CH2M HILL
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Sacramento, CA 95833
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CH2MHILL

October 16, 2007

DOCKET
06-AFC-7
DATE OCT 16 2007
RECD. OCT 16 2007

Mr. John Kessler
Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Humboldt Bay Repowering Project (06-AFC-7)
Clean Water Act Section 404 Permit

Dear Mr. Kessler:

On behalf of the Pacific Gas and Electric Company, please find attached one original and 12 copies of September 26, 2007 letter from Ms Jane M. Hicks, Department of the Army, USACE to Mr. Roy Willis, PG&E concerning PG&E's application for a permit under Section 404 of the Clean Water Act.

If you have any questions about this matter, please contact me at (916) 286-0278 or Susan Strachan at (530) 220-7038.

Sincerely,

Jeannette Harris

for Douglas M. Davy, Ph.D.
AFC Project Manager

Attachment

cc: G. Lamberg
S. Strachan

BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION OF THE STATE OF CALIFORNIA

APPLICATION FOR CERTIFICATION FOR THE HUMBOLDT BAY REPOWERING PROJECT BY PACIFIC GAS AND ELECTRIC COMPANY	**Docket No. 06-AFC-7** **PROOF OF SERVICE** **(Revised 5/1/07)**

INSTRUCTIONS: All parties shall 1) send an original signed document plus 12 copies OR 2) mail one original signed copy AND e-mail the document to the web address below, AND 3) all parties shall also send a printed OR electronic copy of the documents that shall include a proof of service declaration to each of the individuals on the proof of service:

CALIFORNIA ENERGY COMMISSION
Attn: Docket No. 06-AFC-07
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.state.ca.us

APPLICANT

Gregory Lamberg, Manager
Project Development
Electric Resource Development
Pacific Gas and Electric Company
Mail Code N13R
P.O. Box 770000
San Francisco, CA 94177-0001
galg@pge.com

APPLICANT'S CONSULTANTS

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Strachan Consulting
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555 Capitol Mall, Suite 600
Sacramento, CA 95814
sgalati@gb-llp.com

INTERESTED AGENCIES

Tom Luster
California Coastal Commission
45 Fremont, Suite 2000
San Francisco, CA 94105-2219

Paul Didsayabutra
Ca. Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630
PDidsayabutra@caiso.com

Electricity Oversight Board
770 L Street, Suite 1250
Sacramento, CA 95814
esaltmarsh@eob.ca.gov

INTERVENORS

ENERGY COMMISSION

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Mike Monasmith
Public Adviser's Office
pao@energy.state.ca.us

DECLARATION OF SERVICE

I, Jeannette Harris, declare that on October 16, 2007, I deposited the required copies of the attached September 26, 2007 letter from Ms Jane M. Hicks, Department of the Army, USACE to Mr. Roy Willis, PG&E concerning PG&E's application for a permit under Section 404 of the Clean Water Act filed for the Humboldt Bay Repowering Project (06-AFC-7), in the United States mail at Sacramento, California with first-class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. I declare under penalty of perjury that the foregoing is true and correct.

OR

Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. All electronic copies were sent to all those identified on the Proof of Service list above.

I declare under penalty of perjury that the foregoing is true and correct.

Jeannette Harris
[signature]

DEPARTMENT OF THE ARMY
SAN FRANCISCO DISTRICT, U.S. ARMY CORPS OF ENGINEERS
1455 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94103-1398

SEP 26 2007

Regulatory Branch

SUBJECT: File No. 2006-400205N

Mr. Roy Willis
Pacific Gas and Electric Company
Humboldt Bay Repowering and Site Decommissioning
1000 King Salmon Avenue
Eureka, California 95502

Dear Mr. Willis:

This letter is in response to your submittals of July and August 8-9, 2007, concerning Department of the Army (Corps) authorization to repower and develop an existing power plant. Activities associated with this action include: road grading, placing utilities above or under wetlands or tidelands, and/or the discharge of other fill material into waters of the U.S. The project area property is located at 1000 King Salmon Avenue, in the City of Eureka, Humboldt County, California.

Based on a review of the information in your submittal, the project qualifies for authorization under Department of the Army Nationwide Permit (NWP) 7 for *Outfall Structures and Associated Intake Structures* and NWP 12 for *Utility Line Activities* (72 Fed. Reg. 11,092, Mar. 12, 2007), pursuant to Section 404 of the Clean Water Act (33 U.S.C. Section 1344). See Enclosure 1. All work shall be completed in accordance with the following figures: "Figures 1, 2, 3, 4, 5, 5a, 5b, 6, 6a, 7, 7a, 8, 8a, and 8b (sheets 1-14)," all dated September 21, 2007

The project must be in compliance with the Terms and Conditions of the NWPs cited in Enclosure 1 and any Special Conditions specified in this letter for the NWP authorization to remain valid. Non-compliance with any Term or Condition could result in the revocation of the NWP authorization for your project, thereby requiring you to obtain an Individual Permit from the Corps of Engineers (Corps). Upon completion of the project and all associated mitigation and monitoring requirements, you shall sign and return the statement cited in Enclosure 2, certifying all work complies with the Terms and Conditions of the NWPs. Project authorization under the NWPs does not obviate any requirement to obtain other Federal, State, or local approvals necessitated by law.

Project authorization will remain valid for a period of two (2) years from the date of this letter, unless the NWPs are modified, suspended, or revoked. If the project has commenced or is under contract to commence construction prior to any modification, suspension, or revocation of the NWPs and the project could not comply with any newly issued NWP, you shall have twelve

(12) months from that expiration date to complete the project under the present Terms and Conditions of the NWP authorization.

Project authorization will not be effective until you have obtained Section 401 water quality certification from the Regional Water Quality Control Board (RWQCB), North Coast Region. If the RWQCB fails to act on a valid request for certification within two (2) months after receipt of a complete application, the Corps may presume a waiver of water quality certification has been obtained. You shall submit a copy of the certification to the Corps prior to the commencement of work.

To ensure compliance with this NWP authorization and to further minimize adverse impacts to water quality and aquatic resources, the project is subject to the following Special Conditions:

1) Stockpiles of fill will be isolated with silt fences and/or straw bales and placed in designated upland areas.

2) Equipment fueling and maintenance activities will be performed in a designated upland area, with containment and clean-up BMP's in place.

3) The project will be constructed during summer, dry season.

4) Following construction, disturbed areas will be mulched and/or seeded with a mix of fast growing native and sterile hybrid grasses.

5) Mitigation and monitoring will be implemented as specified in the "Buhne Point Wetlands Preserve Mitigation and Monitoring Plan," dated July 2007.

You may refer any questions on this matter to Carol Heidsiek of my Regulatory staff by telephone at 707-443-0855. All correspondence should be addressed to the Regulatory Branch, Eureka Field Office, USACE, P.O. Box 4863, Eureka, California, referencing the File Number at the head of this letter. If you would like to provide comments on our permit review process, please complete the Customer Survey Form available online at our website: http://per2.nwp.usace.army.mil/suvey.html.

Sincerely,

Jane M. Hicks
Chief, Regulatory Branch

Enclosures

Copies Furnished (w/o encls):

CH2M HILL, Sacramento, CA
US NMFS, Arcata, CA
FWS, Arcata, CA
CA DFG, Eureka, CA
CA RWQCB, Santa Rosa, CA