FEDERAL ENERGY REGULATORY COMMISSION Wasbington, D. C. 20426

OFFICE OF ENERGY PROJECTS

MAY 0 2 2006

Project No. 20—Idaho Bear River Project PacifiCorp

Suzi Neitzel Idaho State Historical Society 2205 Old Penitentiary Road Boise, ID 83712

Robert A. Atwood PacifiCorp 825 NE Multnomah, Suite 1500 Portland, OR 97232

Re: Executed MOA for the Cove development decommissioning (FERC No. 20)

Dear Ms. Neitzel and Mr. Atwood:

Enclosed please find the executed Memorandum of Agreement (MOA) for the proposed Cove Development decommissioning. The purpose of this MOA is to identify measures necessary to mitigate for the adverse impacts of the proposed decommissioning on historic properties. As described in the MOA, PacifiCorp (licensee) will provide Historic American Engineering Record (HAER) Level II documentation of each feature to be removed or altered and of the Cove Dam and Power Plant Complex. The licensee will then provide the Idaho State Historical Society (SHPO) with an archival copy of the final HAER documentation within 90 days of completion. The Cove powerhouse will be preserved in place. Specifics on developing interpretative signage and provisions for handling previously unidentified resources are also detailed in the MOA. With execution of the MOA and its adoption as a condition of any license amendment, the Commission will satisfy the requirements of Section 106 of the National Historic Preservation Act. Thank you for your cooperation in executing this MOA. If you have any questions, please contact Diana Shannon at (202) 502-8887.

Sincerely, at H. qu George H. Taylor

Chief, Biological Resources Branch Division of Hydropower Administration and Compliance

Enclosure

cc: Mr. John Fowler Advisory Council on Historic Preservation Old Post Office Building 1100 Pennsylvania Avenue, NW, Suite 803 Washington, DC 20004

Memorandum of Agreement

Between PacifiCorp and the Idaho State Historic Preservation Office for the Decommissioning of the Cove Hydroelectric Project

24 April 2006

Whereas, PacifiCorp owns, operates, and maintains the Cove Hydroelectric Project (Cove Project), FERC Project No. 20, located at Grace, Caribou County, Idaho; and

Whereas, PacifiCorp is planning and funding the decommissioning of the Cove Project, and activities associated with the decommissioning will impact elements of the Cove Dam and Power Plant Complex (Idaho Historic Site Inventory (IHSI) #s 29-15953, 29-15954, 29-15955, and 29-15956) a property determined eligible for the National Register of Historic Places; and

Whereas, the Idaho State Historic Preservation Office (SHPO) has reviewed the plans for decommissioning and considers the undertaking to have an adverse effect on the historic property; and

Whereas, the Federal Energy Regulatory Commission (FERC) is the lead federal agency responsible for approving PacifiCorp's application for decommissioning of the Cove Project; and

Whereas, PacifiCorp and the SHPO have agreed to enter into an MOA before decommissioning of the facility will be approved and on-site work toward decommissioning can begin;

Now Therefore, the signatory parties, PacifiCorp and the SHPO, agree that the undertaking of decommissioning the Cove Project will be implemented in accordance with the following stipulations in consideration of the effect this undertaking will have on historic properties.

Stipulations

PacifiCorp will ensure the following measures are carried out:

1. Pre-demolition Documentation:

In recognition of the historic character defining nature of the elements of the Cove Hydroelectric facility that will be removed or otherwise altered during decommissioning (see Attachment A) and recognizing that the removal and/or alteration of these elements will adversely change the historic character of the Cove Project, PacifiCorp shall prepare Historic American Engineering Record (HAER) Level II documentation of each feature to be removed or altered and of the Cove Dam and Power Plant Complex (iHSI #s 29-15953, 29-15954, 29-15955, and 29-15956).

a. PacifiCorp will consult with the National Park Service (NPS), Seattle area office, to determine the exact nature of the documentation required by the

HAER Program for the Cove facility and the location(s) for data-set curation. PacifiCorp will notify the SHPO regarding the final determination of documentation requirements established by the NPS. The SHPO will defer to the NPS regarding the specific standards of the documentation;

- b. PacifiCorp will provide the SHPO with an archival copy of the final HAER documentation within 90 days of its completion. Provision of these materials will serve to demonstrate completion of the documentation stipulation of this MOA.
- c. PacifiCorp will ensure that all photographic documentation is completed and approved by the NPS HAER Program *prior* to the commencement of any physical disturbance, alteration, demolition, or removal of any of the historical features included in the HAER documentation. Physical disturbance, alteration, demolition, or removal of the historical features included in the HAER documentation may commence after approval of the photographs by the NPS HAER Program but prior to submission of the final historical nerrative and reproduced drawings to the NPS.
- 2. Preservation of the Cove Powerhouse:

In recognition of its historic value and unique design values, PacifiCorp will preserve in-place the Cove Powerhouse. Within two years of the execution of this MOA, PacifiCorp will enter into consultation with the SHPO in accordance with the mandates of the Bear River Project Historic Properties Management Plan (HPMP) to determine the long-term disposition of the building. In the interim, PacifiCorp will regularly monitor the powerhouse property for vandalism and structural decay.

3. Install Interpretive Signage:

In consultation with the SHPO and the City of Grace, PacifiCorp will develop and Install at an appropriate location an interpretive sign recognizing the historic nature of the Cove Project and its role in the development of the Grace area during the turn-of-the-last-century.

4. Discoveries:

In the event that previously unidentified archaeological resources or human remains are discovered during activities associated with the decommissioning, PacifiCorp will implement the discovery protocols outlined in the Bear River Project HPMP, as reiterated in Attachment B of this MOA.

Amendment

If a signatory determines the terms of the MOA cannot be met or that a change is necessary to meet the requirements of the law, that signatory will immediately request that the consulting parties consider an amendment or addendum. Any necessary amendment or addendum will be executed as defined in 36 CFR Part 600.

Dispute Resolution

At any time during the implementation of the measures stipulated in this Agreement, should an objection to any such measure be raised by PacifiCorp or the SHPO, the FERC shall take the

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objection into account and consult as needed with the objecting party to resolve the objection. The FERC shall notify all other signatories of the objection, if the FERC determines that the objection carries be resolved, the FERC shall request the assistance of the Advisory Council on Historic Preservation pursition to 36 CFR 200.6 (b). Any Council commant provided in response to such a request will be taken into account by the FERC in accordance with 36 CFR 800.6(c)(2) will reference only to the subject of the dispute Pacific orp/s and the FERC's responsibility to carry out all actions under this Agreement that are not subject of the dispute will remain unchanged.

Execution of this Memorandum of Agreement by PacifiCorp and the SHRO and the implementation of its stipulations shall be evidence that PacifiCorp and the FERC have taken into account the effects of the Cove Hydrostectric Project decommissioning on historic properties and have satisfied the requirement of Section 106 of the National Historic Preservation Act, 18 U.S.C. 470(1).

PacHiCorp

By: Sionature

Date: 27 April 200 Co

Name (Printing): Robert Absourd. Title: .S., Project Shocaper

Idaho State Historic Preservation Office By: Over fait 14 Jul DSHP0

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Attachment A

Description of Decommissioning Activities

The decommissioning of the Cove Hydroelectric Project (the Cove Project) will impact historic properties associated with this historical facility. Part or all of the following buildings and structures would be removed/demolished as a result of decommissioning: the wood and concrete flume; the dam (both the concrete and earthen embankment sections); the concrete intake superstructure building, intake trashracks and stoplogs; the tainter gate superstructure building; and the concrete pressure box, superstructure building, tainter gate, and bar screens. Additionally, the areas of the forebay exposed by water level reductions following the removal of the dam would be reseeded; reinforced concrete bulkhead walls would be installed across the five intake openings of the intake substructure; and the upper end of the buried steel penstock would be plugged with concrete. One small non-contributing shed/outbuilding would also be removed. The only major structures that would be left following decommissioning are the powerhouse and intake substructure. Section 3.1.1 (see Exhibit 1) of the Settlement Agreement for the decommissioning of the Cove facility provides greater detail on the overall plan for physical alteration to the hydroelectric complex.

For illustration purposes, several figures are attached to this overview. Figure 1 (Exhibit 2) illustrates the work area associated with the decommissioning. Figures 2 through 9 (Exhibit 3) illustrate those features of the facility that will be removed during decommissioning, and Figures 10 through 13 (Exhibit 4) illustrate the historical powerhouse, which will remain intact but out of service.

Plans to decommission the Cove Project but leave the historical structures in place were rejected by the Environmental Coordination Committee (ECC) and other stakeholders during meetings to discuss the proposed decommissioning (Monte Garrett, PacifiCorp, personal communication 2004). The removal of these buildings and structures is an adverse impact on the historical integrity and National Register of Historic Places (NRHP) eligibility of the individual buildings and structures as well as on the overall Cove Dam and Power Plant Complex (IHSI #s 29-15953, 29-15954, 29-15955, and 29-15956). Although the powerhouse, which more clearly exhibits the architectural styling of its period of construction than any other structure at the complex, would be left intact, its historical setting, feeling, and association would be compromised by the removal of some or all the associated features that collectively comprise the historical hydroelectric complex. Because decommissioning activities would have an adverse impact on individual buildings and structures that are eligible for the NRHP as well as on the overall historical hydroelectric district, which is itself eligible as a collective resource, mitigation for the loss of these resources is necessary. Given the historical significance of the Cove Project, substantive mitigation for the loss of multiple contributing and individually eligible components of the facility is warranted.

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Exhibit 2 - Figure 1, project area

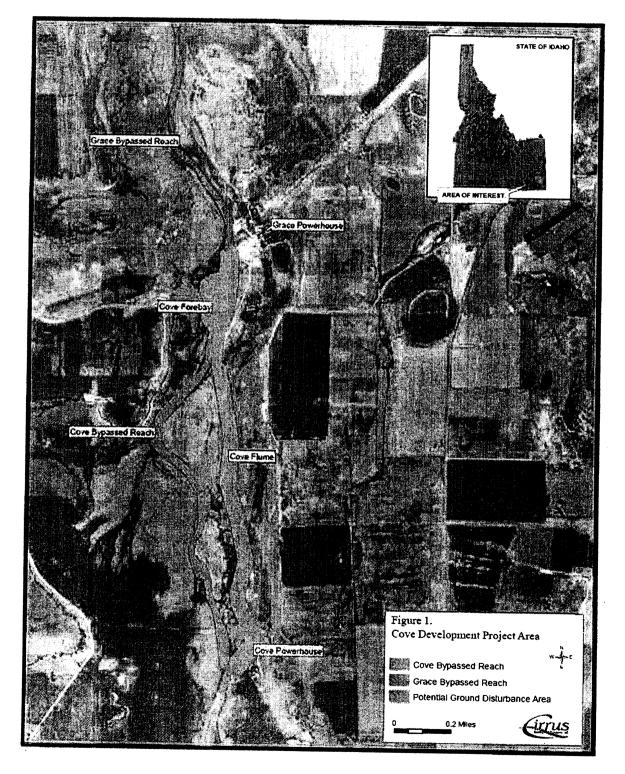


Exhibit 1 --

3.1.1 FACILITY CHANGES

The facilities comprising the Cove Development and their disposition under the Proposed Action are described below. The following provides an overview of the proposed facility changes including forebay dewatering, demolition and removal of the Cove dam, intake structures, and flume, and decommissioning the Cove powerhouse. The specific details are included in the Removal Plan.

All facility changes would take place within the 66-acre zone of potential disturbance shown in Figure 1. While the following phases of decommissioning are currently scheduled for the period of July to November 2006, demolition work in the Cove forebay area would be performed during October and November when river flows are typically low in order to minimize sediment transport potential.

The initial phase of decommissioning would be dewatering the forebay. The forebay would be decanted or incrementally emptied via the existing intake structure. Flows would be spilled into the river channel immediately below the dam rather than continuing through the flume to the Cove Powerhouse. Power generation flows to the intake structure have maintained a channel through the forebay to the intake, and this channel would contain most of the flow during initial dewatering. Controlling the river flow in staged releases is intended to minimize sedimentation.

The second phase of work would be demolition of the Cove dam and relocation of sediment to form the new river channel. Once the forebay reached equilibrium (i.e., all free water had been drained), a cofferdam would be installed below the dam to divert the spilled flow away from the work area and provide a dry area for demolition activities. Initially, the dam's concrete wall would be "softened" using explosives to facilitate the removal process. Heavy mobile hydraulic equipment such as tracked excavators, bulldozers, dump trucks, and hydraulic hammers and shears would be used to break up concrete into smaller sizes suitable for handling. The concrete material would be either removed or buried on site. Any remaining concrete rubble would be excavated, and the area graded.

During this phase, two cofferdams or berms would be constructed to direct all flows entering the forebay area into the eastern channel and hence through the intake structure and into the river channel below the dam. One cofferdam would extend from the western bank of the upper forebay, below the Grace tailrace. The other would extend north from the Cove intake structure. Sediments from the exposed western portion of the forebay bed could then be excavated in the dry and be deposited and graded on the adjacent, western bank using dragline or track hoe equipment. Alternatively, the sediments from the forebay could be used to cover the demolished flume, thereby minimizing disturbance to an established, deep-rooted shrub community on the steep western bank slopes. Temporary slope protection (e.g., turf matting) would be installed on the graded slope, and silt fencing would be constructed at the toe of the slope. A silt barrier would be staked along the edge of the sediment exposed on the eastern side of the forebay. This operation would establish the western portion of the new river channel.

At this point, the cofferdam at the head of the forebay would be shifted to block the eastern channel, allowing flows to shift to the new channel. This would leave the eastern part of the forebay dry. Similar to the process completed in the western portion, sediment would be pulled back to the eastern bank, regraded, and stabilized. A permanent security fence would be placed around the remaining east dam abutment, ensuring public safety.

The third phase of decommissioning would be demolition and removal of the Cove intake steel superstructure, flume, and pressure box. Heavy equipment similar to that used in dam removal would be utilized to complete this phase. All concrete and rubble associated with demolition of the structures would be buried in designated locations on site, where it would facilitate grading. The flume's remaining concrete, wood, and liner material would be buried in place within the flume footprint. All protruding metal would be cut-off flush with the ground's surface and removed from the site. Wetlands and drainages around the flume would be protected from damage and kept free from demolition and soil fill.

Decommissioning the Cove powerhouse would conclude facilities' modifications. The powerhouse building would remain intact. All safety precautions including securing windows, interior hatches and passageways as well as removal of all petroleum products would be taken to ensure public safety.

The final phase of decommissioning would be revegetation of all disturbed areas, through hydroseeding with an ECC approved seed mix and willow slips. Temporary sediment control measures (e.g., silt fencing, membrane, and straw bales) installed before and during construction would be left in place until these areas were considered stable and vegetation established (Black and Veatch 2005).

Exhibit 3 – Features to be removed

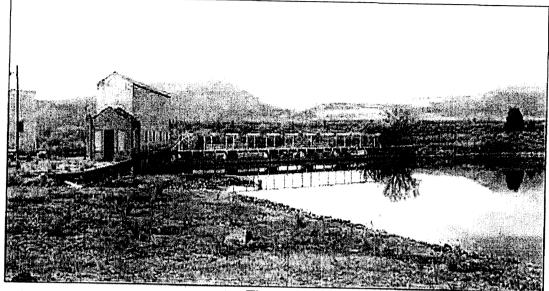


Figure 2

- Cove Diversion Dam
- Water Intake Structure (left side of photo)
- Tainter Gate Building (extreme left side of photo)

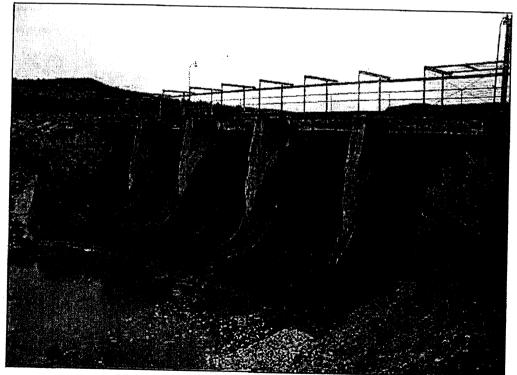


Figure 3 Cove Dam

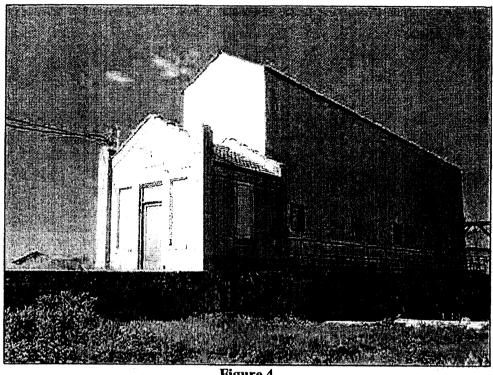


Figure 4 Water Intake Structure

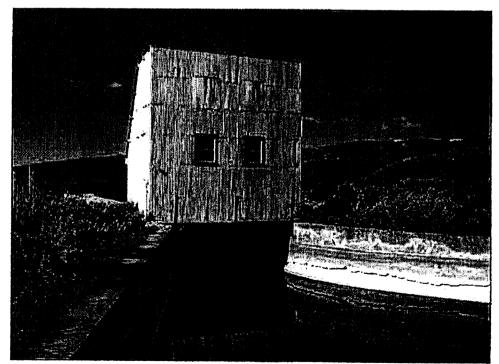


Figure 5 Tainter Gate/Flume Intake Building

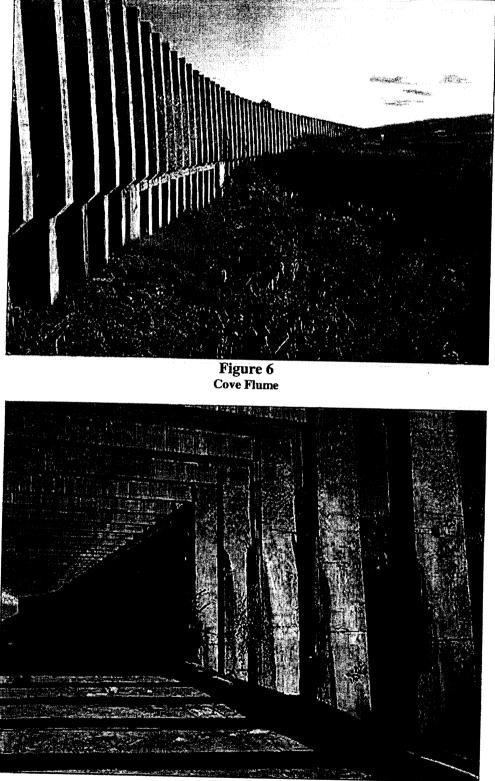


Figure 7 Cove Flume, Interior

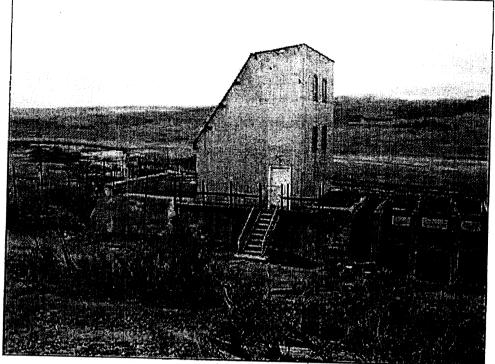


Figure 8 Penstock Intake (Pressure Box)

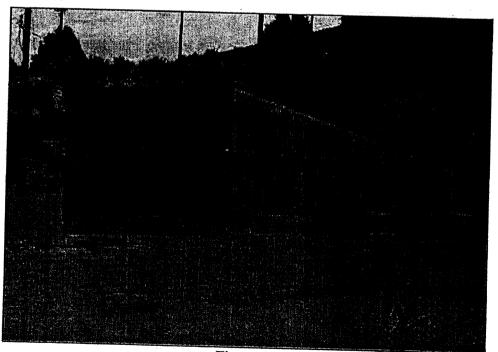


Figure 9 Shed

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Exhibit 4 – Powerhouse

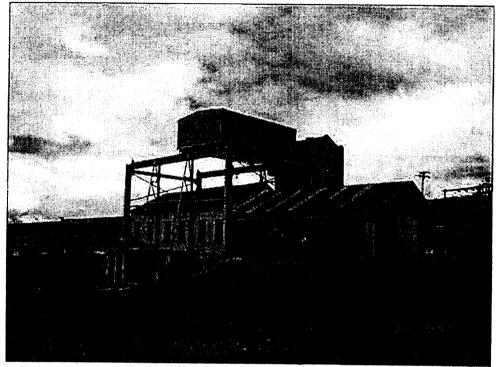


Figure 10



Figure 11

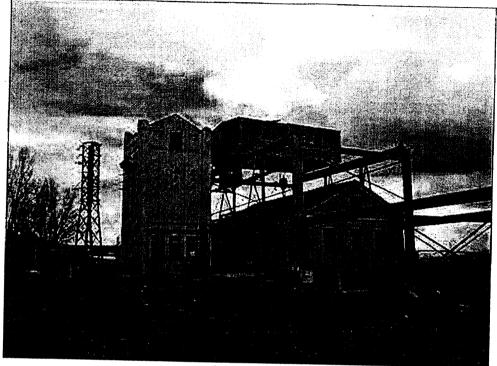


Figure 12

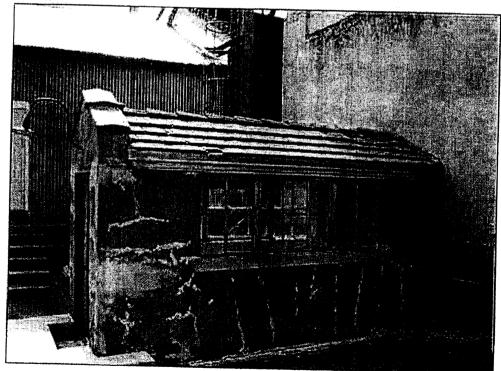


Figure 13

Attachment B

Unanticipated Discovery Plan

Although the Cove Hydroelectric Project (Cove Project) decommissioning area of potential effects has been inventoried for visible historic properties, it is always possible that additional, previously unidentified cultural resources could be inadvertently discovered as a result of decommissioning activities. Most inadvertently discovered cultural resources are likely to be encountered below the ground surface, and therefore would not be visible during a standard pedestrian inventory. Such discoveries could occur during ground disturbing activities associated with the decommissioning.

In order to address impacts to cultural resources that could be identified through inadvertent discoveries, PacifiCorp has developed protection and mitigation protocols. Protection protocols are designed to physically protect inadvertently discovered resources until such time as consultation with the Idaho State Historic Preservation Office (SHPO), the Shoshone-Bannock Tribe (when applicable), the Bureau of Land Management, and/or other interested parties has been completed and an appropriate resolution as to the treatment of the discovery has been reached. Two separate discovery protocols have been established: one for archaeological resources and one for human remains.

Protocols for the Inadvertent Discovery of Archaeological Resources

In the event that PacifiCorp personnel or its contractors or their subcontractors believe they have encountered any archaeological resources¹ that appear to be greater than 50 years of age, the following actions will be taken:

- Step 1 All activity that could result in additional disturbance of the discovery will stop, and the work supervisor, if not on-site, will be notified immediately;
- Step 2 The work supervisor or his/her designee will secure the discovery from any additional impacts and will contact PacifiCorp's Bear River Projects Hydro Environmental Compliance Staff (HECS). Together, they will determine the size of the work-stoppage zone (the buffer zone) so as to be sufficient for providing protection and preservation of the resource in place until such time that the a representative of the HECS team notifies the work supervisor that work can resume. No equipment, unauthorized personnel, vehicles, or ground disturbing activity will be permitted within the buffer zone during this time.
- Step 3 –If the discovery is located on lands under the jurisdiction of the BLM, the appropriate BLM office will be contacted and notified of the discovery. If an

¹ Archaeological resources include evidence of past human activity such as, but not limited to, pieces of chipped stone or chipped stone tools, grinding stones, basketry or fabrics, ceramics/pottery, cut or processed animal bones, historical glass items, historical ceramics, historical implements such as eating utensils, historical toys, structural items etc. They also include features such as fire hearths, foundations, ditches, and other man-made modifications to the landscape.

appropriate representative at the BLM cannot be reached within 24 hours of the discovery, PacifiCorp will contact the SHPO, as defined in Step 4. PacifiCorp's HECS representative and all personnel will follow the instructions of the BLM with regards to the evaluation of the site for the National Register of Historic Places and the implementation of appropriate mitigation measures, if applicable. PacifiCorp's HECS representative will prepare a report of the discovery, consultation, and outcome as directed by the BLM.

- Step 4 –If the discovery is located on private, state, or county lands or lands held by PacifiCorp, the HECS representative will immediately contact the director of the SHPO and notify him/her of the discovery. The HECS representative will enter into consultation with the SHPO regarding the evaluation of the discovery and appropriate mitigation, if applicable.
- Step 5 If the discovery is determined to contain prehistoric or historical materials related to Native American occupation or use of the area, PacifiCorp will promptly notify the Shoshone-Bannock Tribe of the discovery and afford them the opportunity to consult with PacifiCorp regarding the determination of cultural patrimony and significance of the discovery. PacifiCorp will continue consultation with the Tribe, either with or without SHPO involvement, until such time as a mutually agreeable resolution is achieved. If the Tribes fail to respond within 48 hours of contact, PacifiCorp will proceed with consultation with the appropriate agencies and will provide the Tribes with copies of any documents or reports describing the discovery and its treatment that are generated at resolution of the situation.
- Step 6 Once the agreed upon treatment of the discovery has been completed, PacifiCorp's HECS representative will request notification (preferably in writing) from the SHPO, BLM, or Tribe, as applicable, that the agency or Tribe concurs that all required elements of the in-field treatment or mitigation have been fulfilled and work in the vicinity of the discovery may proceed. Upon receipt of this notification from the relevant parties, the HECS representative will notify the work supervisor that work may proceed. At this time, all restrictions on activity within the buffer zone are cancelled.
- Step 7 Upon completion of agency and/or Tribal consultation and implementation of any treatment or mitigation measures related to the discovery, the HECS representative will prepare a draft report of the discovery. This report with be prepared in consultation with the SHPO and Tribe, if applicable, and will, at a minimum, include a description of the contents of the discovery, a summary of consultation efforts and outcomes, and a description of the treatment or mitigation efforts as completed. PacifiCorp will provide this draft report to the SHPO and the Tribe, if applicable, within 6 months after the completion of treatment or mitigation. The SHPO and the Tribe will have 30 days to review the report and submit comments to PacifiCorp. PacifiCorp

will then revise the report and provide the final document to the SHPO and the Tribe.

Protocols for the Inadvertent Discovery of Human Remains

Both State and Federal law afford special consideration to human remains encountered in archaeological contexts. Both sets of laws make it a felony to knowingly disturb, damage, or otherwise injure such remains. Further, human remains have deep cultural meaning for modern populations, especially, but not limited to, Native American Tribes. As the State and Federal laws regarding human remains are consistent with each other, no distinction is made between the two for the purpose of implementing discovery protocols.

In the event that PacifiCorp personnel or its contractors or their subcontractors believe they have encountered any human remains, regardless of age, the following actions will be taken:

- Step 1 All activity associated with the discovery will stop, and the work supervisor, if not on-site, will be notified immediately;
- Step 2 The work supervisor or his/her designee will immediately take steps to secure and protect the discovery, preferably including covering the discovery with a tarp or other protective cover.
- Step 3 The work supervisor will contact PacifiCorp's designated HECS representative, who will either proceed in leading the response to the discovery or will contact an appropriate PacifiCorp representative to continue with implementing the protocol.
- Step 4 The work supervisor and HECS representative or other designated PacifiCorp representative will determine the size of the work-stoppage zone (the buffer zone) so as to be sufficient for providing protection and preservation of the discovery in place until such time that the HECS representative notifies the work supervisor that work can resume. No equipment, unauthorized personnel, vehicles, or ground disturbing activity will be permitted within the buffer zone during this time.
- Step 5 The work supervisor, with support from the HECS representative or other designated PacifiCorp representative, will direct personnel working in the vicinity of the discovery that any and all human remains, associated burial objects, and archaeological materials present with the discovery are to be left alone for examination by the county medical examiner/sheriff, agency archaeologist, or other professional archaeologist as appropriate. Anyone disturbing the burial site by removing objects from it will be subject to felony prosecution under State and Federal laws.

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- Step 6 The HECS representative or other designated PacifiCorp representative will immediately contact the appropriate Sheriff or county medical examiner and notify them of the discovery. The HECS representative or other designated PacifiCorp representative will request that the Sheriff or county medical examiner inspect the discovery to determine whether or not the remains represent a crime scene. The HECS representative or other designated PacifiCorp representative will also notify the Sheriff or county medical examiner at this time that the Shoshone-Bannock Tribe has expressed specific concern over the treatment of prehistoric and historic Native American human remains and funerary objects and that information about the discovery should be treated in a respectful and confidential manner until such time as the origin of the remains can be determined.
- Step 7 The HECS representative or other designated PacifiCorp representative will contact the Shoshone-Bannock Tribes and notify them of the discovery. Tribal representatives will be invited to be present during the Sheriff's or medical examiner's inspection of the remains, however, failure of the Tribes to respond to the invitation will neither delay nor prohibit the inspection.
- Step 8 The HECS representative or other designated PacifiCorp representative will contact the director of the ISHPO and notify them of the discovery and the prior contacts with the Sheriff/medical examiner and Tribe. The ISHPO will be kept informed of the progress and results of the Sheriff's/medical examiner's inspection and determination of age and origin for the remains.
- Step 9 If the discovery is located on lands administered by the BLM, the appropriate BLM office will be contacted and notified of the ongoing investigation. The BLM will be kept informed of the progress and results of the Sheriff's/medical examiner's inspection and determination of age and origin for the remains.
- Step 10 If the Sheriff or county medical examiner determines that the remains are of modern origin and are not related to a Native American population, then PacifiCorp personnel will follow the instructions of the Sheriff or county medical examiner regarding further treatment of the remains.
- Step 11 If the remains are determined by the Sheriff/medical examiner to be of Native American origin, PacifiCorp will immediately notify the Shoshone-Bannock Tribe, if representatives are not present at the time of determination. PacifiCorp will also notify the SHPO or BLM, as applicable, of the results of the determination and will work with the Tribe, SHPO, and/or BLM to implement an appropriate treatment regime for the remains.

- Step 12 If the remains are determined to be of historical origin but not from a Native American, PacifiCorp will notify the SHPO, and/or BLM if applicable lands are involved, and will consult with the agency(ies) to implement an appropriate treatment strategy.
- Step 13 Upon completion of agency and/or Tribal consultation and implementation of any on-site treatment or mitigation measures related to the discovery of the human remains, the HECS representative or other designated PacifiCorp representative will prepare a draft report of the discovery. This report with be prepared in consultation with the SHPO, BLM, and/or Tribe as appropriate to the nature and location of the discovery, and will, at a minimum, include a description of the contents of the discovery, a summary of consultation efforts and outcomes, and a description of the treatment or mitigation efforts as completed. PacifiCorp will provide this draft report to the SHPO, BLM, and/or the Tribe within 6 months after the completion of treatment or mitigation. The SHPO, BLM, and/or the Tribe will have 30 days to review the report and submit comments to PacifiCorp. PacifiCorp will then revise the report and provide the final document to the reviewing parties.