

FEDERAL ENERGY REGULATORY COMMISSION  
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 2082-062—Oregon and  
California  
Klamath Hydroelectric Project  
PacifiCorp

April 24, 2017

Ms. Sarah Kamman  
Vice President and General Counsel  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Subject: Additional information requested regarding application for amendment and partial transfer of license.

Dear Ms. Kamman:

This letter is in regards to your application filed September 23, 2016, and supplemented March 1, 2017, for the amendment and partial transfer of the license for the Klamath Project No. 2082. We need some additional information before we can complete our evaluation of your application. Under section 4.32 (g) of the Commission's regulations, you have 60 days from the date of this letter to provide the information we request in the enclosed Schedule A.

The Commission strongly encourages electronic filing. Please file the requested information using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. For assistance, please contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, please send a paper copy to: Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, D.C. 20426. The first page of any filing should include docket number P-2082-062.

Thank you for your cooperation. If you have any questions regarding this matter, please contact Dr. Jennifer Ambler at [jennifer.ambler@ferc.gov](mailto:jennifer.ambler@ferc.gov) or 202-502-8586.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Hocking". The signature is fluid and cursive, with the first name "Steve" and last name "Hocking" clearly distinguishable.

Steve Hocking, Chief  
Environmental and Project Review Branch  
Division of Hydropower Administration  
and Compliance

Enclosure: Schedule A

Cc: Mr. Michael Carrier  
President  
Klamath River Renewal Corporation  
423 Washington St., 3<sup>rd</sup> Floor  
San Francisco, CA 94111

Schedule A

1. Please file the California Funding Agreement for the California Public Utility Commission's disbursement of the California customer surcharge.
2. Please provide an update on the status of Klamath River Renewal Corporation's decommissioning plan. Please also provide any updated cost estimates of dam removal and restoration.
3. Please provide detailed information on how the Klamath River Renewal Corporation would address any cost overruns for project decommissioning and dam removal, including copies of executed performance bonds, insurance agreements, or other contractual agreements, etc.
4. Page 5 of Appendix A in Attachment F (Oregon Public Utility Commission Funding Agreement) of the March 1, 2017 Supplemental Filing states "On November 30, 2016, the parties to the KHSA again amended the KHSA to modify the process for transferring funds to the KRRC." Please file a copy of the latest Klamath Hydroelectric Settlement Agreement.
5. Section 16 of the Oregon Public Utility Commission Funding Agreement in Attachment F of the March 1, 2017 Supplemental Filing states that the funding agreement may terminate if "a change in law makes performance or completion of facilities removal in compliance with the KHSA no longer possible." Please explain what qualifies as a "change in law" and whether and how funds from the Oregon customer surcharge will be disbursed in the event Oregon Public Utilities Commission terminates the funding agreement.
6. Section 9.2 of the Commission's regulations requires, "[e]very application for approval of such transfer and acquisition by the proposed transferee shall set forth in appropriate detail the qualifications of the transferee to hold such license and to operate the property under license, which qualifications shall be the same as those required of applicants for license." 18 C.F.R. § 9.2 (2016). Section 9(2) of the Federal Power Act requires license applicants to provide "[s]atisfactory evidence that the applicant has complied with the laws of the State or States within which the proposed project is to be located . . . with respect to the right to engage in the business of developing, transmitting, and distributing power . . . ." 16 U.S.C. § 802(a)(2) (2012). Please file evidence that the

Klamath River Renewal Corporation has the legal and financial ability to develop, transmit, and distribute power, and to operate the project for the foreseeable future.

7. Section 7.5 of the Klamath Hydroelectric Settlement Agreement in Attachment A of the September 23, 2016 Transfer Application states that PacifiCorp and the Bureau of Reclamation have entered into agreement to transfer the Keno development from PacifiCorp to Interior. The September 23, 2016 Transfer Application, however, does not request to remove the Keno development from the project. The final Environmental Impact Statement for relicensing of the Klamath Hydroelectric Project, issued on November 16, 2007, found that the Keno development “results in no benefit to, or a small net loss of, generation at PacifiCorp’s downstream developments.” (Final EIS at 5-71). The Commission has found that developments that do not significantly benefit downstream generation do not require licensing. Please state whether you would like the Commission to consider whether the Keno development can be removed from the project.

8. Section 7.6.6 of the Klamath Hydroelectric Settlement Agreement filed as Attachment A of the September 23, 2016 Transfer Application provides that the Iron Gate Hatchery will be transferred to the State of California upon the transfer of the Iron Gate development to the Klamath River Renewal Corporation. The September 23, 2016 application, however, does not request to transfer ownership of the Iron Gate Hatchery or to remove the hatchery from the project license. Please explain whether and how you intend to request to transfer ownership of the Iron Gate Hatchery.

9. Section 9.2 of the Operations and Maintenance Agreement in Attachment A of the March 1, 2017 Supplemental Filing states that “PacifiCorp shall notify KRCC prior to undertaking any material modification or alteration to the facilities.” Is PacifiCorp contemplating any material modifications or alterations?

10. The second paragraph in the section “B. Project Execution” of the California Natural Resources Agency Grant Agreement in Attachment G of the March 1, 2017 Supplemental Filing states that the “Grantee shall ensure completion of the Project in accordance with the time performance set forth in the Definite Plan, unless an extension has been formally granted by the State and under the terms and conditions of this agreement. Extensions may be requested in advance and will be considered consistent with State encumbrance and expenditure deadlines, but in no event beyond June 30, 2021, or the appropriation reversion as determined in the enacted State budget for Fiscal Year 2016 . . . .” In the event that decommissioning is not completed by June 30, 2021,

and the appropriated funds for the California grant revert back to the State of California, how will funding be provided to complete the decommissioning activities in the Definite Plan and any measures required by the Commission?

11. On page 6 of the application, PacifiCorp says it has “included as Attachments D and E charts listing the exhibit drawings and maps for the Klamath Project (Project No. 2082) and for the portions of the Project to be designated as the Lower Klamath Project, indicating which development is depicted in each drawing or map. When the KRRC files the documents conveying titles to the Lower Klamath Project from PacifiCorp to the KRRC, it will also file for Commission approval the exhibits for the Lower Klamath Project with the correct project number designation. PacifiCorp will file updated exhibits for the Klamath Project (Project No. 2082) for Commission approval at that time.”

Pursuant to the Commission’s regulations at 18 CFR, section 4.201 (c), the amendment application must contain those exhibits that require revision in light of the nature of the proposed amendment. Therefore, the licensee must include with the amendment application revised exhibits F and G to reflect the proposed changes. Please refer to the attached list of current exhibit drawings under the license, and provide revised exhibits accordingly. Any exhibit drawings must be prepared in accordance with 18 CFR sections 4.39 and 4.41 (g) and (h).

Project No.	Drawing No.	Exhibit No.	Exhibit sufx	Superse ded No.	Description	Orderdate	Comment
2082	47	K-4	-1		Access Road Location	09/15/1959	Drawing revised in 10/30/63 order.
2082	48	K-4	-2		Access Road Location	09/15/1959	
2082	49	K-4	-3		Access Road Location	09/15/1959	
2082	50	K-4	-4		Access Road Location	09/15/1959	
2082	51	K-4	-5	11	Topographic Map of Conduit, Forebay, Tunnel, Penstock, etc...	09/15/1959	
2082	52	K-4	-6	12	Topographic Map of Conduit, Forebay, Tunnel, Penstock, etc...	09/15/1959	Drawing revised in 10/30/63 order.
2082	53	K-4	-7	13	Topographic Map of Conduit, Forebay, Tunnel, Penstock, etc...	09/15/1959	Drawing revised in 10/30/63 order.
2082	54	K-4	-8	14	Topographic Map of Conduit, Forebay, Tunnel, Penstock, etc...	09/15/1959	
2082	55	K-4	-9	15	Topographic Map of Conduit, Forebay, Tunnel, Penstock, etc...	09/15/1959	
2082	56	L-4	-1	16,44	Diversion Dam-Plan, Section, Details, and Fish Protection Arrangements	09/15/1959	Drawing revised in 2/16/67 order.
2082	57	L-4	-2	18	Tunnel, Penstock, and Surge Tank Profile and Details	09/15/1959	
2082	58	L-4	-3	45	Forebay, Spillway, Deer Escape, Flume Plan, Section & Details	09/15/1959	
2082	59	L-4	-4	17	Powerhouse Plan and Section	09/15/1959	
2082	60	L-4	-5		14'0" Dia. Pipe Line-Profile and Section, Pipe Line Outlet and Spillway-Plan and Section, Deer Escape and Equipment Ramp-Plan and Section	09/15/1959	
2082	61	L-4	-6		Diversion Dam Grouting Record	09/15/1959	
2082	78	L-1			Iron Gate-East Side Development	01/13/1960	
2082	79	L-2			Iron Gate-East Side Development	01/13/1960	
2082	80	L-3			Iron Gate-East Side Development	01/13/1960	
2082	81	L-4			Iron Gate-East Side Development	01/13/1960	
2082	82	L-5			Iron Gate-East Side Development	01/13/1960	

Project No.	Drawing No.	Exhibit No.	Exhibit sufx	Superse ded No.	Description	Orderdate	Comment
2082	83	L-6			Iron Gate-East Side Development	01/13/1960	
2082	84	L-8			Iron Gate-West Side Development	01/13/1960	
2082	85	L-9			Iron Gate-West Side Development	01/13/1960	
2082	86	L-10			Iron Gate-West Side Development	01/13/1960	
2082	87	L-11			Iron Gate-West Side Development	01/13/1960	
2082	88	L-12			Iron Gate-West Side Development	01/13/1960	
2082	89	L-13			Iron Gate-West Side Development	01/13/1960	
2082	90	L-14			Iron Gate-West Side Development	01/13/1960	
2082	95	L-24			Copco No. 1 Development	01/13/1960	
2082	96	L-25			Copco No. 1 Development	01/13/1960	
2082	97	L-26			Copco No. 1 Development	01/13/1960	
2082	98	L-27			Copco No. 1 Development	01/13/1960	
2082	99	L-28			Copco No. 1 Development	01/13/1960	
2082	100	L-29			Copco No. 1 Development	01/13/1960	
2082	101	L-30			Copco No. 1 Development	01/13/1960	
2082	102	L-31			Copco No. 1 Development	01/13/1960	
2082	103	L-32			Copco No. 2 Development	01/13/1960	
2082	104	L-33			Copco No. 2 Development	01/13/1960	
2082	105	L-33	-A		Copco No. 2 Development	01/13/1960	
2082	106	L-34			Copco No. 2 Development	01/13/1960	
2082	107	L-35			Copco No. 2 Development	01/13/1960	
2082	108	L-36			Copco No. 2 Development	01/13/1960	
2082	109	L-37			Copco No. 2 Development	01/13/1960	
2082	110	L-38			Copco No. 2 Development	01/13/1960	
2082	120	J-		77	Project Area and Boundaries	06/21/1962	
2082	121	K-			Project Area and Boundaries	06/21/1962	
2082	123	K-			Project Area and Boundaries	06/21/1962	
2082	124	K-			Project Area and Boundaries	06/21/1962	
2082	125	K-			Project Area and Boundaries	06/21/1962	
2082	134	J-7		112	Iron Gate Development-General Map	11/21/1962	

Project No.	Drawing No.	Exhibit No.	Exhibit sufx	Superse ded No.	Description	Orderdate	Comment
2082	135	K-7	-1		Iron Gate Development-Project Boundary, Areas and Ownerships, Reservoir Area-Capacity Curves	11/21/1962	
2082	136	K-7	-2	113, 114	Iron Gate Development-Boundary Areas and Ownership	11/21/1962	
2082	137	K-7	-3	113, 114	Iron Gate Development-Boundary Areas and Ownership	11/21/1962	
2082	138	K-7	-4	113, 114	Iron Gate Development-Boundary Areas and Ownership	11/21/1962	
2082	139	K-7	-5	113, 114	Iron Gate Development-Boundary Areas and Ownership	11/21/1962	
2082	140	K-7	-6	113, 114	Iron Gate Development-Boundary Areas and Ownership	11/21/1962	
2082	141	K-7	-7	113, 114	Iron Gate Development-Boundary Areas and Ownership	11/21/1962	
2082	142	L-10		127-131	Plans and Sections of Dam	11/21/1962	
2082	143	L-11		127-131	Powerhouse Sections	11/21/1962	
2082	144	L-11		127-131	Powerhouse Plans and Sections	11/21/1962	
2082	145	L-12	-1		Fish Facilities Plans, Sections, and Details	11/21/1962	
2082	146	L-12	-2		Fish Facilities Water Supply Piping	11/21/1962	
2082	147	L-12	-3		Fish Facilities Fish Ladder, Plan and Sections	11/21/1962	
2082	148	L-13		133	Spillway Trash Sluice Gate, Plan and Sections	11/21/1962	
2082	149	L-14	-1		Penstock, Plan, Profile, Sections, and Development	11/21/1962	Drawing revised in 2/16/67 order.
2082	150	L-14	-2		Penstock-Concrete Encasement, Plan and Profile-Bypass Plan, Sections and Details	11/21/1962	Drawing revised in 2/16/67 order.
2082	151	L-15			Spillway-Plan, Profile and Sections	11/21/1962	
2082	152	L-16	-1		Sluice and Diversion Tunnel, Gate Structure in Rock-Plan, Sections, and Details	11/21/1962	



Project No.	Drawing No.	Exhibit No.	Exhibit sufx	Superse ded No.	Description	Orderdate	Comment
2082	153	L-16	-2		Sluice and Diversion Tunnel, Gate Structure above Rock, Plan and Sections	11/21/1962	
2082	154	L-16	-3		Sluice and Diversion Tunnel, Gate Structure-Closure, Gate Sections	11/21/1962	
2082	155	L-17			Power Conduit Intake, Structure-Plan and Sections	11/21/1962	
2082	156	L-18	-1		Sluice and Diversion Tunnel, Plan and Profile, Outlet Structure Plan, Elevations and Section	11/21/1962	
2082	157	L-18	-2		Sluice and Diversion Tunnel, Intake Structure-Plan, Section, and Details	11/21/1962	
2082	165	K-8	-2		Keno Development	11/29/1965	Order incorrectly labelled drawing # 165 as exhibit L-22-2. Drawing should be labelled exhibit K-8-2.
2082	176	K-8	-1		Keno Development-tunnel, canal, flume, penstock, & powerhouse	11/29/1965	
2082	178	L-10	-A	174	Iron Gate Development-Dam crest modifications	08/17/1966	
2082	179	L-15	-A	175	Iron Gate Development-Spillway modifications	08/17/1966	
2082	180	L-23	-1		Fish Hatchery location and plant plan	08/09/1967	
2082	181	L-23	-2		Fish Hatchery rearing ponds, building, aerator, and piping	08/09/1967	
2082	184	L-22	-1	167	Keno Development Dam and Spillway	03/21/1969	
2082	186	L-22	-5		Profile and Sections of Channel Improvements-River Mile 234.6-236	03/21/1969	
2082	188	R-2			Klamath River Projects General Map	09/18/1975	
2082	192	R-6			Copco No.1 and No.2 Developments Recreation Plan	09/18/1975	
2082	196	J-		163	General Map	09/25/1970	

Project No.	Drawing No.	Exhibit No.	Exhibit sufx	Superse ded No.	Description	Orderdate	Comment
2082	199	L-24			Powerhouse	09/25/1970	
2082	200	L-22	-4	170, 171	Plan of Channel Improvement River Mile 234.6-236	03/21/1969	
2082	201	L-2	-6	172, 173	Channel Improvement River Mile 236-242	06/20/1969	
2082	202	L-22	-7		Channel Improvement River Mile 242-250	06/20/1969	
2082	204	L-24		198	Fall Creek development diversion structures	06/06/1974	
2082	218	R-3		189	Iron Gate Development Recreation Plan	09/29/1976	
2082	219	R-4		190	Iron Gate Development Recreation Sites	09/29/1976	
2082	220	R-7		193	John C. Boyle Development Recreation Plan	09/29/1976	
2082	221	R-8		194	Keno Development Recreation Site Plan	09/29/1976	
2082	222	R-9			Link River Development General Plan	09/29/1976	
2082	223	R-10			Iron Gate Development Additional Recreational Sites	09/29/1976	
2082	228	K-9		197	Development Plan	08/22/1980	