



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Kathy Petersen, Power Division Manager

DATE: December 21, 2005

RE: General Information (regarding matters not scheduled on agenda)
12/27/05 Board of Directors Meeting

Operations

Attached for your information is the Storage and Generation Report for November 2005. Also attached is a chart showing the precipitation accumulated to date.

The storm series that moved into our area on December 17 produced enough rainfall to increase Slate Creek flow to the point where we were able to conduct a sediment pass-through on December 19. We opened the low-level outlet valve and weir valve for just a little more than an hour, until it appeared no more material was being moved. Stillwater Sciences provided water quality monitoring support, and will do follow-up measurements to determine how much material was moved.

Maintenance Projects

Routine Maintenance

As the winter weather has begun to set in, the crew has been busy catching up several "odd jobs" around the system. They installed staff gauges at Little Grass Valley Dam, set the new campground status sign in place (look for it on the Challenge Grade the next time you drive up that way), and have been trying to keep grizzlies and culverts clear of debris. They have also been doing powerhouse equipment maintenance on systems not requiring the longer annual outages.

Woodleaf Slide

Neil's Controlled Blasting (NCB) has made good progress on the work at Woodleaf Powerhouse. They have drilled two sets of the fan drains into the lower slope to relieve the mountain of the water that has built up in it. The drains have been working effectively, producing as much as 200 gallons per minute during the most recent rains. One of the deepest holes drilled (160 feet) contains the four piezometers that provide continuous monitoring of the water pressure inside the mountain, and it has tracked the buildup of water

from storms fairly well. The NCB crew has also been installing soil nails in the weaker shear zone material. The photos give you an idea of how things look as the work progresses. (Scott Underhill was the photographer.)



Drilling the first drain hole



Breaking up the "tooth"



Drilling soil nail holes

General Information

Dam Crest Modifications Project

On December 9, I accompanied Tom Barnard of DMJM+HARRIS to a meeting with the Division of Safety of Dams to discuss where we are with respect to engineering the crest modifications for Sly Creek, Lost Creek and Ponderosa dams.

By a letter dated December 5, we finally received comments from FERC on the PMF reports we submitted in September of 2004. Because some of their comments require clarification before we can resolve them, members of the DTA and DMJM+HARRIS teams will be joining me in meeting with FERC in January. FERC originally asked for supplemental reports to the PMF reports to be submitted by January 30, 2006. However, because of the time we will need to resolve some of the issues, we will seek an extension of time to submit the additional reports.

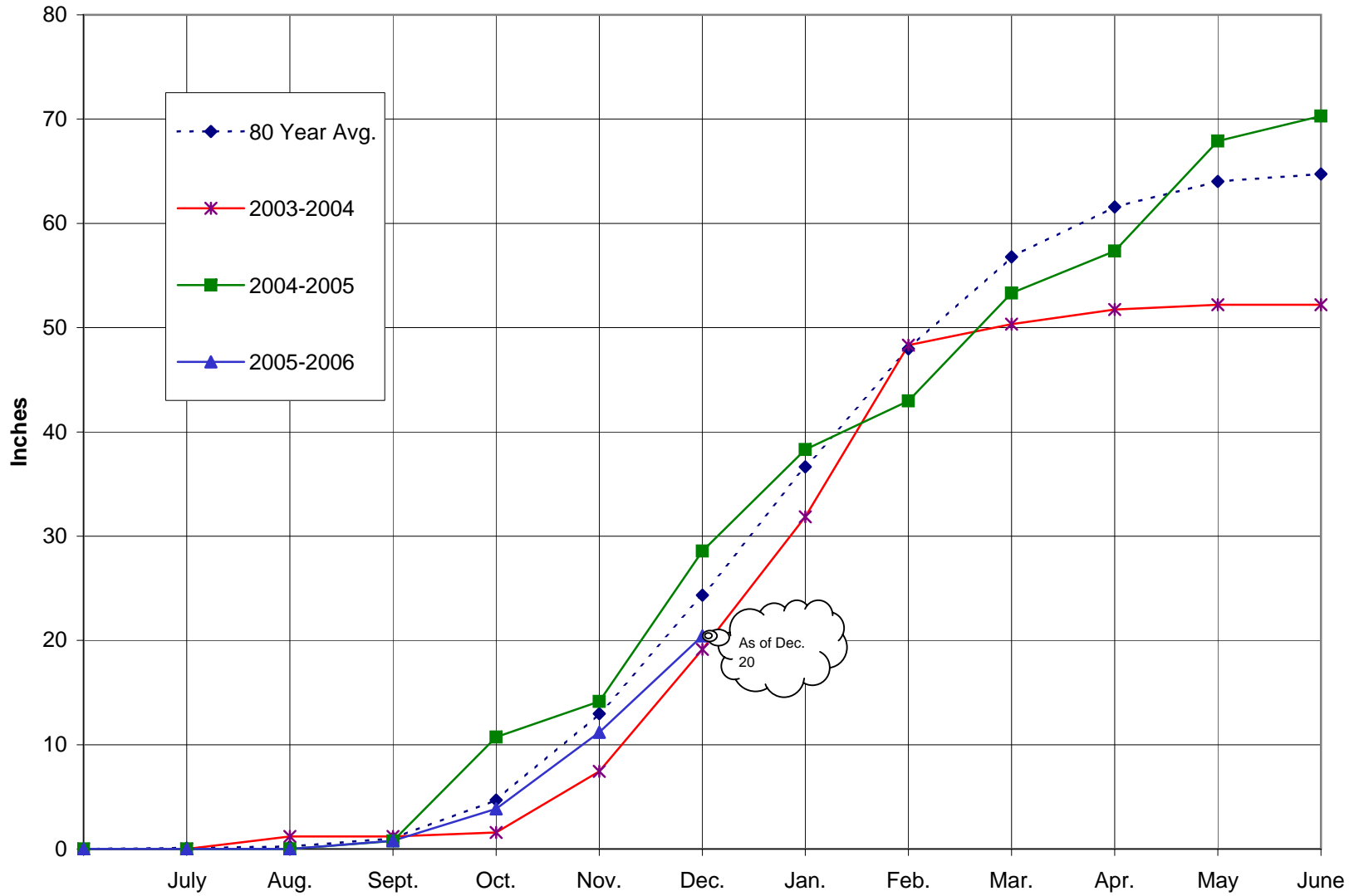
EAP Update

FERC also issued comments on the recently revised Emergency Action Plans. Their comments primarily pertained to the inundation maps submitted with the plans, and Chris Crown and I will be responding to those comments.

Year-End Notes

2005 was a challenging year for the Power Division, as we faced the transformer failure and the slide at Woodleaf early in the year. The crew responded well to the challenges by working long hours when asked, and reprioritizing other jobs as needed. Necessary ongoing maintenance went forward, as did the scheduled circuit breaker replacement at Sly Creek. We appreciated the help of the Water Division crews on projects such as the repairs to Station 3 and the canal access road, the dredging at Slate Creek and the annual canal outage. I am extremely proud of what our crews accomplished during the past year.

South Feather Power Project - Forbestown Precipitation



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

STORAGE

RESERVOIR	MAXIMUM CAPACITY	STORAGE ON 11-30-05	STORAGE ON 11-30-04
Little Grass Valley	94,660 AF	49,542 AF	37,982 AF
Sly Creek	65,650 AF	19,711 AF	10,899 AF
Lost Creek	5,750 AF	4,820 AF	4,154 AF
Forbestown Diversion	358 AF	314 AF	304 AF
Ponderosa	4,750 AF	4,274 AF	4,200 AF
Miners Ranch	896 AF	782 AF	776 AF
TOTAL	172,064 AF	79,443 AF	58,315 AF
Slate Creek Tunnel	800 CFS	0 CFS	11 CFS
South Fork Tunnel	600 CFS	43 CFS	48 CFS
Miners Ranch Canal	303 CFS	266 CFS	270 CFS

MONTHLY NET GENERATION

	FOR November 2005	YEAR TO DATE ON 11-30-05	YEAR TO DATE ON 11-30-04
Woodleaf P.H.	18,896,290 KWH	220,881,480 KWH	285,139,000 KWH
Forbestown P.H.	10,629,220 KWH	152,983,990 KWH	172,857,400 KWH
Kelly Ridge P.H.	5,509,211 KWH	73,183,533 KWH	80,975,642 KWH
Sly Creek P.H.	2,155,800 KWH	23,260,300 KWH	23,503,500 KWH