

January 10, 2008

Ms. Kimberly D, Bose
Secretary
Federal Energy Regulatory Commission
825 North Capital Street, N.E.
Washington, D.C. 20426

Re: *Eagle Crest Energy Company, Project No. 12509;*
Notification of Intent to File an Initial License Application

Dear Secretary Bose:

This letter is to notify the Federal Energy Regulatory Commission ("FERC") of Eagle Crest Energy Company's ("ECE") intent to file for an initial license for the Eagle Mountain Pumped Storage Project ("Project"), FERC Project No. 12509. Pursuant to 18 CFR §5.5, the following information is provided:

Information Required by 18 C.F.R. §5.5(b):

A. Applicant's name:

Eagle Crest Energy Company
Post Office Box 2155
Palm Desert, CA 92261
Attn: Arthur W. Lowe, President

B. The Project Number:

FERC Project Number 12509

C. Statement of Intent

ECE unequivocally states that it intends to prepare and file an application for an initial license at this Project.

D. Type of Project

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 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). The minimum gross head between the upper and lower reservoirs is 1,147 feet. The minimum Project output is estimated to be approximately 950 MW.

The upper and lower reservoirs will be formed from existing mining pits; however, two small dams will be required at the upper reservoir to create the proposed volume of energy storage. The proposed energy storage volume will permit operation of the Project at full capacity for 9 hours each weekday, with 8 hours of pumping each weekday night and additional pumping during the weekend to fully recharge the upper reservoir. The amount of active storage in the upper reservoir will be 17,700 acre-feet, which is based on 18.5 hours of energy storage at the maximum generating discharge.

Water stored in the upper reservoir will provide approximately 22,200,000 kilowatt hour (kWh) of on-peak generation. Tunnels will be constructed to interconnect the upper and lower reservoirs to convey the water, and the generating equipment will be located in an underground powerhouse located between the two reservoirs.

A 500 kV transmission line is proposed to convey energy to and from the Project. The Project switchyard will be located above ground and connected to the underground powerhouse by a cable tunnel. A new 500 kilovolt (kV) transmission line will extend from the high-voltage side of the switchyard eastward to the Midpoint Substation near Blythe, CA (the transmission line will occupy Department of Interior, Bureau of Land Management land).

The Project does not utilize any natural river or lake. Neither the upper nor lower reservoirs will be located on a surface water course. The reservoirs will receive only incidental runoff from a small surrounding area. The initial filling of the reservoirs and the annual makeup water supply during operation will be supplied from wells tapping a nearby groundwater source. Site access is currently planned by Kaiser Road, a public county road, to the entrance to property owned by and leased from Kaiser Resources.

E. Location of Project

State or territory:	California
County:	Riverside
Township:	Eagle Mountain
Stream or Body of Water:	None

F. Installed Plant Capacity

1,300-MW

G. Contact Information

i. County:

Riverside County
Planning Department
4080 Lemon Street
Riverside, CA 92501

There are no federal facilities that would be used by the proposed Project.

ii. Township:

There is no city or town within 15 miles that has a population greater than 5,000.

iii. Irrigation District:

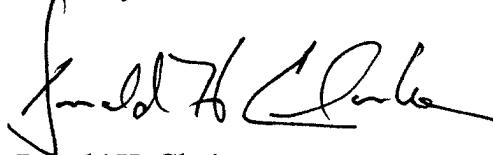
There is no local irrigation district in which any part of the project would be located. Ground water from dedicated wells will be the source of water for the initial filling of the reservoirs, and to make up for any water lost through evaporation, seepage into surrounding soils or for processes to stabilize the working fluid composition.

iv. Other Political Subdivisions or Indian Tribes:

The applicant is not aware of any other political subdivision or Indian tribe in the general project area likely to be interested in or affected by the Project

Should you have any questions regarding the enclosed notice, please do not hesitate to contact the undersigned counsel.

Sincerely,



Donald H. Clarke
Counsel for Eagle Crest Energy Company