



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Kathy Petersen, Power Division Manager

DATE: October 19, 2005

RE: General Information (regarding matters not scheduled on agenda)
October 25, 2005 Board of Directors Meeting

Operations

Attached for your information is the Storage and Generation Report for September 2005. Also attached is a chart showing the year to date precipitation at Forbestown Headquarters. The draft from Little Grass Valley Reservoir is currently set at 250 cfs, and will likely remain at this level until around November 7, when we will drop to our normal winter minimum flow schedule.

Whitewater Boating Flow Studies

On October 15 & 16 we provided flows for whitewater-boating flow studies below South Fork Diversion and Forbestown Diversion. The river below South Fork Diversion Dam to Golden Trout Crossing was boated at approximately 220 and 400 cfs flows by a group of 4 kayakers. The reach between Forbestown Diversion and Ponderosa Reservoir was boated at approximately 225 and 280 cfs by 7 kayakers the first day and 5 kayakers the second day. One of the participants in the study injured her knee on the second run below South Fork Diversion, and was rescued by helicopter shortly after 6 pm on the 15th. My compliments to Power Division employee Denny Lewis, who was resetting the flows at South Fork Diversion, for his willingness to remain in the area until the rescue had taken place and all members of the boating party were safe and accounted for.

Maintenance Projects

Annual Outages

We conducted the annual outage of Forbestown Powerhouse October 10 – 19. Work on the turbine shutoff valve resulted in lowered leakage rates and allows the powerhouse to be shutdown remotely rather than having to either have an operator present during shutdown or leave the unit motoring when generation isn't needed. Piping was replaced, and the circuit breaker accumulator tank was repaired. We will have a six-week outage beginning in early February to do more extensive work on the wickets.

We have cancelled the Woodleaf annual outage for this fall in order to avoid conflicts with the work on the rockslide. We will be working on Woodleaf at the same time that Forbestown is shutdown in February.

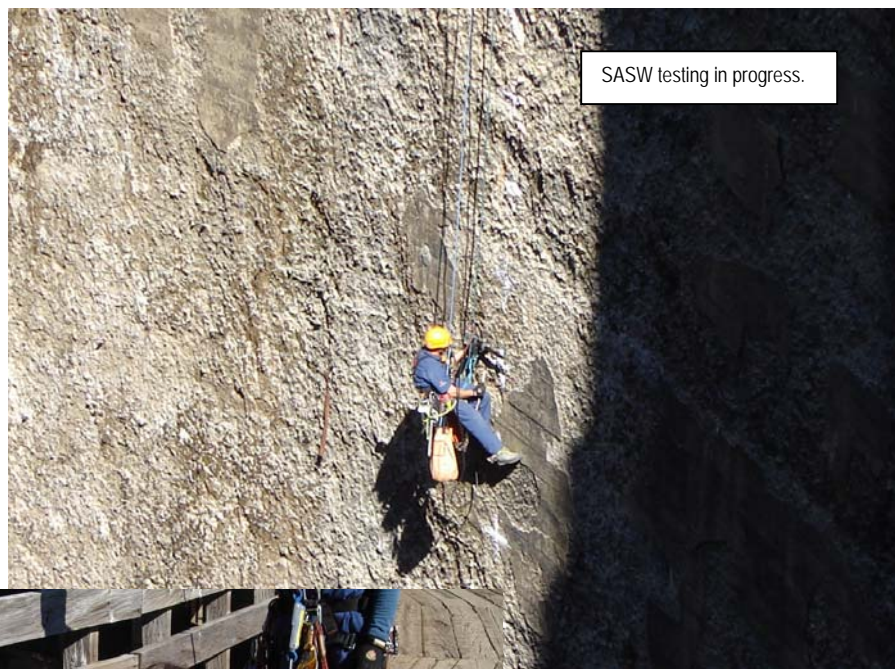
Woodleaf Rock Slide

We expect Neil's Controlled Blasting to begin mobilizing for the repair of the Woodleaf rockslide during the week of October 24. I will keep you up to date on the progress of that job throughout the next few months.

General Information

Ongoing Evaluations of Lost Creek Dam

On October 12-13, a team consisting of DMJM+Harris, Olson Engineering and Ropeworks personnel conducted non-destructive testing of the downstream face of Lost Creek Dam. Two types of tests were conducted: 1) Tomography (placing an array of hydrophones in the water on the upstream side of the dam and striking the downstream face with an instrumented hammer held



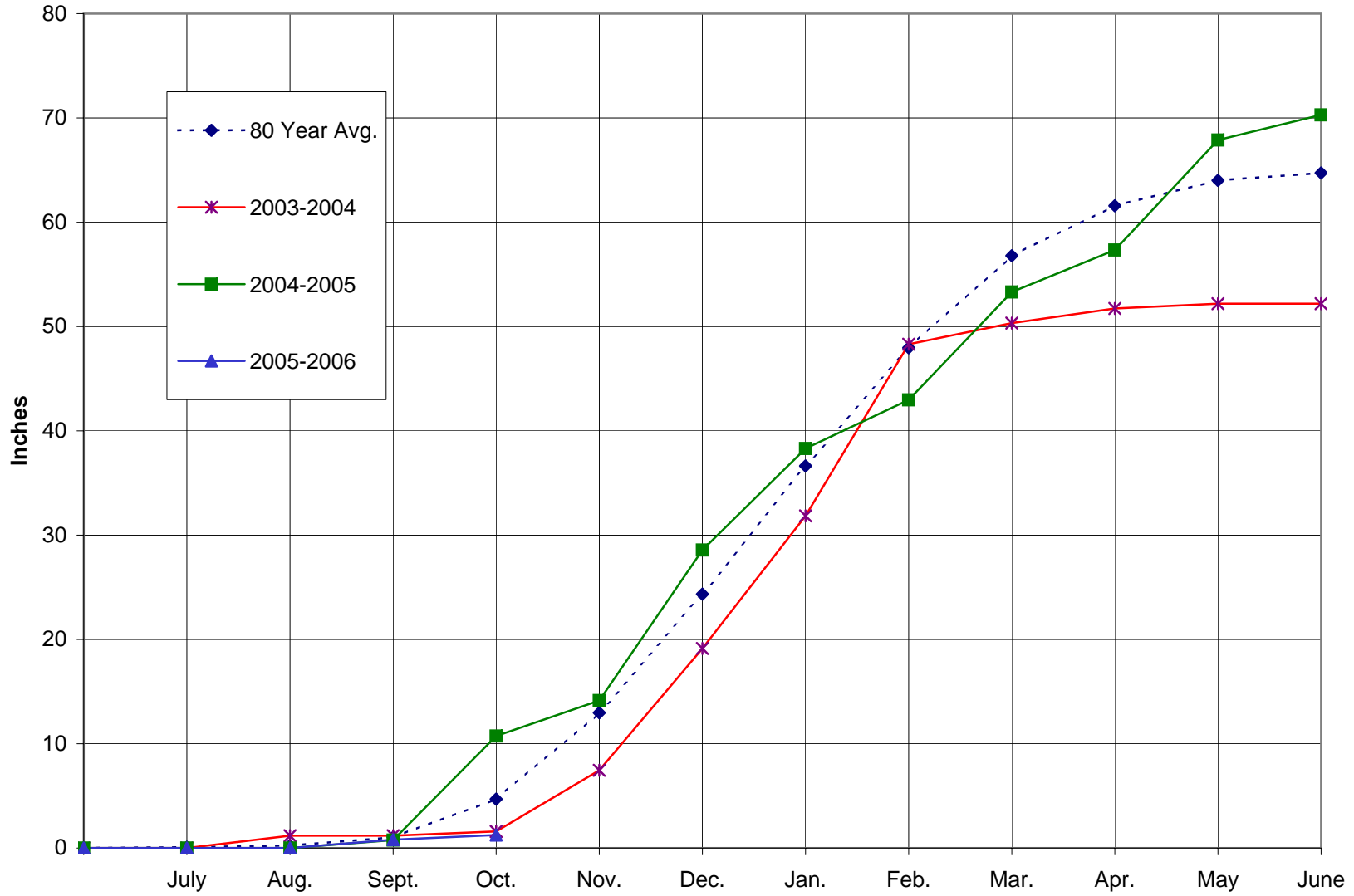
by a worker suspended on ropes); and 2) Spectral Analysis of Surface Waves (SASW – holding an SASW bar with receivers against the downstream face of the dam and hitting the face a short distance away with a hammer, again by a worker suspended on ropes. The SASW allowed testing the concrete quality in the first 2 feet of the downstream face, while the tomography should allow high-quality imaging of the interior of the dam, showing the

location of cracks, debonded joints, etc. These tests will allow us to see how the dam is doing without taking additional core samples, and we expect to have the results from the tests in a couple of months. This information will then feed into the analysis of the structure's ability to handle the crest modifications, including new spill gates and bridge deck.

Emergency Action Plans

Chris Crown and I have been working on the five-year comprehensive update to the emergency action plans for potential failures of Little Grass Valley, Sly Creek, Lost Creek and Miners Ranch dams. I will be conducting EAP training with our management and supervisory staff on November 2, and the revised plans will be sent to the federal, state and local emergency response agencies that same week. We will plan to hold tabletop and functional exercises with the agencies in early 2006.

South Feather Power Project - Forbestown Precipitation



**SOUTH FEATHER WATER AND POWER
SOUTH FEATHER POWER PROJECT
September 2005**

STORAGE

RESERVOIR	MAXIMUM CAPACITY	STORAGE ON 9-30-05	STORAGE ON 9-30-04
Little Grass Valley	94,660 AF	67,316 AF	61,266 AF
Sly Creek	65,650 AF	21,640 AF	15,858 AF
Lost Creek	5,750 AF	4,398 AF	5,207 AF
Forbestown Diversion	358 AF	297 AF	304 AF
Ponderosa	4,750 AF	4,357 AF	4,466 AF
Miners Ranch	896 AF	598 AF	519 AF
TOTAL	172,064 AF	98,606 AF	87,620 AF
Slate Creek Tunnel	800 CFS	N/A CFS	N/A CFS
South Fork Tunnel	600 CFS	232 CFS	305 CFS
Miners Ranch Canal	303 CFS	282 CFS	N/A CFS

MONTHLY NET GENERATION

	FOR September 2005	YEAR TO DATE ON 9-30-05	YEAR TO DATE ON 9-30-04
Woodleaf P.H.	29,206,710 KWH	193,279,330 KWH	243,302,210 KWH
Forbestown P.H.	16,617,960 KWH	137,471,870 KWH	149,663,470 KWH
Kelly Ridge P.H.	4,835,294 KWH	64,229,540 KWH	67,529,528 KWH
Sly Creek P.H.	3,520,200 KWH	30,070,300 KWH	30,601,200 KWH