

ORIGINAL

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OFFICE OF THE
SECRETARY

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FEDERAL ENERGY
REGULATORY COMMISSION

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

RE: Permit P-12491 – Pit River Dam Retrofit Project Progress through September 30, 2006.

Dear Ms. Magalie:

The following is: Progress Report # 4 Preliminary Permit- FERC 12491.

Progress Report 4

General Discussion of Progress

No progress has been made on this project due to the delay in licensing the Project under FERC 233. As work picks up, documentation for all aspects including current *discussion* design can be found on the Davis Hydro WEB site at:

http://www.davishydro.com/Hydro/P4_files/p4.htm
(Most plans should be printed at 11"x17")

Specific Article 8 Items

I certify that copies of this letter will be mailed prior to Friday April 21st 2006 to Mr. Jim Canaday of the State Water Resources Control Board, 1001 I Street, P.O. Box 2000, Sacramento, CA 95812-2006.

No new informal meetings have taken place with all interested parties. The first stage consultation meeting has been completed.

Anticipated Date of submitting license Application: 9/30/07.

1. Ongoing Studies

- None

2. Summary of Agency Consulting

None

3. Investigations in the next 6 months:

- Preliminary engineering will be started with PG&E looking at River Release flow mechanisms. Continuing investigations on fish screening will be made.

- We are a bit held up waiting for the PG&E license.

4. Summary of consultations: Minimal

- Informal review with PG&E had been made during last year of exporting the power from this area. A preliminary review has shown that it is feasible. We have discussed various fisheries enhancements that might result from a joint project with PG&E. SO far, PG&E has not had the time to discuss this project.

5. Assessment of feasibility of the project.

This project is becoming more feasible as the price of power increases.

Schedule of Study Tasks: We are somewhat dependent on PG&E's license to be released so we know what flows to design to. No dates are currently available, however the general approach to bypass flows will be discussed with PG&E engineering staff.

Economic Viability
Ongoing

Project Possibility

A letter has been received from PG&E indicating the conditions under which they will consider development of the site. These are acceptable. Currently, we have enabled the agreement with the requested deposit against engineering expenses.

Environmental/Historical

These studies will commence formally with a FERC Project 233 license issuance and an agreement in principle with PG&E. Our fish screening study is somewhat independent of actual flows and so will commence in parallel with other work.

Summary:

Momentum on this project is picking up dramatically with the increasing price of power and numerous indications by PG&E that they will consider the project constructively.

Respectfully,



Richard D. Ely, Permittee

cc Canaday
Notice to all Parties of availability of this report on WEB.