

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

October 03, 2014

OFFICE OF ENERGY PROJECTS

Project No. 12496-002—California
Lassen Lodge Hydroelectric Project
Rugraw, LLC

Charlie Kuffner
Rugraw, LLC
70 Paseo Mirasol
Tiburon, CA 94920

Reference: Responses to Additional Study Requests

Dear Mr. Kuffner:

After reviewing the Lassen Lodge Hydroelectric Project final license application (FLA), as well as comments filed in the record for this proceeding, staff have determined that additional information is needed. Under Section 4.32(g) of the Commission's regulations, please file, within 60 days of the date of this letter, the information requested in Schedule A. If the submission of any additional information causes other parts of the application to be inaccurate, those parts must also be revised and refiled by the due date.

Within 5 days of receipt of this letter, please provide a copy of this letter and the attached Schedule A to all agencies you will consult in response to this request. Allow the agencies consulted at least 30 days to respond before filing the information with the Commission. In your filing, you should include copies of all agency comments and recommendations, and tell how you addressed them. Then, when you file the requested information with the Commission, you must provide a complete copy of the information to each agency consulted under section 4.38 of the regulations.

Please file your response electronically via the Internet. See 18 C.F.R. 385.2001(a)(iii) and the instructions on the Commission's website (<http://www.ferc.gov/docs-filing/efiling.asp>). For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov; call toll-free (866) 208-3676; or, for TTY, contact (202) 502-8659. Although the Commission strongly encourages electronic filing, your response may also be paper-filed. To paper-file, mail a copy to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E.,

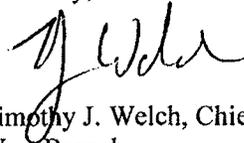
Washington, DC 20426. Please put the docket number, P-12496-002 on the first page of your response.

Please note that Commission staff may determine a need for additional studies or information upon receipt and review of scoping comments/study requests from other entities.

Finally, in comments filed June 20, 2014, the California Department of Fish and Wildlife requested a study on the potential effects of proposed project operations on Foothill Yellow-legged Frogs. We are deferring our judgment on this request until further discussion during the scoping meeting.

If you have any questions, please contact Adam Beeco at (202) 502-8655 or via email at: adam.beeco@ferc.gov.

Sincerely,



Timothy J. Welch, Chief
West Branch
Division of Hydropower Licensing

Enclosures: Schedule A

cc: Mailing List
Public File

Schedule A
Study Requests

After reviewing information presented in the final license application (FLA), and comments provided by interested agencies, Commission staff have identified a gap between existing information and the information needed to assess project effects.

Your FLA describes natural and proposed median daily flow based on historical flow data near the proposed project intake. Natural flows in the proposed project reach range from approximately 5 to 160 cubic-feet per-second (cfs), with peak flows typically occurring in late May. Proposed project operations would reduce flow in the bypassed reach between 0 – 95 cfs depending on natural stream flows. At natural flows below 18 cfs, which occur frequently in July to November and rarely in other months, all flows would stay in the bypassed reach. When natural flows are between 18 and 108 cfs, proposed project operations divert all water except the proposed minimum bypassed flow of 13 cfs. All natural flows above 108 cfs, which often occur in spring, would flow through the bypassed reach. Under proposed project operations during an average hydrologic year, flows in the bypassed reach would be 13 cfs for most of the year.

Bypassed Reach Water Temperature Modeling

A reduction in flows in the bypassed reach could elevate water temperature in the bypassed reach and downstream of the proposed project, which may affect aquatic communities and availability of suitable aquatic habitat. In response to the filing of your FLA, the National Marine Fisheries Service (NMFS), California State Water Resources Control Board (Water Board), and the California Department of Fish and Wildlife (Cal Fish and Wildlife) requested additional information on changes in water temperatures that may result from proposed project operations.

Your FLA contains water temperature data for three years (2003 – 2006) in the vicinity of the proposed powerhouse site. In the fall of 2013, you installed eight water temperature probes in the project reach during natural, low flow conditions. These data characterize baseline water temperatures in South Fork Battle Creek. You state in the FLA that the project is not expected to change water temperature significantly in the bypassed reach or downstream of the powerhouse. However, you did not provide data to support this conclusion.

We need additional information to evaluate the effects of proposed project operations on water temperatures in the bypassed reach and downstream of the project. We will use this information to inform potential license requirements to protect water quality of South Fork Battle Creek. To provide this information, you must model projected water temperatures that would occur during proposed project operations, under

varying flow conditions. Therefore, to characterize the effects of proposed project operations on ambient stream temperatures, you must complete the following.

1) Use empirical data for water temperature in South Fork Battle Creek to develop a temperature model using methods that are generally accepted in the scientific community. The model should consider three sites: (a) immediately upstream of the proposed project; (b) in the bypassed reach; and (c) immediately downstream of the proposed tailrace. The model should predict water temperatures under natural and proposed flow conditions. If you are considering any alternative operational regimes, include these explicitly as model scenarios. The model should be run for a full year under scenarios and for average, wet, and dry water years. Temperature should be reported as minimum, maximum, and average temperature on a daily or finer time scale. Appropriate measures of model uncertainty should be described.

2) Consult with the NMFS, Water Board, Cal Fish and Wildlife, U.S. Fish and Wildlife Service (FWS) and any other interested entities during selection and development of modeling methodology. Within 60 days of the date of this letter, and after consultation with these agencies, you must file a study plan for Commission approval. The study plan must describe and justify modeling scenarios, methods, and data input. In addition, the study plan should include a schedule for conducting the study and filing the results with the Commission.

South Fork Battle Creek Sediment Transport Modeling

In your FLA, you propose to construct a 94 foot-long and 6 foot-high dam on the natural streambed of South Fork Battle Creek at river mile 23. You also propose to pass sediment through operation of a sluice gate in a manner that would not increase sediment deposition above background levels.

However, your FLA does not evaluate possible changes to the natural sediment transport regime that may be caused by project operations. Nor do you provide any specifics regarding how your proposed sluicing operations would affect the natural sediment transport regime. In response to the filing of your FLA, the Water Board requested additional information on sediment transport.

These proposed project operations would alter the hydrograph within the bypassed reach for much of the year and could alter the natural sediment transport regime. Effects on sediment transport could include: (1) accumulation of sediment behind the dam; (2) loss of sediment downstream of the dam; (3) changes in sediment grain size distribution downstream of the dam; and (4) changes in channel geomorphology or stability caused by flow alterations. These possible changes could have effects on water quality and biological communities, in particular spawning salmonids and macroinvertebrates that serve as forage for fish.

We need additional information to evaluate the effects of the proposed project operations on flow and sediment transport. We will use the information from this study to inform potential license requirements with regard to operational protocols for when and how much water to release to achieve geomorphic benefits of flushing flows to protect the water quality and aquatic communities of the South Fork Battle Creek. To characterize the possible effects of project operations on sediment transport, you must complete the following.

1) Use a sediment transport model, or other equivalent methodology that is consistent with generally accepted practice in the scientific community, to predict sediment transport under natural and proposed flow conditions. The model should consider three sites: (a) immediately upstream of the proposed project; (b) in the bypassed reach; and (c) downstream of the proposed project. If you are considering any alternative operational regimes, include these explicitly as model scenarios. Impacts of proposed operations on flow, sediment transport, and streambed geomorphology should be addressed including average daily discharge, hydrologic connectivity within the bypassed reach, sediment size distribution, availability of spawning gravels, and channel morphology. Appropriate measures of model uncertainty should be described.

2) Consult with the Water Board, NMFS, Cal Fish and Wildlife, FWS, and any other interested entities during the selection and development of the modeling methodology. Within 60 days of the date of this letter, and after consultation with these agencies, you must file a study plan for Commission approval. The study plan must describe and justify modeling scenarios, methods, and data to be used. In addition, the study plan should include a schedule for conducting the study and filing a final report with any recommendations for operation of the sluice gate.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Rugraw, LLC

Project No. 12496-002

NOTICE OF JOINT SCOPING MEETINGS WITH THE CALIFORNIA STATE
WATER RESOURCES CONTROL BOARD AND ENVIRONMENTAL SITE
REVIEW AND SOLICITING SCOPING COMMENTS

(October 3, 2014)

Take notice that the following hydroelectric applications have been filed with the Federal Energy Regulatory Commission (FERC or Commission) and are available for public inspection:

- a. Type of Application: Major Original License
- b. Project No.: 12496-002
- c. Date filed: April 21, 2014
- d. Applicant: Rugraw, LLC
- e. Name of Project: Lassen Lodge Hydroelectric Project
- f. Location: On the South Fork Battle Creek, nearby the Town of Mineral, Tehama County, California. No federal lands or Indian reservations are located within the proposed project boundary.
- g. Filed Pursuant to: Federal Power Act, 16 USC §§ 791(a) - 825(r).
- h. Applicant Contact: Charlie Kuffner, 70 Paseo Mirasol, Tiburon, CA 94920; (415) 652-8553
- i. FERC Contact: Adam Beeco at (202)-502-8655; email – adam.beeco@ferc.gov
California State Water Board Contact: Michelle Lobo at (916)-327-3117; email – michelle.lobo@waterboards.ca.gov
- j. With this notice, we are soliciting comments on the Commission's staff Scoping Document 1 (SD1). Deadline for filing scoping comments: December 5, 2014 (5:00 pm EST; 2:00 pm PST).

Scoping comments should be filed separately with the Commission and the California State Water Resources Control Board (State Water Board), as noted below.

Commission:

The Commission strongly encourages electronic filing. Please file scoping comments using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at <http://www.ferc.gov/docs-filing/ecomment.asp>. You must include your name and contact information at the end of your comments. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, please send a paper copy to: Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426. The first page of any filing should include docket number P-12496-002.

The Commission's Rules of Practice and Procedure require all interveners filing documents with the Commission to serve a copy of that document on each person on the official service list for the project. Further, if an intervener files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

State Water Board:

Written comments should be provided as noted below. When submitting your comments, provide the contact person's name and phone number. The State Water Board is seeking information regarding what type of environmental document should be prepared (i.e., negative declaration, mitigated negative declaration, or environmental impact report), as well as scoping comments.

State Water Resources Control Board
Division of Water Rights
Water Quality Certification Program
Attention: Michelle Lobo
P.O. Box 2000
Sacramento, CA 95812-2000

Phone: (916) 327-3117
Fax: (916) 341-5400
Email: Michelle.Lobo@waterboards.ca.gov

k. This application is not ready for environmental analysis at this time.

l. The proposed Lassen Lodge Project consists of: (1) a 6-foot-high and 94-foot-long diversion dam; (2) an impoundment of approximately 0.5 acre; (3) a 20 by 10 foot enclosed concrete intake structure; (4) a 7,258-foot-long pipeline and a 5,230-foot-long penstock with a net head of 791 feet; (5) a 50 by 50 foot powerhouse containing one generating unit with a 5,000-kilowatt capacity; (6) a 50 by 50 foot substation area; (7) a 40 by 35 foot switchyard; (8) 100 by 100 foot multipurpose area; and (9) a new 12-mile-long, 60-kilovolt transmission line. The project is estimated to produce approximately 25,000,000 kilowatt hours annually.

m. A copy of the application is available for review at the Commission in the Public Reference Room or may be viewed on the Commission's website at <http://www.ferc.gov> using the "eLibrary" link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, contact FERC Online Support. A copy is also available for inspection and reproduction at the address in item "h." above.

You may also register online at <http://www.ferc.gov/docs-filing/subscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, contact FERC Online Support.

n. Scoping Process

The Commission intends to prepare an Environmental Assessment (EA) on the project in accordance with the National Environmental Policy Act. The EA will consider both site-specific and cumulative environmental impacts and reasonable alternatives to the proposed action.

The State Water Board has not determined what type of environmental document it will prepare at this time and is seeking input from agencies and interested parties as part of the scoping process.

Scoping Meetings

In addition to written comments solicited by this SD1, we will hold two public scoping meetings and an Environmental Site Review in the vicinity of the project. A daytime meeting will focus on concerns of the resource agencies, nongovernmental organizations (NGOs), and Indian tribes. An evening meeting will focus on receiving input from the public. We invite all interested agencies, Indian tribes, NGOs, and individuals to attend one or both of the meetings to assist us in identifying the scope of environmental issues that should be analyzed in the EA and the State Water Board's environmental document.

These scoping meetings are being coordinated with the State Water Board and are considered joint scoping meetings for the purposes of both the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA), should the State Water Board prepare an environmental impact report (EIR). (See Cal. Code Regs., tit. 14, §§ 15083, 15223, 15226.) This notice is intended to provide notice of the State Water Board's informal consultation with responsible and trustee agencies pursuant to section 15063 of the CEQA Guidelines as to the potential for the proposed action to cause a significant impact to the environment. (Cal. Code Regs., tit. 14, §15063, subd. (g).) Recipients of this notice are invited to comment on whether an EIR, negative declaration, or mitigated negative declaration should be prepared. In addition, pursuant to CEQA Guidelines section 15083, subdivision (c), these meetings are intended to simultaneously serve the purposes identified in California Code of Regulations, title 14, section 15082, subdivision (c). Any responsible or trustee agency or other interested parties that believes an EIR should be prepared should identify the scope and content of any environmental information it believes should be required, should the State Water Board prepare an EIR.

The times and locations of the meetings are as follows:

Daytime Scoping Meeting

Date and Time: Wednesday, November 5, 2014, 9:00 AM (PST)
Location: Cal/EPA Building at 1001 I Street, Sacramento, California.
Byron Sher Auditorium on the 2nd floor
Phone number: Michelle Lobo - (916) 327-3117
Webcast: <http://www.calepa.ca.gov/Broadcast/>

Paid parking is available in the parking garage across from the Cal/EPA Building. Metered parking is available on nearby and adjacent streets. Information on traveling to

the Cal/EPA Building is available online at:
<http://www.calepa.ca.gov/EPABldg/location.htm>.

Please enter the Cal/EPA Building through the public entrance at the corner of 10th Street and I Street. Once you enter the building, go to the Visitor's Center located on the left. You will need to sign-in at the Visitor's Center and receive a badge for the 1st and 2nd floors. The Byron Sher Auditorium is on the 2nd floor and may be accessed by using the elevator or stairs.

Evening Scoping Meeting

Date and Time: Wednesday, November 5, 2014, 7:00 PM (PST)
Location: Holiday Inn Express Hotel, 2810 Main St., Red Bluff, California.
Phone number: Front Desk - (530) 528-1600

Copies of the SD1 outlining the subject areas to be addressed in the EA were distributed to the parties on the Commission's mailing list. Copies of the SD1 will be available at the scoping meeting or may be viewed on the web at <http://www.ferc.gov> using the "eLibrary" link (see item m above).

Environmental Site Review

The Applicant and FERC staff will conduct a project Environmental Site Review beginning at 8:00 AM (PST) on Thursday, November 6, 2014. All interested individuals, organizations, and agencies are invited to attend. All participants should meet at the Walmart Parking Lot, 1025 S. Main St., Red Bluff, California. All participants are responsible for their own transportation to the meeting site. Anyone with questions about the Environmental Site Review (or needing directions) should contact Charlie Kuffner of Rugraw, LLC at (415) 652-8553 or email at charlie.kuffner@gmail.com. Those individuals planning to participate in the Environmental Site Review should notify Mr. Kuffner of their intent, no later than Friday, October 31, 2014. For more details about the Environmental Site Review, including meeting locations, transportation options, meal options, and the itinerary, please see the information in Appendix A of the SD1.

Objectives

At the scoping meetings, the staff will: (1) summarize the environmental issues tentatively identified for analysis in the EA and CEQA document; (2) solicit from the meeting participants all available information, especially quantifiable data, on the

resources at issue; (3) encourage statements from experts and the public on issues that should be analyzed in the EA, and CEQA document, including viewpoints in opposition to, or in support of, the staffs' preliminary views; (4) determine the resource issues to be addressed in the EA and CEQA document; (5) identify those issues that require a detailed analysis, as well as those issues that do not require a detailed analysis; (6) solicit from the meeting participants, input to the State Water Board on the type of CEQA document that should be prepared, and 7) solicit from any responsible or trustee agency or other interested parties that believes an EIR should be prepared, environmental information to identify the scope and content of an EIR should the State Water Board determine an EIR should be prepared.

Procedures

The meetings will be recorded by a stenographer and become part of the formal record of the Commission and State Water Board proceedings on the project.

Individuals, organizations, and agencies with environmental expertise and concerns are encouraged to attend the meeting(s) and to assist the staff in defining and clarifying the issues to be addressed in the EA and CEQA document.

Kimberly D. Bose,
Secretary.