

February 11, 2008

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

**Subject: Powerdale Hydroelectric Project, FERC No. 2659
Annual Fish and Wildlife Mitigation and Monitoring for 2007**

Dear Ms. Bose:

In accordance with Article (K) of the *Order Amending License, Accepting Surrender, and Dismissing Application for New License* for the Powerdale Hydroelectric Project, PacifiCorp is submitting the Annual Fish and Wildlife Mitigation and Monitoring Activities Meeting Summary for 2007 (enclosed). PacifiCorp is required to file this meeting summary with the Federal Energy Regulatory Commission (FERC) no later than 60 days after the annual meeting, which was held on January 25, 2008.

This letter and the meeting summary are being filed electronically, and are considered public information. If you have any questions regarding this filing, please contact Todd Olson, program manager, at 503-813-6657 or Briana Weatherly, Hydro North compliance analyst, at 503-813-7039.

Sincerely,



R. A. Landolt
Managing Director, Hydro Resources

AP: anp

Encl: Letter - Public
Annual Fish and Wildlife Mitigation and Monitoring Activities Meeting
Summary for 2007 - Public

cc: See attached distribution list

PacifiCorp Energy
Powerdale Hydroelectric Project (FERC No. 2659)
Annual Agency Meeting for 2007
January 25, 2008 – 1:30 p.m. to 3:30 p.m.
Lloyd Center Tower 15th Floor, Conference Room 15A
Portland, Oregon

In attendance:

Ian Chane, PacifiCorp
Todd Olson, PacifiCorp
Arianne Poindexter, PacifiCorp
Briana Weatherly, PacifiCorp

By phone:

Brian Benjamin, Oregon Department of Fish and Wildlife
Doug Young, U.S. Fish & Wildlife Service
Paul DeVito, Oregon Department of Environmental Quality
Craig Kohanek, Oregon Water Resources Department
Chris Brun, Confederated Tribes of the Warm Springs Reservation
Steve Stampfli, Hood River Watershed Group
Chuck Gehling, Hood River Watershed Group
Ian Sinks, Columbia Land Trust
Erich Gaedeke, Federal Energy Regulatory Commission-Portland

Agenda (attachment A)

Summary of Updates:

1. Introductions

Completed introductions, including new members: Todd Olson, program manager for PacifiCorp and Doug Young with U.S. Fish and Wildlife Service.

2. November 2006 Flood Stabilization

Todd Olson presented PacifiCorp's stabilization efforts.

- Stabilization resulted in removal of 2530 linear feet of collapsed wood stave materials.
- Steel bands were recycled and concrete saddles were laid down and left in place.
- 700 linear feet of steel pipe was removed – concrete saddles were stock piled for future burial (180 feet removed in 2007 due to foundations of saddles being undermined by high flows).
- 1000 linear feet of wood stave was braced to prevent future collapse.
- Seven steel bulkheads were installed for public safety.
- Step up transformers were drained and removed from the substation, and the station service transformers were removed from the powerhouse.
- PacifiCorp relocated the storage shed and other tools and equipment from the powerhouse.

- In September 2007, PacifiCorp completed an assessment of the flowline trail following the stabilization effort and provided additional security measures to maintain public access while assuring public safety.
- In October 2007, PacifiCorp staff removed rebar from various locations in the bypass reach that was observed during low flow conditions.

3. Powerdale Fish Trapping Facility

Ian Chane updated the group regarding PacifiCorp's ongoing commitment to operate the Powerdale project for the sole benefit of the Powerdale Fish Trapping Facility. Although the settlement agreement provides for reimbursement for such actions, PacifiCorp is choosing to cover these costs.

- Following the November 2006 flood event, PacifiCorp requested and was subsequently granted Federal Energy Regulatory Commission (FERC) authorization to cease generation early.
- Section 5.2.2 of the Powerdale settlement agreement includes a provision that requires PacifiCorp to operate the dam in a manner that maintains sufficient forebay water surface elevation to allow operation of the Powerdale fish trapping facility for one year following a declaration of early cessation.
- The settlement agreement also states that following one year of operations after early cessation, PacifiCorp will continue to operate the dam in such a manner provided that PacifiCorp is reimbursed for the costs of such operations.
- If PacifiCorp is not reimbursed for operating the project for the sole benefit of the fish trapping facility PacifiCorp, at its sole discretion but after consultation with the settlement parties, can either: (a) continue to operate the dam until decommissioning begins as scheduled; or (b) continue to operate the dam until the beginning of the next season during which PacifiCorp can commence early decommissioning.
- Operations of the dam for the sole purpose of the fish trapping facility began on February 8, 2007. Consequently, one full year of operating the project for the fish trapping facility will be completed on February 8, 2008. *At this time PacifiCorp has elected to continue operating the project in a manner that allows for fish trapping facility operations and not seek cost reimbursement. PacifiCorp will continue to coordinate with the Oregon Department of Fish and Wildlife and the Confederated Tribes of the Warm Springs Reservation regarding the facility until decommissioning is initiated as scheduled in the settlement agreement or the company elects to seek consultation with the parties for conditions (a) or (b) above.*

4. Decommissioning Permit Requirements and Consultation Schedule

Todd Olson discussed permitting requirements, agency involvement with the management plans and permitting, and the project anticipated deadline. The following is a list of anticipated permits that could be required for decommissioning:

- U.S. Army Corps of Engineers Section 404 Permit and/or Oregon Division of State Lands Fill/Removal Permit (JARPA)
- U.S. Army Corps of Engineers Section 10 Permit (Navigability)
- National Pollutant Discharge Elimination System (NPDES) 1200-C Permit
- Floodplain Development Permit to Hood River County Planning & Community Development

- National Scenic Area review (includes cultural resource surveys) to Hood River County Planning & Community Development
 - Land Use Compatibility Application to Hood River County Planning & Community Development
- The expected schedule of decommissioning events (attachment B) was reviewed with the attendees.

5. Powerdale Lands Sub-group (PLS)

Todd Olson, with input from Chuck Gehling and Ian Sinks, provided the following update regarding the lands sub-group.

- PLS conducted several meetings in 2007
- The PLS toured the Powerdale facilities with county representatives and the Mt. Hood railroad staff.
- PLS is currently working with Columbia Land Trust regarding future management of the Powerdale lands.
 - Columbia Land Trust conducted a “listening session” with local land owners in November 2007. Columbia Land Trust anticipates holding another “listening session” in the next two months.
 - The PLS is looking to work with interested parties to develop a management plan for the lands
 - Columbia Land Trust is expected to be designated as the new land owner following decommissioning
- In hopes of resolving any property boundary or easement issues with the project lands, PacifiCorp sent out a letter in January 2008 requesting land owners identify any issues to the company.

6. Questions and Open Discussion

Flowline removal: There was consensus among the attendees that if an opportunity to remove the flowline arises, the opportunity should be pursued if at all possible.

Concrete saddles: Questions were raised regarding the saddles that were left on the project after the flood stabilization. PacifiCorp stated the saddles were tipped over, per the settlement agreement, in order to make them stable and safe for the public. The concrete saddles are scheduled for burial during the project removal.

Conference call: A conference call will be scheduled for September/October 2008 to update the settlement parties on the status of project removal and expected schedule.

Public Tours: PacifiCorp is willing to conduct public tours for community education classes. Todd Olson should be contacted one month prior to suggested tour timeframe.

Equipment Access: A concern was raised about getting heavy equipment into the project area during project removal. The contractor selected for project removal will be evaluating all options for accessing the project for removal actions.

Videography: A question was raised whether PacifiCorp considered recording the project removal. PacifiCorp has employed videographers for other project removals. It is likely that a similar method of recording the removal process will be used at Powerdale.

Powerdale 2008 Meeting Agenda
January 25, 2008

1. *Introduction*
Complete introductions
Identify and welcome any new Settlement Party representatives
2. *November 2006 Flood Stabilization*
Discuss work completed in 2007 and any ongoing actions
 - Final stabilization work
 - Cessation of Generation
3. *Powerdale Fish Trapping Facility*
Update on operations and PacifiCorp commitment to operate the project in a manner to support facility operations
4. *Decommissioning Permit Requirements & Consultation Schedule*
 - i. Discuss permitting requirements, agency involvement, and anticipated timeline
 - ii. Agency resource management plan review and consultation requirements
5. *Powerdale Lands Sub-group*
 - i. Provide update on disposition of Project lands
6. *Questions and Open Discussion*

POWERDALE HYDROELECTRIC PROJECT
EXPECTED Schedule of Events
Updated on 01-17-08

Permitting Schedule

June 2003	COMPLETE - File 401 application with ODEQ (final)
November 2005	COMPLETE – FERC issues surrender order
November 2005	COMPLETE – 401 certification
June – Nov 2008	Complete all required filed work to support permit and plan development
January 2009	Submit Joint U.S. Army Corps of Engineers and Oregon Division of State Lands Section 404 Permit (JARPA)
January 2009	Submit U.S. Army Corps of Engineers Section 10 Permit (Navigability)
January 2009	Submit National Pollutant Discharge Elimination System (NPDES) 1200-C Permit
January 2009	Submit Floodplain Development Permit to Hood River County Planning & Community Development
January 2009	Submit application for National Scenic Area review (includes cultural resource surveys) to Hood River County Planning & Community Development
January 2009	Submit Land Use Compatibility Application to Hood River County Planning & Community Development
June 2009	Update as needed the above applications to reflect any final changes
November 2009	Receive approval from permitting agencies

Planning Schedule

February 2008	Distribute RFP for Technical Services
April 2008	Review bids and select owner’s engineer for technical services
May 2008	Award Technical Services contract
May 2008-June 2009	Prepare all necessary Plans and Design Reports and finalize permit applications (as needed)
July 2009	Submit Final Project Removal Plans to FERC
November 2009	FERC approval of Removal Plans

Decommissioning Schedule

October 2009	Distribute RFP for Project Removal
December 2009	Construction Bids Submitted
January 2010	Review bids then select Contractor for Project Removal activities
January 2010	Award Project Removal Contract
March 2010	Begin Construction Phase – Contractor Mobilization
October 2010	Demobilize
November 2010	Project Technically Complete

Monitoring Schedule

TBD

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Keith Kirkendall
Chief
National Marine Fisheries Service
1201 NE Lloyd Blvd., Suite 1100
Portland, OR 97232

Mary Grainey
Hydropower Coordinator
Oregon Water Resources Department
725 Summer St. NE, Suite A
Salem, OR 97301

Brett Swift, Associate Director,
NW Hydropower Program
American Rivers
320 SW Stark Street, Suite 412
Portland, OR 97204

Kemper McMaster
State Supervisor
U.S. Fish and Wildlife Service
2600 S.E. 98th Ave., Suite 100
Portland, OR 97266

Paul DeVito
Natural Resource Specialist
Oregon Department of Environmental Quality
300 SE Reed Market Road
Bend, Oregon 97702

Mr. Charles Gehling, Chairman
Hood River Soil & Water Conservation District
Hood River Watershed Group
3007 Experiment Station Road
Hood River, OR 97031

Amy Stuart
Hydropower Biologist
Oregon Department of Fish and Wildlife
2042 S.E. Paulina Hwy
Prineville, OR 97754

Randy Landolt
Managing Director, Hydro Resources
PacifiCorp
825 N.E. Multnomah, Suite 1500
Portland, OR 97232

Cc: List

Todd Olson
Project Manager, Hydro Resources
PacifiCorp
825 N.E. Multnomah, Suite 1500
Portland, OR 97232

Chris Fontecchio, Attorney
General Counsel Northwest Region
National Oceanic & Atmospheric Admin
7600 Sand Point Way NE
Seattle, WA 98115

Kurt Burkholder
Assistant Attorney General
Oregon Department of Justice
1515 SW Fifth Ave., Suite 410
Portland, OR 97201-5451

Larry Rasmussen
Fish and Wildlife Biologist
U.S. Fish and Wildlife Service
2600 S.E. 98th Ave., Suite 100
Portland, OR 97266

Rod French
District Fish Biologist
Oregon Dep't of Fish and Wildlife
3701 W. 13th
The Dalles, OR 97058

Steve Stampfli
Coordinator
Hood River Watershed Group
3007 Experiment Station Road
Hood River, OR 97031

Robert Wood, Watermaster
Oregon Water Resources Department
2705 E. 2nd St.
The Dalles, OR 97058

Robbin Marks
Director, Hydropower Reform Campaign
American Rivers
1101 14th Street NW, Suite 1400
Washington, DC 20005-5637

Chris Brun
Confederated Tribes the Warm Springs
Reservation of Oregon
6030 Dee Highway
Parkdale, OR 97041

John Ogan
Karnopp Petersen LLP
1201 NW Wall Street, Suite 300
Bend, OR 97701

James D. Noteboom
Karnopp Petersen LLP
1201 NW Wall Street, Suite 300
Bend, OR 97701

Brian Benjamin
Fish Habitat Program Manager
Oregon Dep't of Fish and Wildlife
3701 W. 13th
The Dalles, OR 97058

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