

October 23, 1977

Federal Energy Regulatory Commission
Washington, D. C. 20426

Attention: Kenneth F. Plumb, Secretary

Re: Project No. 2266
Nevada Irrigation District

Gentlemen:

Enclosed are three executed copies of the acknowledgement of acceptance of Order Amending License for Project 2266, designated Instrument No. 4 and Amendment No. 2, and three certified copies of Resolution No. 77-72 authorizing such action.

Sincerely yours,

Victor H. Seisswinger, President
Board of Directors

By Dorothy P. Miller, Secretary

Encs.

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D. C. 20426

Project No. 2266
Nevada Irrigation District

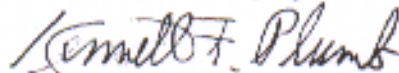
Albert W. Scurr, General Manager
Nevada Irrigation District
Post Office Box 1019
Grass Valley, California 95945

Gentlemen:

Enclosed are four copies of the order, designated Instrument No. 4 and Amendment No. 2, in the above-entitled matter.

Please execute the acknowledgement of acceptance attached to the order and return three copies of the order, the acceptance, and resolution of your Board of Directors within the time prescribed by said order.

Very truly yours



Kenneth F. Plumb
Secretary

UNITED STATES OF AMERICA AMENDMENT NO. 2
FEDERAL ENERGY REGULATORY COMMISSION INSTRUMENT NO. 4

AMENDMENT OF LICENSE

Before Commissioners: Charles B. Curtis, Acting Chairman;
Don S. Smith and Georgiana Sheldon,
Acting Commissioners.

Nevada Irrigation District) Project No. 2266

ORDER AMENDING LICENSE (MAJOR)

(Issued October 14, 1977)

On October 1, 1977, pursuant to the provisions of the Department of Energy Organization Act (DOE Act), Public Law 95-91, 91 Stat. 565 (August 4, 1977) and Executive Order No. 12009, 42 Fed. Reg. 46267 (September 15, 1977), the Federal Power Commission ceased to exist and its functions and regulatory responsibilities were transferred to the Secretary and the Federal Energy Regulatory Commission (FERC) which, as an independent commission within the Department of Energy, was activated on October 1, 1977.

The "savings provisions" of Section 705(b) of the DOE Act provide that proceedings pending before the FPC on the date the DOE Act takes effect shall not be affected and that orders shall be issued in such proceedings as if the DOE Act had not been enacted. All such proceedings shall be continued and further actions shall be taken by the appropriate component of DOE now responsible for the function under the DOE Act and regulations promulgated thereunder. The functions which are the subject of these proceedings were specifically transferred to the FERC by Section 402(a)(1) of the DOE Act.

The joint regulation adopted on October 1, 1977 by the Secretary and the FERC entitled "Transfer of Proceedings to the Secretary of Energy and the FERC," 10 CFR _____, provided that this proceeding would be continued before the FERC. THE FERC takes action in this proceeding in accordance with the above mentioned authorities.

DC-A-8

According to the application, the Rollins Power Plant would consist of a penstock through the Rollins Dam, an outdoor-type powerhouse containing one generating unit with an installed capacity of 11,000 kW, and a substation. The Licensee proposes to sell the power generated at the new plant to Pacific Gas and Electric Company (PG&E). It is estimated that the average annual energy generation of the Rollins Power Plant would be 77,000 MWh.

The Nevada Irrigation District (Licensee) of Grass Valley, California filed on October 1, 1976, and supplemented on December 13, 1976, and January 10, May 27, and June 6, 1977, an application for amendment of its license for Project No. 2266, known as the Yuba-Bear Hydroelectric Project, for the construction and operation of the 11,000 kW Rollins Power Plant at the existing Rollins Dam. Licensee also requested permission to temporarily reduce the minimum storage in the Rollins Reservoir, as set forth in Article 31 of the license, from 5,000 acre-feet to 3,920 acre-feet to facilitate construction. Project No. 2266 is located on the Middle and South Yuba Rivers and the Bear River in Sierra, Nevada, and Placer Counties, California.

The Rollins Reservoir is operated primarily for irrigation purposes. The installation of the Rollins Power Plant is not expected to change the operation of the Rollins Reservoir.

The Yuba-Bear Hydroelectric Project consists of seven reservoirs, with a total storage capacity of 207,865 acre-feet, connected by pipes, tunnels, conduits, and natural waterways, and two powerhouses, Dutch Flat No. 2 with an installed capacity of 23,400 kW and Chicago Park with an installed capacity of 37,350 kW.

Public notice of the filing of the application was given with February 28, 1977, as the last date for the filing of protests or petitions to intervene. No protests or petitions to intervene were received.

By letters dated March 25, 1977, the Secretary of the Commission requested agency comments on the application. The Department of Agriculture, Forest Service, by letter dated June 23, 1977, stated that it had no objection to the approval of the application. We turn now to the substantive comments.

Navigation and Flood Control

By letter dated June 1, 1977, the Corps of Engineers (Corps) stated that the proposed construction would not conflict with any Corps flood control or navigation programs. The Corps recommended, however, that there be included in the license a special article which would require the Licensee to contact the Corps' District Engineer before undertaking any future construction in, or affecting, navigable waters for a permit in compliance with Section 10 of the River and Harbor Act of 1899, and for a permit in compliance with Section 404 of the Federal Water Pollution Control Act Amendments of 1972 for any work that may result in discharge of dredged or fill material in waters of the United States at the project.

The Licensee responded to the Corps comments in a letter dated July 21, 1977. The Licensee stated that it had applied for a discharge permit and was informed that a permit would not be required provided that the work was done in accordance with the plans.

We are not including in the license the article recommended by the Corps, because the Licensee is subject to the referenced laws and therefore such an article would be duplicative and unnecessary.

Fish and Wildlife Resources

In a letter dated February 7, 1977, the California Department of Fish and Game (Fish and Game) reported that the project should not have a significant impact on fish and wildlife resources, because the operation of the power plant would not cause a change in existing flow regimes, and turbidity control requirements of the Central Valley Regional Water Quality Control Board would be met. Fish and Game stated further, however, that its concurrence with the application would be subject to reexamination in the event of any material change in the interim-flow diversion plans. *

On May 27, 1977, the Licensee, in a supplement to the application, changed the interim-flow diversion plans to facilitate construction. The Licensee filed with the supplement a letter dated April 21, 1977, from Fish and Game which approved the new procedures. Fish and Game requested that when pumping water over the lip of the intake structure for the maintenance of fishlife downstream, special attention be given to maintaining the elevation of the pump intake line above the reservoir bottom to avoid discharging silt into the stream.

We are including Article 54 in the license to ensure a continuous discharge of 20 cfs from the Rollins Dam and to prevent discharge of reservoir bottom sediments into the Bear River during the construction period.

Archaeological and Cultural Resources

The Department of the Interior (Interior) by letter dated June 1, 1977, stated that the application does not indicate whether an archaeological survey had been conducted at the site of the proposed maintenance yard and parking area, spoil area, and switchyard. Interior also stated that the application should con-

tain documentation of consultation with the California State Historic Preservation Officer (SHPO). By letter dated May 16, 1977, SHPO reported that the proposed construction would not affect any significant cultural resources in the project area.

Visual Impact

Interior indicated that nature has been slow in repairing the visual impacts from the construction of the Rollins Dam in 1967. Interior suggested that Licensee consider visual improvements at this time.

In its response Licensee stated that it intends to make visual improvements by constructing well designed and attractively painted buildings and switchyard, and by planting native vegetation.

We believe that the proposed structures are designed to minimize the visual impacts to the area. By Article 53, we are requiring Licensee to mulch and revegetate all soils exposed through the construction of the Rollins Power Plant.

Environmental Considerations

The Licensee filed a letter dated May 17, 1977, from the California Regional Water Quality Control Board-Central Valley Region (Board) stating that a water quality certificate was not needed for the proposed construction, because the method of construction would assure no significant threat to the water quality of the Bear River. The Board requested that it be advised of the commencement of construction so that it may periodically inspect the operation.

We are including Article 52 in the license to require the Licensee to notify the Board of the commencement of construction. In license Articles 51, 53, and 54 we are requiring the Licensee to consult and cooperate with the California Department of Water Resources as to the storage and disposal of waste generated during construction, to take measures to prevent eroded materials from entering the Bear River, by mulching and revegetating exposed soils and

by directing runoff from exposed areas to settling ponds, and to ensure a discharge of 20 cfs at all times.

In the supplement to the application dated May 27, 1977, the Licensee requested that it be allowed to reduce the minimum storage in the Rollins Reservoir from 5,000 to 3,920 acre-feet for a period of 3 to 5 days in order to facilitate construction of the penstock. We believe that the water-based recreation and fishery resources in the Rollins Reservoir and the Bear River would not be significantly impacted by such reduction of the reservoir storage. Little recreational use of project waters occurs at a storage level of 5,000 acre-feet; ample water of adequate depth and quality would remain to protect the resident fish populations in the reservoir; and the above-mentioned water release of 20 cfs would sustain fish life downstream.

In view of the above, we believe that the approval of the application for amendment of license would not constitute a major Federal action significantly affecting the quality of the human environment.

Economic Considerations

The Licensee stated that it has negotiated a contract with PG&E whereby PG&E will pay to the Licensee the cost of debt obligations and of operation and maintenance of the Rollins Power Plant, plus four mills per kWh produced for the first five years of operation. After the first five years, the four mills per kWh would be negotiable. We estimate that the capital costs of the proposed Rollins Power Plant to be \$8,600,000. We estimate that PG&E would pay to Licensee \$1,078,190 to cover the annual costs of the Rollins Power Plant, plus an additional \$300,000 (4 mills per kWh for 77,000 MWH). It would cost PG&E approximately \$2,034,000 per year to obtain equivalent power from a new steam-electric plant. Therefore, the estimated annual net savings to PG&E customers would be \$656,000 as compared to a new steam-electric plant. We conclude, therefore, that the construction of the Rollins Power Plant would be economically feasible.

Conservation of Energy

Operation of the proposed Rollins Power Plant would provide 11,000 kW of capacity and an average generation of 77,000 MWh, using a renewable resource that would save the equivalent of approximately 127,000 barrels of oil per year or 36,000 tons of coal per year. The power plant would provide other benefits such as the avoidance of air pollution and other hazards resulting from the use of fossil fuels, and the saving of energy expended in extracting, processing, and transporting the fuels.

Transmission Facilities

In conjunction with the powerhouse, Licensee proposes to construct a step-up transformer and a switching station. No additional transmission facilities are proposed for Project No. 2266. We have examined the step-up transformer and switching station and find that they are project works as defined by Section 3(12) of the Act, 16 U.S.C. §796(12), and should be included in the license. These transmission facilities are shown and described in the exhibits approved below.

We note that pending before us is an application for transmission line license for Project No. 2784 filed by PG&E. The proposed transmission facilities included in that application would transmit to consumers energy generated by the Rollins Power Plant. We are not considering the application for Project No. 2784 in this order.

Annual Charges

The construction of the Rollins Power Plant would increase the installed capacity of Project No. 2266 from 60,750 kW to 71,750 kW. For annual charge purposes this is converted to horsepower by multiplying by $4/3$ and rounding to the nearest hundred. In determining administrative annual charges, the authorized installed capacity is therefore 95,700 horsepower. We are amending Article 43 of the license to reflect the increased installed capacity for the project.

Exhibits

Licensee filed exhibit drawings Ja, K-22a, L-13a, L-16 and L-17, and Exhibit M as part of its application for amendment of license. The exhibit drawings Ja, K-22a, and L-13a would supersede as-built drawings filed December 10, 1976, which have not been approved as part of the license for Project No. 2266. The exhibit drawings and Exhibit M have been examined and found to conform generally to the Commission's regulations and should be approved and made a part of the license to the extent that they show the general location and design of the proposed Rollins Power Plant. We are amending the license to include Article 55 to provide for the filing of as-built Exhibits J, K, L, and M within one year of completion of the Rollins Power Plant to show the proposed facilities as finally located and constructed.

Safety and Adequacy and Comprehensive Development

The existing Rollins Dam has been analyzed by Commission Staff, and we conclude that it is safe and adequate. We also conclude that the proposed power plant would be safe if constructed in accordance with sound engineering practices.

The construction of the Rollins Power Plant would allow full utilization of the streamflow of the Bear River for hydroelectric generation at Project No. 2266. We conclude therefore that the existing Rollins Dam is in safe condition and that the proposed Rollins Power Plant is considered to be best adapted to a plan for the comprehensive development of the Bear River upon compliance with the terms and conditions hereinafter set forth.

The Commission finds:

- (1) The application conforms to the Commission's Rules and Regulations.
- (2) Public notice of the filing of the application was given. No protests or petitions to intervene have been received.

(3) The installed capacity of the project, hereinafter authorized for the purpose of computing annual charges, is 95,700 horsepower and the amount of annual charge, based on such capacity, to be paid under the license for the costs of administration of Part I of the Act is reasonable as hereinafter fixed and specified.

(4) The exhibits designated and described in paragraph (B) below conform to the Commission's Rules and Regulations and should be approved as part of the license for Project No. 2266 to the extent indicated.

(5) The construction of the proposed Rollins Power Plant is economically feasible.

(6) It is appropriate for the purposes of the Federal Power Act and in the public interest that the application for amendment of license be approved.

(7) Approval of the application would not constitute a major Federal action significantly affecting the quality of the human environment.

The Commission orders:

(A) The Nevada Irrigation District, Licensee for Project No. 2266, is hereby authorized to construct the Rollins Power Plant and appurtenant facilities and to temporarily reduce the minimum water storage in Rollins Reservoir to 3,920 acre-feet as proposed in the application.

(B) The following exhibits are hereby approved and made a part of the license for Project No. 2266 to the extent that they show the general location and design of the Rollins Power Plant:

<u>Exhibit</u>	<u>FPC No. 2266-</u>	<u>Title</u>
Ja	327	General Map of Project Area
K-22a	328	Rollins Reservoir
L-13a	329	Rollins Reservoir Dam and Details
L-16	330	Rollins Power Plant
L-17	331	Rollins Power Plant Single Line Diagram

(C) Subparagraph (ii) of Paragraph (B) of the license for Project No. 2266 is hereby amended by adding the following paragraph:

Rollins Power Plant - comprising a penstock through Rollins Dam, an outdoor type powerhouse containing one generating unit with an installed capacity of 11,000 kW, and an adjacent substation;

(D) Subparagraph (i) of Article 43 of the license for Project No. 2266 is hereby revised effective the first day of the month in which this Order is issued to read as follows:

- (i) For the purpose of reimbursing the United States for the costs of administration of Part I of the Act, a reasonable annual charge as determined by the Commission in accordance with the provisions of its regulations, in effect from time to time. The authorized installed capacity for such purposes is 95,700 horsepower.

(E) The license for Project No. 2266 is further amended by adding thereto the following special articles:

Article 51. The Licensee shall consult and cooperate with the California Department of Water Resources in complying with State and local regulations in planning the storage and disposal of wastes generated through construction of the Rollins Power Plant.

Article 52. The Licensee shall notify the California Regional Water Quality Control Board-Central Valley Region when it initiates construction of the Rollins Power Plant and shall cooperate with that Board in meeting water quality standards.

Article 53. The Licensee shall prevent as much eroded materials as practicable from entering the Bear River, as a result of the construction of the Rollins Power Plant, by:

- (i) Mulching and revegetating all soils exposed through the construction activities;

- (ii) Directing all runoff from areas exposed through construction activities to settling ponds capable of containing runoff from storms likely to occur during the construction period; and
- (iii) Employing other appropriate measures.


Article 54. The Licensee shall take whatever measures necessary to ensure an uninterrupted 20-cfs discharge from Rollins Dam and to prevent the discharge of reservoir bottom sediments into the Bear River during the construction of the Rollins Power Plant.

Article 55. The Licensee shall file, in accordance with the Commission's Rules and Regulations, revised Exhibits J, K, L and M, within one year after completion of operation of the Rollins Power Plant, to show the Rollins Power Plant as finally located and constructed.

Article 56. The Licensee shall commence construction of the Rollins Power Plant within one year of the date of issuance of this order and shall thereafter in good faith and with due diligence prosecute such construction and shall complete the construction within three years thereafter.

(F) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313(a) of the Act, and failure to file such an application shall constitute acceptance of this license amendment. In acknowledgment of acceptance of this license amendment if shall be signed for the Licensee and returned to the Commission within 60 days from the date of issuance.

By the Commission.
(S E A L)



Kenneth F. Plumb,
Secretary.

Project No. 2-06

IN TESTIMONY of its acknowledgment of acceptance of all of the terms and conditions of this Order, Nevada Irrigation District, this 26th day of October, 1977, has caused its corporate name to be signed hereto by Victor H. Beisswinger, its _____ President, and its corporate seal to be affixed hereto and attested by Dorothy P. Miller its _____ Secretary, pursuant to a resolution of its Board of Directors duly adopted on the 26th day of October, 19 77, a certified copy of the record of which is attached hereto.

BY Victor H. Beisswinger
President

Attest:

Dorothy P. Miller
Secretary

(Executed in quadruplicate)