminous, they are not included with this submittal; however, they can be provided upon request. In addition, SCE is not enclosing "Appendix B" to the draft Settlement Agreement. Appendix B contains the agreements among the stakeholders that are not to be included within the projects' future licenses.¹

The negotiating parties continue to meet to finalize the few remaining plans listed above. SCE believes a settlement agreement will be signed and submitted to the Commission by the time the license applications are filed in February 2007.

Respectfully submitted,



David Dormire

cc: Service List
BCALP Distribution List
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¹ The Appendix B terms would be excluded from future licenses consistent with the Commission's recent guidance document regarding settlements.