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September 18, 1987

Mr. Al Van Vooren
Idaho Department of Fish and Game
P.O. Box 25
Boise, Idaho 83707

Dear Mr. Van Vooren:

Pursuant to the enclosed letter from FERC regarding the Skeem/Mud Creek Hydro Facility #4769, I am writing to give you an update of the Facility and measures taken to insure minimum stream flow compliance.

This Facility was one of the very first local Hydro Plants in the State of Idaho. It has been plagued with numerous mechanical and engineering problems. The new owner of Zions Credit Corp. has contracted with H.K. Hydro (of which I am a principle), to rehabilitate and operate the Facility.

This Facility was constructed using many reverse pumps... most of which are never or rarely operated... Upon rehabilitation, the new turbines will be re-installed. While the total capacity may equal 625 KW, it is not intended or likely that more than ½ of that amount will ever be generated at one time due to the type of turbines and the amount of water available. The large number of turbines are a result of the preliminary design which sought to use a wider variety of fixed geometry pumps to accomodate a wide variety of flows.

As to minimum flow and as part of the new facility, we will install a diversion gate which will be locked in a position to insure a 5CFS minimum stream flow as required.

Inasmuch as this requirement is very minimal and the Facility is very small and remotely located, a locked diversion gate with a measuring staff should be sufficient.

Would you please consider the matters of:

1. Exceeding installed capacity
2. Monitoring of minimum stream flow

Please let me know of any concerns you might have.

Respectfully,

/s/ Stephen M. Harmsen

Stephen M. Harmsen
H.K. Hydro, Inc.

SMH/sc

Enc.

FEDERAL ENERGY REGULATORY COMMISSION
PORTLAND REGIONAL OFFICE
1120 S.W. 5th AVENUE, SUITE 1340
PORTLAND, OREGON 97204

AUG 14 1987

In reply refer to:
OHL-PRO-4769-ID

Mr. M. Scott Newbold
Zions Credit Corporation
P. O. Box 180
Salt Lake City, Utah 84110

Dear Mr. Newbold:

On June 2, 1987, Mr. Harold M. Wick, of this office, conducted an operation inspection of the Mud Creek Project, FERC No. 4769, in company with Mr. Tom McCauley. Based on observations during the inspection, the following deficiencies must be addressed:

1. It was observed that the installed generating capacity of the upper and lower power plants exceeds the generating capacity authorized by the exemption. The total installed capacity for both plants is approximately 625 kW, and the total authorized capacity is 266 kW. Since the constructed project deviates from the authorized project, it will be necessary for you to submit, in duplicate, to the Director, Division of Inspections, Federal Energy Regulatory Commission, 825 North Capitol Street, N.E., Washington, D.C., 20426, a letter, including copies of comment letters on the project, as constructed, from the Idaho Department of Fish and Game, (IDFG) and the U. S. Fish and Wildlife Service (FWS), describing these changes and requesting a determination concerning the need for an exemption amendment.

2. Standard Article 2 of your exemption requires compliance with terms and conditions of Federal and state fish and wildlife agencies. Terms and conditions were furnished by the IDFG and the FWS in letters dated May 12, 1981, and October 28, 1981, respectively. One requirement of the terms and conditions letters was that a minimum flow of 5 cfs be maintained in the creek at all times during project operations. It was observed during the inspection that adequate means to ensure compliance with the minimum flow requirement, i.e., proper means to measure, record and maintain minimum flows, are not being provided. Mr. McCauley advised that flows in Mud Creek are erratic and subject to fluctuation, depending upon the extent of irrigation in the drainage basin and other factors such as drainage from the City of Buhl's storm drains. However, no means are

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provided to assure maintenance of minimum flows as the stream flows change. Therefore, you must furnish a description of your program to ensure compliance with the minimum flow requirement; this description should include an explanation of how minimum flows are to be maintained, how flows are to be measured (include flow tables), frequency of measurement, and method of record-keeping.

3. You must submit a letter to the FWS, with a copy to this office, requesting that your transmission lines be inspected to determine if the raptor proofing is adequate, and supply this office with a copy of their comments.

4. It was observed that 5 of the 12 turbine/generator units were out-of-service and require repairs. You should make the necessary repairs and return the units to service.

Please provide to this office, by September 15, 1987, a plan and schedule for implementing the items described above.

If you have any questions please contact Mr. Wick at (503) 294-5844.

Sincerely,

Quentin A. Edson

Quentin A. Edson
Regional Director

cc: Mr. Al Van Vooren
Idaho Department of Fish and Game
P. O. Box 25
Boise, Idaho 83707

Mr. Walt Ray
U.S. Fish and Wildlife Service
4696 Overland Road, Room 576
Boise, Idaho 83705