

September 2, 2009

Via Electronic Filing

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Condit Hydroelectric Project, FERC Project 2342-011
Six-Month Update

Dear Secretary Bose:

This document provides the Federal Energy Regulatory Commission (“the Commission”) a six-month status report describing PacifiCorp’s and the settlement parties’ progress with respect to the implementation of the Condit Settlement Agreement. This letter provides an update on activities from March 1, 2009, through August 31, 2009.

Washington State Department of Ecology

State Environmental Impact Statement / 401 Water Quality Certificate

The Washington Department of Ecology (Ecology) released the Draft Second Supplemental Environmental Impact Statement (SEIS) for public review on June 4, 2009. The final Second SEIS is expected by late October 2009. PacifiCorp submitted a Joint Aquatic Resource Permit Application to Washington Department of Ecology on July 14, 2009. On August 26, 2009, PacifiCorp conducted a project tour with Ecology staff.

U.S. Army Corps of Engineers

404 Dredge and Fill Permit/Section 10 Permit for In-Water Work

PacifiCorp has applied to the United States Army Corps of Engineers (Corps) for a permit under Section 404 of the Clean Water Act authorizing dredge and fill associated with the decommissioning proposal and for a permit under Section 10 of the River and Harbors Act authorizing in-water work associated with dam removal. PacifiCorp submitted a Joint Aquatic Resource Permit Application to the Corps on July 14, 2009. On August 26, 2009, PacifiCorp conducted a project tour with Corps staff. The Corps is awaiting completion of Ecology’s SEPA and 401 processes before issuing the 404 Permit and the Section 10 Permit.

United States Fish and Wildlife Service / NOAA Fisheries

Biological Opinions

Letters to NOAA Fisheries and the U.S. Fish and Wildlife Service were sent on July 17, 2009. These letters requested written concurrence from the services on the extension of the respective Biological Opinions (BiOp) (NOAA BiOp 2006; USFWS BiOp 2005) and

on proposed 2009 study activities. On August 14, 2009, the Service provided an email noting that proposed 2009 fish collection activities were permitted. On August 18, 2009, NOAA Fisheries sent a letter evaluating the proposed 2009 fish collection activities and stating those activities are consistent with their 2006 biological opinion.

The White Salmon River Technical Working Group consisting of representatives from the U.S. Fish and Wildlife Service, NOAA Fisheries, the Yakama Nation, the Washington Department of Fish and Wildlife, the U.S. Geological Service, American Rivers and PacifiCorp completed development of an alternative fish collection method on the White Salmon. Per the plan, researchers built a resistance board weir to collect adult Fall Chinook Salmon returning to the White Salmon River. The weir was installed in late August with formal study collection beginning September 1, 2009. If the weir is successful at collecting adults, the Adult Fish Transportation Plan will be modified noting the weir is the preferred collection method.

Federal Power Act Preemption/County Permitting

On July 14, 2009, PacifiCorp provided Klickitat and Skamania Counties with copies of the JARPA materials. PacifiCorp understands from the Commission's May 18, 2006, declaratory order that the Federal Power Act preempts state and local regulation of the proposal to decommission the Condit Hydroelectric Project. The declaratory order also clarified that the Commission may include state and local requirements as terms of the Commission's surrender order if the Commission concludes that such state and local requirements do not conflict with the other terms of the Commission's order. PacifiCorp has submitted the JARPA materials to Klickitat and Skamania Counties to solicit their proposed decommissioning requirements for consideration by the Commission.

Klickitat and Skamania Counties entered into an interlocal agreement effective January 6, 2009, which authorizes Klickitat County to manage and coordinate all local planning and environmental review for both counties regarding the proposal to decommission the Condit Project. PacifiCorp and Klickitat County are currently negotiating a reimbursement agreement whereby the parties propose that PacifiCorp will reimburse certain of the County's cost to review PacifiCorp's JARPA materials.

Decommissioning

Owner's Engineer

PacifiCorp has completed a Project Removal Design Report as well as detailed management plans to monitor and mitigate the effects of project removal. The documents were submitted to Ecology for consideration in the State Environmental Impact Statement and 401 Water Quality Certification processes as part of the Joint Aquatic Resource Permit Application.

Mt. Adams Orchard Water Supply

PacifiCorp has reached agreement with Mt. Adams Orchard regarding relocation of their agricultural water intake currently located on the shore of Northwestern Lake. The

agreement identifies how the two parties will participate in the relocation of the orchard's water supply intake following removal of Condit dam.

Project Schedule

On May 20, 2009, PacifiCorp notified the Commission that all necessary permits that would allow for project removal by October 2009 had not been received. The participating settlement parties have noted that PacifiCorp will require some reasonable period of time after all permits become final and all appeals, if any, have run their course, within which to complete the necessary procurement, contracting, and mobilization of a demolition contractor before PacifiCorp can begin decommissioning. PacifiCorp currently estimates nine months is needed for such activities after final permits are received. As noted above, Ecology released a draft Second Supplemental Environmental Impact Statement this summer, the 401 certificate is expected after the environmental document becomes final.

Parties to the Settlement Agreement

PacifiCorp conducted quarterly meetings with the parties to the settlement agreement, on April 13, 2009, and July 15, 2009. The next meeting is scheduled for October 14, 2009.

Please call me at (503)-813-6657 if you have any questions.

Sincerely,



Todd Olson, Program Manager
Hydro Resources
PacifiCorp Energy

CC: FERC Service List
FERC Portland Regional Office, Attn: Patrick Regan

CERTIFICATE OF SERVICE

I hereby certify that on September 2nd, I served true copies of the foregoing PacifiCorp's Six-Month Update for the Condit Hydroelectric Project on FERC Docket No. 2342 by first-class mail or electronic mail to each person designated on the FERC website service list as of today's date in this proceeding.

Dated this 2nd day of September, 2009 at Portland, Oregon.



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Deliver via electronic mail

**Six Month Status Update to FERC
09/02/2009**

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