

COPY OF LETTER

Date: January 23, 2009

Addressee List Enclosed:

Subject: Recommendations from Security and Vulnerability Assessments (Self-Assessments)

As an owner/operator of a Security Group 1 or 2 dam you were required to complete a Security Assessment (SA) or Vulnerability Assessment (VA) by September 30, 2003. Those requirements were defined in the November 2002 FERC Security Program for Hydropower Projects, which can be found at:

<http://www.ferc.gov/industries/hydropower/safety/guidelines/security/securitytext.pdf>.

It has been five years since the completion of the VA and SA. Throughout that time the FERC has been inspecting the security measures at your Group 1 and/or Group 2 dams on an annual basis. While we commend you for your overall efforts in implementing appropriate security measures at your projects in a timely manner, as a result of FERC's annual security inspections we have determined that there are numerous instances where recommendations for security improvements made in the VA or SA have not been implemented.

The effective oversight of the FERC Security program requires that you provide a comprehensive list and the implementation status of the security improvement recommendations made in your current VA or SA. During the security inspection portion of the upcoming 2009 Dam Safety Inspection, it will be required that your security representative be present to describe and discuss with the FERC engineer all of the recommendations for security measures from your VA or SA and the status of the implementation or installation of those recommendations.

In addition to having all your security documents available for review during the inspection, it is required that you prepare a comprehensive list of the recommendations contained in your VA or SA for all your Security Group 1 and Group 2 dams with the completion status of all recommendations. If any recommendations have not yet been implemented, also provide a plan and schedule indicating when and how those recommendations will be resolved. These details will be discussed and noted during the inspection as an alternative to having you formally file this information with the Commission. As usual, and for

your protection, notes from these discussions will not be incorporated into any final FERC documents.

Thank you for the dedication you have shown in securing your facilities in a responsible manner. If you have any questions, please contact Mr. Frank Calcagno, of our Washington Office, at 202-502-6026.

(closing/sig)