



825 NE Multnomah, Suite 1500
Portland, Oregon 97232
FEDERAL ENERGY
REGULATORY COMMISSION

December 11, 2006

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Dec. 14, 2006
PORTLAND
REGIONAL OFFICE

Patrick Regan, P.E, Regional Engineer
Federal Energy Regulatory Commission
101 SW Main, Suite 905
Portland, Oregon 97204

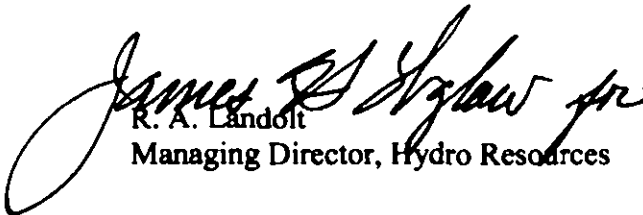
Subject: Annual Decommissioning Progress Report for Condit Hydroelectric Project, FERC Project Number 2342

Dear Mr. Regan:

As requested in your January 31, 2005 letter, enclosed is PacifiCorp's annual decommissioning progress report for the Condit Hydroelectric Project. PacifiCorp submits six-month decommissioning status reports to FERC-DC. Enclosed are the most recent two Condit decommissioning status reports, dated April 4, 2006 and October 5, 2006. Each status report describes PacifiCorp's and the settlement parties' progress with respect to the implementation of the Condit Settlement Agreement.

The original and two copies of this letter and three copies of its attachments are enclosed. This letter and its attachments are considered public information. If you have any questions concerning this matter, please contact Todd Olson at 503-813-6657 or Briana Weatherly at 503-813-7039.

Sincerely,


R. A. Landolt
Managing Director, Hydro Resources

RAL:BW

Encl: Letter - Public

Six Month Status Report (October 5,
2006)-Public

Six Month Status Report (April 4,
2006) - Public

Patrick Regan, P.E., Regional Engineer
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*Annual Decommissioning Progress Report for Condit Hydroelectric Project, FERC
Project Number 2342*

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File: Condit; Compliance; FERC; Decommissioning; Report-Annual;



825 NE Multnomah, Suite 1500
Portland Oregon 97232

April 4, 2006

Ms. Magalie Roman Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Six-Month Update for the Condit Hydroelectric Project
FERC Project 2342-011**

Dear Ms. Salas:

This document provides the Commission a six-month status report describing PacifiCorp's and the settlement parties' progress with respect to the implementation of the Settlement Agreement. This letter provides an update on activities since our September 2005 status report.

SEPA/401

As part of its effort to review and certify the decommissioning proposal under Section 401 of the Clean Water Act, the Washington Department of Ecology (Ecology) has determined that it must supplement the Commission's National Environmental Policy Act (NEPA) analysis in order to satisfy the requirements of the Washington State Environmental Policy Act (SEPA). Ecology is currently finalizing an Environmental Impact Statement (EIS) that will be issued pursuant to SEPA and as a supplement to the Commission's NEPA analysis. Ecology's supplemental EIS is expected mid-year 2006. PacifiCorp will be conducting another bathymetry study of Northwestern Lake and collecting/analyzing additional sediment samples from the lake in the near future. This information will be provided to Ecology for use in its supplemental EIS.

Corps of Engineers

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. The Corps is awaiting completion of Ecology's SEPA and 401 processes before issuing the 404 Permit.

Biological Opinions

The US Fish & Wildlife Service (USFWS) completed a re-consultation on the settlement proposal and has issued a revised biological opinion which has been submitted to the Commission. The revised biological opinion concluded that project removal under the Settlement proposal would not jeopardize listed bull trout. PacifiCorp understands that NOAA Fisheries is close to completing its biological opinion on the settlement proposal to remove the Condit project.



825 NE Multnomah, Suite 1500
Portland, OR 97232

October 5, 2006

Ms. Magalie Roman Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Six-Month Update for the Condit Hydroelectric Project
FERC Project 2342-011**

Dear Ms. Salas:

This document provides 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 since our April 2006 status report.

Washington State Department of Ecology
State Environmental Impact Statement / 401 Water Quality Certificate

As part of its effort to review and certify the decommissioning proposal under Section 401 of the Clean Water Act, the Washington Department of Ecology (Ecology) is in the process of supplementing the Commission's National Environmental Policy Act (NEPA) analysis in order to satisfy the requirements of the Washington State Environmental Policy Act (SEPA). Ecology is currently finalizing a State Environmental Impact Statement (SEIS) that will be issued pursuant to SEPA and as a supplement to the Commission's NEPA analysis. PacifiCorp has conducted another bathymetry study of Northwestern Lake at Ecology's request and provided that information to Ecology for use in its supplemental EIS. Ecology has indicated that no additional information will be required and intends to issue their supplemental EIS in spring 2007.

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. The Corps is awaiting completion of Ecology's SEPA and 401 processes before issuing the 404 Permit and the Section 10 Permit. The Corps has requested that PacifiCorp collect and analyze additional sediment samples from the lake. Discussions are currently being conducted to finalize the details of that analysis.

United States Fish and Wildlife Service
NOAA Fisheries
Biological Opinions

The U.S. Fish & Wildlife Service (USFWS) completed a re-consultation on the settlement agreement and issued a revised Biological Opinion which has been submitted to the Commission. The revised Biological Opinion concluded that project removal under the settlement proposal would not jeopardize federally listed bull trout. PacifiCorp is awaiting the issuance of a NOAA Fisheries Biological Opinion on the settlement agreement.

Federal Power Act Preemption/County Permitting

On May 18, 2006 PacifiCorp received a declaratory order from the Commission stating that the Federal Power Act (FPA) preempts state and local regulation of the proposal to decommission the Condit Hydroelectric Project and that it may be unnecessary for PacifiCorp to obtain permits from Klickitat and Skamania Counties. However, the order also suggested that PacifiCorp engage with the counties on the permitting issues. Therefore, even though PacifiCorp maintains county permits are not necessary, PacifiCorp is planning to file final permit applications to the counties as soon as Ecology issues the SEIS.

Condemnation

On June 28, 2006 the Klickitat Public Utility District (District) informed PacifiCorp by letter that the District is prepared to acquire the Condit project through condemnation. PacifiCorp responded to the District, via a conference call, noting that the District has the general power to condemn necessary property through eminent domain, however the company indicated that it will continue to implement the settlement agreement and take steps toward surrendering its hydroelectric license and removing the project. In response to the District's request for discussions regarding settlement of the District's condemnation threat and voluntary transfer of the project, PacifiCorp indicated that it would not engage in settlement discussions in the absence of an actual condemnation action.

Parties to the Settlement Agreement

PacifiCorp conducted a quarterly meeting with the parties to the settlement agreement in July 2006. The next meeting is scheduled for October 17, 2006.

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

Sincerely,



Todd Olson
Implementation Program Mgr.
PacifiCorp Energy

CC: FERC Service List
FERC Portland Regional Office