



**UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration**

National Marine Fisheries Service

P.O. Box 21668

Juneau, Alaska 99802-1668

December 15, 2006

Richard H. Levitt, President
Gustavus Electric Company
P.O. Box 102
Gustavus, Alaska 99826

Dear Mr. Levitt:

Thank you for hosting a meeting on November 29, 2006 to discuss slope failures associated with the Falls Creek Hydroelectric Project (FERC#11659) and possible redesign of the tailrace. We have reviewed your subsequent document, "Final tailrace location plan – including restoration and mitigation", dated December 11, 2006 and offer the following comments.

NMFS supports shortening the tailrace as described in the engineered logjam alternative. This alternative would minimize risk of the tailrace structure and placement activities undercutting bank stabilization efforts upstream from the powerhouse. This alternative would result in a net loss of spawning habitat upstream under low flow conditions, but would provide a net gain in rearing habitat, which is considered the limiting factor for coho production in the system. NMFS considers efforts to stabilize the banks and avoid further mass wasting to be a priority for reducing overall impacts to the multiple habitat values in this stretch, including coho spawning and rearing habitat. The report indicates that slope stabilization methods will include control of runoff and the use of geotextile matting and revegetation. Given the challenges of slope stabilization at this site from a combination of natural and man-made factors, NMFS requests further information on methods to be used as those details become available. NMFS encourages consideration of multiple and redundant methods of slope stabilization for this project.

If you have any questions, please contact Linda Shaw at (907) 586-7510.

Sincerely,

Jonathan M. Kurland
Assistant Regional Administrator
for Habitat Conservation

Cc: *Jackie Timothy, DNR Jackie_timothy@dnr.state.ak.us



*Richard Enriquez, USFWS Richard_enriquez@fws.gov
*Jim Ferguson, ADF&G Jim_ferguson@fishgame.state.ak.us
*Jeffrey Esterle, FERC Jeffrey.esterle@ferc.gov
*Johanna Dybdahl, Hoonah Indian Association Jdybahl@hiatrible.org
*Ron Wright, FERC Ron.wright@ferc.org

*e-mail