



Power Generation

245 Market Street  
San Francisco, CA 94105

*Mailing Address*  
Mail Code N13E  
P. O. Box 770000  
San Francisco, CA 94177

August 17, 2016

**Via Electronic Submittal (E-File)**

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**RE: Potter Valley Project, (FERC No. 77-CA)  
2016 Flow Variance Request**

Dear Secretary Bose:

This letter is in response to the comments filed with the Federal Energy Regulatory Commission (FERC) regarding the Pacific Gas and Electric Company's (PG&E) request for a temporary variance of the minimum flow requirements and FERC's subsequent order "Granting Temporary Variance of Minimum Flow Requirements", issued on July 15, 2016 for the Potter Valley Project, FERC No. 77.

PG&E explained the rationale behind our decision not to request early gate closure from the Department of Water Resources' Division of Safety of Dams (DSOD) in the July 6, 2016 letter requesting this temporary variance. Some additional information behind this decision is that Lake Pillsbury spilled 160,000 acre-feet - over two times the reservoir capacity - in March 2016. This large amount of water being spilled, coupled with a wet forecast for April and May by the National Oceanic and Atmospheric Administration, led PG&E to the conclusion that the potential for large spring storm inflows in April and May was too great to justify the risk of early gate closure.

PG&E agrees with the Round Valley Indian Tribes (RVIT) comments in its August 12, 2016 FERC filing that "increasing water demands, climate change, drought resiliency, and other factors will bring yet more drought variance requests in future water years." The uncertainty of precipitation patterns that necessitated the back-to-back years of drought variance indicates a need to re-evaluate how water is managed in Lake Pillsbury.

PG&E is working on the items required by FERC in its July 15, 2016 Order Granting Temporary Variance of Minimum Flow Requirements. This includes identifying actions that PG&E can take to prevent future variance requests. Among other items, PG&E will be evaluating dam safety operational protocols, forecasting models, and modification of project operations.

Ms. Kimberly D. Bose, Secretary  
August 17, 2016  
Page 2

If you have any questions or require additional information, please feel free to call Senior License Coordinator, Elisabeth Rossi at (415) 973-2032.

Sincerely,

A handwritten signature in blue ink that reads "Neil Wong". The signature is written in a cursive style with a large, sweeping flourish at the end.

Neil J. Wong  
Supervisor, Hydro Licensing