

Powerdale Hydro Decommissioning Project
Quarterly Report
July, August, September 2008

I. Project Description: This project will decommission the Powerdale hydroelectric facility located in Hood River, Oregon in accordance with the 2003 Powerdale Hydroelectric Project Settlement Agreement (SA) and the related FERC Surrender Order, dated November 22, 2005. The project includes all regulatory, permitting, planning, engineering, and de-construction activities.

Scope: Project removal will include the diversion dam, adjacent fish trapping facility, intake structure, power canal, steel flume, sand-settling basin structure, transition structure, and the concrete saddle supports for the previously removed wood stave flowline segments. Additionally, the maintenance garage structure and surge tank at the powerhouse site will be removed and some of the equipment will be removed from inside the powerhouse. Per the Powerdale Settlement Agreement and FERC Order, the remaining flowline segments can remain in place. The original powerhouse structure will also remain in place. The main electrical transformers have already been removed from the switchyard adjacent to the powerhouse.

Schedule: The schedule for development and approval of the engineering, construction and permitting documents, and related management plans, is based on beginning the physical decommissioning activities by March 2010.

II. Project Team: PacifiCorp's project team consists of the following core members:

Todd Olson	Implementation Program Manager
Bob Atwood	Sr. Project Manager for Powerdale Removal
Arianne Poindexter	Project Coordinator
Nathan Higa	Hydro Project Engineer,
Black & Veatch Corp.	Project Consultant - Design & Permitting
Briana Weatherly	Project Compliance & Permitting

III. Project Status for the Period – July, August, September 2008:

Previous – Through a competitive proposal process, Black & Veatch Corp. was awarded a contract to provide professional services as the project consultant for the technical design and to support permitting activities. A project kick-off meeting was conducted for agencies and stakeholders to provide project status, introduce PacifiCorp's project removal team, and to encourage agencies and stakeholders to provide input as the details of the project removal design are developed.

July – In July we initiated preparation of project removal design and demolition drawings. Aerial photogrammetry and baseline topographic mapping activities were also started. We consulted with Farmers Irrigation District who own and operate the adjacent upstream powerhouse. Additionally, an independent firm was hired to identify, sample and test for hazardous materials as may exist on the Powerdale facilities.

August - Progress continued with the development of the 50% complete design drawings including various potential cofferdam configurations that would meet project requirements for safety, river flow diversion, and fish passage.

September – Project topographic mapping was completed and allowed the 50% drawings to proceed to a nearly complete stage. The drawings will show a cofferdam configuration that will split stream flows between the east and west side of the dam. Additionally, a letter was sent to permitting agencies and stakeholders with project information and an announcement of a project meeting to be held on October 30, 2008 in Hood River at which the 50% drawings will be reviewed and discussed. The drawings will be provided to the agencies and stakeholders 2 weeks ahead of this meeting. Our consultant, Alpha Environmental, has completed a report of their investigation and testing for hazardous materials at the Powerdale facilities. This report is being reviewed and will be incorporated, as appropriate, into the scope of the project removal.

IV. Looking Forward:

The following is a brief summary of the project schedule we are currently managing to:

Planning Schedule:

- 50% Drawing Review Oct. 2008
- 70% Drawing Review Feb. 2009
- 95% Drawing Review May 2009
- 95% Construction Mgt Plans available for review & comment (QCIP, TCEAP, SPCC, ESCP, Pub. Safety & Traffic Control) May 2009
- 95% Impact Mgt Plans available for review & comment (Fish Passage Design, FP Monitoring, Fish Salvage, Re-veg. Plan, T&E Survey Plan) May 2009

Permitting Schedule:

- Pre – Application Meeting Oct. 30, 2008
- Pre-Application Meeting Feb. 2009
- Application Meeting(s) and filings June 2009
- File Plans & Specs with FERC-PRO July 2009

Removal Schedule:

- Start Construction Bidding Process June 2009
- Start Construction March 2010
In Water Work Period July 15 to August 30
- Start Coffer Dam & Fish Passage Construction June 2010
- Start Dam and BPA Facility Removal July 2010
- Complete Grading & Re-vegetation Oct. 2010
- Removal Complete Nov. 2010

Prepared by:

Bob Atwood

Sr. Project Manager – Powerdale Removal Project