

June 16, 2008

Dear Interested Stakeholder:

**Re: Eagle Crest Energy Company
Eagle Mountain Pumped Storage Project, FERC Project No. 12509
Draft License Application**

Thank you for your interest in the Eagle Mountain Pumped Storage Project (“Project”), FERC Project No. 12509. In accordance with the requirements of the Federal Energy Regulatory Commission’s (“FERC” or Commission”) regulations in 18 C.F.R. § 4.38(c)(4), Eagle Crest Energy (“ECE”) is notifying you of the availability of the draft license application (“DLA”).

The Project will use off-peak energy to pump water from the lower reservoir to the upper reservoir during periods of low electrical demand and generate on-peak energy by conveying water from the upper to the lower reservoir through the generating units during periods of high electrical demand. The upper and lower reservoirs will be formed from existing mining pits. The Project will nominally provide up to 1,300 MW of generating capacity, developed with four reversible pump-turbine units, with each unit rated at 325 MW under the maximum gross head (1,572 feet).

ECE began the licensing process in 2005, when it applied for and was issued a preliminary permit for the Project. ECE submitted its Pre-Application Document, Notice of Intent to file an Initial License Application, and Request to use the Traditional Licensing Process on January 10, 2008. The Commission authorized ECE to use the Traditional Licensing Process on March 4, 2008, and gave notice of ECE’s filings on March 6, 2008. ECE held a joint meeting with interested stakeholders on April 8, 2008 and conducted a site visit the following day.

The DLA is available for public viewing at the Project’s Web site: www.eaglemountainenergy.us. A copy of the DLA will also be available to view at the following local libraries:

- Indio Library, 200 Civic Center Mall, Indio, CA 92201
- Palo Verde Valley District Library, 125 W. Chanslorway, Blythe, CA 92225.
- Lake Tamarisk Library, P.O. Box 260, 43-880 Tamarisk Drive, Desert Center, CA 92239

Electronic copies of the document on CD can be requested by contacting GEI Consultants, Inc. (GEI), 10860 Gold Center Drive, Suite 350, Rancho Cordova, CA 95670, 916-631-4500 ATTN: Ginger Gillin.

Comments

ECE invites your comments on the DLA. As set forth in 18 C.F.R. § 4.38(c)(5), each resource agency and Indian tribe will have 90 days from the date of this letter to provide written comments on the DLA. As such, the comment period begins on June 16, 2008 and will close on **September 14, 2008**. Please submit your written comments to ECE at:

GEI Consultants, Inc.
10860 Gold Center Drive, Suite 350,
Rancho Cordova, CA 95670
ATTN: Ginger Gillin

Or via email at: ggillin@geiconsultants.com

For more information please visit our above-mentioned Web site. If you have any questions about this Project please contact Ginger Gillin, GEI Consultants, Inc., at (916) 631-4500.

We look forward to working with you on this Project.

Sincerely,


Ginger Gillin
Project Manager

GGG:gg