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September 23, 2016

DELIVERY VIA ELECTRONIC FILING

The Honorable Kimberly D. Bose
Secretary, Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: PacifiCorp and Klamath River Renewal Corporation
Klamath Hydroelectric Project No. 2082-____
Lower Klamath Project No. ____**

Joint Application for License Transfer and License Amendment

Dear Madam Secretary:

Under Section 8 of the Federal Power Act (FPA), 16 U.S.C. § 801, and parts 4 and 9 of the Federal Energy Regulatory Commission (FERC) regulations, PacifiCorp and the Klamath River Renewal Corporation (KRRC) hereby submit this Joint Application for License Transfer and License Amendment.

The filing consists of this cover letter and the enclosed application and attachments. Should you have any questions regarding this filing, please contact the undersigned.

Respectfully submitted,

/s/ Hallie M. Meushaw
Counsel to PacifiCorp

Attachments

cc: Sarah Kamman, PacifiCorp
Dustin Till, PacifiCorp
Mike Carrier, KRRC

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PacifiCorp)	Project No. P-2082-____
)	
and)	Project No. P-____-____
)	
Klamath River Renewal Corporation)	

**JOINT APPLICATION FOR APPROVAL OF LICENSE AMENDMENT AND
LICENSE TRANSFER**

In accordance with Section 8 of the Federal Power Act (FPA) and Parts 4 and 9 of Federal Energy Regulatory Commission (FERC or Commission) regulations, PacifiCorp, licensee for the Klamath Hydroelectric Project, FERC Project No. 2082 (the Project), and the Klamath River Renewal Corporation (KRRC) (together with PacifiCorp, Applicants), submit this Joint Application for Approval of License Amendment and License Transfer (the Application).

I. EXECUTIVE SUMMARY

By this Application, Applicants request that the Commission:

1. Designate the four developments on the main stem of the Klamath River (J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate) as a new FERC project to be known as the “Lower Klamath Project”; and
2. Remove the proposed Lower Klamath Project developments from Project No. 2082 and designate it as a separate license issued to the KRRC.¹

¹ The KRRC is concurrently filing a separate application to surrender the license for the Lower Klamath Project and remove the project works.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**II. PROPOSED SEQUENCE OF EVENTS**

Applicants respectfully request that the Commission use its discretion to sequence events in this docket, and the related license surrender docket, as described below.

- 1) Concurrently with this filing, the KRRC will separately file an Application for Surrender of License for Major Project and Removal of Project Works (Surrender Application).
- 2) No later than March 1, 2017, the KRRC will submit an informational filing in this proceeding concerning its legal, technical, and financial capacity to fulfill its contractual obligations under the Amended KHSA to: (a) prevent, mitigate, and respond to damages associated with dam removal; and (b) carry the required insurance and bonding required to respond to liability and damages claims associated with dam removal. *See* Amended KHSA Section 7.1.2.C.
- 3) Applicants respectfully request that the Commission, after approving the license transfer, provide the KRRC with additional time beyond the traditional 60 days to accept the license. This additional time is necessary to allow the KRRC, PacifiCorp, and other settlement stakeholders to ensure that contractual conditions precedent to acceptance of license transfer by KRRC have been satisfied.

III. BACKGROUND

The Project is located primarily on the Klamath River in Klamath County, Oregon and Siskiyou County, California. The Project includes seven hydroelectric developments (East Side, West Side, Fall Creek, J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate) and one non-generating development (Keno). The original license for the Project was

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issued in 1954 and expired in 2006. Since that time, the Commission has issued PacifiCorp annual licenses to operate the Project.

A. The KHSA

On February 25, 2004, PacifiCorp filed an application with the Commission for a new Project license. In parallel with the FERC relicensing process, PacifiCorp engaged in relicensing settlement talks with a wide range of parties to address the difficult resource management issues raised in the relicensing process. After years of settlement negotiations, on February 18, 2010, the Klamath Hydroelectric Settlement Agreement (KHSA) was executed by 48 parties, including PacifiCorp, the states of Oregon and California (the States), the U.S. Department of the Interior (Interior), the U.S. Department of Commerce's National Marine Fisheries Services (NMFS), several Native American tribes, and irrigation, conservation and fishing groups.² PacifiCorp filed a copy of the KHSA with the Commission for informational purposes on March 5, 2010.

The KHSA anticipated removal of PacifiCorp's four dams on the main stem of the Klamath River (J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate) beginning in 2020 by a non-PacifiCorp dam removal entity. As originally drafted, the KHSA required federal legislation to fully implement its terms, including protecting PacifiCorp and its customers from liabilities and cost overruns associated with dam removal.

B. The Amended KHSA

Congress did not pass the necessary implementing legislation within the requisite time period, and consequently, in January 2016, the KHSA's dispute resolution

² See KHSA (Feb. 18, 2010) (available at <http://216.119.96.156/Klamath/Klamath%20Hydroelectric%20Settlement%20Agreement%202-18-10signed.pdf>) (last visited Sept. 21, 2016).

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procedures were triggered. Following a series of dispute resolution meetings, the States, Interior, NMFS, and PacifiCorp proposed limited amendments to the KHSA.³ The amendments to the KHSA (Amended KHSA) were executed on April 6, 2016, by PacifiCorp, the States,⁴ Interior, NMFS, the Yurok Tribe, and the Karuk Tribe. Other signatories to the amendments are: California Department of Fish and Wildlife; California Natural Resources Agency; Oregon Department of Environmental Quality; Oregon Department of Fish and Wildlife; Oregon Water Resources Department; Humboldt County, California; American Rivers; California Trout; Institute for Fisheries Resources; Northern California Council, Federation of Fly Fishers; Pacific Coast Federation of Fishermen's Association; Trout Unlimited; and Sustainable Northwest.⁵

The Amended KHSA sets out a process by which PacifiCorp's J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments will be transferred to the KRRC for ultimate removal under the Commission's license transfer and surrender procedures. The Amended KHSA includes a number of requirements that must be satisfied by the KRRC, PacifiCorp, and others before the KRRC will accept transfer of the Lower Klamath Project, as described in Section IV herein.

On June 16, 2016, the Commission granted PacifiCorp's May 6, 2016 "Motion to Hold Licensing Proceeding in Abeyance on an Expedited Basis." The order provides that the relicensing proceeding for Project No. 2082 will be held in abeyance pending the

³ Under the KHSA's dispute resolution provisions, the States, Interior, NMFS, and PacifiCorp are authorized to unilaterally amend the agreement's terms. *See* KHSA Section 8.11.

⁴ The state of California signed the Amended KHSA through the California Department of Fish and Wildlife and the California Natural Resources Agency. The state of Oregon signed the KHSA through the Oregon Department of Environmental Quality, the Oregon Department of Fish and Wildlife, and the Oregon Water Resources Department.

⁵ A copy of the Amended KHSA is included as Attachment A to this application.

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Commission's determination on the transfer and surrender applications proposed in the Amended KHSA.⁶ The abeyance allows for continued implementation of the Amended KHSA. The abeyance applies to the relicensing of Project No. 2082 in its entirety and will continue to apply to the relicensing of all developments currently included within that Project, if and when the Commission approves the proposed division and transfer of the license for the proposed Lower Klamath Project.

IV. REQUEST FOR AMENDMENT OF LICENSE TO EFFECT DIVISION OF HYDROELECTRIC DEVELOPMENTS INTO SEPARATE LICENSES

In accordance with 18 C.F.R. § 4.200, PacifiCorp (Transferor) requests a non-capacity-related amendment to the license for the Klamath Project (Project No. 2082) to remove all references to the J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments, and to remove these dams and associated lands from the Project boundary. The sole purpose of the amendment is to divide the Project into two licenses, and the only changes to the Project are those necessary to effectuate the division of the Project to implement the Amended KHSA.

Consistent with the Amended KHSA, Applicants ask that the license for the Klamath Project be divided into two licenses with the four hydroelectric developments (including associated lands) identified above designated as a separate project called the Lower Klamath Project, and the remainder of the hydroelectric developments remaining in the Klamath Project. Accordingly, Applicants seek the deletion of all references to the four developments (J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate) and associated lands to be known as the Lower Klamath Project from the original license, removal of the

⁶ See *PacifiCorp*, 155 FERC ¶ 61,271 at ¶ 13 (2016).

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Lower Klamath Project from the Project boundary, and re-designation of the Lower Klamath Project with a new FERC project number.

Included as Attachments B and C, respectively, are a revised Exhibit M for both (1) the Klamath Project (Project No. 2082), and (2) for the portions of the Project to be designated as the Lower Klamath Project. The revised exhibits reflect the division of the Klamath Project as described above and are subject to slight modification pending the final terms of the asset purchase agreement between PacifiCorp and the KRRC.

PacifiCorp has also 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.

PacifiCorp identified a number of license articles that relate in whole or in part to the J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments in the current license for the Project, No. 2082. PacifiCorp has revised the license articles for the Project license by removing articles specific to the J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments. PacifiCorp has also drafted license articles for the proposed Lower Klamath Project. Drafts of these articles are included as Attachments F and G, respectively.

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Because the Applicants view the division of the Klamath Project hydropower developments into separate licenses as a necessary precondition of the request for approval of transfer of the license, the Applicants request that the effective date of the amendment be made concurrent with the KRRC's acceptance of the new license for the Lower Klamath Project.

V. REQUEST FOR TRANSFER OF LICENSE

In accordance with the form set forth in Part 131 of the Commission's Rules and Regulations, 18 C.F.R. § 131.20:

1. PacifiCorp (Transferor), licensee under the license that was issued by the Commission in 1954⁷ for the Klamath Hydroelectric Project, No. 2082, located in Klamath County, Oregon and Siskiyou County, California, and
2. The KRRC (Transferee),
3. Hereby jointly and severally apply for the written approval by the Commission of transfer of the license for the Lower Klamath Project, as described above, from the Transferor to the Transferee. As detailed more fully below, the KRRC commits to provide notice to the Commission of the finalization and execution of certain agreements and contracts required by the Amended KHSA. Applicants respectfully request that, if the Commission requires further information demonstrating the legal, technical, and financial capacities of the KRRC to perform its responsibilities as Transferee, the Commission defer action on this application until the KRRC submits such additional information to the Commission on or before March 1, 2017.

In support of these requests, the Applicants state:

⁷ 13 F.P.C. 1 (January 28, 1954), as amended 23 F.P.C. 59 (January 13, 1960).

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4. Transferor is a public utility organized under the laws of the state of Oregon. It provides electrical services to residential, commercial, and industrial customers in the states of California, Idaho, Oregon, Utah, Washington, and Wyoming.

5. Transferee is an independent legal entity, separate and distinct from PacifiCorp as well as the federal agencies, the States and state agencies, Native American tribes, and other signatories to the Amended KHSA. The KRRC was incorporated in March 2016. The KRRC executed the Amended KHSA on August 30, 2016. Pursuant to Section 7.1.8 of the Amended KHSA, the KRRC was created and exists for the express and exclusive purpose, subject to its becoming the licensee for the Lower Klamath Project, of conducting removal of the J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments.

6. The KRRC satisfies the requirements of 18 C.F.R. §§ 9.1–9.2 and 4.31(a) for legal qualification. The KRRC is a public benefit corporation organized under the laws of California. Certified copies of the KRRC's articles of incorporation (Attachment H), bylaws (Attachment I), and certificate of good standing (Attachment J) are submitted with, incorporated into, and made part of this application. Consistent with its bylaws, the KRRC has a fully functioning independent board as of July 19, 2016. The current KRRC board members, listed below, have considerable technical, legal, and political experience in water issues, hydroelectric operations, environmental planning, and the Klamath basin:

Mike Carrier, President: Mike Carrier became supervisor for the Idaho Fish and Wildlife Office in the Pacific Region of the U.S. Fish and Wildlife Service in 2014. Previously, Carrier was Assistant Regional Director for Fishery Resources and Coordinator of the North Pacific Landscape Conservation Cooperative, forging a major new regional natural resource partnership to address impacts of climate change across a

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large landscape. Carrier served as former Oregon Governor Ted Kulongoski's principal adviser on all natural resource and environment issues from 2004 to 2010. In Oregon, Carrier helped establish the Renewable Energy Opportunities and Eastern Oregon Landscape Conservation Partnership. Earlier in his career, he was Director of the Oregon Parks and Recreation Department for four years.

Lester Snow, Vice-President: Lester Snow is the Executive Director of the Water Foundation. Mr. Snow has a distinguished record of innovation, collaboration and results while working on complex natural resource management matters. He has served as Secretary of the California Natural Resources Agency, Director of the California Department of Water Resources, Regional Director of the Bureau of Reclamation, Executive Director of the CALF ED Bay-Delta Program and General Manager of the San Diego County Water Authority. Lester currently serves on the Board of Directors for California Water Services Group and the Water Education Foundation.

James Root, Secretary: James Root was owner and chief executive officer of Sabroso Company, an international food processing company dedicated to maintaining sustainable operations. Root has a strong interest in encouraging international trade and he founded the Southern Oregon International Trade Council. Beyond trade, he is internationally recognized for his knowledge of sustainable farming practices and is focused on developing processed-food markets for agricultural communities in Mexico, Ecuador, Chile and Argentina. He was president of the Klamath Basin Rangeland Trust, which merged with Trout Unlimited and chairman of the Crater Lake National Park Trust, and served on the Board of Directors of the National Fish and Wildlife Foundation.

Theodore Kulongoski: Governor Ted Kulongoski served as Oregon's 36th governor from 2003 to 2011, becoming the first Oregon Governor to serve in all three branches of state government. He served as the Associate Justice of the Oregon Supreme Court from 1997 to 2001 and Attorney General from 1993 to 1997. He also served in the Oregon State House and Senate. He has served as a Distinguished Fellow of Politics and Policy at Portland State University.

Wendy Ferris-George: Mrs. Ferris-George is a former Vice-Chair and Council Member of the Hoopa Valley Tribe. Mrs. Ferris-George has worked for years on the campaign to remove Klamath River dams. Mrs. Ferris-George is an enrolled Hupa Tribal Member and also descends from the Karuk and Yurek Tribes. She has spent her life fishing on the Klamath and Trinity Rivers and is heavily involved with those that depend on the Klamath River for subsistence and economic purposes. Mrs.

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Ferris-George studied Anthropology at SSU and has studied the Klamath Basin for decades.

Richard Roos-Collins: Mr. Roos-Collins is an attorney specializing in settlements of complex cases involving multiple parties, interests, and laws in natural resources management. He is a member of the Board of Directors of the Pacific Forest Stewardship Council, which implements Pacific Gas and Electric Company's land conservation commitment. He is General Counsel to the Hydropower Reform Coalition, which represents more than two million people interested in enhancing public benefits of non-federal hydropower dams.

Tom Jensen: Mr. Jensen was formerly counsel to the U.S. Senate Committee on Energy and Natural Resources and White House Council on Environmental Quality. Mr. Jensen offers unique experience framing, negotiating, and implementing solutions to complex legal and policy matters. He is regularly called upon to assist with matters involving public lands, protected species, mitigation and conservation banking projects, water law (western and eastern systems) and water resource development, the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA), Federal Land Policy and Management Act (FLPMA), Antiquities Act, National Park System Organic Act, Refuge System Improvement Act, and the unique portfolio of laws related to marine and aquatic resources. Mr. Jensen has represented licensees and stakeholders in the hydropower licensing process at the Federal Energy Regulatory Commission, including two unusual competitive relicensing efforts.

Scott Williams: Mr. Williams has an extensive background in complex civil litigation. Mr. Williams began an affiliation with his current partners in 1997; the firm represents exclusively Indian tribes and tribal organizations throughout the United States. His practices focus on representation in the areas of water rights and natural resources, cultural site protection, and employment relations. With Professor Eric Biber, Mr. Williams teaches Federal Indian Law, and along with his partners, the Advanced Indian Law seminar at Berkeley Law (Boalt Hall).

7. Transfer of the Lower Klamath Project to the KRRC will not adversely impact Project operations. As set forth in the Amended KHSA, and under the terms of an operations and maintenance agreement, PacifiCorp will continue operating and maintaining, and PacifiCorp will continue to assume all financial and legal liabilities for

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operating and maintaining, the Lower Klamath Project in accordance with all License conditions and applicable law pending surrender of the transferred License by the KRRC. *See* Amended KHSa § 7.1.6. PacifiCorp will pay all costs associated with operating the dams and indemnify, defend, and hold harmless the KRRC with respect to those operations. Applicants will include a copy of the executed operations and maintenance agreement as part of its additional information filing on or before March 1, 2017. This arrangement will ensure the continued safe and responsible operation and maintenance of the Lower Klamath Project developments pending facilities removal while also allowing PacifiCorp's customers to continue to receive benefits from the Lower Klamath Project developments until they are removed.

8. In addition, the KRRC will possess the necessary financial qualifications to accept responsibility as licensee for the Lower Klamath Project dams. As stated above, PacifiCorp will continue to be financially responsible for the operations and maintenance of the Lower Klamath Project facilities pending surrender of the transferred License and facilities removal by the KRRC. The original and Amended KHSa establish funding for facilities removal, including funding for the physical removal of the developments, site remediation and restoration, avoiding downstream impacts, mitigating downstream impacts, securing permits required for removal, removal and disposal of sediment, and compliance with environmental laws. The agreements provide up to \$450 million for these purposes, plus additional mechanisms to address costs or liabilities in excess of that amount. In short, the KRRC has, or has arranged for, the financial resources and appropriate capitalization necessary for operation of the Lower Klamath Project and for facilities removal.

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9. First, the KRRC is finalizing contractual arrangements to designate it as the beneficiary of four trust accounts that will total \$200 million. These trust account funds are currently being collected from PacifiCorp's retail customers in California and Oregon via surcharges that have been approved and implemented by the California Public Utilities Commission (CPUC) and Public Utility Commission of Oregon (OPUC).⁸

10. The customer surcharge funds have been and continue to be collected and deposited into four separate interest-bearing trust accounts, two for each state, that are each managed by a trustee selected by the respective public utility commissions. The trust accounts were established specifically for purposes of implementing the KHSA. As of August 31, 2016, the four trust accounts contained a total of \$120,019,563.91.

11. The disbursement of funds by the trustees will proceed according to specific protocols approved by the CPUC and OPUC and implemented through a number of funding agreements that the KRRC will enter into. In accordance with an authorizing order of the OPUC, the KRRC is entering into an initial grant agreement for \$320,000 with the Oregon Department of Fish and Wildlife (ODFW) to cover the KRRC's initial startup costs, and legal and technical costs associated with preparing this Application and the KRRC's license surrender application.⁹ The KRRC will provide the Commission

⁸ The collection of Oregon's allocated share of customer surcharges is authorized by Oregon statute. *See* ORS 757.736 (requiring PacifiCorp to file tariffs with the OPUC to collect two surcharges for the purpose of "paying the costs of removing Klamath River dams..." and limiting the surcharge to Oregon's allocated share of the \$250 million in customer funding identified in the KHSA.); *In the Matter of PacifiCorp, d/b/a Pacific Power, Application to Implement the Provisions of Senate Bill 76*, Docket No. UE 219, Order No. 10-364 (Or. Pub. Util. Comm'n, Sept. 16, 2010) (affirming surcharges). *See also Decision Approving a Rate Increase for PacifiCorp Pursuant to the Klamath Hydroelectric Settlement Agreement*, Decision 11-05-002 (Cal. Pub. Utils. Comm'n, Mar. 5, 2011).

⁹ ODFW is the agency designated in the Amended KHSA to request a transfer of Oregon trust funds to the KRRC. *See* Amended KHSA § 3.2. On August 30, 2016, the OPUC authorized an

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with the executed funding agreements in its subsequent informational filing on or before March 1, 2017.

12. Regarding the California surcharge funds, PacifiCorp filed a motion with the CPUC to modify a prior CPUC decision to reflect the amendments to the KHSA. Once the CPUC grants that motion, the KRRC will enter into an agreement with the CPUC to facilitate the disbursement of California surcharge funds to the KRRC through a funding agreement with the California Natural Resources Agency (CNRA). The KRRC will provide the Commission with the CPUC order and executed funding agreement in its subsequent informational filing.

13. Third, the KRRC also has the ability to draw up to an additional \$250 million in funding approved as part of a California water bond. In 2014, California voters passed Proposition 1, a water bond that included \$250 million for implementation of the KHSA. This year, the California Governor, through the state budget approved by the California Legislature, included language appropriating those bond funds to the CNRA for the purpose of facilities removal. The CNRA and the KRRC are entering into an agreement to implement the Governor's direction. The disbursement of these bond funds to the KRRC for purposes of facilities removal will not require any further voter approval, legislative or executive action, or budget appropriation. The KRRC will provide documentation of the executed agreement in its subsequent informational filing on or before March 1, 2017.

initial transfer of \$320,000 in Oregon surcharge funds to cover the KRRC's initial startup costs. *See* Docket No. UE 219, Order No. 16-330 (Or. Pub. Util. Comm'n, Aug. 30, 2016).

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14. In total, the KRRC will have access to up to \$450 million in capital for purposes facilities removal. As detailed in Appendix L of the Amended KHSa, the KRRC will also utilize a series of regular commercial mechanisms to address costs or liabilities exceeding that amount. Preliminary documentation of the funding and other financial resources available to the KRRC for facilities removal is attached hereto as Attachments K.1 through K.8.

15. The Transferee verifies that it has complied with all applicable state laws as required by Section 9(a)(2) of the FPA. If and when the Commission has given its approval to the proposed transfer of the license for the Lower Klamath Project, Transferor will transfer and Transferee will accept, as may be necessary and as part of Transferor's conveyance of the Lower Klamath Project, all obligations set forth in the license, including obligations in the Clean Water Act Section 401 water quality certifications issued by the Oregon Department of Environmental Quality and the California State Water Resources Control Board. PacifiCorp will comply with any applicable property disposition rules of the public utility commissions of the states in which it provides retail electric service.

16. Within six months of the Commission approving transfer of the license, the Transferee will submit to the Commission certified copies of all instruments of conveyance whereby titles to the Lower Klamath Project are conveyed to it.

17. Within six months of the Commission approving transfer of the license, and upon completion of conveyance of the Lower Klamath Project to the Transferee, the Transferor will deliver to the Transferee and the Transferee will accept and permanently retain all license instruments and all maps, plans, specifications, contracts, reports of

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engineers, accounts, books, records, and all other papers and documents relating to the Lower Klamath Project.

18. The Transferor certifies that it has fully complied with the terms and conditions of its Project license, and that it has fully satisfied and discharged all of its liabilities and obligations as of the date of this application, and Transferor obligates itself to pay all annual charges accrued under the Project license to the date of the transfer.

19. Contingent upon final written approval by the Commission of the transfer of the Lower Klamath Project license, the Transferee accepts all the terms and conditions of the license for the Lower Klamath Project and the FPA, and agrees to be bound thereby to the same extent as though it were the original licensee thereunder.

20. The name, title, post-office address and telephone numbers of the person or persons to whom correspondence in regard to this Application should be addressed are as follows:

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(a) For PacifiCorp:

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Applicants respectfully request waiver of the Commission's Rules of Practice and Procedure—including, without limitation, Rule 2010(k), 18 C.F.R. § 385.2010(k) (2016)—to the extent necessary to allow each of the persons listed above to be included on the official service list for this proceeding.

After the license transfer has become effective, correspondence and communications regarding the Lower Klamath Project should be directed to the individuals listed in paragraph 20(b) above.

VI. TRANSFER OF THE PROPOSED LOWER KLAMATH PROJECT LICENSE IS IN THE PUBLIC INTEREST

As stated in Section III above, after years of settlement negotiations following PacifiCorp's 2004 filing of its Project relicense application with the Commission, the KHSA was executed on February 18, 2010, by 48 parties, including PacifiCorp; the States; Interior; NMFS; several Native American tribes; a number of local counties; and irrigation, conservation and fishing groups. This diverse group of stakeholders worked collaboratively to resolve issues related to relicensing of the Project. PacifiCorp agreed to allow an independent dam removal entity to pursue removal of the Project's J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments, and executed the KHSA based upon the negotiated terms of this collaborative effort. The CPUC and OPUC concurred with PacifiCorp's determination by finding that the terms advance and protect the interests of customers and by authorizing the collection of surcharges from customers in those states to fund the customer contribution to dam removal costs.

The KHSA was amended on April 6, 2016, to provide for the transfer and removal of the J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments according to the standard procedures of the FPA as administered by the

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Commission. The KRRC was created to serve as the independent dam removal entity contemplated in the Amended KHSA. The KRRC subsequently executed the Amended KHSA.

Since the execution of the Amended KHSA, PacifiCorp, the KRRC, regulatory agencies, and affected stakeholders have been working diligently to implement the Amended KHSA obligations and advance the settlement process. By approving the transfer of the newly designated Lower Klamath Project license, the Commission will allow the KRRC to pursue the license surrender and facilities removal in 2020.

This is a critical component of the Amended KHSA and is essential to help resolve long-standing and complex conflicts over resources in the Klamath Basin. The Amended KHSA represents an unprecedented level of collaboration among a FERC licensee, federal agencies, two states, Native American tribes, and conservation and recreation groups. Commission action approving this Application is therefore in the public interest.

Applicants respectfully request that the Commission act on this Application by December 31, 2017, to allow timely implementation of the Amended KHSA to continue. Applicants further request that, in approving the transfer of the license for the Lower Klamath Project from PacifiCorp to the KRRC, the Commission grant the KRRC six months from the date of the Commission order approving such transfer to submit proof of acceptance of the transfer. Applicants note that the Amended KHSA includes specific preconditions to the KRRC's acceptance of license transfer,¹⁰ and Applicants anticipate that satisfaction of these preconditions will require more than the standard 60-day time

¹⁰ See Amended KHSA § 7.1.4.

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period that the Commission typically provides for transferors to formally accept transfer.¹¹ In providing an extension of the date by which the KRRC is to formally accept transfer, the Commission is requested to recognize in its order that the KRRC is unable to accept the Lower Klamath Project license until certain conditions in the Amended KHSAs have been satisfied.

VII. CONCLUSION

As demonstrated above, Commission approval of this Application is in the public interest. The KRRC is fully qualified to hold a license for the Lower Klamath Project. In addition, the KRRC agrees to accept all of the terms and conditions of the license, to be bound by the license as if it were the original licensee, and to be responsible for operating, maintaining, and ultimately removing the Lower Klamath Project dams in accordance with the license and regulations and directives of the Commission under the FPA.

Applicants therefore respectfully request Commission approval of this Joint Application for Approval of License Amendment and License Transfer.

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¹¹ To the extent necessary, Applicants seek waiver of the requirement that acknowledgement of acceptance be filed within 60 days of the issuance of an order approving transfer of the license. 18 C.F.R. § 9.3(b) (2016).

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Respectfully submitted this 23rd day of September, 2016

/s/ Hallie Meushaw

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PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**LIST OF ATTACHMENTS**

Attachment No.	Description
Attachment A	Klamath Hydroelectric Settlement Agreement, as amended (Apr. 6, 2016)
Attachment B	Exhibit M – Klamath Hydroelectric Project (Exhibit A in FERC’s current regulations). Contains CEII – DO NOT RELEASE. Public and Non-Public Versions Filed.
Attachment C	Exhibit M – Lower Klamath Project Description (Exhibit A in FERC’s current regulations). Contains CEII – DO NOT RELEASE. Public and Non-Public Versions Filed.
Attachment D	Klamath Hydroelectric Project Exhibit Drawings and Maps List
Attachment E	Lower Klamath Project Exhibit Drawings and Maps List
Attachment F	Proposed Klamath Hydroelectric Project Revised License Articles
Attachment G	Proposed Lower Klamath Project License Articles
Attachment H	Klamath River Renewal Corporation Articles of Incorporation
Attachment I	Klamath River Renewal Corporation Bylaws
Attachment J	Klamath River Renewal Corporation Certificate of Good Standing
Attachment K.1	Order No. 10-364, Docket No. UE 219 (Oregon Pub. Util. Comm’n, Sept. 16, 2010)
Attachment K.2	Order No. 10-390, Docket No. UE 219 (Oregon Pub. Util. Comm’n, Oct. 11, 2010)
Attachment K.3	Order No. 16-218, Docket No. UE 219 (Oregon Pub. Util. Comm’n, June 8, 2016)
Attachment K.4	Decision 11-05-002, Docket No. A.10-03-015 (Cal. Pub. Utils. Comm’n, May 6, 2011)
Attachment K.5	Decision 12-10-028, Docket No. A.10-03-015 (Cal. Pub. Utils. Comm’n, Nov. 1, 2012)
Attachment K.6	California Water Code Section 79730-79738 and California Budget Act of 2016 (excerpts)
Attachment K.7	Funding Memorandum Prepared by Hawkins Delafield & Wood LLP
Attachment K.8	Letter from T. Gibson, General Counsel, California Natural Resources Agency re: Availability of Bond Funding

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PacifiCorp)	Project No. P-2082
)	
and)	Project No. P-____-____
)	
Klamath River Renewal Corporation)	

VERIFICATION

County of Multnomah)
State of Oregon)

I, the undersigned, being duly sworn deposes and says: That she is Vice President and General Counsel of PacifiCorp, one of the applicants for approval of partial transfer of license; that she has read the foregoing application and knows the contents thereof; and that the same are true to the best of her knowledge and belief.


Sarah Kamman, Vice President and
General Counsel
For PacifiCorp

Subscribed and sworn to before me, a notary public of the State of Oregon this 22nd day of September 2016.





**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PacifiCorp)	Project No. P-2082-____
)	
and)	Project No. P-____-____
)	
Klamath River Renewal Corporation)	

VERIFICATION

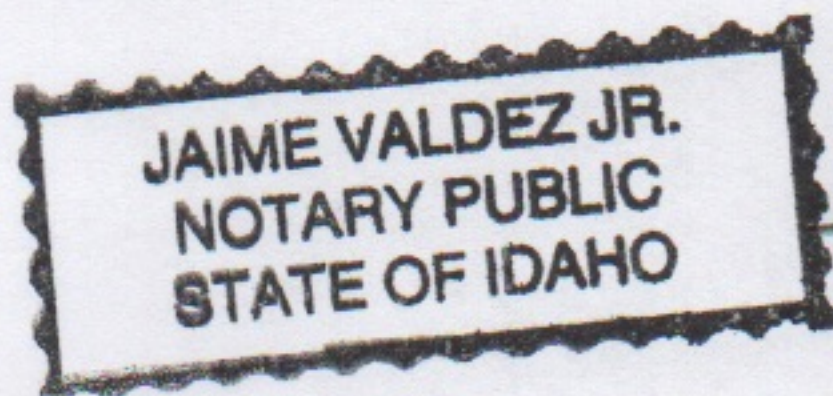
County of ADA)
 State of Idaho)

I, the undersigned, being duly sworn deposes and says: That he is the President of the Klamath River Renewal Corporation, one of the applicants for approval of partial transfer of license; that he has read the foregoing application and knows the contents thereof; and that the same are true to the best of his knowledge and belief.

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Michael Carrier, President
 Michael Carrier, President
 For Klamath River Renewal Corporation

Subscribed and sworn to before me, a notary public of the State of IO this 22nd day of September, 2016.



Subscribed and sworn in before me in my Presence, this 22nd day of Sept. 2016, a Notary Public in and for the County of ADA State of IO
 (signature) _____ Notary Public
 My Commission expires 8/21/20

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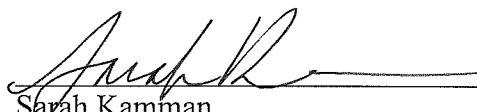
**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PacifiCorp)	Project No. P-2082-__
)	
and)	Project No. P-__-__
)	
Klamath River Renewal Corporation)	

PROOF OF CITIZENSHIP

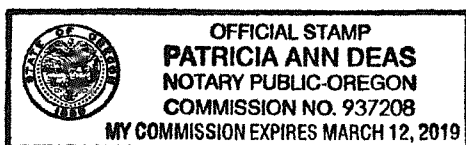
County of Multnomah)
State of Oregon)

I, Sarah Kamman, being duly sworn, deposes and says that she is a citizen of the United States of America.


Sarah Kamman
Vice President and General Counsel
For PacifiCorp

Subscribed and sworn to before me, a notary public of the State of Oregon this 23rd day of September 2016.





UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PacifiCorp) Project No. P-2082-____
and)
Klamath River Renewal Corporation) Project No. P-____-____

PROOF OF CITIZENSHIP

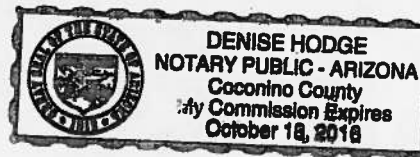
County of Coconino)
State of Arizona)

I, Michael Carrier, being duly sworn, deposes and says that he is a citizen of the United States of America.

Michael Carrier
Michael Carrier, President
For Klamath River Renewal Corporation

Subscribed and sworn to before me, a notary public of the State of Arizona this 23rd day of September, 2016.

Denise Hodge



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CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing document upon each person designated on the official service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Portland, Oregon this 23rd day of September, 2016.

/s/ Chris D. Zentz

Christopher D. Zentz

TROUTMAN SANDERS LLP

100 SW Main St., Suite 1000

Portland, OR 97214

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Joint Application for Approval of License Amendment and License Transfer

Attachment A

**Klamath Hydroelectric Settlement Agreement, as
amended (Apr. 6, 2016)**

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KLAMATH HYDROELECTRIC SETTLEMENT AGREEMENT

**February 18, 2010
as amended April 6, 2016**

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- B. Interim Measures Implementation Committee (Interim Measure 1)
- C. Interim Conservation Plan (ICP) Interim Measures
- D. Non-ICP Interim Measures
- E. Elements for the Proposed Federal Legislation
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- 2. Sequence of Performance Chart—KHSA
- 3. Maps
- 4. Estimated Timelines—KHSA as Amended

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The KLAMATH HYDROELECTRIC SETTLEMENT AGREEMENT was made and entered into by and among the following entities:

Ady District Improvement Company;
 American Rivers;
 Bradley S. Luscombe;
 California Department of Fish and Game (“CDFG”);
 California Natural Resources Agency (“CNRA”);
 California Trout;
 Collins Products, LLC;
 Don Johnston & Son;
 Enterprise Irrigation District;
 Humboldt County, California;
 Institute for Fisheries Resources;
 Inter-County Properties Co., which acquired title as Inter-County Title Co.;
 Karuk Tribe;
 Klamath Basin Improvement District;
 Klamath County, Oregon;
 Klamath Drainage District;
 Klamath Irrigation District;
 Klamath Tribes;
 Klamath Water and Power Agency (“KWAPA”);
 Klamath Water Users Association (“KWUA”);
 Malin Irrigation District;
 Midland District Improvement Company;
 Northern California Council, Federation of Fly Fishers;
 Oregon Department of Environmental Quality (“ODEQ”);
 Oregon Department of Fish and Wildlife (“ODFW”);
 Oregon Water Resources Department (“OWRD”);
 Pacific Coast Federation of Fishermen’s Associations;
 PacifiCorp;
 Pioneer District Improvement Company;
 Plevna District Improvement Company;
 Randolph Walthall and Jane Walthall as trustees under declaration of trust dated November 28, 1995 (the “Randolph and Jane Walthall 1995 trust”);
 Reames Golf and Country Club;
 Salmon River Restoration Council;
 Shasta View Irrigation District;
 Sunnyside Irrigation District;
 Trout Unlimited;
 Tulelake Irrigation District;
 United States Department of Commerce’s National Marine Fisheries Service (“NMFS”);
 United States Department of the Interior (“Interior”);
 Upper Klamath Water Users Association (“UKWUA”);
 Van Brimmer Ditch Company;
 Westside Improvement District #4;

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Winema Hunting Lodge, Inc.; and
Yurok Tribe;

This Klamath Hydroelectric Settlement Agreement, as amended, is entered into by and among the entities who sign the Settlement.

1. **Introduction**

1.1 Recitals

WHEREAS, the States, the United States and PacifiCorp entered into the 2008 Agreement in Principle that addressed issues pertaining to the resolution of certain litigation and other controversies in the Klamath Basin, including a path forward for possible Facilities Removal; and

WHEREAS, the 2008 AIP provided that the parties to the 2008 AIP would continue good-faith negotiations to reach a final settlement agreement in order to minimize adverse impacts of dam removal on affected communities, local property values and businesses and to specify substantive rights, obligations, procedures, timetables, agency and legislative actions, and other steps for Facilities Removal; and

WHEREAS, the other Parties to this Settlement desired to participate in the negotiations of a final settlement agreement in order to ensure that the interests of Indian tribes, environmental organizations, fishermen, water users, and local communities were addressed; and

WHEREAS, the Parties view this Settlement as an important part of the resolution of long-standing, complex, and intractable conflicts over resources in the Klamath Basin; and

WHEREAS, the 2008 AIP established a “commitment to negotiate” a settlement “based on existing information and the preliminary view of the governmental Parties (the United States, Oregon, and California) that the potential benefits for fisheries, water and other resources of removing the Facilities outweigh the potential costs, risks, liabilities or other adverse consequences of such removal”; and

WHEREAS, certain Parties believe that decommissioning and removal of the Facilities will help restore Basin natural resources, including anadromous fish, fisheries and water quality; and

WHEREAS, the Parties understand that the Project dams are currently the property of PacifiCorp, and that they are currently operated subject to applicable state and federal law and regulations. The other Parties understand that the decision before PacifiCorp is whether the decommissioning and removal of certain Facilities is appropriate and in the best interests of PacifiCorp and its customers. PacifiCorp asserts that prudent and reasonable long-term utility rates and protection from any liability for damages caused by Facilities Removal are central to its willingness to voluntarily transfer the dams and the low-carbon renewable energy they produce and to concur in the removal of the dams by the DRE; and

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WHEREAS, the United States has devoted considerable funds and resources to resource enhancements, management actions, and compensation in the Klamath Basin, and various Parties believe that a broader and integrated approach is appropriate to realize Basin-wide objectives; and

WHEREAS, this Settlement contemplates a substantial non-federal contribution in support of said approach; and

WHEREAS, the Tribes and the Federal Parties agree that this Settlement advances the trust obligation of the United States to protect Basin Tribes' federally reserved fishing and water rights in the Klamath and Trinity River Basins; and

WHEREAS, in 2016, PacifiCorp, the United States, and the States signed the 2016 Agreement in Principle to signify their intent to negotiate an amended KHSA that would facilitate Facilities Removal through the existing authority of FERC under the Federal Power Act; and

WHEREAS, all of the Parties agree that this Settlement is in the public interest.

NOW, THEREFORE, the Parties agree as follows:

1.2 Purpose of Settlement

The Parties have entered into this Settlement for the purpose of resolving among them the pending FERC relicensing proceeding by establishing a process for potential Facilities Removal and operation of the Project until that time.

1.3 Parties Bound by Settlement

The Parties shall be bound by this Settlement for the term stated in Section 8.1 herein, unless terminated pursuant to Section 8.11.

1.4 Definitions

“2008 Agreement in Principle” or **“2008 AIP”** refers to the Agreement in Principle executed on November 13, 2008, by the states of Oregon and California, Interior, and PacifiCorp setting forth a framework for potential Facilities Removal.

“2016 Agreement in Principle” or **“2016 AIP”** refers to the Agreement in Principle executed on February 2, 2016, by the states of Oregon and California, Interior, the U.S. Department of Commerce, and PacifiCorp signifying their intent to negotiate an amended KHSA that would achieve Facilities Removal through the existing authority of FERC under the Federal Power Act.

“Amendment Effective Date” is defined in Section 8.2.

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“Applicable Law” means general law that (1) exists outside of this Settlement, including, but not limited to a Constitution, statute, regulation, court decision, or common law, and (2) applies to obligations or activities of Parties contemplated by this Settlement. The use of this term is not intended to create a contractual obligation to comply with any law that would not otherwise apply.

“Authorizing Legislation” refers to the statutes enacted by the Oregon and California Legislatures, respectively, to authorize and implement certain aspects of this Settlement, if necessary.

“CEQA” refers to the California Environmental Quality Act, Cal. Pub. Res. Code § 21000 *et seq.*

“CWA” refers to the Clean Water Act, 33 U.S.C. § 1251 *et seq.*

“Coordination Process” for the Studies Supporting the Secretarial Determination means the process contained in Appendix A by which the United States will obtain input and assistance from the Parties to this Settlement, as governed by Applicable Law, regarding the studies and environmental compliance actions needed to inform and support the Secretarial Determination.

“Counties” refers to the counties that sign this Settlement.

“Dam Removal Entity” or **“DRE”** is the Klamath River Renewal Corporation, which will be the entity responsible for Facilities Removal under this Settlement.

“Decommissioning” means PacifiCorp’s physical removal from a facility of any equipment and personal property that PacifiCorp determines has salvage value, and physical disconnection of the facility from PacifiCorp’s transmission grid.

“Definite Plan” means a plan and timetable for Facilities Removal submitted by the DRE or any of its contractors or assigns under Section 7.2.1.

“Detailed Plan” means the plan dated July 2012 that includes elements described in Section 7.2.2.

“Dispute Resolution Procedures” means the procedures established by Section 8.6.

“Due Diligence” means a Party’s taking all reasonable steps to implement its obligations under this Settlement.

“Effective Date” is defined in Section 8.2.

“EPA Act” refers to the Energy Policy Act of 2005, Section 241, codified at 16 U.S.C. § 823d and amendments to 16 U.S.C. §§ 797(e) and 811.

“ESA” refers to the federal Endangered Species Act, 16 U.S.C. §§ 1531 *et seq.*

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“Facilities” or **“Facility”** means the following specific hydropower facilities within the jurisdictional boundary of FERC Project No. 2082: Iron Gate Dam, Copco No. 1 Dam, Copco No. 2 Dam, J.C. Boyle Dam, and appurtenant works currently licensed to PacifiCorp.

“Facilities Removal” means physical removal of all or part of each of the Facilities to achieve at a minimum a free-flowing condition and volitional fish passage, site remediation and restoration, including previously inundated lands, measures to avoid or minimize adverse downstream impacts, and all associated permitting for such actions.

“Federal Parties” refers to Interior, including the component agencies and bureaus of Interior, and the NMFS.

“FERC” refers to the Federal Energy Regulatory Commission.

“Interim Conservation Plan” or **“ICP”** refers to the plan developed by PacifiCorp through technical discussions with NMFS and the U.S. Fish and Wildlife Service (“USFWS”) regarding voluntary interim measures for the enhancement of coho salmon and suckers listed under the ESA, filed with FERC on November 25, 2008, or such plan as subsequently modified.

“Interim Measures” refers to those measures described in Appendices C and D to this Settlement.

“Interim Period” refers to the period between the Effective Date and Decommissioning.

“Keno facility” means Keno Dam, lands underlying Keno Dam, appurtenant works and PacifiCorp-owned property described as Klamath County Map Tax Lot R-3907-03600-00200-000 located in Klamath County, Oregon.

“Klamath Hydroelectric Settlement Agreement” or **“KHSa”** means the Klamath Hydroelectric Settlement Agreement executed February 18, 2010.

“Meet and Confer” procedures mean the procedures established by Section 8.7 of this Settlement.

“NEPA” refers to the National Environmental Policy Act, 42 U.S.C. §§ 4321 *et seq.*

“Nominal dollars” means dollars that are not adjusted for inflation at the time they are collected.

“Non-bypassable surcharge” means a monetary surcharge authorized by the appropriate state utility commission through a tariff schedule that applies to all retail customers who rely on PacifiCorp’s transmission and distribution system for the delivery of electricity.

“Notice” means written notice pursuant to the requirements and procedures of Section 8.5.

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“Oregon Surcharge Act” is defined in Section 2.2.

“PacifiCorp’s Economic Analysis” means the primary economic analysis prepared by PacifiCorp and relied upon by PacifiCorp to compare the present value revenue requirement impact of the KHSA against the present value revenue requirement of relicensing of the Facilities under defined prescriptions generally based on the FERC Final Environmental Impact Statement dated November 2007, which analysis PacifiCorp filed with the Public Utility Commission of Oregon (“Oregon PUC”) pursuant to Section 4(1) of the Oregon Surcharge Act and with the California Public Utilities Commission (“California PUC”) in accordance with Section 4 of the KHSA. This analysis was used to compare the relative cost of relicensing with the relative cost of the KHSA.

“Parties” or **“Party”** means the signatories to this Amended KHSA collectively or a signatory individually.

“Project” refers to the Klamath Hydroelectric Project as licensed by FERC under Project No. 2082.

“Public Agency Party” means each Tribe, the Federal Parties, the agencies of each of the States, the Counties, and each other Party that is a public agency established under Applicable Law.

“Regulatory Approval” means each permit or other approval under a statute or regulation necessary or appropriate to implement any of the obligations or activities of Parties contemplated under this Settlement.

“Regulatory Obligation” means each of those obligations or activities of Parties contemplated by this Settlement that are subject to Regulatory Approval and, upon such approval, are enforceable under regulatory authority.

“Secretarial Determination” means the determination contemplated in Section 3.3 of the KHSA.

“Secretary” refers to the Secretary of the Interior.

“Services” means the National Marine Fisheries Service and the U.S. Fish and Wildlife Service.

“Settlement” means the entirety of the KHSA and Appendices A through L, as amended and applicable. “Settlement” does not include Exhibits 1 through 4, which are related documents attached for informational purposes.

“States” refers to the State of Oregon by and through the Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, and Oregon Water Resources

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Department, and the State of California by and through the California Department of Fish and Wildlife (“CDFW”) and the California Natural Resources Agency.

“**State Cost Cap**” means the collective maximum monetary contribution from the states of California and Oregon as described in Section 4.1.3 of this Settlement.

“**Timely**” or “**Timeliness**” means performance of an obligation by the deadline established in the applicable provision of this Settlement or otherwise in a manner reasonably calculated to achieve the bargained-for benefits of this Settlement.

“**Tribes**” means the Yurok Tribe, the Karuk Tribe, the Hoopa Valley Tribe, and the Klamath Tribes, so long as such tribe is a signatory to the Settlement.

“**Value to Customers**” means potential cost reductions described in Section 7.3.8. These cost reductions would (1) decrease the Customer Contribution defined in Section 4.1.1.C, (2) decrease the costs of ongoing operations, or (3) decrease the costs of replacement power, as compared against the assumptions contained in PacifiCorp’s Economic Analysis.

1.5 Compliance with Legal Responsibilities

In the implementation of this Settlement, Public Agency Parties shall comply with Applicable Law, including but not limited to the Authorizing Legislation, NEPA, ESA, CWA, the Wild and Scenic Rivers Act, and CEQA.

1.6 Reservations

1.6.1 Generally

Nothing in this Settlement is intended or shall be construed to affect or limit the authority or obligation of any Party to fulfill its constitutional, statutory, and regulatory responsibilities or comply with any judicial decision. Nothing in this Settlement shall be interpreted to require the Federal Parties, the States, or any other Party to implement any action which is not authorized by Applicable Law or where sufficient funds have not been appropriated for that purpose by Congress or the States. The Parties expressly reserve all rights not granted, recognized, or relinquished in this Settlement.

1.6.2 Reservations Regarding Federal Appropriations

All actions required of the Federal Parties in implementing this Settlement are subject to appropriations for that purpose by Congress. Nothing in this Settlement shall be interpreted as or constitute a commitment or requirement that any Federal agency obligate or pay funds in violation of the Anti-Deficiency Act, 31 U.S.C. § 1341, or other Applicable Law. Nothing in this Settlement is intended or shall be construed to commit a federal official to expend federal funds not appropriated

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for that purpose by Congress. Nothing in this Settlement is intended to or shall be construed to require any official of the executive branch to seek or request appropriations from Congress to implement any provision of this Settlement.

1.6.3 Availability of Public Funds

Funding by any Public Agency Party under this Settlement is subject to the requirements of Applicable Law. Nothing in this Settlement is intended or shall be construed to require the obligation, appropriation, or expenditure of any funds by the States or a Public Agency Party except as otherwise permitted by Applicable Law.

1.6.4 Reservations Regarding Legislative Proposals

Nothing in this Settlement shall be deemed to limit the authority of the executive branch of the United States government to make recommendations to Congress on any particular proposed legislation.

1.6.5 Reservations Regarding Regulations

Nothing in this Settlement is intended or shall be construed to deprive any public official of the authority to revise, amend, or promulgate regulations.

1.6.6 No Pre-Decisional Commitment

Nothing in this Settlement is intended or shall be construed to be a pre-decisional commitment of funds or resources by a Public Agency Party. Nothing in this Settlement is intended or shall be construed to predetermine the outcome of any Regulatory Approval or other action by a Public Agency Party necessary under Applicable Law in order to implement this Settlement.

1.6.7 No Waiver of Sovereign Immunity

Nothing in this Settlement is intended or shall be construed as a waiver of sovereign immunity by the United States, the State of Oregon, the State of California, any other Public Agency Party, or the Tribes. This Settlement does not obligate the United States or any Federal Party to affirmatively support this Settlement regarding any state or local legislative, administrative, or judicial action before a state administrative agency or court.

1.6.8 No Argument, Admission, or Precedent

This Settlement shall not be offered for or against a Party as argument, admission, or precedent regarding any issue of fact or law in any mediation, arbitration, litigation, or other administrative or legal proceeding, except that this Settlement may be used in any future proceeding to interpret or enforce the terms of this

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Settlement, consistent with Applicable Law. This Settlement may also be used by any Party in litigation by or against non-Parties to implement or defend this Settlement. This section shall survive any termination of this Settlement.

1.6.9 Protection of Interests

Each Party may, in a manner consistent with this Settlement, protect, defend, and discharge its interests and duties in any administrative, regulatory, legislative or judicial proceeding, including but not limited to the Secretarial Determination, FERC relicensing process, CWA 401 proceedings, or other proceedings related to potential Project relicensing, surrender, or Facilities Removal.

1.7 Trinity River

The Parties intend that this Settlement shall not adversely affect the Trinity River Restoration Program.

To reach that conclusion, the Tribes reaffirm and rely upon their view of the existing fishery restoration goals and principles for the Trinity River Fishery Restoration Program, as follows:

- A. Restoration of the Trinity River fish populations to pre-Trinity Dam construction levels;
- B. Fishery restoration shall be measured not only by returning anadromous fish spawners but also by the ability of dependent tribal and non-tribal fishers to participate fully in the benefits of restoration through meaningful subsistence and commercial harvest opportunities;
- C. An appropriate balance between stocks of natural and hatchery origins shall be maintained to minimize negative interactions upon naturally produced fish by hatchery mitigation releases;
- D. A collaborative working relationship between federal agencies and the above mentioned Tribes;
- E. Portions of federal activities that are associated with fishery restoration programs are Indian Programs for the purposes of the Indian Self-Determination Act; and
- F. The Tribes support full funding implementation of the Trinity River Record of Decision from funding sources outside of this Settlement.

Nothing in this section binds any Party to any particular interpretation of the law or requires any Party to take particular actions, including performance of Interim Measures, or excuses any action otherwise required by Applicable Law or this Settlement.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**1.8 Tribal Water Rights**

This Settlement does not waive or in any way limit any treaty right, federally reserved right, or other right of the Tribes, or any federally recognized tribe, including any water or fishing right.

1.9 Klamath Basin Agreement

The States, the Federal Parties, and other entities are concurrently entering into the 2016 Klamath Power and Facilities Agreement. Each Party, other than PacifiCorp, shall support and defend the 2016 Klamath Power and Facilities Agreement, in its current form as of April 6, 2016, and its objectives in each applicable venue or forum in which it participates, including any administrative or judicial action. For purposes of this Section 1.9 only, the terms “support and defend” mean that the Party will advocate for the 2016 Klamath Power and Facilities Agreement or refrain from taking any action or making any statement in opposition to the 2016 Klamath Power and Facilities Agreement. More broadly, the Parties are committed to engage in good faith efforts to develop and enter into a subsequent agreement or agreements pertaining to other water, fisheries, land, agriculture, refuge and economic sustainability issues in the Klamath Basin with the goal to complete such agreement or agreements within the next year.

2. Implementation of Settlement**2.1 General Duty to Support Implementation**

The Parties shall fully support this Settlement and its implementation. The form, manner, and timing of each Party’s support are reserved to the discretion of each Party. Each Party agrees to refrain from any action that does not support or further cooperative efforts in support of the goals of this Settlement and its effective implementation.

2.1.1 Legislation

- A. The Parties understand and agree that federal legislation is not necessary to carry out this Settlement.
- B. Within 60 days of the Amendment Effective Date, the CDFW will provide draft California legislation to the Parties regarding a limited authorization for incidental take of Lost River Suckers, Shortnose Sucker, Golden Eagles, southern Bald Eagles, Greater Sandhill Cranes, or American Peregrine Falcon contingent upon the fulfillment of certain conditions, if such authorization is necessary for implementation of this Settlement. After reasonable opportunity for Parties to provide comments on the draft legislation, the State of California shall Timely recommend the legislation.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**2.1.2 Regulatory Approvals**

Subject to Sections 1.6.1, 2.1, and 7.1.5, each Party shall support the application for and granting of Regulatory Approvals consistent with this Settlement. The preceding sentence shall not apply to the Public Agency Party exercising the regulatory approval or to a Public Agency Party not participating in the proceeding.

2.1.3 Defense of Settlement

If an administrative or judicial action is brought against any Party to challenge the validity of this Settlement or its implementation consistent with the Settlement, each other Party shall endeavor to intervene or otherwise participate in such action, subject to its discretion, necessary funding, and Section 1.6. Any such participating Party will defend the Settlement. The form of such defense, including what litigation positions to support or recommend in such action, shall be left to the discretion of each participating Party in the action.

Each Party may comment on the consistency of any plan, other document, or data arising during the implementation of this Settlement and not otherwise set forth in an Appendix or Exhibit to this Settlement. The Parties acknowledge that their comments may conflict due to differing good-faith interpretations of the applicable obligations under this Settlement.

2.1.4 Obligation to Implement**A. General**

Each Party shall implement each of its obligations under this Settlement in good faith and with Due Diligence. Any obligation identified as an obligation of all of the Parties does not obligate any individual Party to take any action itself or itself make any specific commitment other than to participate in the applicable procedures.

B. Cooperation Among the Parties

Each Party shall cooperate in the implementation of this Settlement. A Party shall not act in a manner that results in an action or requirement that is inconsistent with the Settlement unless necessary to comply with statutory, regulatory, or other legal responsibility.

C. Covenant Not to Sue with Respect to Permitting and Performance of Definite Plan

- (1) No Party shall directly or indirectly through other entities oppose the DRE's securing all permits and entering all contracts necessary

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for Facilities Removal consistent with the Definite Plan or any Regulatory Approval, provided this clause does not apply to a Public Agency Party exercising a Regulatory Approval;

- (2) After transfer of the Facilities to the DRE, each Party covenants not to sue any other Party for monetary or non-monetary relief for harm arising from removal of any of the Facilities, provided this covenant does not apply to claims against the DRE arising from the negligence, recklessness, or willful misconduct of the DRE or any of its contractors, subcontractors, or assigns, or from the actions or omissions of the DRE or any of its contractors, subcontractors, or assigns inconsistent with the Definite Plan or in violation of a Regulatory Approval. This provision does not apply to rights under the indemnifications established in Section 7.1.3 or the States' agreements with the DRE required in Section 4.12.

2.1.5 Timeliness

Exhibit 4 describes the sequence of performance of specific obligations necessary to achieve the bargained-for benefits of this Settlement. Exhibit 4 is subject to change and modification as needed and is provided for guidance only. The Parties shall undertake to implement this Settlement in a manner consistent with this sequence. If any Party requires more time than permitted by this Settlement to perform an obligation, that Party shall provide Notice to other Parties 30 days before the applicable deadline, unless the applicable provision in this Settlement establishes a different period. The Notice shall explain: (1) the obligation that the Party is attempting to perform; (2) the reason that performance is or may be delayed; and (3) the steps the Party has taken or proposes to take to Timely complete performance.

2.1.6 Force Majeure

A. Definition of Force Majeure

The term "Force Majeure" means any event reasonably beyond a Party's control that prevents or materially interferes with the performance of an obligation of that Party, that could not be avoided with the exercise of due care, and that occurs without the fault or negligence of that Party. Force Majeure events may be unforeseen, foreseen, foreseeable, or unforeseeable, including without limitation: natural events; labor or civil disruption; breakdown or failure of Project works not caused by failure to properly design, construct, operate, or maintain; or new regulations or laws that are applicable to the Project (other than the Authorizing Legislation). Force Majeure is presumed not to include normal inclement weather, which presumption can be overcome by a preponderance of the evidence provided by the non-performing Party.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**B. Suspension of Obligation**

During a Force Majeure event, and except as otherwise provided in this Settlement, a Party shall be relieved of any specific obligation directly precluded by the event, as well as those other obligations performance of which is materially impaired, but only for the duration of such event. The non-performing Party bears the burden of proving by a preponderance of the evidence the existence of Force Majeure, including the absence of negligence and fault.

C. Remedies

If a Force Majeure event occurs, and except as otherwise provided in this Settlement:

- (1) A Party that believes it is excused from performance pursuant to Section 2.1.6.B shall provide Notice within 10 days of the onset of the event. Such Notice shall describe the occurrence, nature, and expected duration of such event and describe the steps the Party has taken or proposes to be taken to prevent or minimize the interference with the performance of any affected obligation under this Settlement;
- (2) A Party shall thereafter provide periodic Notice to the other Parties of the efforts to address and resolve a Force Majeure event; and
- (3) If any other Party disputes the Party's claim of a Force Majeure event, or the adequacy of the efforts to address and resolve such event, such Party shall initiate the Dispute Resolution Procedures stated in Section 8.6.

2.2 Ratemaking Legislation and Proceedings

Each Party shall support implementation of the Oregon Surcharge Act enacted as Senate Bill 76, 2009 Or. Session Laws Chapter 690 in 2009 and authorizing the collection of a customer surcharge for the costs of Facilities Removal, which was codified as ORS 757.732 through 757.744. The Oregon Surcharge Act as codified is attached to this Settlement as Appendix F.

The Parties understand and agree that the costs of Facilities Removal shall be funded as specified in Section 4 of this Settlement. The Parties further understand and agree that funds allocated for Facilities Removal shall be managed and disbursed as specified in Section 4 of this Settlement. In the event that (1) the California Legislature does not adopt legislation by the time of the Secretarial Determination to place a ballot measure before California voters that contains a provision to fund up to \$250,000,000 (in nominal dollars) of the costs of Facilities Removal, or (2) the California voters do not adopt such

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ballot measure by the time of the Secretarial Determination, or (3) the California PUC does not adopt a California Klamath Surcharge, as defined herein and specified in Section 4, or (4) the Oregon PUC does not adopt an Oregon Klamath Surcharge, as defined in the Oregon Surcharge Act and specified herein, the Parties shall Meet and Confer to attempt, in good faith, to identify substitute funding and/or other alternatives to cover the costs of Facilities Removal.

2.3 Project Water Rights; Klamath Basin Adjudication

2.3.1 Project Water Rights

PacifiCorp's Oregon water rights will be processed and adjusted in accordance with the principles of Oregon law and the *Water Rights Agreement between PacifiCorp and the State of Oregon* attached to this Settlement as Exhibit 1.

2.3.2 Klamath Basin Adjudication

The Parties support the efforts by PacifiCorp, the Klamath Tribes, Bureau of Indian Affairs, and OWRD to develop a Klamath Basin Adjudication ("KBA") Settlement Agreement of cases 282 and 286 in the KBA.

2.4 Lease of State-Owned Beds and Banks

Within 60 days of the Effective Date, PacifiCorp shall apply to the Oregon Department of State Lands in accordance with state law for leases authorizing occupancy of submerged and submersible lands by the J.C. Boyle Dam, J.C. Boyle Powerhouse, and Keno Dam. No Party shall be deemed to have admitted, adjudicated, or otherwise agreed to the State of Oregon's claim to ownership of submerged and submersible lands by virtue of this Settlement.

3. **Secretarial Designation and Statement of Support**

3.1 Statement of Support

In cooperation with the Secretary of Commerce and other federal agencies as appropriate, the Secretary may make an affirmative statement of support for Facilities Removal if, in the Secretary's judgment, Facilities Removal (1) will advance restoration of the salmonid fisheries of the Klamath Basin, and (2) is in the public interest, which includes but is not limited to consideration of potential impacts on affected local communities and Tribes.

3.2 Secretarial Designation

The Secretary, through execution of the Settlement, agrees that Oregon Department of Fish and Wildlife will act as the entity with authority under ORS 757.738(3) to request transfer of funds held in the appropriate trust account established under ORS 757.738, to hold transferred funds, and to disburse transferred funds to the DRE, its assign, or

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successor, in accordance with a funding agreement as specified in Section 4.12.2, in the amounts necessary to pay “the costs of removing the Klamath River dams” as that phrase is used in ORS 757.736(11).

4. Costs

4.1 Funds for the Purpose of Facilities Removal

The Parties agree to pursue arrangements for the creation of the funding sources described below for the purpose of Facilities Removal.

4.1.1 The Customer Contribution

- A. Within 30 days of the Effective Date, PacifiCorp shall request that the Oregon PUC, pursuant to the Oregon Surcharge Act, establish two non-bypassable customer surcharges, the Oregon J.C. Boyle Dam Surcharge and the Oregon Copco I and II/Iron Gate Dams Surcharge (together, the “Oregon Klamath Surcharges”), for PacifiCorp’s Oregon customers to generate funds for the purpose of Facilities Removal. PacifiCorp shall request that the Oregon PUC set the Oregon Klamath Surcharges so that to the extent practicable the total annual collections of the surcharges remain approximately the same during the collection period.
- B. Within 30 days of the Effective Date, PacifiCorp shall request that the California PUC establish a non-bypassable customer surcharge (the “California Klamath Surcharge”) for PacifiCorp’s California customers to generate funds for the purpose of Facilities Removal. PacifiCorp shall request that the California PUC establish the California Klamath Surcharge so that it will collect an approximately equal amount each year that it is to be collected. PacifiCorp shall request that such surcharge assigns responsibility among the customer classes in an equitable manner. PacifiCorp shall also request that the California PUC set the California Klamath Surcharge so that it at no time exceeds two percent of the revenue requirements set by the California PUC for PacifiCorp as of January 1, 2010.
- C. The Parties agree that the total amount of funds to be collected pursuant to the Oregon Klamath Surcharges and the California Klamath Surcharge shall not exceed \$200,000,000 (in nominal dollars); these funds shall be referred to as the “Customer Contribution.”
- D. PacifiCorp shall request that the Oregon PUC establish a surcharge so that the amount collected under the Oregon Klamath Surcharges is 92% (a maximum of approximately \$184,000,000) of the total

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Customer Contribution, and with 75% of the total Oregon Klamath Surcharges amount collected through the Oregon Copco I and II/Iron Gate Dams Surcharge and 25% collected through the Oregon J.C. Boyle Dam Surcharge.

- E. PacifiCorp shall request that the California PUC establish a surcharge so that the amount collected under the California Klamath Surcharge is 8% (a maximum of approximately \$16,000,000) of the Total Customer Contribution. The trustee of the California Klamath Surcharge shall apply 75% of the total California Klamath Surcharge amount collected to the California Copco I and II/Iron Gate Dams Trust Account and 25% of the total California Klamath Surcharge amount collected to the California J.C. Boyle Dam Trust Account.
- F. PacifiCorp shall collect and remit the surcharges collected pursuant to this section to the trustee(s) described in Section 4.2, below, to be deposited into the appropriate California Klamath Trust Accounts and Oregon Klamath Trust Accounts.
- G. Consistent with Section 2.1 of this Settlement, each non-Federal Party shall support the California Klamath Surcharge and the Oregon Klamath Surcharges in the proceedings conducted by the California PUC and the Oregon PUC, respectively, to the extent the proposed Surcharges are consistent with this Settlement.

4.1.2 The California Bond Funding

- A. The California Legislature has approved a general obligation bond ("Bond Measure") containing a provision authorizing the issuance of bonds for the amount necessary to fund the difference between the Customer Contribution and the actual cost to complete Facilities Removal, which bond funding in any event shall not exceed \$250,000,000 (in nominal dollars). The bond language is set forth in Appendix G-1. At its sole discretion, the State of California may also consider other appropriate financing mechanisms to assist in funding the difference between the Customer Contribution and the actual cost of complete Facilities Removal, not to exceed \$250,000,000 (in nominal dollars).
- B. Consistent with Applicable Law and Section 2.1, each non-federal Party shall support the Klamath bond language in Appendix G-1; provided that nothing in this Settlement is intended or shall be construed to require a Party to support a Bond Measure that includes authorizations unrelated to the implementation of this Settlement.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**4.1.3 State Cost Cap**

The Customer Contribution and the California Bond Funding shall be the total state contribution and shall be referred to together as the “State Cost Cap.”

4.2 Establishment and Management of Trust Accounts and California Bond Funding**4.2.1 The Oregon Klamath Trust Accounts**

- A. In accordance with the Oregon Surcharge Act, the Oregon PUC will establish two interest-bearing accounts where funds collected by PacifiCorp pursuant to the Oregon Klamath Surcharges shall be deposited until needed for Facilities Removal purposes. The Oregon J.C. Boyle Dam Account shall be established to hold funds collected pursuant to the Oregon J.C. Boyle Dam Surcharge. The Oregon Copco I and II/Iron Gate Dams Account shall be established to hold funds collected pursuant to the Oregon Copco I and II/Iron Gate Dams Surcharge. The Oregon J.C. Boyle Dam Account and the Oregon Copco I and II/Iron Gate Dams Account may be referred to together as the “Oregon Klamath Trust Accounts.”
- B. In accordance with the Oregon Surcharge Act, the Oregon PUC will select a trustee to manage the Oregon Klamath Trust Accounts. The Parties may recommend a trustee for consideration by the Oregon PUC.

4.2.2 The California Klamath Trust Accounts

- A. Upon execution of this Settlement, California shall request, and each non-Federal Party shall support the request, that the California PUC establish two interest-bearing trust accounts where funds collected by PacifiCorp pursuant to the California Klamath Surcharge for the purpose of Facilities Removal shall be deposited until needed for Facilities Removal purposes. The non-Federal Parties shall also request that California and the California PUC establish the trust accounts in a manner that ensures that the surcharge funds will not be taxable revenues to PacifiCorp. The California J.C. Boyle Dam Trust Account shall be established to hold 25% of the funds collected pursuant to the California Klamath Surcharge. The California Copco I and II/Iron Gate Dams Trust Account shall be established to hold 75% of the funds collected pursuant to the California Klamath Surcharge. The California J.C. Boyle Dam Trust Account and the California Copco I and II/Iron Gate Dams Trust Account may be referred to together as the “California Klamath Trust Accounts.”
- B. California shall request, and each non-Federal Party shall support the request, that the California PUC select a trustee to accept surcharge

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funds from PacifiCorp and manage the California Klamath Trust Accounts. The Parties may recommend a trustee for consideration by the California PUC.

4.2.3 The California Bond Funding

In the event that the Bond Measure is placed on the ballot and approved by voters, bond funds available from the Bond Measure shall be managed pursuant to California bond law; however, the State of California agrees that, to the extent permitted by law, the California Bond Funding shall be managed and disbursed in a manner consistent with and complementary to the management and disbursement of the Customer Contribution.

4.2.4 Management of the Trust Accounts

- A. Within six months of the Effective Date, the States in consultation with the Federal Parties shall prepare draft trustee instructions for submission to the respective PUCs. The States shall then request that the California PUC or another designated agency of the State of California, and the Oregon PUC work cooperatively to prepare joint instructions to the trustee(s) of the Oregon Klamath Trust Accounts and California Klamath Trust Accounts, consistent with the draft instructions, as to the following:
 - (1) Whether and when to disburse funds from the Oregon Klamath Trust Accounts and California Klamath Trust Accounts to the DRE;
 - (2) The methodology to be used by the trustee(s) to determine which account or accounts to draw funds from for the purpose of disbursing funds to the DRE;
 - (3) A protocol for the trustee(s) to use to ensure that the management of the Customer Contribution is consistent with and complementary to the management of the California Bond Funding;
 - (4) Disbursement of funds under the circumstances described in Section 4.4 below;
 - (5) A protocol for reallocating between Trust Accounts monies that have already been deposited into the Trust Accounts, to be used by the trustees, at the request of the States, for removal of specific facilities; and

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(6) If the trustee is a federal agency, provisions ensuring that Trust Account monies are not used for any other purpose than Facilities Removal consistent with the trustee instructions and do not become part of any federal agency's or bureau's budget.

B. As necessary, the States, in consultation with PacifiCorp and the DRE, will prepare draft trustee instructions revised as appropriate and request that the California PUC or another designated agency of the state of California, and the Oregon PUC work cooperatively to prepare revised joint instructions to the trustee(s) of the Oregon Klamath Trust Accounts and California Klamath Trust Accounts consistent with the draft revised instructions. The States and PacifiCorp will take such other actions as may be reasonably necessary to facilitate the distribution of the Customer Contribution.

4.3 Adjustment to Surcharges

As appropriate, the States shall consult with each other, PacifiCorp, and the Federal Parties regarding adjustments to the California Klamath Surcharge or Oregon Klamath Surcharges necessitated by or appropriate considering the circumstances. Following such consultation, PacifiCorp will request that the California PUC and Oregon PUC adjust the Klamath Surcharges to be consistent with the recommendations developed through the consultation. Any adjustment shall not alter the maximum level of the Customer Contribution or State Cost Cap.

4.4 Disposition of Unnecessary or Unused Funds from the Oregon and/or California Klamath Trust Accounts

4.4.1 If, as described in Section 4(5) of the Oregon Surcharge Act, the Oregon Klamath Surcharges are finally determined to result in rates that are not fair, just, and reasonable, the surcharges shall be refunded to customers in accordance with the Oregon Surcharge Act and the trustee instructions.

4.4.2 In the event that the Oregon PUC finds that the Oregon Klamath Trust Accounts contain funds in excess of actual costs necessary for Facilities Removal, those excess amounts shall be refunded to customers or otherwise used for the benefit of customers as set forth in Section 4(9) of the Oregon Surcharge Act and the trustee instructions.

4.4.3 In the event that, following Facilities Removal, the trustee of the California Klamath Trust Account determines that the California Klamath Trust Account contains funds in excess of actual costs necessary for Facilities Removal, the non-Federal Parties shall request that the California PUC order those excess amounts to be refunded to customers or otherwise used for the benefit of customers.

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4.4.4 If, as a result of the termination of this Settlement, or other cause, one or more Project dams will not be removed:

- A. All or part of the Oregon Klamath Surcharges shall be terminated and the Oregon Klamath Trust Accounts disposed as set forth in Section 4(10) of the Oregon Surcharge Act and the trustee instructions; and
- B. PacifiCorp shall request that the California PUC direct PacifiCorp to terminate all or part of the surcharge, that the California PUC direct the trustee to apply any excess balances in the California Klamath Trust Account to California's allocated share of prudently incurred costs to implement FERC relicensing requirements, and that, if any excess amount remains in the trust accounts after that application, that the California PUC order that the excess amounts be refunded to customers or otherwise be used for the benefit of customers.

4.5 Recovery of Net Investment in Facilities

4.5.1 Consistent with Section 3 of the Oregon Surcharge Act, PacifiCorp shall request, and each non-Federal Party shall support the request, that the Oregon PUC allow recovery of PacifiCorp's net investment in the Facilities.

4.5.2 PacifiCorp shall request, and each non-Federal Party shall support the request, that the California PUC conduct one or more proceedings to implement the following:

- A. That the California PUC determine a depreciation schedule for each Facility based on the assumption that the Facility will be removed in 2020, and change that depreciation schedule at any time if removal of the Facility will occur in a year other than 2020; and
- B. That the California PUC use the depreciation schedules adopted consistent with Section 4.5.2.A above to establish rates and tariffs for the recovery of California's allocated share of undepreciated amounts prudently invested by PacifiCorp in the Facilities, with amounts recoverable including but not limited to:

(1) Return on investment and return of investment;

(2) Capital improvements required by the Federal Parties or any agency of the United States or any agency of the States for the continued operation of the Facility until Facility removal;

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(3) Amounts spent by PacifiCorp in seeking relicensing of the Project before the Effective Date of this Settlement;

(4) Amounts spent by PacifiCorp for settlement of issues relating to relicensing or removal of the Facilities; and

(5) Amounts spent by PacifiCorp for the Decommissioning of the Facilities in anticipation of Facilities Removal.

C. If any amount has not been recovered by PacifiCorp before a Facility is removed, PacifiCorp shall request, and each non-Federal Party shall support the request, that the California PUC allow recovery of that amount by PacifiCorp in PacifiCorp's rates and tariffs.

4.5.3 Rates and tariffs proposed pursuant to this Section 4.5 shall be separate from, and shall not diminish the funds collected by, the Oregon and California Klamath Surcharges.

4.6 Recovery of Costs of Ongoing Operations and Replacement Power

4.6.1 Consistent with Section 6 of the Oregon Surcharge Act, PacifiCorp shall request, and each non-Federal Party shall support the request, that the Oregon PUC allow recovery of other costs incurred by PacifiCorp.

4.6.2 Subject to Section 2.1.2, each non-Federal Party shall support PacifiCorp's request to the California PUC for PacifiCorp to include in rates and tariffs California's allocated share of any costs that are prudently incurred by PacifiCorp from changes in operation of Facilities, including reductions to generation from the Facilities before removal of the Facilities and for replacement power after the dams are removed.

4.6.3 Rates and tariffs proposed pursuant to this Section 4.6 shall be separate from, and shall not diminish the funds collected by, the Oregon and California Klamath Surcharges.

4.7 Treatment of Costs Related to Future Portfolio Standards and Climate Change Legislation

The Parties agree to Meet and Confer at PacifiCorp's request regarding provisions to address potential customer impacts from renewable portfolio standards and climate change emissions requirements.

4.8 Acknowledgment of Independence of Oregon PUC and California PUC

The Parties acknowledge that the Oregon PUC and California PUC each is a separate state agency that is not bound by this Settlement. Nothing in this Settlement expands,

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limits, or otherwise affects any authority of the respective commissions regarding the customer surcharges and trust accounts, recovery of net investment, or recovery of costs of ongoing operations or replacement power. Because the Parties cannot provide assurance that either commission will decide to or be allowed to implement any of the provisions for funding Facilities Removal, failure of a commission to do so is not a breach of this Settlement by any Party.

4.9 Consultation

Before filing the requests to the California PUC and Oregon PUC described in Sections 4.5 and 4.6, above, PacifiCorp shall undertake to consult with the Parties, pursuant to a confidentiality agreement among the Parties or a protective order issued by the relevant PUC, so that the requested rates can be explained and the basis for such rates can be provided. Further, before any request to the California PUC or the Oregon PUC to reduce or increase a surcharge in the event the amount needed for Customer Contribution is determined to be less or more than the level of Customer Contribution specified in Section 7.3.2.A, the States and PacifiCorp shall undertake to consult with all Parties.

4.10 United States Not Responsible for Costs of Facilities Removal

The United States shall not be liable or responsible for costs of Facilities Removal.

4.11 Parties' Costs Related to Facilities Removal

Subject to Section 4.4, the funds accumulated pursuant to Section 4 are solely for use in accomplishing Facilities Removal, including but not limited to development of the Definite Plan, all necessary permitting and environmental compliance actions, and construction/project management for Facilities Removal. Nothing in this section shall be interpreted as a limitation on the State of California's use of California Bond Funding, or funds collected pursuant to the California Klamath Surcharge and deposited into the California Copco 1 and 2 and Iron Gate Dams Trust Account, for environmental review; provided the use of any funds from California Copco 1 and 2 and Iron Gate Dams Trust Account may be offset by California Bond Funds to achieve the target dates set forth in Section 7.3.

4.12 Funding and Grant Agreements

4.12.1 On or around June 15, 2016, CNRA will enter into an agreement with the Oregon state agency designated by the Secretary under Section 3.2 pertaining to the use of funds from the Customer Contribution and California Bond Funding.

4.12.2 On or around June 15, 2016, the Oregon state agency designated by the Secretary under Section 3.2 will enter into a grant agreement with the DRE. The grant agreement will include conditions not inconsistent with

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the Settlement pertaining to the use of the Oregon Klamath Trust Accounts.

4.12.3 On or around June 15, 2016, CNRA will enter into a funding agreement with the DRE and any other entity as appropriate. The funding agreement will include conditions not inconsistent with the Settlement pertaining to the use of the California Klamath Trust Accounts.

4.12.4 Following appropriation by the California legislature and consistent with the agreement in Section 4.12.1, CNRA will enter into a grant agreement(s) with the DRE. The grant agreement(s) shall include conditions not inconsistent with the Settlement pertaining to the use of the California Bond Funding.

5. Local Community Power

5.1 Power Development

5.1.1 PacifiCorp and the irrigation-related Parties will in good faith cooperate in the investigation or consideration of joint development and ownership of renewable generation resources and the purchase by PacifiCorp of power from renewable energy projects developed by KWAPA or other parties related to the Klamath Reclamation Project or off-project irrigators. PacifiCorp and interested Public Agency Parties will in good faith cooperate in the investigation or consideration of joint development and ownership of potential renewable generation resources and the purchase by PacifiCorp of power from renewable energy projects developed by interested Public Agency Parties. Nothing in this Settlement requires any Party to enter into a specific transaction related to such development, ownership or purchase, but PacifiCorp, interested Public Agency Parties and the irrigation-related Parties desire to take actions in their mutual beneficial interest where opportunities arise.

5.1.2 Pursuant to that certain Memorandum of Understanding dated October 15, 2001 among the Western Governors Association and various federal agencies, the Secretary and the State of California shall seek to designate Siskiyou County as a Western Renewable Energy Zone and the Secretary and the State of Oregon shall seek to designate Klamath County as a Western Renewable Energy Zone. The Federal Parties will work with the Counties and other Parties to explore and identify potential ways to expand transmission capacity for renewable resources within the Counties.

5.2 [Section deleted]

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Interior, KWAPA, KWUA and UKWUA agree that federal power can contribute to meeting power cost targets for irrigation in the Upper Klamath Basin. To that end, and consistent with applicable standards of service and the Pacific Northwest Power Planning and Conservation Act, 16 U.S.C. § 839 *et seq.*, Interior will acquire power from the Bonneville Power Administration (“Bonneville”) to serve all “eligible loads” located within Bonneville’s authorized geographic area. Interior and Bonneville will engage in an open and transparent process that will provide for public review and comment on any proposed agreement. For purposes of the acquisition of federal power, Interior defines Klamath eligible loads to include both on and off-project loads. Such acquisitions are subject to Bonneville’s then effective marketing policies, contracts, and applicable priority firm power rate.

For an additional, standard transmission charge, Bonneville will deliver power to PacifiCorp at the Captain Jack or Malin substations or other points as may be mutually agreed to by Bonneville and PacifiCorp (“Points of Delivery”) and PacifiCorp will deliver the energy to eligible loads under applicable tariffs.

Interior, KWAPA, KWUA, UKWUA and PacifiCorp agree to continue to work in good faith to identify and implement a mutually agreeable approach for delivering acquired federal power to eligible loads. PacifiCorp agrees to receive any federal power at the Points of Delivery and to deliver such power to the eligible loads pursuant and subject to the following terms and conditions:

- 5.3.1 The terms and conditions related to accessing PacifiCorp’s transmission system, to the extent that it is necessary, will be consistent with PacifiCorp’s Open Access Transmission Tariff (“OATT”).
- 5.3.2 The terms and conditions related to accessing PacifiCorp’s distribution system will remain subject to the jurisdiction of the California Public Utilities Commission for distribution facilities located in California and the Oregon Public Utility Commission for distribution facilities located in Oregon. In California and Oregon, the respective PUCs have approved unbundled delivery service tariffs for PacifiCorp to implement direct access legislation. The Parties agree that these unbundled delivery service tariffs can enable the delivery of federal power. For power acquired by Interior from Bonneville, PacifiCorp will charge an unbundled distribution rate that is based on the Oregon Commission-approved tariff applicable to the delivery of Bonneville power to eligible loads in Oregon.

To the extent that PacifiCorp’s existing tariffs require revision in order to allow PacifiCorp to implement the mutually agreeable approach, PacifiCorp shall request such revision by the Commission having jurisdiction.

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The Parties understand and agree that PacifiCorp shall recover its costs incurred in providing the delivery services required under the mutually agreeable approach and that such services will not be subsidized by PacifiCorp's other retail customers. PacifiCorp, Interior, KWUA, KWAPA, and UKWUA agree to work cooperatively to identify and analyze, as necessary, PacifiCorp's costs for delivery services as part of identification of any such mutually agreeable approach. The Parties further agree that the costs of providing delivery services will be recovered pursuant to a tariff or tariffs established by the respective PUC based on cost-of-service principles and a finding by the PUC that the rates charged under the tariff[s] are fair, just, reasonable and sufficient.

- 5.3.3 PacifiCorp agrees to work in good faith to develop mutually agreeable revisions to existing provisions of state or federal law, if necessary to implement the mutually agreeable approach.
- 5.3.4 PacifiCorp agrees to work in good faith with Bonneville, Interior, KWAPA, KWUA and UKWUA and other Parties as the case may be, to resolve, on a mutually agreeable basis, any technical and administrative issues (such as billing and metering) that may arise with respect to PacifiCorp's delivery of power to the eligible loads.
- 5.3.5 It is the Parties' intent that this Agreement will not require PacifiCorp to modify its existing transmission or distribution facilities. PacifiCorp may elect to do so at the sole cost and expense of the Party or entity requesting such modification.
- 5.3.6 At such time as the eligible loads are prepared to and technically able to receive federal power, PacifiCorp, Interior, KWAPA, KWUA and UKWUA agree to work cooperatively with each other to transition the eligible loads from full retail service on a mutually agreeable basis. The Parties acknowledge that for any eligible load that has received federal power pursuant to this section, PacifiCorp will no longer have the obligation to plan for or meet the generation requirements for these loads in the future, provided, however, that PacifiCorp agrees to work cooperatively to provide generation services to eligible loads in a manner that is cost-neutral to other PacifiCorp customers in the event that a contract for federal power is no longer available. Interior, KWAPA, KWUA and UKWUA agree to provide notice to PacifiCorp as soon as practicable after becoming aware that federal power will no longer be available to serve any eligible loads.
- 5.3.7 Interior, in consultation with KWAPA, KWUA and UKWUA, shall Timely develop a preliminary identification of the eligible loads for purposes of Section 5.3. Interior, in consultation with KWAPA, KWUA and UKWUA, shall provide notification to PacifiCorp identifying the final

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eligible loads for purposes of Section 5.3, not later than 120 days before delivery of federal power to any such eligible loads is to begin. The mutually agreeable approach will address the manner by which Interior provides notification to PacifiCorp of any changes to eligible loads.

- 5.3.8 Interior agrees to work cooperatively to assign or delegate or transition functions of Interior to KWAPA or another appropriate entity subject to the terms of this Section.
- 5.3.9 If Interior or KWAPA or UKWUA are able to acquire power from any entity other than Bonneville for eligible loads in either Oregon or California, PacifiCorp, KWAPA, UKWUA, Interior, and KWUA, as applicable, will work cooperatively to agree on a method for transmission and delivery.
- 5.3.10 Upon termination of this Settlement, PacifiCorp agrees to provide service under the terms of its approved delivery tariff until or unless the respective PUC determines that the applicable tariff should no longer be in place. It is the intention of PacifiCorp, Interior, KWUA, KWAPA, and UKWUA that the general principles of cooperation expressed in Section 5 continue beyond the term of this Settlement.

5.4 Irrigator Rates

In consultation with Klamath Basin irrigators, PacifiCorp will continue to explore alternative rate structures and programs, such as time-of-use rates or demand control programs.

6. **Interim Operations**

6.1 General

Interim Measures under this Settlement consist of: (1) Interim Measures included as part of PacifiCorp's Interim Conservation Plan ("ICP Interim Measures") (Appendix C); and (2) Interim Measures not included in the Interim Conservation Plan ("Non-ICP Measures") (Appendix D). In addition, PacifiCorp's Interim Conservation Plan includes certain measures for protection of listed sucker species not included as part of this Settlement.

6.1.1 PacifiCorp Performance

PacifiCorp shall perform the Interim Measures in accordance with the terms and schedule set forth in Appendices C and D as long as this Settlement is in effect during the Interim Period. However, if this Settlement terminates, PacifiCorp shall continue performance of the Iron Gate Turbine Venting until the time FERC issues an order in the relicensing proceeding. PacifiCorp shall have no obligation

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under this Settlement to perform any other of the Interim Measures if this Settlement terminates, but may implement certain ICP and Non-ICP Interim Measures for ESA or CWA purposes or for any other reason. PacifiCorp reserves its right to initiate termination pursuant to Section 8.11.1.C, if the Services fail to provide incidental take authorization in a Timely way.

6.1.2 Duty to Support

Subject to the reservations in Sections 1.6, 6.2, and 6.3.4, each Party shall support the Interim Measures set forth in Appendices C and D, and will not advocate additional or alternative measures for the protection of environmental resources affected by the Project during the Interim Period.

6.1.3 Permitting

A. PacifiCorp or the DRE (as applicable) shall comply with all federal, state, and local laws and obtain all federal, state, and local permits related to Interim Measures, to the extent such laws and permits are applicable.

B. FERC Enforcement and Jurisdiction

(1) The Parties agree that enforcement of the terms of the current license, as extended through annual licenses, shall be exclusively through FERC. If the annual license is amended to incorporate any of the Interim Measures, a Party may seek compliance pursuant to any remedies it may have under Applicable Law.

(2) Subject to the reservations in Section 6.3.4, PacifiCorp will implement Interim Measures and the Klamath River TMDLs, subject to any necessary FERC or other Regulatory Approvals.

6.1.4 Interim Power Operations

Consistent with the operation and maintenance agreement contemplated in Section 7.1.6, PacifiCorp shall continue to operate the Facilities for the benefit of customers and retain all rights to the power from the Facilities until each Facility is transferred and Decommissioned, including all rights to any power generated during the time between transfer of the Facility to the DRE and Decommissioning of the Facility by PacifiCorp.

6.1.5 Adjustment for Inflation

For any funding obligation under a Non-ICP Interim Measure in Appendix D expressly made subject to adjustment for inflation, the following formula shall be applied at the time of payment:

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$$AD = D \times (CPI-U_t) / (CPI-U_o)$$

WHERE:

AD = Adjusted dollar amount payable.

D = Dollar amount prescribed in the Interim Measure.

CPI-U_t = the value of the published version of the Consumer Price Index-Urban for the month of September in the year prior to the date a dollar amount is payable. (The CPI-U is published monthly by the Bureau of Labor Statistics of the federal Department of Labor. If that index ceases to be published, any reasonably equivalent index published by the Bureau of Economic Analysis may be substituted by written agreement of the Parties.)

CPI-U_o = the value of the Consumer Price Index-Urban for the month and year corresponding to the Effective Date of this Settlement.

6.2 Interim Conservation Plan

6.2.1 Application by PacifiCorp

PacifiCorp shall apply to the Services pursuant to ESA Section 10 and applicable implementing regulations to incorporate the Interim Conservation Plan measures, including both Appendix C (ICP Interim Measures) and the Interim Conservation Plan measures for protection of listed sucker species not included in Appendix C, into an incidental take permit. PacifiCorp also may apply in the future to FERC to incorporate some or all of the Interim Conservation Plan measures as an amendment to the current annual license for the Project.

6.2.2 Applicable Actions by the Services under the ESA

The Services shall review PacifiCorp's application to incorporate the Interim Conservation Plan measures into an incidental take permit pursuant to ESA Section 10 and applicable implementing regulations. Subject to Section 2.1.2, each Party shall support PacifiCorp's request for a license amendment or incidental take permit to incorporate the Interim Conservation Plan measures. Provided, however, the Services reserve their right to reassess these interim measures, as applicable, in: (1) developing a biological opinion pursuant to ESA Section 7 or reviewing an application for an incidental take permit pursuant to ESA Section 10 and applicable implementing regulations; (2) reinitiating consultation on any final biological opinion pursuant to applicable implementing regulations; or (3) revoking any final incidental take permit pursuant to the ESA, applicable implementing regulations, or the terms of the permit. Provided further, other Parties reserve any applicable right to oppose any such actions by the Services.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**6.2.3 Potential Modifications of Measures**

The Services shall provide the Parties Notice upon issuance of any final biological opinion or incidental take permit issued by the Services pursuant to the ESA regarding the ICP Interim Measures (Appendix C). If the terms of any such final biological opinion or incidental take permit include revisions to the ICP Interim Measures, those measures in the Settlement shall be deemed modified to conform to the provisions of the biological opinion or incidental take permit if PacifiCorp agrees to such modifications. If PacifiCorp does not agree to such modifications, PacifiCorp reserves the right to withdraw its application for license amendment or refuse to accept an incidental take permit regarding the ICP Interim Measures.

6.3 TMDLs**6.3.1 PacifiCorp Implementation**

Subject to the provisions of this Section 6.3.1, PacifiCorp agrees to implement load allocations and targets assigned the Project under the States' respective Klamath River TMDLs, in accordance with OAR chapter 340, Division 42, and California Water Code Division 7, Chapter 4, Article 3. It is the expectation of the Parties that the implementation of the commitments in this Settlement, coupled with Facilities Removal by the DRE, will meet each State's applicable TMDL requirements. PacifiCorp's commitment to develop and carry out TMDL implementation plans in accordance with this Settlement is not an endorsement by any Party of the TMDLs or load allocations therein.

6.3.2 TMDL Implementation Plans

- A. No later than 60 days after ODEQ's and the North Coast Regional Water Quality Control Board's (NCRWQCB's) approval, respectively, of a TMDL for the Klamath River, PacifiCorp shall submit to ODEQ and NCRWQCB, as applicable, proposed TMDL implementation plans for agency approval. The TMDL implementation plans shall be developed in consultation with ODEQ and NCRWQCB.
- B. To the extent consistent with this Settlement, PacifiCorp shall prepare the TMDL implementation plans in accordance with OAR 340-042-0080(3) and California Water Code section 13242, respectively. The plans shall include a timeline for implementing management strategies and shall incorporate water quality-related measures in the Non-ICP Interim Measures set forth in Appendix D. Facilities Removal by the DRE shall be the final measure in the timeline. At PacifiCorp's discretion, the proposed plans may further include other planned activities and management strategies developed individually or cooperatively with other sources or designated management agencies. ODEQ and NCRWQCB may authorize PacifiCorp's use of offsite

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pollutant reduction measures, subject to an iterative evaluation and approval process; provided, any ODEQ authorization of such offsite measures conducted in Oregon solely to facilitate attainment of load allocations in California waters shall not create an ODEQ obligation to administer or enforce the measures.

6.3.3 Keno Load Allocation

Subject to Section 6.3.4, in addition to other Project facilities and affected waters, PacifiCorp's TMDL implementation plan under Section 6.3.2 shall include water quality-related measures in the Non-ICP Interim Measures set forth in Appendix D that are relevant to the Keno facility and affected waters for which the Project is assigned a load allocation. PacifiCorp shall implement Keno load allocations in accordance with the approved TMDL implementation plan under Section 6.3 up until the time of transfer of title to the Keno facility to Interior. Upon transfer of title to the Keno facility as set forth in Section 7.5 of this Settlement, the load allocations shall no longer be PacifiCorp's responsibility. Funding, if necessary, for post-transfer Keno load allocation implementation requirements will be provided by other non-PacifiCorp sources.

6.3.4 TMDL Reservations

- A. PacifiCorp's TMDL implementation obligations under this Settlement are limited to the water quality-related measures in the Interim Measures set forth in Appendices C and D and any additional or different measures agreed to by PacifiCorp and incorporated into an approved TMDL implementation plan. If a TMDL implementation plan for PacifiCorp as finally approved, or a final discharge permit or other regulatory decision intended to implement a TMDL or water quality standard or regulation, requires measures that have not been agreed to by PacifiCorp and that are materially inconsistent with the Interim Measures, PacifiCorp may initiate termination under Section 8.11.1.C.
- B. PacifiCorp reserves the right to seek modification of a TMDL implementation plan in the event this Settlement terminates. The States reserve their authorities under the CWA and state law to revise or require submission of new TMDL implementation plans in the event this Settlement terminates or an implementation plan measure or Facilities Removal does not occur in accordance with the timeline in the approved implementation plans. Other Parties reserve whatever rights they may have under existing law to challenge the TMDLs or TMDL implementation plans in the event this Settlement terminates.
- C. To the extent it possesses rights outside of this Settlement, no Party waives any right to contest: a Klamath River TMDL; specific TMDL

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load allocation; decision on a PacifiCorp TMDL implementation plan; or final discharge permit or other regulatory decision intended to implement a TMDL or water quality standard or regulation, if materially inconsistent with this Settlement.

6.4 Other Project Works

6.4.1 East Side/West Side Facilities

- A. PacifiCorp will apply to FERC for an order approving partial surrender of the Project license for the purpose of decommissioning the East Side/West Side generating facilities unless PacifiCorp, in consultation with the state of Oregon, the Federal Parties, and the Tribes, agrees to an alternative disposition of these facilities. PacifiCorp will file the application consistent with applicable FERC regulations, and after consultation with the Parties. Notwithstanding Section 2.1.2, the Parties reserve their rights to submit comments and otherwise participate in the FERC proceeding regarding the conditions under which decommissioning should occur. PacifiCorp reserves the right to withdraw its surrender application for these facilities if any FERC order or other Regulatory Approval in connection with the surrender application would impose unreasonable conditions on that surrender.
- B. Upon FERC approval, and in coordination with Reclamation and pursuant to Section 7.5.2, PacifiCorp shall decommission the East Side/West Side facilities in accordance with the FERC order approving the decommissioning, with the costs of such decommissioning to be recovered by PacifiCorp through standard ratemaking proceedings.
- C. Upon completion of decommissioning and subject to FERC's and state requirements, PacifiCorp and Interior shall discuss possible transfer of the following lands to Interior: Klamath County Map Tax Lots R-3809-00000-05800-000, R-3809-00000-05900-000, and R-3809-00000-05700-000, or any other mutually-agreeable lands associated with the East Side and West Side Facilities on terms and conditions acceptable to PacifiCorp and Interior.

6.4.2 Fall Creek Hydroelectric Facility

PacifiCorp will continue to operate the Fall Creek hydroelectric facility under FERC's jurisdiction unless and until such time as it transfers the facility to another entity or the facility is otherwise disposed of in compliance with Applicable Law.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**6.5 Abeyance of Relicensing Proceeding**

- 6.5.1 Within 30 days of the Amendment Effective Date, PacifiCorp will file the Settlement with FERC and an expedited motion asking FERC to hold PacifiCorp's Project relicensing proceeding in abeyance. Each Party agrees to refrain from any action that does not support PacifiCorp's request to abate the FERC relicensing docket for the Project. The motion will specify that the abeyance should remain in effect while the DRE's surrender application is pending and until after FERC takes action on the DRE's surrender application as provided in Section 7.1.7.A.
- 6.5.2 Within 15 days after FERC issues an abeyance order for the Project relicensing proceeding, PacifiCorp will withdraw its CWA Section 401 certification applications currently pending before the California State Water Resources Control Board and ODEQ.
- 6.5.3 If FERC denies PacifiCorp's motion to abate or fails to rule on the motion before July 1, 2016, PacifiCorp will ask the California State Water Resources Control Board and the ODEQ to abate permitting and environmental review for PacifiCorp's FERC Project No. 2082 licensing activities, including but not limited to water quality certifications under Section 401 of the CWA and review under CEQA, during the Interim Period. If FERC does not hold the Project relicensing proceeding in abeyance, PacifiCorp will withdraw and re-file its relicensing applications for Section 401 certifications as necessary to avoid the certifications being deemed waived under the CWA during the Interim Period.
- 6.5.4 If no abeyance of relicensing proceedings is approved by FERC or, as applicable, the California State Water Resources Control Board or the ODEQ, or an abeyance is ordered then later lifted, then the Parties are excused from their duty to support this Settlement to the extent necessary to maintain their rights and arguments in the Project relicensing proceedings, and any Party may initiate the Meet and Confer procedures described in Section 8.7.

7. DRE, Transfer, Surrender, and Facilities Removal

This section describes the measures, schedule, and regulatory compliance during transfer, surrender, and removal of Facilities under this Settlement.

7.1 DRE**7.1.1 Execution of Settlement**

The Parties expect that the DRE will become a Party by executing the Settlement on or around July 1, 2016, as provided in Section 9.4.

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- A. The Parties agree that the DRE must possess the legal, technical, and financial capacity to:
- (1) Accept and expend non-federal funds consistent with Section 4.2.4;
 - (2) Accept transfer of the FERC license and title for the Facilities from PacifiCorp;
 - (3) Seek and obtain necessary permits and other authorizations to implement Facilities Removal;
 - (4) Enter into appropriate contracts and grant agreements for effectuating Facilities Removal;
 - (5) Perform, directly or by oversight, Facilities Removal;
 - (6) Prevent, mitigate, and respond to damages the DRE or any of its contractors, subcontractors, or assigns cause during the course of Facilities Removal, and, consistent with Applicable Law, respond to and defend associated liability claims against the DRE or any of its contractors, subcontractors, or assigns, including costs thereof and any judgments or awards resulting therefrom;
 - (7) Carry the required insurance and bonding set forth in Appendix L to respond to liability and damages claims associated with Facilities Removal against the DRE or any of its contractors, subcontractors, or assigns;
 - (8) Meet the deadlines set forth in Exhibit 4; and
 - (9) Perform such other tasks as are reasonable and necessary for Facilities Removal.
- B. Before the DRE and PacifiCorp file the joint application to transfer the license for the Facilities, the DRE will Timely demonstrate to the reasonable satisfaction of the States and PacifiCorp that it possesses the legal, technical, and financial capacity to accomplish the tasks in Sections 7.1.2.A(1) through (5), (8), and (9). PacifiCorp and the States will consult if the DRE fails to make the demonstration required in this subsection.
- C. Within six months of the DRE's execution of the Settlement, the DRE will include in an informational filing in the FERC license transfer

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proceeding proof that it possesses the legal, technical, and financial capacity to accomplish the tasks in Sections 7.1.2.A(6) and (7). This filing will include documentation that the DRE meets the requirements of Parts II, III, and IV of Appendix L and is capable of fulfilling its obligations under Section 7.1.3. The DRE will not provide the filing if either of the States or PacifiCorp objects to the filing after a reasonable opportunity to review before submission to FERC. The six-month deadline may be changed by agreement of the DRE, the States, and PacifiCorp. The Parties will Meet and Confer if the DRE fails to provide the informational filing to FERC.

7.1.3 Liability Protection

- A. By executing this Settlement, the DRE agrees, on its behalf and on behalf of the DRE's employees, contractors, subcontractors, and authorized agents or assigns to indemnify, hold harmless, and defend PacifiCorp, the state of California, and the state of Oregon for, from, and against any and all claims, actions, proceedings, damages, liabilities, monetary or non-monetary harms or expense arising from, relating to, or triggered by Facilities Removal, including but not limited to:
 - (1) Harm, injury, or damage to persons, real property, tangible property, natural resources, biota, or the environment;
 - (2) Harm, injury, or damage caused by the release, migration, movement, or exacerbation of any material, object, or substance, including without limitation hazardous substances; and
 - (3) Breaches or violations of any Applicable Law, Regulatory Approval, authorization, agreement, license, permit, or other legal requirement of any kind.
- B. If the DRE partially assigns its responsibilities under this Settlement, the DRE and its assign will be jointly and severally obligated under this section.

7.1.4 License Transfer Conditions and Timing

Before the FERC license transfer to the DRE will become effective, the DRE must demonstrate to PacifiCorp's and the States' reasonable satisfaction that the DRE has met the obligations in Appendix L and the following conditions:

- A. The DRE has provided Notices required under Section 7.2.1.B;
- B. The DRE has met the requirements of Section 7.1.3 and Appendix L;

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- C. PacifiCorp and the States agree that the DRE has made sufficient and Timely progress in obtaining necessary permits and approvals to effectuate Facilities Removal;
- D. The DRE, the States, and PacifiCorp are assured that sufficient funding is available to carry out Facilities Removal;
- E. The DRE, the States, and PacifiCorp are each assured that their respective risks associated with Facilities Removal have been sufficiently mitigated consistent with Appendix L;
- F. The DRE, the States, and PacifiCorp agree that no order of a court or FERC is in effect that would prevent Facilities Removal;
- G. The DRE and PacifiCorp have executed documents conveying the property and rights necessary to carry out Facilities Removal; and
- H. The DRE accepts license transfer under the conditions specified by FERC in its order approving transfer.

7.1.5 FERC Application for Transfer

- A. On or around July 1, 2016, PacifiCorp and the DRE will jointly file an application to remove the Facilities from the Project license, redesignate the Facilities with a new project number, and transfer the redesignated FERC license for the Facilities to the DRE.
- B. The application for transfer may include proposals to decommission the East Side and West Side facilities, subject to Section 6.4.1 of this Settlement; remove the Keno facilities from the Project license under Section 7.5 of this Settlement; and transfer the Fall Creek development to a third party for purposes of relicensing.
- C. PacifiCorp and the DRE will file the joint application for transfer at FERC concurrent with the DRE's application for surrender and removal of the Facilities, retaining the 2020 target date for Facilities Removal.
- D. The joint application for transfer will request that FERC incorporate the conditions in Section 7.1.4 into the transfer order and require that transfer will not become effective until the DRE, or PacifiCorp and the DRE jointly (as appropriate), file notice with FERC when those conditions have been satisfied.

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On or around July 1, 2016, the DRE and PacifiCorp will enter into an operation and maintenance agreement allowing PacifiCorp to continue operating the Facilities for the benefit of its customers following transfer of the FERC Facilities license to the DRE. The conditions of operation under this agreement will be consistent with interim operations described in Section 6 and Appendices B, C, and D, and will include requirements that PacifiCorp pay all costs associated with operating the Facilities and indemnify, defend, and hold harmless the DRE with respect to those operations. The DRE and PacifiCorp will obtain the concurrence of the States for any such agreement.

7.1.7 FERC Application for Surrender

- A. Concurrently with the joint application for license transfer, the DRE will file an application with FERC to surrender the FERC license for the Facilities for the purpose of Facilities Removal, which will include a copy of this Settlement and the Detailed Plan. The DRE will request that FERC defer acting on the application until the conditions in Section 7.1.4 are satisfied. The DRE will take any action necessary to obtain necessary FERC authorization to carry out Facilities Removal in accordance with this Settlement. PacifiCorp will provide technical support to the DRE and to FERC in processing the surrender application, but will not be a co-applicant or co-licensee on the surrender application unless otherwise mutually agreed upon with the DRE.
- B. Concurrently with the joint application for license transfer and the DRE's application to FERC for surrender, the DRE will file applications seeking state water quality 401 certifications for Facilities Removal with the California State Water Resources Control Board and the ODEQ.

7.1.8 Performance of Facilities Removal

The DRE will perform Facilities Removal in accordance with the Definite Plan, as approved and as may be modified by the FERC surrender order and other applicable Regulatory Approvals. The DRE will complete final design and cost estimates before initiating Facilities Removal.

7.1.9 Other Regulatory Approvals for Facilities Removal

The DRE will take any action necessary to obtain other Regulatory Approvals necessary to effectuate Facilities Removal in accordance with this Settlement, except that PacifiCorp will file and support applications to obtain the necessary

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state commission approvals for the transfer of assets to the DRE in accordance with this Settlement.

7.1.10 Assignment

The DRE may assign to another entity any of its responsibilities under this Settlement, including the DRE responsibilities described in this section. This assignment is subject to any necessary Regulatory Approvals. The DRE may not assign its responsibilities under this Settlement without the prior written consent of the States and PacifiCorp.

7.2 Definite Plan and Detailed Plan

7.2.1 Development and Use of Definite Plan

The DRE will develop a Definite Plan for Facilities Removal that, once completed, may be included as a part of any applications for permits or other authorizations. The Definite Plan must be consistent with this Settlement.

A. Elements of Definite Plan

The Definite Plan may be based on all elements of the Detailed Plan described in Section 7.2.2 and will be consistent with FERC requirements for surrender. Such elements shall be in the form required for physical performance, such as engineering specifications for a construction activity, and shall also include consideration of prudent cost overrun management tools such as performance bonds. The Definite Plan shall also include:

- (1) A detailed estimate of the actual or foreseeable costs associated with: the physical performance of Facilities Removal consistent with the Detailed Plan; each of the tasks associated with the performance of the DRE's obligations as stated in Section 7.1; seeking and securing permits and other authorizations; and insurance, performance bond, or similar measures, as set forth in Appendix L to this Settlement;
- (2) The DRE's analysis demonstrating that the total cost of Facilities Removal is likely to be less than the State Cost Cap, which is the total of Customer Contribution and California Bond Funding as specified in Section 4;
- (3) Appropriate procedures consistent with state law to provide for cost-effective expenditures within the cost estimates stated in (1);
- (4) Accounting procedures that will result in the earliest practicable disclosure of any actual or foreseeable overrun of cost of any task relative to the detailed estimate stated in (1); and

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- (5) Appropriate mechanisms to modify or suspend performance of any task subject to such overrun. Upon receipt of Notice from the DRE of any actual or foreseeable cost overrun pursuant to (2), the Parties shall use the Meet and Confer procedures to modify the task (to the extent permitted by the FERC surrender order, an applicable permit, or other authorization) or to modify this Settlement as appropriate to permit Facilities Removal to proceed.

B. Notice of Completion

The DRE shall provide Notice to the Parties upon completion of the Definite Plan.

C. Use of Definite Plan

The DRE must incorporate the Definite Plan, once completed, into any FERC application to surrender the Facilities license. After FERC issues an order on the FERC Facilities license surrender application, the Parties will review the consistency of the Definite Plan, FERC's surrender order, and this Settlement. If either of the States or the DRE finds that the FERC surrender order is materially inconsistent (as defined in Section 8.11.2) with the Definite Plan or this Settlement, either the DRE or the States may initiate Meet and Confer proceedings.

7.2.2 Detailed Plan for Facilities Removal

The Secretary developed the Detailed Plan, which may serve as a basis for the Definite Plan described in Section 7.2.1.A. The Detailed Plan includes A through F below; G is addressed in Appendix L and will be fully developed in the Definite Plan; H will be addressed during solicitation and selection of engineering and construction contract(s) for development of a Definite Plan and for Facilities Removal.

- A. The physical methods to be undertaken to effect Facilities Removal, including but not limited to a timetable for Facilities Removal, which is removal of all or part of each Facility as necessary to effect a free-flowing condition and volitional fish passage as defined in Section 1.4;
- B. As necessary and appropriate, plans for management, removal, and/or disposal of sediment, debris, and other materials;
- C. A plan for site remediation and restoration;
- D. A plan for measures to avoid or minimize adverse downstream impacts;

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- E. A plan for compliance with all Applicable Laws, including anticipated permits and permit conditions;
- F. A detailed statement of the estimated costs of Facilities Removal;
- G. A statement of measures to reduce risks of cost overruns, delays, or other impediments to Facilities Removal; and
- H. The qualifications, management, and oversight of a non-federal DRE.

7.2.3 Assessment and Mitigation of Potential Impacts to the City of Yreka

The Parties understand that actions related to this Settlement may affect the City of Yreka. In recognition of this potential, the Parties agree to the following provisions, which shall remain in effect so long as this Settlement remains in effect.

- A. The Parties collectively and each Party individually shall agree not to oppose the City of Yreka's continued use of California State Water Right Permit 15379, which provides for the diversion of up to 15 cfs for municipal uses by the City of Yreka.
- B. As part of implementation of this Settlement, an engineering assessment to study the potential risks to the City of Yreka's water supply facilities as a result of implementation of Facilities Removal shall be funded and conducted by the Secretary. Actions identified in the engineering assessment necessary to assure continued use of the existing, or equivalent replacement, water supply facilities by the City of Yreka shall be funded from the California Bond Measure and implemented. Actions that may be required as a result of the engineering assessment and in consultation with the City of Yreka include, but are not limited to:
 - (1) Relocation, replacement, and/or burial of the existing 24-inch diameter water line and transmission facilities from the City of Yreka's Fall Creek diversion;
 - (2) Assessment, mitigation, and/or funding to address potential damage to the City of Yreka's facilities located along the Klamath River, including mitigation of potential impacts that may occur as a result of a dam breach. Such assessment, mitigation, and/or funding shall include consideration of the cathodic protection field located near the north bank of the Iron Gate crossing and the facilities that house the City's diversion and pump station; and

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(3) Assessment, mitigation, and/or funding to address any impacts resulting from implementation of the Settlement, on the ability of the City to divert water consistent with its Water Right Permit 15379.

C. As part of implementation of this Settlement, an assessment of the potential need for fish screens on the City of Yreka's Fall Creek diversion facilities was completed in the Detailed Plan and it identified the need for fish screens on Dam A and Dam B. As a result of implementation of this Settlement, in order to meet regulatory requirements and screening criteria, construction of the required fish screens, including, but not limited to, necessary costs to preserve City facilities with additional species protection, shall be funded through the California Bond Measure pursuant to Section 4.2.3, or through other appropriate sources.

7.3 Schedule for Facilities Removal

7.3.1 The Parties agree that the target date to begin Facilities Removal is January 1, 2020. The Parties agree that preparatory work for Facilities Removal may be undertaken by the DRE before January 1, 2020, consistent with the Definite Plan, applicable permits, and Section 6 of this Settlement; provided such preparatory work shall not have any negative impact on PacifiCorp's generation operations at the Facilities. The Parties further agree to a target date of December 31, 2020 for completion of Facilities Removal at least to a degree sufficient to enable a free-flowing Klamath River allowing volitional fish passage.

7.3.2 The Parties acknowledge and agree that the schedule to accomplish Facilities Removal will be determined by the DRE in accordance with Section 7.3.4. The Parties intend to implement this Settlement based on the following approach to achieve the target dates for Decommissioning and Facilities Removal set forth in Section 7.3.1:

- A. Collect \$172 million of the total Customer Contribution by December 31, 2019, consistent with Section 4;
- B. Earn approximately \$28 million in interest on the Klamath Trust Accounts to provide Value to Customers, which results in a total of \$200 million in the accounts available for Facilities Removal costs as illustrated in Appendix H to this Settlement;
- C. Implement Decommissioning and Facilities Removal in a manner that permits PacifiCorp to generate sufficient electricity at the Facilities to achieve the economic results included in PacifiCorp's Economic Analysis; and

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D. Implement the ICP and Non-ICP Interim Measures set forth in Appendices C and D to this Settlement.

- 7.3.3 The Parties agree that PacifiCorp may continuously operate the Facilities subject to the ICP and Non-ICP Interim Measures identified in Appendices C and D to this Settlement and generate electricity at the Facilities through December 31, 2019. Based upon PacifiCorp's representation of its Economic Analysis, the Parties agree that the following additional Value to Customers, in addition to the \$28 million in interest described in Section 7.3.2.B, is necessary to achieve the corresponding date for commencement of Facility Decommissioning:

Date of Facilities Decommissioning	Required Additional Value to Customers
January 1, 2020	\$27 million
July 1, 2020	\$13 million
December 31, 2020	\$0

If Decommissioning begins on December 31, 2020, no additional funding is required. The Parties acknowledge that, in order to complete Facilities Removal to the degree described in the last sentence of Section 7.3.1 by December 31, 2020, Decommissioning will need to begin prior to that date. As described in the table above, Decommissioning may begin on July 1, 2020 if \$13 million in additional Value to Customers is identified, or on January 1, 2020, if \$27 million in additional Value to Customers is identified.

- 7.3.4 Within 90 days of the DRE's execution of the Settlement, or at such additional time as may be necessary, the Parties shall Meet and Confer to: (1) review progress in implementing the Settlement based upon the approach described in Section 7.3.2; (2) review the DRE's schedule to procure contractor(s) to prepare a Definite Plan based on the Detailed Plan and to provide required liability protection and risk mitigation in accordance with Appendix L; and (3) identify the Value to Customers necessary to implement the schedule, the mechanisms as described in Section 7.3.8 that will be used, and the estimated cost reduction from each mechanism through December 2019. The Parties will subsequently Meet and Confer if the estimated additional Value to Customers has not been timely secured, a Regulatory Approval is inconsistent with that schedule, or the Definite Plan or final designs are inconsistent with the schedule.

If the Parties determine that the identified Value to Customers is less than the amount required to achieve the schedule, then the Parties at that time will consider additional actions to address the funding deficiency, including but not limited to extending the schedule and securing additional funding to protect PacifiCorp customers. The Parties may thereafter Meet

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and Confer if additional Value to Customers is secured in excess of what was previously estimated.

- 7.3.5 PacifiCorp, in its sole and absolute discretion, may determine that Facilities Removal may begin earlier than January 1, 2020.
- 7.3.6 If the Parties determine that the schedule for Facilities Removal must extend beyond December 31, 2020, then the Parties shall also consider whether (1) modification of Interim Measures is necessary to appropriately balance costs to customers and protection of natural resources, and (2) continuation of the collection of the customer surcharges up to the maximum Customer Contribution is warranted.
- 7.3.7 The Parties agree that if Decommissioning and Facilities Removal occurs in a staged manner, J.C. Boyle is intended to be the last Facility decommissioned. If, however, the Definite Plan or FERC's surrender order directs a different sequence for Decommissioning and Facilities Removal, then the Parties shall Meet and Confer to identify adjustments necessary to implement Facilities Removal in a manner that is consistent with PacifiCorp's Economic Analysis.
- 7.3.8 The Parties have identified the following potential mechanisms for creating Value to Customers:

A. Interest on the Klamath Trust Accounts

The Parties acknowledge above that the surcharges from the Customer Contributions will be placed in interest-bearing accounts and that the interest that accrues in the accounts may be used to reduce the amount collected through the surcharges so that the total Customer Contribution, including accrued interest through December 31, 2019, totals \$200,000,000. The Parties further acknowledge that it is not possible to precisely estimate the amount of interest that will accrue in the Klamath Trust Accounts. To the extent the interest in the accounts exceeds \$28,000,000, the additional earnings may be used as a Value to Customers unless the funds are required for Facilities Removal. Nothing in this paragraph will limit the Customer Contribution to less than \$200,000,000.

B. Third-Party Funding

The Parties agree to work jointly to identify potential partnerships to supplement funds generated pursuant to this Settlement. Such third-party funds may be employed to acquire generation facilities that can be used to replace the output of the Facilities, to fund aspects of Facilities Removal, or for other purposes to achieve the benefits of this Settlement.

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The Parties acknowledge that other mechanisms for Value to Customers may be identified, provided that they create sufficiently quantifiable benefits for customers.

7.3.9 PacifiCorp's Economic Analysis that will be used to implement this section was filed by PacifiCorp with the Oregon PUC pursuant to Section 4(1) of the Oregon Surcharge Act and with the California PUC in accordance with Section 4 of this Settlement. The Parties may seek to intervene in these state proceedings before the Commissions, and may request to view PacifiCorp's Economic Analysis consistent with the limitations imposed by Section 4(6) of the Oregon Surcharge Act, applicable PUC protective orders, and general PUC discovery practices and legal requirements. PacifiCorp shall not oppose either request. PacifiCorp reserves the right to request that the PUCs restrict Parties' access to commercially sensitive material, other than PacifiCorp's Economic Analysis, consistent with Section 4(6) of the Oregon Surcharge Act, applicable PUC protective orders, and general PUC discovery practices and legal requirements.

7.4 Transfer, Decommissioning, and Facilities Removal**7.4.1 DRE Notice**

The DRE will notify the Parties and FERC when the necessary permits and approvals have been obtained for removal of a Facility or Facilities, all contracts necessary for removal have been finalized, and Facility Removal is ready to commence.

7.4.2 Decommissioning and Transfer

PacifiCorp will transfer ownership of each Facility, including the underlying land for each Facility in accordance with Section 7.6.4 (except for the Keno Development, which shall be disposed in accordance with Section 7.5). Once the DRE fulfills all of the conditions and obligations in Section 7.1.4, Appendix L, and the FERC license transfer order, and PacifiCorp concurs, PacifiCorp will transfer ownership of the Facilities to the DRE. PacifiCorp will continue to operate and maintain the Facilities in accordance with Section 7.1.6 until the DRE is ready to begin removal of a Facility and requests that PacifiCorp discontinue operation of that Facility.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**7.5 Keno Facility****7.5.1 Study**

Resolution of issues surrounding Keno facility are an important part of achieving the overall goals of this Settlement. Accordingly, the Secretary, in consultation with affected Parties, shall study issues specific to the Keno facility, with specific focus on addressing water quality, fish passage, transfer of title to the Keno facility from PacifiCorp to Interior, future operations and maintenance, and landowner agreements. The study of the Keno facility will be designed with the goals of addressing these issues and maintaining the benefits the dam currently provides.

7.5.2 Keno Facility Determination

In 2012, the Bureau of Reclamation and PacifiCorp entered into an agreement in principle for transfer of title to the Keno facility from PacifiCorp to Interior. Within 60 days of the Amendment Effective Date, Interior and PacifiCorp shall commence negotiations on Keno transfer informed by the analyses described in Section 7.5.1. Every six months or as necessary after the Amendment Effective Date, and subject to Section 8.17, Interior and PacifiCorp shall report to the Parties on the status of Keno negotiations, including as appropriate, drafts of a proposed Keno transfer agreement, a summary of negotiations and issues in dispute, and supporting documents. Interior and PacifiCorp shall use their best efforts to complete a final Keno transfer agreement within 180 days of the Amendment Effective Date. The Secretary will accept transfer of title to the Keno facility when the DRE notifies the Parties and FERC pursuant to Section 7.4.1 that J.C. Boyle Facility Removal is ready to commence.

The transfer of title to the Keno facility shall be subject to completion of any necessary improvements to the Keno facility to meet Department of the Interior Directives and Standards criteria for dam safety identified by Interior through its Safety of Dams inspection of the Keno facility. To facilitate this inspection, PacifiCorp agrees to grant access to the federal government and its contractors for study and assessment of the Keno facility. The terms and conditions of the transfer of title to the Keno facility, including coordination of operations between Link River dam, Keno dam, and any remaining facilities operated by PacifiCorp, ingress and egress agreements and easements required for operation and maintenance of the Klamath Reclamation Project, including but not necessarily limited to Lake Ewauna, Link River Dam, and Keno Dam will be negotiated between Interior and PacifiCorp prior to transfer. Costs associated with any improvements necessary to meet Department of Interior's Directives and Standards criteria for dam safety shall be funded by other non-PacifiCorp sources.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**7.5.3 PacifiCorp Operations Prior to Transfer**

Prior to and until transfer of title to the Keno Facility, PacifiCorp shall operate Keno in compliance with Contract #14-06-200-3579A, subject to any Applicable Law including the CWA and the provisions of Section 6.3 of this Settlement.

7.5.4 Operations After Transfer

Following transfer of title to the Keno facility from PacifiCorp to Interior, Interior shall operate Keno in compliance with Applicable Law and to provide water levels upstream of Keno Dam for diversion and canal maintenance consistent with Contract #14-06-200-3579A executed on January 4, 1968, between Reclamation and PacifiCorp (then COPCO) and historic practice.

7.5.5 Landowner Agreements

Based on the analysis under Section 7.5.1, the Secretary, upon acquisition of the Keno facility, will execute new agreements with landowners who currently have agreements in the Lake Ewauna to Keno reach, as the Secretary determines are necessary to avoid adverse impacts to the landowners resulting from the transfer, consistent with Applicable Law, operational requirements, and hydrologic conditions.

7.6 Dispositions of PacifiCorp Interests in Lands and other Rights**7.6.1 Lands Owned by PacifiCorp**

PacifiCorp is the fee owner of approximately 11,000 acres of real property located in Klamath County, Oregon and Siskiyou County, California that are not directly associated with the Klamath Hydroelectric Project, and generally not included within the existing FERC project boundary. This property is more particularly described on Page 3 of the PacifiCorp Land Maps, attached as Exhibit 3, and referenced as Parcel A. This Settlement shall have no effect as to disposition of Parcel A lands, which shall continue to be subject to applicable taxes unless and until disposed of by PacifiCorp subject to applicable PUC approval requirements.

PacifiCorp is the fee owner of approximately 8,000 acres of real property located in Klamath County, Oregon and Siskiyou County, California that is associated with the Klamath Hydroelectric Project and/or included within the FERC project boundary. This property is more particularly described on Page 3 of the PacifiCorp Land Maps, Exhibit 3, and referenced as Parcel B. It is the intent of the Parties that Parcel B property be disposed in accordance with Section 7.6.4, except for the Keno Development which shall be disposed in accordance with Section 7.5. In addition to Exhibit 3, PacifiCorp owns significant electric transmission and distribution facilities which will remain under its ownership and subject to applicable taxes.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**7.6.2 Potential Non-Project Land Exchanges**

Interior and PacifiCorp have identified in Parcel A the potential for the exchange of certain non-Project PacifiCorp-owned lands in the Klamath Basin. Should an exchange of these lands to a state or Federal entity take place, the terms of the exchange agreement shall be revenue-neutral to County governments.

7.6.3 BLM Easements and Rights of Way

The Parties agree that before Facilities Removal, the FERC license for the Facilities shall control the ingress and egress to the Facilities within the FERC project boundary. Access by PacifiCorp outside of the project boundary to BLM-administered lands may require a separate Right Of Way agreement.

The Parties agree that the DRE's obligations for operation, maintenance, remediation and restoration costs of BLM-administered, transportation-related structures affected by Facilities Removal will be addressed as part of the Definite Plan.

A proposed disposition of PacifiCorp's easements and right-of-ways across BLM-administered lands within the FERC Project boundary will be included as a part of the DRE's Definite Plan for Facility Removal. To the extent necessary, reciprocal Right Of Way agreements may be executed across PacifiCorp-owned lands and BLM-administered lands to provide continued access for public and BLM administration needs. During the implementation of the Definite Plan, the DRE will be required to obtain authorization for any access across PacifiCorp and BLM-administered lands necessary for every phase of action.

7.6.4 PacifiCorp Klamath Hydroelectric Project Lands

- A. It is the intent of the Parties that ownership of PacifiCorp lands associated with the Klamath Hydroelectric Project and/or included within the FERC Project boundary, identified as Parcel B in Exhibit 3, shall be transferred to the DRE before Facilities Removal begins. It is the intent of the Parties that, once the DRE has completed Facilities Removal and all surrender conditions have been satisfied, ownership of these lands will be transferred to the respective States, as applicable, or to a designated third-party transferee, upon Notice by the relevant State that it has completed to its satisfaction a final property (land and facilities) inspection in accordance with Applicable Law and in accordance with the indemnification(s) provided in Section 7.1.3 and Appendix L. It is also the intent of the Parties that transferred lands shall thereafter be managed for public interest purposes such as fish and wildlife habitat restoration and enhancement, public education, and public recreational access.

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- B. Each State shall undertake inspection and preliminary due diligence regarding the nature and condition of Parcel B lands located within its state boundaries, in anticipation of transfer of those lands from the DRE to the relevant State. PacifiCorp and the DRE shall provide each State all cooperation and access to the lands and pertinent records necessary to the inspection and due diligence. The DRE, each State, and PacifiCorp shall identify and provide to the Parties, for each specific property in Parcel B: (1) the proposed transferee for the property; and (2) the proposed terms of transfer for the property. The States, the DRE, and PacifiCorp shall consult with the Parties and other stakeholders before identifying the proposed transfer of a specific Parcel B property. Following such evaluation, the State of Oregon and the State of California may, each in its sole and absolute discretion, elect not to accept the transfer of all or any portion of Parcel B lands; provided, if a State, the DRE, or PacifiCorp believes that the proposed transfer for a property (or lack thereof) will not achieve the intent set forth in Section 7.6.4.A, those Parties shall Meet and Confer in accordance with Section 8.7.
- C. Without predetermining the final terms of transfer for a specific property, proposed terms of transfer may include but are not limited to: (1) final property inspection; (2) specification of structures and improvements to remain on the property after Decommissioning and Facilities Removal; (3) liability protection for the State, or designated third party transferee, and the DRE, for any harm arising from post-transfer Decommissioning or power operations at the property; (4) liability protection for the State, or designated third party transferee, for any harm arising from post-transfer Facilities Removal by the DRE at the property; (5) easements or other property interests necessary for access to and continued operation of PacifiCorp transmission and distribution system assets that will remain on the property; and (6) notice or acknowledgement of the State's claim of ownership to beds and banks of the Klamath River. The DRE shall be a party to the transfer document as necessary and appropriate. The consideration required for transfer of a property to a State or third party transferee under this section shall be limited to the liability protections and other benefits conferred upon PacifiCorp and the DRE under this Settlement. Transfer of Parcel B lands shall be subject to applicable regulatory approvals and the reservations set forth in Section 1.6.
- D. PacifiCorp shall convey Parcel B lands to the DRE, after the DRE provides Notice to the Parties and FERC that all necessary permits and approvals have been obtained for Facility Removal, and all contracts necessary for Facility Removal have been finalized. PacifiCorp shall convey all right, title, and interest in a subset of the Parcel B lands

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designated on Exhibit 3 as lands associated with each Facility to the State or third party transferee subject to the DRE's possessory interest, consistent with the terms of this Settlement, including the Facilities, underlying lands, and appurtenances as further described through surveys and land descriptions. The DRE shall hold the underlying land for each Facility in trust for the benefit of the State or third party transferee. This public trust possessory interest in the DRE shall be controlled by the terms of the Settlement, the Definite Plan, and the transfer document. At the conclusion of Facilities Removal, the DRE will release the underlying land to the State or third party transferee. Upon transfer of ownership of all Facilities, PacifiCorp shall convey to the State or third party transferee all right, title, and interest in all Parcel B lands not already transferred to the DRE in trust, as further described through surveys and land descriptions, without restriction of possessory interest for the DRE. If transfer of a specific property for any reason is not consummated in a manner achieving the intent set forth in Section 7.6.4.A, PacifiCorp, the applicable State, and the DRE shall Meet and Confer in accordance with Section 8.7.

- E. Notwithstanding any provision hereof, in the event either State accepts title to any portion of Parcel B lands, the State of Oregon and the State of California retain the right to transfer their ownership to any third party for any purpose.

7.6.5 PacifiCorp Water Rights

- A. PacifiCorp shall assign its revised hydroelectric water rights to the OWRD for conversion to an instream water right pursuant to ORS 543A.305, and OWRD shall take actions to effect such conversion, in accordance with the process and conditions set forth in *Water Right Agreement between PacifiCorp and Oregon* (Exhibit 1). Nothing in this Section 7.6.5 or Exhibit 1 is intended in any way to affect, diminish, impair, or determine any federally-reserved or state law-based water right that the United States or any other person or entity may have in the Klamath River.
- B. Except as provided in this paragraph, within 90 days of completion of Facilities Removal at the Copco No. 1, Copco No. 2 and Iron Gate Facilities, respectively, PacifiCorp shall submit a Revocation Request to the California State Water Resources Control Board for License No. 9457 (Application No. 17527), and shall notify the State Water Resources Control Board of its intent to abandon its hydroelectric appropriative water rights at the Copco No. 1 and Copco No. 2 Facilities, as applicable, as identified in Statement of Water Diversion and Use Nos. 15374, 15375, and 15376. Should ongoing operations of the Iron Gate Hatchery or other hatchery facilities necessitate

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continued use of water under License No. 9457 (Application No. 17527) beyond 90 days after completion of Facilities Removal, PacifiCorp shall consult with the Department of Fish and Wildlife and the State Water Resources Control Board and shall take actions directed by such Department and Board as are necessary to ensure a sufficient water supply to the Iron Gate Hatchery or other hatchery facilities under License No. 9457.

7.6.6 PacifiCorp Hatchery Facilities

The PacifiCorp Hatchery Facilities within the State of California shall be transferred to the State of California at the time of transfer to the DRE of the Iron Gate Hydro Development or such other time agreed by the Parties, and thereafter operated by the California Department of Fish and Wildlife with funding from PacifiCorp as follows:

A. Hatchery Funding

PacifiCorp will fund 100 percent of hatchery operations and maintenance necessary to fulfill annual mitigation objectives developed by the California Department of Fish and Wildlife in consultation with the National Marine Fisheries Service. This includes funding the Iron Gate Hatchery facility as well as funding of other hatcheries necessary to meet ongoing mitigation objectives following Facilities Removal. Hatchery operations include development and implementation of a Hatchery Genetics Management Plan as well as a 25% constant fractional marking program. Funding will be provided for hatchery operations to meet mitigation requirements and will continue for eight years following the Decommissioning of Iron Gate Dam. PacifiCorp's eight-year funding obligation assumes that dam removal will occur within one year of cessation of power generation at Iron Gate Dam. If Facilities Removal occurs after one year of cessation of power generation at Iron Gate Dam, then the Parties will Meet and Confer to determine appropriate hatchery funding beyond the eight years.

B. Hatchery Production Continuity

PacifiCorp will fund a study to evaluate hatchery production options that do not rely on the current Iron Gate Hatchery water supply. The study will assess groundwater and surface water supply options and water reuse technologies that could support hatchery production in the absence of Iron Gate Dam. The study may include examination of local well records and increasing production potential at existing or new facilities in the Klamath Basin as well as development of a test well or groundwater supply well. Based on the study results and with the approval of the California Department of Fish and Wildlife and the National Marine Fisheries

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Service, PacifiCorp will provide one-time funding to construct and implement the measures identified as necessary to continue to meet current mitigation production objectives for a period of eight years following the Decommissioning of Iron Gate Dam. PacifiCorp's eight-year funding obligation assumes that Facilities Removal will occur within one year of cessation of power generation at Iron Gate Dam. If dam removal occurs after one year of cessation of power generation at Iron Gate Dam, then the Parties will Meet and Confer to determine appropriate hatchery funding beyond the eight years. Production facilities capable of meeting current hatchery mitigation goals must be in place and operational upon removal of Iron Gate Dam. PacifiCorp shall not be responsible for funding hatchery programs, if any, necessary to reintroduce anadromous fish in the Klamath basin.

8. General Provisions**8.1 Term of Settlement**

The term of this Settlement shall commence on the Effective Date and shall continue until Facilities Removal has been fully achieved and all conditions of this Settlement have been satisfied, unless terminated earlier pursuant to Section 8.11.

8.2 Effectiveness

The KHSA was effective upon execution on February 18, 2010 ("Effective Date"). The KHSA as amended will take effect when it is executed by the signatories to the 2016 AIP ("Amendment Effective Date").

8.3 Successors and Assigns

This Settlement shall apply to, be binding on, and inure to the benefit of the Parties and their successors and assigns, unless otherwise specified in this Settlement. Except as provided by Section 7.1.10, no assignment may take effect without the express written approval of the other Parties, which approval will not be unreasonably withheld.

8.4 Amendment

Except as otherwise expressly provided in Section 8.11.3, this Settlement may only be amended in writing by all Parties still in existence, including any successors or assigns. The Public Agency Parties may also obtain public input on any such modifications as required by Applicable Law. A Party may provide Notice of a proposed amendment at any time. The Parties agree to meet in person or by teleconference within 20 days of receipt of Notice to discuss the proposed amendment.

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Any Notice required by this Settlement shall be written. Notice shall be provided by electronic mail, unless the sending Party determines that first-class mail or an alternative form of delivery is more appropriate in a given circumstance. A Notice shall be effective upon receipt, but if provided by U.S. Mail, seven days after the date on which it is mailed. For the purpose of Notice, the list of authorized representatives of the Parties as of the Effective Date is attached as Appendix K. The Parties shall provide Notice of any change in the authorized representatives designated in Appendix K, and PacifiCorp shall maintain the current distribution list of such representatives. The Parties agree that failure to provide PacifiCorp with current contact information will result in a waiver of that Party's right to Notice under this Settlement. The Party who has waived Notice may prospectively reinstate its right to Notice by providing current contact information to PacifiCorp.

8.6 Dispute Resolution

All disputes between Parties arising under this Settlement shall be subject to the Dispute Resolution Procedures stated herein. The Parties agree that each such dispute shall be brought and resolved in a Timely manner.

8.6.1 Cooperation

Disputing Parties shall devote such resources as are needed and as can be reasonably provided to resolve the dispute expeditiously. Disputing Parties shall cooperate in good faith to promptly schedule, attend, and participate in the dispute resolution.

8.6.2 Costs

Unless otherwise agreed among the Disputing Parties, each Disputing Party shall bear its own costs for its participation in these Dispute Resolution Procedures.

8.6.3 Non-Exclusive Remedy

These Dispute Resolution Procedures do not preclude any Party from Timely filing and pursuing an action to enforce an obligation under this Settlement, or to appeal a Regulatory Approval inconsistent with the Settlement, or to enforce a Regulatory Approval or Applicable Law; provided that such Party shall provide a Dispute Initiation Notice and, to the extent practicable, undertake and conclude these procedures, before such action.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**8.6.4 Dispute Resolution Procedures****A. Dispute Initiation Notice**

A Party claiming a dispute shall give Notice of the dispute within seven days of becoming aware of the dispute. Such Notice shall describe: (1) the matter(s) in dispute; (2) the identity of any other Party alleged to have not performed an obligation arising under this Settlement or Regulatory Obligation; and (3) the specific relief sought. Collectively, the Party initiating the procedure, the Party complained against, and any other Party which provides Notice of its intent to participate in these procedures, are “Disputing Parties.”

B. Informal Meetings

Disputing Parties shall hold at least two informal meetings to resolve the dispute, commencing within 20 days after the Dispute Initiation Notice, and concluding within 45 days of the Dispute Initiation Notice unless extended upon mutual agreement of the Disputing Parties. If the Disputing Parties are unable to resolve the dispute, at least one meeting will be held within the 45 days at the management level to seek resolution.

C. Mediation

If the dispute is not resolved in the informal meetings, the Disputing Parties shall decide whether to use a neutral mediator. The decision whether to pursue mediation, and if affirmative the identity and allocation of costs for the mediator, shall be made within 75 days after the Dispute Initiation Notice. Mediation shall not occur if the Disputing Parties do not unanimously agree on use of a mediator, choice of mediator, and allocation of costs. The mediation process shall be concluded not later than 135 days after the Dispute Initiation Notice. The above time periods may be shortened or lengthened upon mutual agreement of the Disputing Parties.

D. Dispute Resolution Notice

The Disputing Parties shall provide Notice of the results of the Dispute Resolution Procedures. The Notice shall: (1) restate the disputed matter, as initially described in the Dispute Initiation Notice; (2) describe the alternatives which the Disputing Parties considered for resolution; and (3) state whether resolution was achieved, in whole or part, and state the specific relief, including timeline, agreed to as part of the resolution. Each Disputing Party shall promptly implement any agreed resolution of the dispute.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**8.7 Meet and Confer****8.7.1 Applicability**

The Meet and Confer procedures in this Section 8.7 shall apply upon the occurrence of certain events or failure to occur of certain events as specifically required in this Settlement.

8.7.2 Meet and Confer Procedures

- A. Any Party may initiate the Meet and Confer procedures by sending Notice: (1) describing the event that requires the Parties to confer, and (2) scheduling a meeting or conference call.
- B. The Parties will meet to discuss the problem and identify alternative solutions. The Parties agree to dedicate a reasonable amount of time sufficient to resolve the problem.
- C. The Meet and Confer procedures will result in: (1) amendment pursuant to Section 8.4; (2) termination or other resolution pursuant to the procedures of Section 8.11; or (3) such other resolution as is appropriate under the applicable section.

8.8 Remedies

This Settlement does not create a cause of action in contract for monetary damages for any alleged breach by any Party of this Settlement. Neither does this Settlement create a cause of action in contract for monetary damages or other remedies for failure to perform a Regulatory Obligation. The Parties reserve all other existing remedies for material breach of the Settlement; provided that Section 8.11 shall constitute the exclusive procedures and means by which this Settlement can be terminated.

8.9 Entire Agreement

This Settlement contains the complete and exclusive agreement among all of the Parties with respect to the subject matter thereof, and supersedes all discussions, negotiations, representations, warranties, commitments, offers, agreements in principle, and other writings among the Parties, including the 2008 AIP and 2016 AIP, before the Amendment Effective Date of this Settlement, with respect to its subject matter. Appendices B, C, D, F, H, K, and L are hereby incorporated by reference into this Settlement as if fully restated herein. Exhibits 1 through 4 are attached to this Settlement for informational purposes only and are not incorporated by reference except as otherwise noted herein.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**8.10 Severability**

This Settlement is made on the understanding that each provision is a necessary part of the entire Settlement. However, if any provision of this Settlement is held by a Regulatory Agency or a court of competent jurisdiction to be invalid, illegal, or unenforceable: (1) the validity, legality, and enforceability of the remaining provisions of this Settlement are not affected or impaired in any way; and (2) the Parties shall negotiate in good faith in an attempt to agree to another provision (instead of the provision held to be invalid, illegal, or unenforceable) that is valid, legal, and enforceable and carries out the Parties' intention to the greatest lawful extent under this Settlement.

8.11 Termination**8.11.1 Potential Termination Events**

This Settlement shall be terminable if one of the following events occurs and a cure for that event is not achieved pursuant to Section 8.11.3:

- A. A condition precedent to license transfer set forth in Section 7.1.4 is not met;
- B. The Oregon PUC or California PUC do not implement the funding provisions set forth in Sections 4.1 through 4.6;
- C. Conditions of any Regulatory Approval of Interim Measures, denial of Regulatory Approval of Interim Measures including the failure Timely to approve ESA incidental take authorization, or results of any litigation related to this Settlement are materially inconsistent with the provisions of Section 6.1 through 6.3 and Appendices C and D;
- D. Conditions or denial of any Regulatory Approval of Facilities Removal or the results of any litigation about such removal, are materially inconsistent with the Settlement;
- E. The DRE notifies the Parties that it cannot proceed with Facilities Removal because it cannot obtain all permits and contracts necessary for Facilities Removal despite its good faith efforts; or
- F. California, Oregon, the Federal Parties, or PacifiCorp is materially adversely affected by another Party's breach of this Settlement.

8.11.2 Definitions for Section 8.11

- A. For purposes of this section and Section 7.2.1.C, "materially inconsistent" means diverging from the Settlement or part thereof in a manner that: (1) fundamentally changes the economics or

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liability protection such that a Party no longer receives the benefit of the bargain provided by this Settlement; or (2) frustrates the fundamental purpose of this Settlement such that Facilities Removal or the underlying purposes of Interim Measures cannot be accomplished. Events occurring independent of this Settlement, other than those identified in Section 8.11.1, shall not be construed to create a material inconsistency or materially adverse effect.

- B. For purposes of this section, “materially adversely affected” means that a Party no longer receives the benefit of the bargain due to: (1) fundamental changes in the economics or liability protection; or (2) frustration of the fundamental purpose of this Settlement such that Facilities Removal or the underlying purposes of Interim Measures cannot be accomplished.
- C. For purposes of this section, a “result of any litigation” is materially inconsistent with this Settlement or a part thereof if a Party is materially adversely affected by: (1) costs to defend the litigation; or (2) a final order or judgment.

8.11.3 Cure for Potential Termination Event

- A. A Party that believes that a potential termination event specified in Section 8.11.1 has occurred shall provide Notice.
 - (1) The Parties shall use the Meet and Confer Procedures specified in Section 8.7 to consider whether to deem the event to conform to the Settlement, or adopt a mutually agreeable amendment to this Settlement. These procedures shall conclude within 90 days of Notice.
 - (2) If these procedures do not resolve the potential termination event, the Federal Parties, the States, the DRE if a Party, and PacifiCorp may, within 90 days thereafter, agree to an amendment, or deem the event to conform to the Settlement; otherwise, this Settlement shall terminate. In no event shall any amendment under this subsection provide for Facilities Removal with respect to fewer than four Facilities.
- B. If the Federal Parties, the States, the DRE if a Party, and PacifiCorp disagree whether a potential termination event specified in Section 8.11.1 has occurred, these Parties shall follow the Dispute Resolution Procedures in Section 8.6 to attempt to resolve that dispute. If such a Notice of Dispute is filed while the Meet and Confer Procedures referenced in 8.11.3.A are ongoing, those Meet and Confer Procedures are deemed concluded, subject to being recommenced in accordance

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with the remainder of this subsection. Upon conclusion of the Dispute Resolution Procedures in Section 8.6, the Federal Parties, the States, the DRE if a Party, and PacifiCorp shall issue a Notice of Dispute Resolution.

(1) If, in the Notice of Dispute Resolution, the Federal Parties, the States, and PacifiCorp agree that a potential termination event has occurred, or agree to consider whether a cure could be achieved, the further procedures stated in Section 8.11.3.A(1) and (2) above shall apply.

(2) If, in the Notice of Dispute Resolution, the Federal Parties, the States, the DRE if a Party, and PacifiCorp disagree whether a potential termination event has occurred, this Settlement shall terminate unless a Party seeks and obtains a remedy preserving the Settlement under Applicable Law.

C. A Party may reasonably suspend performance of its otherwise applicable obligations under this Settlement, upon receipt of Notice and pending a resolution of the potential termination event as provided in Section 8.11.3.A or B.

D. If the Federal Parties, the States, the DRE if a Party, and PacifiCorp, pursuant to the procedures in Section 8.11.3.A, agree to an amendment or other cure to resolve a potential termination event absent agreement by all other Parties pursuant to Section 8.4, any other Party may accept the amendment by Notice. If it objects, such other Party: (1) may seek a remedy regarding the potential termination event that resulted in the disputed amendment, to the extent provided by Section 8.8; (2) may continue to suspend performance of its obligations under this Settlement; and (3) in either event shall not be liable in any manner as a result of its objection or the suspension of its performance of its obligations under this Settlement.

E. The Parties shall undertake to complete the applicable procedures under this section within six months of a potential termination event.

8.11.4 Obligations Surviving Termination

A. Upon termination, all documents and communications related to the development, execution, or submittal of this Settlement to any agency, court, or other entity, shall not be used as evidence, admission, or argument in any forum or proceeding for any purpose to the fullest extent allowed by Applicable Law, including 18 C.F.R. § 385.606. This provision does not apply to the results of studies or other technical information developed for use by a Public Agency Party.

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This provision does not apply to any information that was in the public domain prior to the development of this Settlement or that became part of the public domain at some later time through no unauthorized act or omission by any Party. Notwithstanding the termination of this Settlement, all Parties shall continue to maintain the confidentiality of all settlement communications.

This provision does not prohibit the disclosure of: (1) any information held by a federal agency that is not protected from disclosure pursuant to the Freedom of Information Act or other applicable law; (2) any information held by a state or local agency that is not protected from disclosure pursuant to the California Public Records Act, the Oregon Public Records Law, or other applicable state or federal law; or (3) disclosure pursuant to Section 1.6.8.

- B. The prohibitions in Section 1.6.8 survive termination of this Settlement.

8.12 No Third-Party Beneficiaries

This Settlement is not intended to and shall not confer any right or interest in the public, or any member thereof, or on any persons or entities that are not Parties hereto, as intended or expected third-party beneficiaries hereof, and shall not authorize any non-Party to maintain a suit at law or equity based on a cause of action deriving from this Settlement. The duties, obligations, and responsibilities of the Parties with respect to third parties shall remain as imposed under Applicable Law.

8.13 Elected Officials Not to Benefit

No Member of or Delegate to Congress, Resident Commissioner, or elected official shall personally benefit from this Settlement or from any benefit that may arise from it.

8.14 No Partnership

Except as otherwise expressly set forth herein, nothing contained in this Settlement is intended or shall be construed to create an association, trust, partnership, or joint venture, or impose any trust or partnership duty, obligation, or liability on any Party, or create an agency relationship between or among the Parties or between any Party and any employee of any other Party.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**8.15 Governing Law****8.15.1 Contractual Obligation**

A Party's performance of an obligation arising under this Settlement shall be governed by (1) applicable provisions of this Settlement, and (2) Applicable Law for obligations of that type.

8.15.2 Regulatory Obligation

A Party's performance of a Regulatory Obligation, once approved as proposed by this Settlement, shall be governed by Applicable Law for obligations of that type.

8.15.3 Reference to Applicable Law

Any reference in this Settlement to an Applicable Law shall be deemed to be a reference to such law in existence as of the date of the action in question.

8.16 Federal Appropriations

To the extent that the expenditure or advance of any money or the performance of any obligation of the Federal Parties under this Settlement is to be funded by appropriations of funds by Congress, the expenditure, advance, or performance shall be contingent upon the appropriation of funds by Congress that are available for this purpose and the apportionment of such funds by the Office of Management and Budget. No breach of this Settlement shall result and no liability shall accrue to the United States in the event such funds are not appropriated or apportioned.

8.17 Confidentiality

The confidentiality provisions of the *Agreement for Confidentiality of Settlement Communications and Negotiations Protocol Related to the Klamath Hydroelectric Project*, as it may be amended, shall continue as long as this Settlement is in effect.

9. Execution of Settlement**9.1 Signatory Authority**

Each signatory to this Settlement certifies that he or she is authorized to execute this Settlement and to legally bind the entity he or she represents, and that such entity shall be fully bound by the terms hereof upon such signature without any further act, approval, or authorization by such entity.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**9.2 Signing in Counterparts**

This Settlement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as if all signatory Parties had signed the same instrument. The signature pages of counterparts of this Settlement may be compiled without impairing the legal effect of any signatures thereon.

9.3 New Parties

Except as provided in Section 9.4 any entity listed on pages 1 through 2 of this Settlement that signs this Settlement on or before December 31, 2016, will become a Party to this Settlement. After December 31, 2016, any entity listed on pages 1 through 2 of this Settlement may become a Party through an amendment of this Settlement in accordance with Section 8.4. After 90 days from the Amendment Effective Date, an entity not listed on pages 1 through 2 of this Settlement may become a Party through an amendment of this Settlement in accordance with Section 8.4.

9.4 DRE and Liability Transfer Corp. as Parties

The Parties expect that the DRE will become a Party by executing this Settlement within 90 days of the Amendment Effective Date. No action by any other Party is necessary for the DRE to become a Party. If the DRE assigns any of its responsibilities to a Liability Transfer Corp. as described in Section 7.1.10 and Appendix L, the Liability Transfer Corp. shall become a Party by executing this Settlement. No action by any other Party is necessary for the Liability Transfer Corp. to become a Party.

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FOLLOWING PAGE]

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IN WITNESS THEREOF,

the Parties, through their duly authorized representatives, have caused this Settlement to be executed as of the date set forth in this Settlement.

United States Department of the Interior


By: Sally Jewell, Secretary of the Interior

Date: April 6, 2016

United States Department of Commerce's National Marine Fisheries Service


By: Dr. Kathryn D. Sullivan
Under Secretary of Commerce for
Oceans and Atmosphere

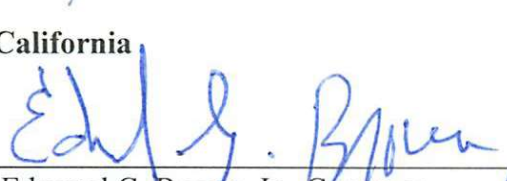
Date: April 6, 2016

PacifiCorp d/b/a Pacific Power


By: Stefan A. Bird, President and CEO

Date: 4/6/16

State of California


By: Edmund G. Brown, Jr., Governor

Date: 4/6/2016

State of Oregon


By: Kate Brown, Governor

Date: 4/6/16

California Department of Fish and Wildlife


By: Chuck Bonham, Director

Date: 4/6/16

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

California Natural Resources Agency

By: 
John Laird, Secretary

Date: 4/6/16

Oregon Department of Environmental Quality

By: Peter Shepherd, Director

Date: _____

Oregon Department of Fish and Wildlife

By: Curt Melcher, Director

Date: _____

Oregon Water Resources Department

By: Thomas Byler, Director

Date: _____

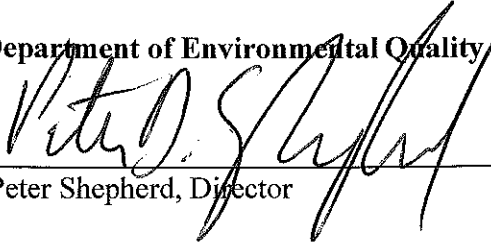
PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

California Natural Resources Agency

By: John Laird, Secretary

Date: _____

Oregon Department of Environmental Quality



By: Peter Shepherd, Director

Date: 4-26-2016

Oregon Department of Fish and Wildlife

By: Curt Melcher, Director

Date: _____

Oregon Water Resources Department

By: Thomas Byler, Director

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

California Natural Resources Agency

By: John Laird, Secretary

Date: _____

Oregon Department of Environmental Quality

By: Peter Shepherd, Director

Date: _____

Oregon Department of Fish and Wildlife



By: Curt Melcher, Director

Date: 4/27/16

Oregon Water Resources Department

By: Thomas Byler, Director

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

California Natural Resources Agency

By: John Laird, Secretary

Date: _____

Oregon Department of Environmental Quality

By: Peter Shepherd, Director

Date: _____

Oregon Department of Fish and Wildlife

By: Curt Melcher, Director

Date: _____

Oregon Water Resources Department



By: Thomas Byler, Director

Date: 4/27/16

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Klamath River Renewal Corporation



Date: August 30, 2016

By: Lester Snow

Title: Vice President

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Yurok Tribe


A handwritten signature in blue ink, appearing to read "TH P. O'Rourke, Sr.", written over a horizontal line.

By: Thomas P. O'Rourke, Sr.,
Chairperson

Date: 4-6-16

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Karuk Tribe


By: Russell Attebery, Chairman

Date: 4-6-16

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Klamath Tribes

By: Chairman

Date: _____

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Humboldt County, California



Date: 5-31-16

By: Mark Lovelace
Chairman, Board of Supervisors

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Ady District Improvement Company

By: Jason Flowers

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Collins Products, LLC

By: Eric Schooler
President and Chief Executive Officer

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Enterprise Irrigation District

By: Michael Beeson, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Don Johnston & Son

By: Donald Scott Johnston, Owner

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Inter-County Properties Co., which acquired title as Inter-County Title Co.

By: Darrel E. Pierce

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Klamath Irrigation District

By: Brent Cheyne, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Klamath Drainage District

By: Tim O'Connor, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Klamath Basin Improvement District

By: George Rajnus, Chairman

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Klamath Water Users Association

By: Brad Kirby, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Bradley S. Luscombe

By: Bradley S. Luscombe

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Malin Irrigation District

By: Ed Stastny, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Midland District Improvement Company

By: Frank Anderson, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Pioneer District Improvement Company

By: Lyle Logan, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Plevna District Improvement Company

By: Steve Metz, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Reames Golf and Country Club

By: L.H. Woodward, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Shasta View Irrigation District

By: Claude Hagerty, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Sunnyside Irrigation District

By: Pat Patterson, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Tulelake Irrigation District

By: Brad Kirby, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Upper Klamath Water Users Association

By: Matthew Walter, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Van Brimmer Ditch Company

By: Gary Orem, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

**Randolph Walthall and Jane Walthall as trustees under declaration of trust dated
November 28, 1995**

By: Jane Walthall

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Westside Improvement District #4

By: Steven L. Kandra, President

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Winema Hunting Lodge, Inc.

By: R. David Bolls, III

Date: _____

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American Rivers

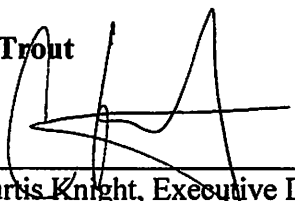


By: W. Robert Irvin, President

Date: 4/14/16

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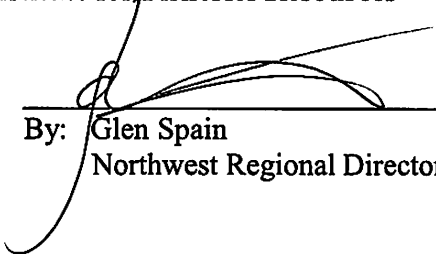
California Trout


By: ~~Curtis Knight~~, Executive Director

Date: 4/13/2016

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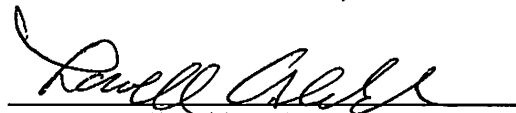
Institute for Fisheries Resources


By: Glen Spain
Northwest Regional Director

Date: 5/25/16

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Northern California Council, Federation of Fly Fishers

A handwritten signature in black ink, appearing to read 'Lowell Ashbaugh', is written over a horizontal line.

By: Lowell Ashbaugh
Vice-President, Conservation

Date: 5/3/2016

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Pacific Coast Federation of Fishermen's Associations


By: Glen Spain
Northwest Regional Director

Date: 5/25/14

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Salmon River Restoration Council

By: Petey Brucker

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Trout Unlimited



By: Chris Wood
Chief Executive Officer

Date: 7/6/16

Sam Johnson
California Director

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

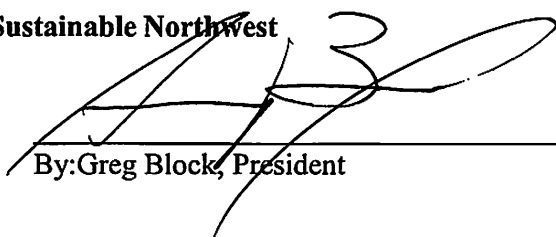
Klamath Riverkeeper

By: Konrad Fisher, Exective Officer

Date: _____

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Sustainable Northwest

A large, stylized handwritten signature in black ink, appearing to be 'G. Block', is written over a horizontal line.

By: Greg Block, President

Date: 4/25/16

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Arthur G. Baggett, Jr.¹

By: Arthur G. Baggett, Jr.

Date: _____

¹ Mr. Baggett is signing this Agreement as a recommendation to the California State Water Resources Control Board, and not as a Party.

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APPENDICES

**PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED
ACTIONS IN APPENDIX A HAVE BEEN COMPLETED
OR ARE NO LONGER APPLICABLE**

APPENDIX A

Coordination Process for the Studies Supporting the Secretarial Determination

1. Introduction

While the proposed Secretarial Determination is an inherently governmental function that may not be delegated to others, the Federal Parties understand and recognize the unique nature of this task and are committed to participating in the development of the basis for the Secretarial Determination in a Timely, open, transparent manner and employing the highest standards of scientific integrity. As part of that process and as appropriate and governed by Applicable Law, the Secretary will:

- A. seek the input from the other Parties and the public, on:
 - i. identification of data and analysis necessary to make the Secretarial Determination;
 - ii. identification of existing data and analysis and the protocols needed to assess its sufficiency;
 - iii. work plans to obtain and study new information necessary to fill material data gaps that may exist, which may include sediment contamination studies (including but not limited to dioxin); and
 - iv. any other process to gather, develop, and assess any additional data, existing data, or analysis determined necessary by the United States to support the Secretarial Determination,
- B. utilize the expertise each of the Parties may have with regard to data and analysis that is necessary to support the Secretarial Determination; and
- C. create the means by which the Parties can ensure Timely performance of the studies.

Further, the Federal Parties have expressed their commitment to ensuring that the studies, reports, and analyses utilized to inform the Secretarial Determination are supported by a complete and scientifically-sound record.

2. Purpose of the Coordination Process

The purpose of the Coordination Process is to seek, discuss, and consider the views of the Parties regarding the basis of the Secretarial Determination in a Timely manner in support of the Secretary's decision-making process. As described in Section 3 below, the Secretary will foster communication between the Federal agencies engaged in the Determination and the Parties to

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ACTIONS IN APPENDIX A HAVE BEEN COMPLETED
OR ARE NO LONGER APPLICABLE**

this Settlement. This includes providing Timely notice to allow the Parties and the public to provide meaningful input to the items identified in Section 1 above.

3. The Process

- A. To provide an opportunity for the non-federal Parties to provide input to the Secretary on the categories of data outlined in Section 1 above, there is established under the terms of this Settlement a Technical Coordination Committee (TCC) consisting of membership from all of the non-Federal Parties to this Settlement. The TCC will meet or hold conference calls on a monthly basis, at a minimum, and more often as deemed necessary. The TCC will also form sub-teams and hold separate workshops/meetings as necessary to address specific technical and scientific issues. The principal objective of the TCC will be to exchange information and data, as appropriate, among the non-federal Parties on technical aspects of the Secretarial Determination that may affect the resources of the non-federal Parties and provide input to the Federal Parties. The Federal Parties will hold public workshops or otherwise provide Timely information to the TCC and the public concerning the status of the Determination, the studies in support of the Determination and the environmental compliance actions. To the extent practicable and in accordance with Applicable Law, the Federal Parties will provide the information necessary for the non-federal Parties to have Timely and meaningful input consistent with the schedule for completing the Secretarial Determination. The TCC will provide its input in writing to the Federal Parties for their consideration, consistent with the Coordination Process.
- B. The Parties may participate in the NEPA process as cooperating agencies, if eligible under the applicable Federal regulations and guidance, or as members of the public.
- C. Nothing in this Settlement shall restrict the Department of the Interior or other Federal agency from providing funding through other agreements or memoranda of understanding.

4. Meet and Confer

This Coordination Process is intended to provide the Parties with the opportunity to provide Timely and meaningful input to the Federal Parties' actions in carrying out the terms of this Settlement. If the Parties find that their needs are not being met by this Coordination Process, then the Parties may engage in Meet and Confer Procedures to try to address the Parties' concerns.

5. Limitations

This Process is not intended to, nor does it, create any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity by any person or party against the United

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ACTIONS IN APPENDIX A HAVE BEEN COMPLETED
OR ARE NO LONGER APPLICABLE**

States, its agencies, its officers, or any other person. The provisions of this Process are not intended to direct or bind any person.

6. Government-to-Government Relationship

In accordance with Applicable Law, nothing in this Coordination Process is intended to waive or supersede any obligation of the United States to fulfill its government-to-government relationship with any Indian Tribe, state, county, or local government concerning the Secretarial Determination or this Settlement.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**APPENDIX B****Interim Measures Implementation Committee (Interim Measure 1)****1. Purpose and Goal of Committee**

The purpose of the Interim Measures Implementation Committee (IMIC or Committee) is to collaborate with PacifiCorp on ecological and other issues related to the implementation of the Interim Measures set forth in Appendix D of the Settlement. The primary goals of the IMIC are: (a) to achieve consensus where possible; and (b) timely implementation of the matters within the scope of the IMIC's responsibilities under the Settlement.

2. Committee Functions and Responsibilities

2.1 The IMIC shall meet, discuss, and seek to reach consensus on implementation of the following Non-ICP Interim Measures as detailed in each Interim Measure:

2.1.1 Interim Measure 7. The IMIC will consult with PacifiCorp to approve gravel placement projects and approve third parties to implement the projects.

2.1.2 Interim Measure 8. The IMIC will consult with PacifiCorp on a plan to remove the sidecast rock barrier located upstream of the J.C. Boyle Powerhouse, and approve a schedule for the removal.

2.1.3 Interim Measure 11. The IMIC will consult with PacifiCorp to identify studies or pilot projects and to develop a priority list of projects to be carried out following the DRE's acceptance of the FERC surrender order, as approved by the agencies specified in Interim Measure 11.

2.1.4 Interim Measure 13. The IMIC will identify species specific habitat needs on which to base J.C. Boyle Dam instream flow releases in the event dam removal occurs in a staged manner and anadromous fish are naturally and volitionally present in the J.C. Boyle Bypass Reach.

2.1.5 Interim Measure 15. The IMIC will resolve significant disputes that may arise regarding the water quality monitoring plan content or funding.

2.2 The IMIC shall advise the Settlement Parties concerning any proposed amendments to the Interim Measures based on monitoring conducted under the Interim Measures and any other adaptive management considerations.

2.3 PacifiCorp will prepare and provide to the IMIC periodic reports, no less frequently than annually, on the status of implementation of the Interim Conservation Plan measures set forth in Appendix C of the Settlement.

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- 3.1 The IMIC shall be comprised of PacifiCorp and the following members, subject to their signing the Settlement:
- A. State and Federal Members: One representative each from: U.S. Department of the Interior, National Marine Fisheries Service, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Water Resources Department, and the California Department of Fish and Wildlife.
 - B. Tribal Members: One representative each from the Tribes.
 - C. Other Members: One representative each from: conservation group Parties, fishing group Parties, signatory counties, and irrigation group Parties.
- 3.2 The California State Water Resources Control Board and the North Coast Regional Board may also be members of the IMIC even though they have not signed the Settlement.
- 3.3 Each member or category of members may designate a primary representative to the IMIC within 30 days after the Effective Date of the Settlement, or at any time thereafter with five days' notice. Designation shall be by Notice to the Parties in accordance with Section 8.5 of the Settlement. Each member or category of members may name alternative representatives to the IMIC. Failure to designate a representative shall not prevent the IMIC from convening or conducting its functions in accordance with the time schedules established in the Settlement.
- 3.4 The IMIC, by unanimous agreement not subject to Dispute Resolution, may grant any other Party to the Settlement membership status on the IMIC, provided that the entity seeking membership submits a proposal to the IMIC that requests membership and demonstrates: (1) reasons why its interests are not adequately represented by present IMIC membership; and (2) appropriate qualifications of the entity to participate in the IMIC.
- 3.5 Each member should select a representative who has relevant training or experience with natural resource management.
- 3.6 Participation by identified state and federal resource agencies complements their statutory responsibility and does not otherwise affect their authority. Issues involving the exercise of specific agency authority can be discussed, but decisions are not delegated to the Committee.
- 3.7 The IMIC may establish technical working groups to facilitate implementation of individual Interim Measures or categories of Interim Measures, such as a

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Fisheries Technical Working Group and a Water Quality Technical Working Group. The role of the technical working groups would be to make recommendations to the IMIC.

4. Meeting Provisions

- 4.1 PacifiCorp shall convene the IMIC not later than three months after the Effective Date of the Settlement.
- 4.2 PacifiCorp will arrange, administer, and chair all meetings. A meeting facilitator may be used if necessary. PacifiCorp will provide no fewer than 10 days' prior notice of any meeting to the IMIC members, other Settlement Parties and agencies with jurisdictional authority, unless otherwise agreed to by the IMIC or required in order to meet a Settlement deadline or other emergency circumstance.
- 4.3 PacifiCorp, or the facilitator, will provide draft meeting summaries for concurrence by the IMIC prior to final distribution. Meeting summaries will note member concerns.
- 4.4 The IMIC will establish protocols for meetings such as agenda development, location and scheduling. Meetings will be fairly distributed between Portland, the Medford area, and Sacramento with teleconferencing provided between sites.
- 4.5 The meeting agenda will list specific Interim Measures and all other topics for action or discussion.
- 4.6 Meetings will be scheduled as required by the actions contained within specific Interim Measure provisions, but no less frequently than annually.
- 4.7 PacifiCorp will bear all costs associated with conducting meetings. Each member will bear its own cost of attendance.
- 4.8 PacifiCorp will circulate final meeting summaries and any other written comments.
- 4.9 The role of the IMIC will be evaluated at the end of five years after the Effective Date of the Settlement. The members will review the IMIC and determine if it should remain the same, be modified or discontinued.

5. Committee Deliberations

- 5.1 During meetings, prior to Committee deliberations, other Settlement Parties and agencies with jurisdictional authority may address the Committee and provide comments on each agenda topic being discussed.

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- 5.2 Following Committee deliberation, the Committee shall seek to reach consensus of all members present. Committee decisions shall be based on a two-thirds majority vote of those participating.
- 5.2.1 PacifiCorp or the facilitator will provide the results of the vote to all IMIC members within three working days.
- 5.2.2 Decisions of the Committee will stand unless a Party provides Notice within seven working days that it will seek Dispute Resolution pursuant to Section 8.6 of the Settlement on the ground of inconsistency with the Settlement.
- 5.2.3 In the event that PacifiCorp believes a proposed action or failure Timely to propose an action: (1) is inconsistent with this Settlement or any other contract to which it is a party; (2) violates the terms of the FERC license or other regulatory requirement; (3) interferes with operations; or (4) subjects PacifiCorp to undue risk of litigation, cost overruns, or liability, PacifiCorp will consult with the IMIC to identify a modified or alternative action. In the event the IMIC does not approve PacifiCorp's modified or alternative action, PacifiCorp may implement its proposed action after obtaining approval by any agency specifically assigned that decision under the particular Interim Measure, and after obtaining any necessary regulatory approvals. An IMIC member who disagrees with the elements of PacifiCorp's proposed actions that are not specified in the Interim Measures may dispute those elements in applicable regulatory processes. The Parties agree that such disputes are beyond the scope of Settlement Section 2.1.
- 5.3 Any requirements for PacifiCorp to consult with a resource agency or other member under an Interim Measure that specifically references that agency or other member shall be deemed satisfied by consultation with that agency or other member through the IMIC, provided that the IMIC is in existence and that agency or other member has participated through the IMIC in consultation on the requisite items. To the extent agency consultation is not provided through Committee participation, PacifiCorp shall comply with all applicable regulatory consultation requirements including plan submission to appropriate agencies, including agencies specified in the Interim Measure. However, consultation with an agency representative participating in the Committee shall not be deemed to satisfy or predetermine any Regulatory Approval required under Applicable Law.
- 5.4 PacifiCorp will seek to resolve concerns expressed by the federal and state fish and wildlife agencies and the state water quality agencies on matters in which they have expertise prior to seeking consensus of the IMIC.
- 5.5 These provisions for Committee deliberations do not supersede a decision by an agency specifically assigned that responsibility under an Interim Measure.

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6. Support for Committee Decisions

- 6.1 Committee members shall first use the Dispute Resolution process of Settlement Section 8.6 to resolve disputes arising from Committee deliberations.
- 6.2 If Dispute Resolution is unsuccessful and time allows, the IMIC may convene an independent science advisory panel. The IMIC may consider the recommendations of the independent science advisory panel to resolve the dispute.
- 6.3 All Committee members participating in a consensus decision will support PacifiCorp's defense of such decision in any forum where the decision is challenged and the member is participating, to the extent permitted by Applicable Law and consistent with Section 2.1.3 of the Settlement. For this purpose, participating means non-opposition and does not include absence.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**APPENDIX C****Interim Conservation Plan (ICP) Interim Measures²****Interim Measure 2: California Klamath Restoration Fund / Coho Enhancement Fund**

PacifiCorp shall establish a fund to be administered in consultation with the California Department of Fish and Wildlife (after providing notice and opportunity for comment to the State Water Resources Control Board and North Coast Regional Water Quality Control Board) and NMFS to fund actions within the Klamath Basin designed to enhance the survival and recovery of coho salmon, including, but not limited to, habitat restoration and acquisition. PacifiCorp has provided \$510,000 to this fund in 2009 and shall continue to provide this amount of funding annually by January 31 of each subsequent year in which this funding obligation remains in effect. Subject to Section 6.1.1, this funding obligation shall remain in effect until the time of decommissioning of all of the Facilities in California.

Interim Measure 3: Iron Gate Turbine Venting

PacifiCorp shall implement turbine venting on an ongoing basis beginning in 2009 to improve dissolved oxygen concentrations downstream of Iron Gate dam. PacifiCorp shall monitor dissolved oxygen levels downstream of Iron Gate dam in 2009 and develop a standard operating procedure in consultation with NMFS for turbine venting operations and monitoring following turbine venting operations in 2009.

Interim Measure 4: Hatchery and Genetics Management Plan

Beginning in 2009, PacifiCorp shall fund the development and implementation of a Hatchery and Genetics Management Plan (HGMP) for the Iron Gate Hatchery. PacifiCorp, in consultation with the National Marine Fisheries Service and the California Department of Fish and Wildlife, will develop an HGMP for approval by NMFS in accordance with the applicable criteria and requirements of 50 C.F.R. § 223.203(b)(5). To implement the HGMP, PacifiCorp, in consultation with NMFS and CDFW, will develop and agree to fund an adequate budget. When completed, CDFW shall implement the terms of the HGMP at Iron Gate Hatchery in consultation with PacifiCorp and NMFS. Funding of this measure is in addition to the 100 percent funding described in Non-ICP Interim Measure 18.

Interim Measure 5: Iron Gate Flow Variability

In coordination with NMFS, USFWS, States and Tribes, PacifiCorp and Reclamation shall annually evaluate the feasibility of enhancing fall and early winter flow variability to benefit

² The complete ICP was filed at FERC on November 25, 2008 and includes some additional measures not reflected in this Appendix that are not part of this Settlement.

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salmonids downstream of Iron Gate Dam, subject to both PacifiCorp's and Reclamation's legal and contractual obligations. In the event that fall and early winter flow variability can feasibly be accomplished, PacifiCorp, in coordination with NMFS, USFWS, and Reclamation will, upon a final Incidental Take Permit issued to PacifiCorp by NMFS becoming effective, annually develop fall and early winter flow variability plans and implement those plans. Any such plans shall have no adverse effect on the volume of water that would otherwise be available for the Klamath Reclamation Project or wildlife refuges.

Interim Measure 6: Fish Disease Relationship and Control Studies

PacifiCorp has established a fund in the amount of \$500,000 in total funding to study fish disease relationships downstream of Iron Gate Dam. Research proposals will be solicited and agreed upon by PacifiCorp and NMFS for the purpose of determining that the projects are consistent with the criteria and requirements developed by PacifiCorp and NMFS in the ESA review process applicable under Settlement Section 6.2. PacifiCorp will consult with the Klamath River Fish Health Workgroup regarding selection, prioritization, and implementation of such studies, and such studies shall be consistent with the standards and guidelines contained in the Klamath River Fish Disease Research Plan and any applicable recovery plans.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**APPENDIX D**
Non-ICP Interim Measures³**Interim Measure 7: J.C. Boyle Gravel Placement and/or Habitat Enhancement**

Beginning on the Effective Date and continuing through decommissioning of the J.C. Boyle Facility, PacifiCorp shall provide funding of \$150,000 per year, subject to adjustment for inflation as set forth in Section 6.1.5 of the Settlement, for the planning, permitting, and implementation of gravel placement or habitat enhancement projects, including related monitoring, in the Klamath River above Copco Reservoir.

Within 90 days of the Effective Date, PacifiCorp, in consultation with the IMIC, shall establish and initiate a process for identifying such projects to the Committee, and, upon approval of a project by the Committee, issuing a contract or providing funding to a third party approved by the Committee for implementation of the project.

The objective of this Interim Measure is to place suitable gravels in the J.C. Boyle bypass and peaking reach using a passive approach before high flow periods, or to provide for other habitat enhancement providing equivalent fishery benefits in the Klamath River above Copco Reservoir.

Interim Measure 8: J.C. Boyle Bypass Barrier Removal

Within 90 days of the Effective Date, PacifiCorp, in consultation with the Committee, shall commence scoping and planning for the removal of the sidecast rock barrier located approximately three miles upstream of the J.C. Boyle Powerhouse in the J.C. Boyle bypass reach. In accordance with a schedule approved by the Committee, PacifiCorp shall obtain any permits required for the project under Applicable Law and implement removal of the barrier. If blasting will be used, PacifiCorp shall coordinate with ODFW to ensure the work occurs during the appropriate in-water work period. The objective of this Interim Measure is to provide for the safe, timely, and effective upstream passage of Chinook and coho salmon, steelhead trout, Pacific lamprey, and redband trout.

Interim Measure 9: J.C. Boyle Powerhouse Gage

Upon the Effective Date, PacifiCorp shall provide the U.S. Geological Survey (USGS) with continued funding for the operation of the existing gage below the J.C. Boyle Powerhouse (USGS Gage No. 11510700). Funding will provide for continued real-time reporting capability for half-hour interval readings of flow and gage height, accessible via the USGS website.

³ The Parties agree that PacifiCorp will implement the interim measures as provided in this Appendix. Pursuant to Section 7.3.6 of the Settlement, if the Parties determine that the schedule for Facilities Removal must extend beyond December 31, 2020, then the Parties shall consider whether modification of Interim Measures is necessary to appropriately balance costs to customers and protection of natural resources based on circumstances at that time.

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PacifiCorp shall continue to provide funding for this gage until the time of decommissioning of the J.C. Boyle Facility.

Interim Measure 10: Water Quality Conference

PacifiCorp shall provide one-time funding of \$100,000 to convene a basin-wide technical conference on water quality within one year from the Effective Date of this Settlement. The conference will inform participants on water quality conditions in the Klamath River basin and will inform decision-making for Interim Measure No. 11, with a focus on nutrient reduction in the basin including constructed wetlands and other treatment technologies and water quality accounting. PacifiCorp, the North Coast Regional Water Quality Control Board, and the Oregon Department of Environmental Quality, will convene a steering committee to develop the agenda and panels.

Interim Measure 11: Interim Water Quality Improvements

The purpose of this measure is to improve water quality in the Klamath River during the Interim Period leading up to dam removal. The emphasis of this measure shall be nutrient reduction projects in the watershed to provide water quality improvements in the mainstem Klamath River, while also addressing water quality, algal and public health issues in Project reservoirs and dissolved oxygen in J.C. Boyle Reservoir. Upon the Effective Date of the Settlement until the date of the DRE's acceptance of the FERC surrender order, PacifiCorp shall spend up to \$250,000 per year to be used for studies or pilot projects developed in consultation with the Implementation Committee regarding the following:

- Development of a Water Quality Accounting Framework
- Constructed Treatment Wetlands Pilot Evaluation
- Assessment of In-Reservoir Water Quality Control Techniques
- Improvement of J.C. Boyle Reservoir Dissolved Oxygen

Within 60 days of the DRE's acceptance of the FERC surrender order, PacifiCorp shall develop a priority list of projects in consultation with the Implementation Committee. The priority list will be informed by, among other things, the information gained from the specific studies conducted before the DRE's acceptance of the FERC surrender order and the information generated at the water quality conference specified in Interim Measure 10. Following the DRE's acceptance of the FERC surrender order, PacifiCorp shall provide funding of up to \$5.4 million for implementation of projects approved by the Oregon Department of Environmental Quality (ODEQ) and the State and Regional Water Boards, and up to \$560,000 per year to cover project operation and maintenance expenses related to those projects, these amounts subject to adjustment for inflation as set forth in Section 6.1.5 of this Settlement. Recognizing the emphasis on nutrient reduction projects in the watershed while also seeking to improve water

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quality conditions in and downstream of the Project during the Interim Period, the Parties agree that up to 25 percent of the funding in this measure for pre-surrender-order-acceptance studies and post-surrender-order-acceptance implementation may be directed towards in-reservoir water quality improvement measures, including but not limited to J.C. Boyle.

Interim Measure 12: J.C. Boyle Bypass Reach and Spencer Creek Gaging

PacifiCorp shall install and operate stream gages at the J.C. Boyle Bypass Reach and at Spencer Creek. The J.C. Boyle Bypass Reach gaging station will be located below the dam and fish ladder and fish bypass outflow, but above the springs in order to record flow releases from J.C. Boyle Dam. The Spencer Creek gage will utilize an existing Oregon Water Resources Department gaging location. It is assumed that the required measurement accuracy will be provided using stage gaging at existing channel cross-sections with no need for constructed weirs. The installed stream gages shall provide for real-time reporting capability for half-hour interval readings of flow and gage height, accessible via an agreed-upon website, until such time as it is accessible on the USGS website. The Spencer Creek gage shall be installed in time to provide flow indication for Iron Gate Flow Variability (ICP Interim Measure 5). Both gages shall be installed and functional prior to September 1, 2010. Installation of the bypass gage, and measurement and maintenance shall conform to USGS standards. The Spencer Creek gage will be maintained according to USGS standards, as applicable.

Interim Measure 13: Flow Releases and Ramp Rates

PacifiCorp will maintain current operations including instream flow releases of 100 cubic feet per second (cfs) from J.C. Boyle Dam to the J.C. Boyle bypass reach and a 9-inch per hour ramp rate below the J.C. Boyle powerhouse prior to transfer of the J.C. Boyle facility.

Provided that if anadromous fish have volitional passage⁴ to the J.C. Boyle bypass reach after removal or partial removal of the lower dams and before J.C. Boyle is transferred, PacifiCorp will operate J.C. Boyle as a run of river facility with a targeted ramp rate not to exceed two inches per hour, and flows will be provided in the J.C. Boyle bypass reach to provide for the appropriate habitat needs of the anadromous fish species. The operation will also avoid and minimize take of any listed species present. Daily flows through the J.C. Boyle powerhouse will be informed by reservoir inflow gages below Keno Dam and at Spencer Creek. Provided further that if anadromous fish have volitional passage upstream of Iron Gate Dam before the Copco Facilities are transferred, PacifiCorp will operate the remaining Copco Facility that is furthest downstream as a run of the river facility with a targeted ramp rate not to exceed two inches per hour and coordinate with NMFS and FWS to determine if any other flow measures are necessary

⁴ Volitional passage shall not be deemed to have occurred if presence of anadromous fish is the result of anthropogenic placement of such fish above, within or below the J.C. Boyle Bypass Reach, including as a result of scientific studies, experiments or investigations, prior to removal of Facilities downstream of the J.C. Boyle Bypass Reach to the extent sufficient to provide fish passage past those Facilities.

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to avoid or minimize take of any listed species present. In either event, flows in the respective bypass reaches will be based on species-specific habitat needs identified by the IMIC.

The Parties agree that if dam removal occurs in a staged manner, J.C. Boyle is intended to be the last dam decommissioned. If, however, the FERC surrender order or Definite Plan directs a different sequence for Decommissioning and Facilities Removal, then the Parties shall Meet and Confer to identify adjustments necessary to implement Facilities Removal in a manner that is consistent with PacifiCorp's Economic Analysis.

Interim Measure 14: 3,000 cfs Power Generation

Upon approval by OWRD in accordance with Exhibit 1, PacifiCorp may divert a maximum of 3,000 cfs from the Klamath River at J.C. Boyle dam for purposes of power generation at the J.C. Boyle Facility prior to decommissioning of the facility. Such diversions shall not reduce the minimum flow releases from J.C. Boyle dam required of PacifiCorp under Interim Measure 13. The implementation of this interim measure shall not: reduce or adversely affect the rights or claims of the Klamath Tribes or the Bureau of Indian Affairs for instream flows; affect the operation of Link River dam or Keno Dam or any facility of the Klamath Reclamation Project; or otherwise adversely affect lake levels at Upper Klamath Lake, flows in Link River, or Keno reservoir elevations.

Interim Measure 15: Water Quality Monitoring

PacifiCorp shall fund long-term baseline water quality monitoring to support dam removal, nutrient removal, and permitting studies, and also will fund blue-green algae (BGA) and BGA toxin monitoring as necessary to protect public health. Funding of \$500,000 shall be provided per year. The funding shall be made available beginning on April 1, 2010 and annually on April 1 until the time the dams are removed. Annual coordination and planning of the monitoring program with stakeholders will be performed through the Klamath Basin Water Quality Group or an entity or entities agreed upon by the Parties and in coordination with the appropriate water quality agencies. The Regional Board and ODEQ will take responsibility for ensuring that the planning documents will be completed by April 1 of each year. Monitoring will be performed by the Parties within their areas of regulatory compliance or Tribal responsibility or, alternatively, by an entity or entities agreed upon by the Parties. Monitoring activities will be coordinated with appropriate water quality agencies and shall be conducted in an open and transparent manner, allowing for participation, as desired, among the Parties and water quality agencies.

Significant disputes that may arise between the Parties, or with the Regional Board, regarding the monitoring plan content or funding will be resolved by the Implementation Committee, acting on input and advice, as necessary, from the water quality agencies. Notwithstanding the forgoing, the Oregon Department of Environmental Quality and the California State Water Resources Control Board shall make final decisions regarding spending of up to \$50,000 dedicated to BGA and BGA toxin monitoring as necessary to protect public health.

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PacifiCorp shall seek to eliminate three screened diversions (the Lower Shovel Creek Diversion – 7.5 cfs, Claim # S015379; Upper Shovel Creek Diversion – 2.5 cfs, Claim # S015381; and Negro Creek Diversion – 5 cfs, Claim # S015380) from Shovel and Negro Creeks and shall seek to modify its water rights as listed above to move the points of diversion from Shovel and Negro Creeks to the mainstem Klamath River. Should modification of the water rights be feasible, and then successful, PacifiCorp shall remove the screened diversions from Shovel and Negro creeks associated with PacifiCorp's water rights prior to the time that anadromous fish are likely to be present upstream of Copco reservoir following the breach of Iron Gate and Copco dams. To continue use of the modified water rights, PacifiCorp will install screened irrigation pump intakes, as necessary, in the Klamath River. The intent of this measure is to provide additional water to Shovel and Negro creeks while not significantly diminishing the water rights or the value of ranch property owned by PacifiCorp. Should costs for elimination of the screened diversions and installation of a pumping system to provide continued use of the water rights exceed \$75,000 then the Parties will Meet and Confer to resolve the inconsistency.

Interim Measure 17: Fall Creek Flow Releases

Within 90 days of the Effective Date and during the Interim Period for the duration of its ownership while this Settlement is in effect, PacifiCorp shall provide a continuous flow release to the Fall Creek bypass reach targeted at 5 cfs. Flow releases shall be provided by stoplog adjustment at the diversion dam and shall not require new facility construction or the installation of monitoring equipment for automated flow adjustment or flow telemetry.

Additionally, if anadromous fish have passage to the Fall Creek following removal of the California dams, flows will be provided in the Fall Creek bypass reach to provide for the appropriate habitat needs of the anadromous fish species of any kind that are naturally and volitionally present in the Fall Creek bypass reach. Flows will be based on species specific habitat needs identified by the IMIC. The operation will also avoid and minimize take of any listed species present.

Interim Measure 18: Hatchery Funding

Beginning in 2010, PacifiCorp shall fund 100 percent of Iron Gate Hatchery operations and maintenance necessary to fulfill annual mitigation objectives developed by the California Department of Fish and Wildlife in consultation with the National Marine Fisheries Service and consistent with existing FERC license requirements. PacifiCorp shall provide funding of up to \$1.25 million dollars per year for operations and maintenance costs, subject to adjustment for inflation as set forth in Section 6.1.5 of the Settlement. These operations and maintenance costs shall include a program for 25 percent fractional marking of chinook at the Iron Gate Hatchery facilities as well as the current 100 percent marking program for coho and steelhead. Labor and materials costs associated with the 25 percent fractional marking program (fish marking, tags, tag recovery, processing, and data entry) shall be included within these operations and

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maintenance costs. This operations and maintenance funding will continue until the removal of Iron Gate Dam.

PacifiCorp will provide one-time capital funding of \$1.35 million for the 25 percent fractional marking program. This funding will include the purchase of necessary equipment (e.g. electrical upgrades, automatic fish marking trailer, tags and a wet lab modular building for processing fish heads). PacifiCorp will ensure the automatic fish marking trailer is available for use by April 2011. PacifiCorp is not responsible for funding the possible transition to a 100 percent Chinook marking program in the future.

Interim Measure 19: Hatchery Production Continuity

Within six months of the Effective Date of the Settlement, PacifiCorp will begin a study to evaluate hatchery production options that do not rely on the current Iron Gate Hatchery water supply. The study will assess groundwater and surface water supply options, water reuse technologies or operational changes that could support hatchery production in the absence of Iron Gate Dam. The study may include examination of local well records and the feasibility of increasing the production potential at existing or new hatchery facilities in the basin.

Based on the study results, and within six months following the DRE's acceptance of the FERC surrender order, PacifiCorp will propose a post-Iron Gate Dam Mitigation Hatchery Plan (Plan) to provide continued hatchery production for eight years after the removal of Iron Gate Dam. PacifiCorp's eight- year funding obligation assumes that dam removal will occur within one year of cessation of power generation at Iron Gate Dam. If dam removal occurs after one year of cessation of power generation at Iron Gate Dam, then the Parties will Meet and Confer to determine appropriate hatchery funding beyond the eight years. PacifiCorp's Plan shall propose the most cost effective means of meeting hatchery mitigation objectives for eight years following removal of Iron Gate Dam. Upon approval of the Plan by the California Department of Fish and Wildlife or Oregon Department of Fish and Wildlife (as appropriate) and the National Marine Fisheries Service, PacifiCorp will begin implementation of the Plan. Plan implementation may include PacifiCorp contracting with the owners or administrators of other identified hatchery facilities and/or funding the planning, design, permitting, and construction of measures identified in the Plan as necessary to continue to meet mitigation production objectives. Five years after the start of Plan implementation, or as otherwise agreed by PacifiCorp, the California Department of Fish and Wildlife or Oregon Department of Fish and Wildlife (as appropriate) and the National Marine Fisheries Service, the CDFW or ODFW (as appropriate) and the NMFS shall meet to review the progress of Plan implementation. The five-year status review will also provide for consideration of any new information relevant to Plan implementation. Plan implementation shall ultimately result in production capacity sufficient to meet hatchery mitigation goals for the eight-year period being in place and operational upon removal of Iron Gate Dam.

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After removal of Iron Gate Dam and for a period of eight years, PacifiCorp shall fund 100 percent of hatchery operations and maintenance costs necessary to fulfill annual mitigation objectives developed by the California Department of Fish and Wildlife in consultation with the National Marine Fisheries Service. The hatchery mitigation goals will focus on chinook production, with consideration for steelhead and coho, and may be adjusted downward from current mitigation requirements by the California Department of Fish and Wildlife and National Marine Fisheries Service, in consultation with the other Klamath River fish managers, in response to monitoring trends.

Interim Measure 21: BLM Land Management Provisions

Beginning in 2010 and continuing until Decommissioning of the J.C. Boyle facility, PacifiCorp shall fund land management activities by the Bureau of Land Management as specified in this interim measure. BLM will provide PacifiCorp an annual Work Plan for the management measures described below for road maintenance, invasive weed management, cultural resource management, and recreation. The Work Plan will include the status of Work Plan tasks from the prior year, a description of the prioritized tasks for the upcoming year, and their estimated costs. PacifiCorp or BLM will mutually establish the annual delivery date of the Work Plan taking into consideration fiscal and maintenance calendars and may request a meeting to coordinate the content of the plan. PacifiCorp will provide funding within 60 days of concurring with the Work Plan. Administrative services, environmental review or permitting efforts, if necessary, to implement actions under the funds shall not require additional PacifiCorp funding beyond the amounts specified below.

- A. PacifiCorp shall provide up to \$15,000 per year to BLM towards projects identified through the coordination process described above for the purpose of road maintenance in the Klamath Canyon. This funding will be used to annually maintain the access road from State Highway 66 to the J.C. Boyle Powerhouse and terminate at the BLM Spring Island Boat Launch. Remaining funds will be used to do non-recurring road maintenance work on roads within the Canyon as mutually agreed upon in writing by BLM and PacifiCorp.
- B. PacifiCorp shall provide up to \$10,000 per year to BLM for use by the Oregon Department of Agriculture (ODA) towards projects identified through the coordination process described above for the purpose of integrated weed management of invasive weed species along the road system and river corridor within the Klamath Canyon. Noxious weed control projects will be coordinated with Siskiyou County to ensure that weeds are controlled along the river corridor from the Oregon-California boundary to the top of Copco Reservoir.
- C. PacifiCorp shall provide up to \$10,000 per year to BLM towards projects identified through the coordination process described above for the management of the following 5 BLM cultural sites which are within, or partially within, the T1

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terrace of the J.C. Boyle full flow reach: 35KL21/786, 35KL22, 35KL24, 35KL558, and 35KL577. Management of additional sites with these funds can occur with mutual written agreement between PacifiCorp and BLM.

- D. PacifiCorp shall provide up to, but no more than, \$130,000 in funding for the development and implementation of a Road Management Plan to be implemented during the Interim Period. The Road Management Plan shall be developed by BLM and PacifiCorp and will determine priorities for operation and maintenance, including remediation or restoration of redundant or unnecessary facilities, of the shared BLM/PacifiCorp road system within the Klamath River Canyon from J.C. Boyle Dam to the slack water of Copco Reservoir.

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ACTIONS IN APPENDIX E HAVE BEEN COMPLETED
OR ARE NO LONGER APPLICABLE**

APPENDIX E

Elements for the Proposed Federal Legislation

Elements Related to the Klamath Basin Restoration Agreement

- A. Confirm, ratify or approve as necessary to ensure the effectiveness of the Klamath Basin Restoration Agreement (KBRA), including any amendments approved by the Parties prior to enactment. Authorize and direct the Secretary of the Interior, Secretary of Commerce, and the Secretary of Agriculture or their designees to execute and implement the KBRA.
- B. Confirm that execution of the KBRA by the Secretary of the Interior, Secretary of Commerce, and the Secretary of Agriculture or their designees is not a major federal action for purposes of the National Environmental Policy Act, 42 U.S.C. § 4321, and direct all Federal Agency Parties to comply with all applicable environmental laws in consideration and approval of actions in implementation of the KBRA following its execution.
- C. Authorize Federal Agency Parties to enter into contracts, cooperative agreements, and other agreements in implementation of the KBRA; and authorize the acceptance and expenditure of non-federal funds or in-kind services for KBRA implementation.
- D. Notwithstanding any other provision of law, enactment of the KBRA title of this legislation and implementation of KBRA will not restrict the Tribes' or other Parties' eligibility for or receipt of funds, or be construed as an offset against any obligations or existing funds, under any federal or state laws.
- E. Establish in the Treasury the type and number of funds necessary for the deposit of appropriations and other monies, including donated funds, for implementation of the KBRA. Management of funds shall be in accordance with the KBRA. Monies donated by non-federal entities for specific purposes to implement the KBRA shall be expended for those purposes only and shall not be subject to appropriation.
- F. Authorize appropriation of such sums as are necessary to carry out the programs, projects, and plans of the KBRA. Costs associated with any actions taken pursuant to this Agreement shall be non-reimbursable to Reclamation Project contractors.
- G. Provide that the purposes of the Klamath Reclamation Project include irrigation, reclamation, domestic, flood control, municipal, industrial, power (as necessary to implement the KBRA), National Wildlife Refuge, and fish and wildlife. Nothing in the project purposes section of the legislation shall be deemed to create a water right or affect existing water rights or water right claims. The fish and wildlife and National Wildlife Refuge purposes of the Klamath Reclamation Project shall

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not adversely affect the irrigation purpose of the Project, *provided* that the provisions regarding water allocations and delivery to the National Wildlife Refuges agreed upon in Section 15.1.2, including any additional water made available under Sections 15.1.2.E.ii and 18.3.2.B.v, of the Klamath River Basin Restoration Agreement are hereby deemed not to constitute an adverse effect upon the Klamath Reclamation Project's irrigation purpose. For purposes of the determination of water rights in the KBA, the purpose or purposes of the Klamath Reclamation Project shall be as existed prior to the enactment of this legislation; this provision shall be inapplicable upon the filing of Appendix E-1 to the KBRA.

- H. Provide that: notwithstanding any other provision of law, the disposition of net revenues from the leasing of refuge lands within the Tule Lake National Wildlife Refuge and Lower Klamath National Wildlife Refuge, under section 4 of Public Law 88-567, 78 Stat. 850 (Sept. 2, 1964) (Kuchel Act) shall hereafter be:
1. Ten percent of said net revenues to Tule Lake Irrigation District, as provided in article 4 of Contract No. 14-06-200-5954 and section 2(a) of the Act of August 1, 1956;
 2. Payment to Counties in lieu of taxes as provided in section 3 of Public Law 88-567;
 3. Twenty percent of said net revenues directly, without further authorization, to the U.S. Fish and Wildlife Service, Klamath Basin Refuges, for wildlife management purposes on the Tule Lake National Wildlife Refuge and Lower Klamath National Wildlife Refuge;
 4. Ten percent of said net revenues directly, without further authorization to Klamath Drainage District for operation and maintenance responsibility for the Reclamation water delivery and drainage facilities within the boundaries of both Klamath Drainage District and Lower Klamath National Wildlife Refuge exclusive of the Klamath Straits Drain, subject to Klamath Drainage District's assuming the U.S. Bureau of Reclamation's Operation and Maintenance duties for Klamath Drainage District (Area K) lease lands; and
 5. The remainder shall be covered to the Reclamation fund to be applied as follows:
 - (a) to operation and maintenance costs of Link River and Keno Dams; and
 - (b) in any year where the remainder exceeds the actual costs in (a), for the Renewable Power Program in Section 17.7 of the KBRA or future capital costs of the Klamath Reclamation Project, pursuant to an expenditure plan submitted to and approved by the Secretary.

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- I. As applicable for the United States and the signatory Tribes:
 - 1. Confirm the commitments made in the KBRA, including the Assurances in Section 15.3 of the KBRA, and that such commitments are effective and binding according to their terms.
 - 2. Authorize the Tribes to issue the voluntary relinquishment and release of claims against the United States as provided in Section 15.3 of the KBRA.
 - 3. Establish terms limiting the effect of the commitments of the United States and Tribes to only those provided in the KBRA.
 - 4. Authorize and direct the Secretary to publish the notice identified in KBRA Sections 15.3.4.A or 15.3.4.C as applicable.
- J. Provide for judicial review of a decision by the Secretary affecting rights or obligations created in Sections 15.3.5.C, 15.3.6.B.iii, 15.3.7.B.iii, 15.3.8.B, and 15.3.9 under the Administrative Procedure Act, 5 U.S.C. §§ 701-706.
- K. Authorize the United States and the Klamath Tribes to enter into agreements consistent with Section 16.2 of the KBRA.
- L. Provide that nothing in the KBRA title of the legislation shall: determine existing water rights, affect existing water rights beyond what is stated in the KBRA, create any private cause of action, expand the jurisdiction of state courts to review federal agency actions or determine federal rights, provide any benefit to a federal official or member of Congress, amend or affect application or implementation of the Clean Water Act, Endangered Species Act, Federal Land Management Policy Act, Kuchel Act (Public Law 88-567), National Wildlife Refuge System Improvement Act of 1997 (Public Law 105-57), or supersede otherwise applicable federal law, except as expressly provided in the federal legislation.
- M. The KBRA title of the legislation shall provide that the provisions of the KBRA are deemed consistent with 43 U.S.C. § 666.
- N. Require that if the KBRA terminates, any federal funds provided to Parties that are unexpended must be returned to the United States, and any federal funds expended for the benefit of a Party shall be treated as an offset against any claim for damages by such Party arising from the Agreement.

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Elements Related to the Klamath Hydroelectric Settlement Agreement

- A. Authorize and direct the Secretary of the Interior (Secretary), Secretary of Commerce, and Federal Energy Regulatory Commission (FERC) to implement the Klamath Hydroelectric Settlement Agreement (KHSA).
- B. Authorize and direct the Secretary to make the determination by March 31, 2012 as set forth in Section 3 of the KHSA: whether facilities removal will advance restoration of the salmonid fisheries of the Klamath Basin and is in the public interest, which includes but is not limited to consideration of potential impacts on affected local communities and Tribes.
- C. Prohibit the Secretary from making the determination set forth in Section 3 of the KHSA if the conditions specified in Section 3.3.4 of the KHSA have not been satisfied.
- D. Authorize and direct the Secretary, if the Secretarial determination provides for facilities removal, to designate as part of that determination a dam removal entity (DRE) with the capabilities and responsibilities set forth in Section 7 of the KHSA; the Secretary may designate either the Department of the Interior or a non-federal entity as the DRE, consistent with the requirements of Section 3.3.4.E of the KHSA.
- E. Direct the Secretary to publish notification of the Secretarial Determination in the Federal Register.
- F. Provide jurisdiction for judicial review of the Secretarial determination in the U.S. Court of Appeals for the 9th Circuit or the D.C. Circuit.
- G. Authorize the DRE: to accept, expend and manage non-federal funds for facilities removal; to enter into appropriate agreements with the States of California and Oregon, Tribes, other public agencies, or others to assist in implementation of the KHSA; to develop a definite plan for facilities removal; to accept from PacifiCorp all rights, title, and other interests in the facilities upon providing notice that it is ready to commence with facilities removal; and to perform such removal, all as provided in Sections 4 and 7 of the KHSA.
- H. Authorize and direct the DRE to seek and obtain necessary permits, certifications, and other authorizations to implement facilities removal, including but not limited to a permit under 33 U.S.C. § 1344.
- I. Provide that Facilities Removal shall be subject to applicable requirements of State and local laws respecting permits, certifications and other authorizations, to the extent such requirements are consistent with the Secretarial determination and the Definite Plan, including the schedules for Facilities Removal.

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- J. Direct the Department of the Interior or the Non-Federal DRE to enter into a contract with PacifiCorp that provides that: upon transfer of title to the facilities, and until notified by the DRE to cease generation of electric power, PacifiCorp shall continue such generation, retain title to any and all power so generated by the facilities, and continue to use the output for the benefit of its retail customers under the jurisdiction of relevant state public utility commissions.
- K. Authorize and direct the Secretary of the Interior, upon notice that the DRE is ready to perform removal of the J.C. Boyle development, to accept transfer of the Keno Dam from PacifiCorp, to be managed as a part of the Klamath Reclamation Project, as provided in Section 3.3.4.B and Section 7.5 of the KHSA.
- L. Provide PacifiCorp with protection from liability as follows: “Notwithstanding any other federal, state, local law or common law, PacifiCorp shall not be liable for any harm to persons, property, or the environment, or damages resulting from either Facilities Removal or Facility operation arising from, relating to, or triggered by actions associated with Facilities removal, including but not limited to any damage caused by the release of any material or substance, including but not limited to hazardous substances.”
- M. Further provide: “Notwithstanding any other federal, state, local law or common law, no person or entity contributing funds for facilities removal pursuant to the KHSA shall be held liable, solely by virtue of that funding, for any harm to persons, property, or the environment, or damages arising from either facilities removal or facility operation arising from, relating to, or triggered by actions associated with facilities removal, including any damage caused by the release of any material or substance, including hazardous substances.”
- N. Further provide that: “Notwithstanding Section 10(c) of the Federal Power Act, this protection from liability preempts the laws of any State to the extent such laws are inconsistent with this Act, except that this Act shall not be construed to limit any otherwise available immunity, privilege, or defense under any other provision of law.”
- O. Further provide that the liability protections in Paragraphs L through N, above, shall take effect as they relate to any particular facility only upon transfer of title to that facility from PacifiCorp to the DRE.
- P. Direct FERC to issue annual licenses authorizing PacifiCorp to continue to operate Project No. 2082 until PacifiCorp transfers title to the DRE, and provide that FERC’s jurisdiction under the Federal Power Act shall terminate with respect to a given facility upon PacifiCorp’s transfer of title for such facility to the DRE; if the facilities are removed in a staged manner, annual FERC license conditions applying to the facility being removed shall no longer be in effect, and PacifiCorp shall continue to comply with license conditions pertaining to any facility still in

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place to the extent such compliance is not prevented by the removal of any other facility.

- Q. Direct FERC to stay its proceeding on PacifiCorp's pending license application for Project No. 2082 as long as the KHSA remains in effect, and resume such proceeding, and take final action on the license application, only if the KHSA terminates; except that FERC will resume timely consideration of the pending FERC license application for the Fall Creek development within 60 days of the transfer of the Iron Gate Facility to the DRE.
- R. Provide that if the KHSA terminates, the Secretarial Determination and findings of fact shall not be admissible or otherwise relied upon in FERC's proceedings on the license application.
- S. Provide that on PacifiCorp's filing of an application for surrender of the Eastside and Westside developments of Project No. 2082 pursuant to Section 6.4.1 of the KHSA, FERC shall issue an appropriate order regarding partial surrender of the license specific to the Eastside and Westside developments, including any reasonable and appropriate conditions.
- T. Provide that nothing in the KHSA title of the legislation shall: modify existing water rights; affect the rights of any Tribe; or supersede otherwise applicable federal law, except as expressly provided in the legislation.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**APPENDIX F****Oregon Surcharge Act (as codified)****757.732 Definitions for ORS 757.732 to 757.744.**

As used in ORS 757.732 to 757.744:

- (1) "Agreement in principle" means the agreement signed November 13, 2008, by the states of Oregon and California, by the United States Department of the Interior and by PacifiCorp.
- (2) "Allocated share" means the portion of PacifiCorp's costs assigned to this state under the interjurisdictional cost allocation methodology used by the Public Utility Commission for the purpose of establishing rates for PacifiCorp.
- (3) "Customers" means the Oregon retail electricity customers of PacifiCorp.
- (4) "Final agreement" means a successor agreement to the agreement in principle.
- (5) "Klamath River dam" means the J.C. Boyle Dam located in Oregon, the Copco 1 Dam located in California, the Copco 2 Dam located in California or the Iron Gate Dam located in California. [2009 c.690 §2]

757.734 Recovery of investment in Klamath River dams.

- (1) Not more than six months after the execution of a final agreement, the Public Utility Commission shall determine a depreciation schedule under ORS 757.140 for each Klamath River dam based on the assumption that the dam will be removed in 2020. The commission may change a depreciation schedule determined under this section at any time if removal of a dam will occur during a year other than 2020.
- (2) The commission shall use the depreciation schedules prepared under this section to establish rates and tariffs for the recovery of Oregon's allocated share of undepreciated amounts prudently invested by PacifiCorp in a Klamath River dam. Amounts recoverable under this section include, but are not limited to:
 - (a) Return of investment and return on investment;
 - (b) Capital improvements required by the United States or any state for continued operation of the dam until dam removal;
 - (c) Amounts spent by PacifiCorp in seeking relicensing of the dam before July 14, 2009;
 - (d) Amounts spent by PacifiCorp for settlement of the issues of relicensing or removal of the dam; and
 - (e) Amounts spent by PacifiCorp for the decommissioning of the dam in anticipation of the dam's removal.
- (3) If any amount specified under subsection (2) of this section has not been recovered by PacifiCorp before a dam is removed, the Public Utility Commission shall allow recovery of that amount by PacifiCorp in PacifiCorp's rates and tariffs. The commission shall allow the recovery without an amortization schedule if the impact of the recovery does not exceed one-half of one percent of PacifiCorp's annual revenue requirement. If the impact exceeds one-half of one percent of PacifiCorp's annual revenue requirement, the commission may establish an amortization schedule that limits the annual impact to one-half of one percent of PacifiCorp's annual revenue requirement. [2009 c.690 §3]

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**757.736 Surcharges for funding costs of removing Klamath River dams; judicial review.**

(1) Not more than 30 days after the execution of a final agreement, PacifiCorp must file a copy of the final agreement with the Public Utility Commission along with full and complete copies of all analyses or studies that relate to the rate-related costs, benefits and risks for customers of removing or relicensing Klamath River dams and that were reviewed by PacifiCorp during the decision-making process that led to PacifiCorp's entering into the final agreement.

(2) PacifiCorp must include with the filing made under subsection (1) of this section tariffs for the collection of two nonbypassable surcharges from its customers for the purpose of paying the costs of removing Klamath River dams as described in subsection (11) of this section.

Notwithstanding the commission's findings and conclusions under subsection (4) of this section, the commission shall require PacifiCorp to begin collecting the surcharges on the date that the filing is made under subsection (1) of this section, or on January 1, 2010, whichever is later, and PacifiCorp shall continue to collect the surcharges pending a final decision on the commission's order under subsection (4) of this section. The surcharges imposed under this section shall be:

- (a) A surcharge for the costs of removing the J.C. Boyle Dam; and
- (b) A surcharge for the costs of removing the Copco 1 Dam, the Copco 2 Dam and the Iron Gate Dam.

(3) The surcharges imposed under this section may not exceed the amounts necessary to fund Oregon's share of the customer contribution of \$200 million identified in the agreement in principle. In addition, the total amount collected in a calendar year under both surcharges may not exceed more than two percent of PacifiCorp's annual revenue requirement as determined in PacifiCorp's last case under ORS 757.210 decided by the commission before January 1, 2010.

(4) Not more than six months after a filing is made under subsection (1) of this section, the commission shall conduct a hearing under ORS 757.210 on the surcharges imposed under this section, and shall enter an order setting forth findings and conclusions as to whether the imposition of surcharges under the terms of the final agreement results in rates that are fair, just and reasonable.

(5) Notwithstanding ORS 183.482 (1), jurisdiction for judicial review of any appeal of an order entered under subsection (4) of this section is conferred on the Supreme Court, and a person seeking judicial review of the order must file a petition for review with the Supreme Court in the manner provided by ORS 183.482. ORS 183.482 (3) does not apply to an order entered under subsection (4) of this section. If a petition for review is filed, the surcharges imposed under the terms of the final agreement shall remain in effect pending a final decision on the petition, but shall be refunded if the rates resulting from the surcharges are finally determined not to be fair, just and reasonable. A petition filed under this subsection must indicate on its face that the petition is filed pursuant to this subsection.

(6) The commission may not use any commercially sensitive information provided to the commission in a filing made under subsection (1) of this section for any purpose other than determining whether the imposition of surcharges under the terms of the final agreement results in rates that are fair, just and reasonable. Notwithstanding ORS 192.410 to 192.505, the commission may not release commercially sensitive information provided to the commission under this section, and shall require any person participating in a proceeding relating to the

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surcharge to sign a protective order prepared by the commission before allowing the participant to obtain and use the information.

(7) The surcharges imposed under this section must be of a specified amount per kilowatt hour billed to retail customers, as determined by the commission. The amount of each surcharge shall be calculated based on a collection schedule that will fund, by December 31, 2019, Oregon's share of the customer contribution of \$200 million identified in the agreement in principle. To the extent practicable, the commission shall set the surcharges so that total annual collections of the surcharges remain approximately the same during the collection period, and, when setting the rate for the surcharges, the commission shall account for the actual and expected changes in energy usage over the collection period and account for the actual and expected changes in interest rates on the collected funds over the collection period. The commission may change the collection schedule if a Klamath River dam will be removed during a year other than 2020.

(8) Except as provided in ORS 757.738 (2), all amounts collected under the surcharges imposed under this section shall be paid into the appropriate trust account established under ORS 757.738.

(9) If the commission determines at any time that amounts have been collected under this section in excess of those needed, or in excess of those allowed, the commission must:

(a) Direct the trustee of the appropriate trust account under ORS 757.738 to refund these excess amounts to customers or to otherwise use these amounts for the benefit of customers;

or

(b) Adjust future surcharge amounts as necessary to offset the excess amounts.

(10) If one or more Klamath River dams will not be removed, the commission shall direct PacifiCorp to terminate collection of all or part of the surcharges imposed under this section. In addition, the commission shall direct the trustee of the appropriate trust account under ORS 757.738 to apply any excess balances in the accounts to Oregon's allocated share of prudently incurred costs to implement Federal Energy Regulatory Commission relicensing requirements. If any excess amounts remain in the trust accounts after that application, the Public Utility Commission shall order that the excess amounts be refunded to customers or otherwise be used for the benefit of customers in accordance with Public Utility Commission rules and policies.

(11) For the purposes of subsection (2) of this section, "the costs of removing Klamath River dams" includes costs of:

(a) Physical removal of the dams;

(b) Site remediation and restoration;

(c) Avoiding downstream impacts of dam removal;

(d) Downstream impacts of dam removal;

(e) Permits that are required for the removal;

(f) Removal and disposal of sediment, debris and other materials, if necessary; and

(g) Compliance with environmental laws. [2009 c.690 §4; 2011 c.394 §1]

757.738 Surcharge trust accounts related to removal of Klamath River dams.

(1)(a) The Public Utility Commission shall establish a separate trust account for amounts generated by each of the two surcharges imposed under ORS 757.736. The commission shall establish the trust accounts as interest-bearing accounts:

(A) With an agency of the United States identified in the final agreement;

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- (B) In a depository that is qualified under ORS 295.001 to 295.108 to receive public funds; or
 - (C) With the State Treasurer, to be invested as provided in ORS 293.701 to 293.857.
- (b) The commission may establish each of the two trust accounts with a different trustee among those listed in paragraph (a) of this subsection.
 - (c) The commission may authorize transfer of funds from one trust account to another as necessary to fund removal of the Klamath River dams.
- (2) If an agreement is entered into under ORS 757.742 (2), the parties to the agreement may agree that a portion of the amounts collected under one surcharge may be deposited in the trust account established for amounts collected under the other surcharge.
- (3) Upon request of an agency of the United States, or upon request of the designee of an agency of the United States, the commission shall require the trustee of the appropriate trust account established under this section to transfer to the agency or designee the amounts that are necessary to pay the costs of removing the Klamath River dams as described in ORS 757.736 (11).
- (4) If any amounts remain in a trust account established under this section after the trustee makes all payments necessary for the costs of removing the Klamath River dams as described in ORS 757.736 (11), the commission shall direct the trustee of the account to refund those amounts to customers or to otherwise use the excess amounts for the benefit of customers. [2009 c.690 §5; 2011 c.394 §2]

757.740 Recovery of other costs incurred as result of changes in operation to or removal of Klamath River dams.

Pursuant to ORS 757.210, the Public Utility Commission shall allow PacifiCorp to include in its rates and tariffs this state's allocated share of any costs that are prudently incurred by PacifiCorp from changes in operation of Klamath River dams before removal of the dams, or that are prudently incurred for replacement power after the dams are removed, that are not otherwise recovered under ORS 757.734 and 757.736. [2009 c.690 §6]

757.742 Public Utility Commission authorization to enter agreement with California related to cost apportionment and trust fund.

- (1) The State of Oregon may enter into an agreement with representatives of the State of California, either as part of a final agreement or by separate agreement, that establishes each state's share of the customer contribution of \$200 million identified in the agreement in principle.
- (2) The Public Utility Commission may enter into an agreement with representatives of the State of California to establish and administer the trust accounts authorized under ORS 757.738 and to ensure that trust account moneys are disbursed for dam removal costs that are necessary and appropriate. [2009 c.690 §7]

757.744 Disclaimers.

- (1) ORS 757.732 to 757.744 do not authorize the expenditure of any public moneys for removal of Klamath River dams.

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(2) ORS 757.732 to 757.744 do not create a cause of action against the State of Oregon or against any of the officers, employees or agents of the state and may not be used as the basis for an assertion of liability on the part of the State of Oregon or of any officers, employees or agents of the state. [2009 c.690 §8]

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APPENDIX G-1

Water Bond Language (California)

CALIFORNIA BOND FUNDING APPROVED THROUGH VOTER APPROVAL OF THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014 (PROPOSITION 1) IN NOVEMBER 2014.

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**APPENDIX G-2
CEQA Legislation Language (California)**

Uncodified Statute

Application of Division 13 of the Public Resources Code to activities and approvals related to the Klamath Basin, as more particularly described in two agreements between the United States, the State of California, the State of Oregon and other Klamath Basin Stakeholders, shall be limited as follows:

(a) The following activities related to restoration of the Klamath Basin are not a “project” as defined in Public Resources Code section 21065:

- (1) Execution of the Klamath Hydroelectric Settlement Agreement;
- (2) Execution of the Klamath Basin Restoration Agreement;
- (3) A request to the California Public Utilities Commission to establish a surcharge to fund dam removal activities pursuant to the Klamath Hydroelectric Settlement Agreement, or the California Public Utilities Commission's action on such request.

(b) Division 13 of the Public Resources Code shall apply to the decision of whether to concur with the determination by the United States to remove any or all of the dams described in the Klamath Hydroelectric Settlement Agreement, whether to approve any projects that are proposed for approval pursuant to such determination and whether to approve any projects that are proposed pursuant to the Klamath Basin Restoration Agreement after its execution.

Environmental review prepared pursuant to this subdivision shall focus on the issues that are ripe for decision at the time of the concurrence and/or proposal, and from which later environmental review may tier. The Department of Fish and Game may be the lead agency for the environmental review of the decision of whether to concur in the determination by the United States described in this subdivision.

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APPENDIX H

Calculation of Initial Customer Surcharge Target

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APPENDIX H

Monthly InterestEstimator							
Assumptions:							
Green shaded cells drive table assumptions for Annual interest rate and Annual Spend Rate							
After setting assumptions, adjust Total Target Collection to achieve \$200M in cell G137							
		Annual Collection		Total Target Collection			
Annual Surcharge Collected Jan10 - Jun12		\$ 17,200		\$ 172,000			
Annual Surcharge Collected Jul12 - Dec20		\$ 17,200					
Annual Interest Rate		3.50%					
		MonthlySpend		Annual Spend			
Cash Outflow10-12		0.00%		0.00%			
Cash Outflow13-16		0.42%		5.00%			
Cash Outflow17-19		0.83%		10.00%			
Year	Beginning Balance	Cash Inflow	Cash Outflow	Interest Earned	Ending Balance	Collection Check	Interest Check
J-10 \$	- \$	1,433 \$	- \$	2 \$	1,435		
F-10 \$	1,435 \$	1,433 \$	- \$	6 \$	2,875		
M-10 \$	2,875 \$	1,433 \$	- \$	10 \$	4,319		
A-10 \$	4,319 \$	1,433 \$	- \$	15 \$	5,767		
M-10 \$	5,767 \$	1,433 \$	- \$	19 \$	7,219		
J-10 \$	7,219 \$	1,433 \$	- \$	23 \$	8,676		
J-10 \$	8,676 \$	1,433 \$	- \$	27 \$	10,136		
A-10 \$	10,136 \$	1,433 \$	- \$	32 \$	11,601		
S-10 \$	11,601 \$	1,433 \$	- \$	36 \$	13,071		
O-10 \$	13,071 \$	1,433 \$	- \$	40 \$	14,544		
N-10 \$	14,544 \$	1,433 \$	- \$	45 \$	16,022		
D-10 \$	16,022 \$	1,433 \$	- \$	49 \$	17,504	\$ 17,200	\$ 304
J-11 \$	17,504 \$	1,433 \$	- \$	53 \$	18,991		
F-11 \$	18,991 \$	1,433 \$	- \$	57 \$	20,481		
M-11 \$	20,481 \$	1,433 \$	- \$	62 \$	21,977		
A-11 \$	21,977 \$	1,433 \$	- \$	66 \$	23,476		
M-11 \$	23,476 \$	1,433 \$	- \$	71 \$	24,980		
J-11 \$	24,980 \$	1,433 \$	- \$	75 \$	26,488		
J-11 \$	26,488 \$	1,433 \$	- \$	79 \$	28,001		
A-11 \$	28,001 \$	1,433 \$	- \$	84 \$	29,518		
S-11 \$	29,518 \$	1,433 \$	- \$	88 \$	31,040		
O-11 \$	31,040 \$	1,433 \$	- \$	93 \$	32,566		
N-11 \$	32,566 \$	1,433 \$	- \$	97 \$	34,096		
D-11 \$	34,096 \$	1,433 \$	- \$	102 \$	35,631	\$ 17,200	\$ 927
J-12 \$	35,631 \$	1,433 \$	- \$	106 \$	37,170		
F-12 \$	37,170 \$	1,433 \$	- \$	111 \$	38,714		
M-12 \$	38,714 \$	1,433 \$	- \$	115 \$	40,262		
A-12 \$	40,262 \$	1,433 \$	- \$	120 \$	41,815		
M-12 \$	41,815 \$	1,433 \$	- \$	124 \$	43,373		
J-12 \$	43,373 \$	1,433 \$	- \$	129 \$	44,934		
J-12 \$	44,934 \$	1,433 \$	187 \$	133 \$	46,313		
A-12 \$	46,313 \$	1,433 \$	193 \$	137 \$	47,691		
S-12 \$	47,691 \$	1,433 \$	199 \$	141 \$	49,066		
O-12 \$	49,066 \$	1,433 \$	204 \$	145 \$	50,440		
N-12 \$	50,440 \$	1,433 \$	210 \$	149 \$	51,812		
D-12 \$	51,812 \$	1,433 \$	216 \$	153 \$	53,182	\$ 17,200	\$ 1,561
J-13 \$	53,182 \$	1,433 \$	222 \$	157 \$	54,551		
F-13 \$	54,551 \$	1,433 \$	227 \$	161 \$	55,918		
M-13 \$	55,918 \$	1,433 \$	233 \$	165 \$	57,283		
A-13 \$	57,283 \$	1,433 \$	239 \$	169 \$	58,647		
M-13 \$	58,647 \$	1,433 \$	244 \$	173 \$	60,008		
J-13 \$	60,008 \$	1,433 \$	250 \$	177 \$	61,368		
J-13 \$	61,368 \$	1,433 \$	256 \$	181 \$	62,727		
A-13 \$	62,727 \$	1,433 \$	261 \$	185 \$	64,083		
S-13 \$	64,083 \$	1,433 \$	267 \$	189 \$	65,438		
O-13 \$	65,438 \$	1,433 \$	273 \$	193 \$	66,792		
N-13 \$	66,792 \$	1,433 \$	278 \$	196 \$	68,143		
D-13 \$	68,143 \$	1,433 \$	284 \$	200 \$	69,493		
J-14 \$	69,493 \$	1,433 \$	290 \$	204 \$	70,841	\$ 17,200	\$ 2,192
F-14 \$	70,841 \$	1,433 \$	295 \$	208 \$	72,187		
M-14 \$	72,187 \$	1,433 \$	301 \$	212 \$	73,532		
A-14 \$	73,532 \$	1,433 \$	306 \$	216 \$	74,875		
M-14 \$	74,875 \$	1,433 \$	312 \$	220 \$	76,217		
J-14 \$	76,217 \$	1,433 \$	318 \$	224 \$	77,556		
J-14 \$	77,556 \$	1,433 \$	323 \$	228 \$	78,894		
A-14 \$	78,894 \$	1,433 \$	329 \$	232 \$	80,231		
S-14 \$	80,231 \$	1,433 \$	334 \$	236 \$	81,565		
O-14 \$	81,565 \$	1,433 \$	340 \$	239 \$	82,898		
N-14 \$	82,898 \$	1,433 \$	345 \$	243 \$	84,230		
D-14 \$	84,230 \$	1,433 \$	351 \$	247 \$	85,559	\$ 17,200	\$ 2,710
J-15 \$	85,559 \$	1,433 \$	356 \$	251 \$	86,887		
F-15 \$	86,887 \$	1,433 \$	362 \$	255 \$	88,213		
M-15 \$	88,213 \$	1,433 \$	368 \$	259 \$	89,538		
A-15 \$	89,538 \$	1,433 \$	373 \$	263 \$	90,861		
M-15 \$	90,861 \$	1,433 \$	379 \$	267 \$	92,182		
J-15 \$	92,182 \$	1,433 \$	384 \$	270 \$	93,502		
J-15 \$	93,502 \$	1,433 \$	390 \$	274 \$	94,820		
A-15 \$	94,820 \$	1,433 \$	395 \$	278 \$	96,136		
S-15 \$	96,136 \$	1,433 \$	401 \$	282 \$	97,451		
O-15 \$	97,451 \$	1,433 \$	406 \$	286 \$	98,764		
N-15 \$	98,764 \$	1,433 \$	412 \$	290 \$	100,075		

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Year	Beginning Balance	Cash Inflow	Cash Outflow	Interest Earned	Ending Balance	Collection Check	Interest Check
D-15 \$	100,075 \$	1,433 \$	417 \$	293 \$	101,385 \$	\$ 17,200	\$ 3,267
J-16 \$	101,385 \$	1,433 \$	422 \$	297 \$	102,693		
F-16 \$	102,693 \$	1,433 \$	428 \$	301 \$	104,000		
M-16 \$	104,000 \$	1,433 \$	433 \$	305 \$	105,304		
A-16 \$	105,304 \$	1,433 \$	439 \$	309 \$	106,608		
M-16 \$	106,608 \$	1,433 \$	444 \$	312 \$	107,909		
J-16 \$	107,909 \$	1,433 \$	450 \$	316 \$	109,209		
J-16 \$	109,209 \$	1,433 \$	455 \$	320 \$	110,507		
A-16 \$	110,507 \$	1,433 \$	460 \$	324 \$	111,804		
S-16 \$	111,804 \$	1,433 \$	466 \$	328 \$	113,099		
O-16 \$	113,099 \$	1,433 \$	471 \$	331 \$	114,392		
N-16 \$	114,392 \$	1,433 \$	477 \$	335 \$	115,684		
D-16 \$	115,684 \$	1,433 \$	482 \$	339 \$	116,974	\$ 17,200	\$ 3,816
J-17 \$	116,974 \$	1,433 \$	975 \$	342 \$	117,774		
F-17 \$	117,774 \$	1,433 \$	981 \$	344 \$	118,570		
M-17 \$	118,570 \$	1,433 \$	988 \$	346 \$	119,362		
A-17 \$	119,362 \$	1,433 \$	995 \$	349 \$	120,150		
M-17 \$	120,150 \$	1,433 \$	1,001 \$	351 \$	120,933		
J-17 \$	120,933 \$	1,433 \$	1,008 \$	353 \$	121,712		
J-17 \$	121,712 \$	1,433 \$	1,014 \$	356 \$	122,486		
A-17 \$	122,486 \$	1,433 \$	1,021 \$	358 \$	123,257		
S-17 \$	123,257 \$	1,433 \$	1,027 \$	360 \$	124,023		
O-17 \$	124,023 \$	1,433 \$	1,034 \$	362 \$	124,785		
N-17 \$	124,785 \$	1,433 \$	1,040 \$	365 \$	125,543		
D-17 \$	125,543 \$	1,433 \$	1,046 \$	367 \$	126,297	\$ 17,200	\$ 4,253
J-18 \$	126,297 \$	1,433 \$	1,052 \$	369 \$	127,047		
F-18 \$	127,047 \$	1,433 \$	1,059 \$	371 \$	127,793		
M-18 \$	127,793 \$	1,433 \$	1,065 \$	373 \$	128,534		
A-18 \$	128,534 \$	1,433 \$	1,071 \$	375 \$	129,272		
M-18 \$	129,272 \$	1,433 \$	1,077 \$	378 \$	130,005		
J-18 \$	130,005 \$	1,433 \$	1,083 \$	380 \$	130,735		
J-18 \$	130,735 \$	1,433 \$	1,089 \$	382 \$	131,461		
A-18 \$	131,461 \$	1,433 \$	1,096 \$	384 \$	132,183		
S-18 \$	132,183 \$	1,433 \$	1,102 \$	386 \$	132,900		
O-18 \$	132,900 \$	1,433 \$	1,108 \$	388 \$	133,614		
N-18 \$	133,614 \$	1,433 \$	1,113 \$	390 \$	134,324		
D-18 \$	134,324 \$	1,433 \$	1,119 \$	392 \$	135,031	\$ 17,200	\$ 4,568
J-19 \$	135,031 \$	1,433 \$	1,125 \$	394 \$	135,733		
F-19 \$	135,733 \$	1,433 \$	1,131 \$	396 \$	136,431		
M-19 \$	136,431 \$	1,433 \$	1,137 \$	398 \$	137,126		
A-19 \$	137,126 \$	1,433 \$	1,143 \$	400 \$	137,817		
M-19 \$	137,817 \$	1,433 \$	1,148 \$	402 \$	138,504		
J-19 \$	138,504 \$	1,433 \$	1,154 \$	404 \$	139,188		
J-19 \$	139,188 \$	1,433 \$	1,160 \$	406 \$	139,868		
A-19 \$	139,868 \$	1,433 \$	1,166 \$	408 \$	140,544		
S-19 \$	140,544 \$	1,433 \$	1,171 \$	410 \$	141,216		
O-19 \$	141,216 \$	1,433 \$	1,177 \$	412 \$	141,885		
N-19 \$	141,885 \$	1,433 \$	1,182 \$	414 \$	142,550		
D-19 \$	142,550 \$	1,433 \$	1,188 \$	416 \$	143,212	\$ 17,200	\$ 4,864
Ten-Year Totals		\$ 172,000	\$ 57,203	\$ 28,415	\$200,415	Total Surcharge Fund Collection	

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**APPENDIX I
Study Process Guidelines**

In providing the information to support the Secretarial Determination as set forth fully in Section 3 of the Settlement, the federal team will address three decisions to be made by the Secretary:

- Whether Facilities Removal can be completed within the State Cost Cap or an amount otherwise agreed to by the Parties,
- The “Secretarial Determination” of whether Facilities Removal will benefit the fisheries and will otherwise be in the public interest, and
- Whether Interior will be the Dam Removal Entity in the event of an Affirmative Determination.

Overall, the supporting analyses will, at a minimum, address the following:

- A cost estimate of Facilities Removal;
- Identification and management of risks and of foreseeable liabilities associated with Facilities Removal;
- The environmental effects of Facilities Removal;
- The impacts on local and Tribal communities; and
- An economic analysis.

This Appendix outlines the approach to complete the analyses needed to support the Secretarial Determination. The key discipline areas that need study and analysis for the Secretarial Determination fall into six categories, including:

- Engineering
- Sediment Composition, Fate and Transport
- Water Quality
- Fisheries
- Economics
- Liability and Risk Management

The study efforts will concentrate on these areas. However, if other key disciplines are identified in the process, they will be included. The Parties recognize that other studies and analyses are established in the existing record. The non-federal Parties agree to collaborate and provide recommendations for prioritized activities related to the Secretarial Determination for each of the six categories and shall communicate through the Technical Coordination Committee (TCC). See Appendix A. Such recommendations will include developing key questions or

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objectives for the Secretarial Determination in order to provide context for the near-term priority studies and analyses. However, final decisions on studies and analyses remain at the Secretary's discretion.

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**APPENDIX J
Science Process**

1. Introduction

The federal team agrees to an open and transparent science process for the 2012 Secretarial Determination and continuing through the subsequent phases, if there are any, leading up to Facilities Removal in the event of an Affirmative Determination. The goal of this science process is to provide for transparency and integrity in the preparation, identification, and use of scientific and technological information that supports the actions and decisions arising from the Settlement.

2. Description of Science in Settlement

For purposes of the Settlement,

Science Process means the essential technical studies undertaken that will support the Secretarial Determination and that will continue through subsequent phases up to Facilities Removal. Consistent with well-established scientific standards, the process shall seek to make reasonable, objective, accurate, technically appropriate use of data and analyses, including existing work, and not advocate or otherwise limit the analyses and conclusions of the studies to fit a predetermined outcome. The studies developed or used or the process used to review existing studies will be conducted in accordance with Memorandum on Scientific Integrity attached herein.

Sufficiency of Science means that all new studies and analyses undertaken, or any existing data sets or studies relied upon in whole or in part, shall be of high technical quality, scientifically defensible, and of sufficient depth and scope to support fully informed decision-making by the Secretary.

3. Application

The Secretary of the Interior will determine whether Facilities Removal should proceed.

Elements of the science process to be established to support the Secretarial Determination are described in the *Coordination Process for the Studies Supporting the Secretarial Determination (Appendix A)* and the peer review process outlined below. The Secretary and the federal team will also seek public input during the Secretarial Determination process.

For the Secretarial Determination there may be opportunities to include findings and raw data from previous studies conducted in the Klamath Basin that could reduce, minimize, or even eliminate the need for new data collection and studies. The federal team will coordinate with the Parties, through the TCC, to identify those important previous studies, current data gaps, and work plans as outlined in Section 1.A of Appendix A.

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4. Peer Review Process

The federal parties will consider input from the Parties, through the TCC, and from the public regarding which studies should be peer reviewed. At the discretion of the Secretary, reports and data sets with the potential of having a major effect on the Secretarial Determination will be peer reviewed by subject-matter experts.

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APPENDIX K

List of Authorized Representatives

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PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**APPENDIX L****DRE and Contractor Qualifications, Insurance, Bonding, and Risk Mitigation Requirements****Part I: Contractor Qualifications**

The DRE agrees to conduct a competitive procurement process, including price and qualifications, to select a contractor(s) to perform Facilities Removal and to provide risk mitigation as described below. The DRE further agrees that a contractor(s) must meet the following minimum qualifications:

1. Past performance in performing similar projects in scope, magnitude (complexity and size, such as but not limited to performance of work at multiple locations at the same time), and type (water way work; environmentally regulated);
2. Sufficient financial strength, including basic financial metrics such as corporate net worth and profitability;
3. Experience with federally-regulated permitting processes; and
4. Longevity in industry.

Part II: Insurance

The DRE agrees to follow, or to contract with a contractor(s) that will follow, the consolidated insurance program (“CIP”) approach so the DRE, or the contractor(s) that it contracts with, will purchase the General Liability insurance and Worker’s Compensation insurance for all the contractors involved in Facilities Removal. The DRE further agrees that it will obtain the support of a nationally established insurance advisor to assist with the design and implementation of the insurance program, and that as part of its best value evaluation and procurement of a contractor(s) that will perform Facilities Removal or provide liability protection or both, it will consider savings and other benefits obtained by selecting a contractor(s) that already has CIP infrastructure in place.

Unless the States and PacifiCorp agree otherwise, the DRE will obtain the following project-specific types of insurance policies, if applicable. The policy types and coverage limits ultimately obtained by the DRE to provide risk mitigation to the States and PacifiCorp are subject to the approval of the States and PacifiCorp in consultation with the Federal Parties:

1. Commercial General Liability (“CGL”) policy to cover third-party property damage and third-party bodily injury that occurs from activity performed at the dam deconstruction site;
2. Workers Compensation / Employer’s Liability / USL&H policy to provide coverage for injuries that occur on the dam deconstruction site to individual workers;

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3. Builder's Risk / Inland Marine or Commercial Property policy to provide property coverage for damage to any equipment or components of the dam that will be restored or salvaged;
4. Automobile Liability policy to provide coverage for third-party property damage and third-party bodily injury for the auto fleet used related to the construction activities;
5. Umbrella Liability policy to provide excess coverage for General Liability and Automobile Liability;
6. Professional Liability policy to provide coverage to protect an insured if their client is financially harmed from the rendering of their professional services or advice (including lack thereof) and for which the insured is held legally liable;
7. Contractors Pollution Liability ("CPL") policy to provide third-party coverage for clean-up and remediation costs, bodily injury, property damage (including natural resource damages, loss of use and diminution in value) and legal defense expenses, as a result of pollution conditions arising from operations performed by or on behalf of the contractor; and
8. Fixed Site Pollution Liability ("PLL") policy to provide coverage for on-site & off-site clean-up/remediation costs, third-party claims for bodily injury and property damage (including natural resource damages, loss of use and diminution in value) and defense expenses and legal costs not otherwise addressed by the CPL (i.e. Pollution Conditions not caused or exacerbated by the contractors) and arising from Pollution Conditions on, at, under, migrating to and migrating from property owned or leased by the Insured.

The DRE further agrees that the insurance required above will include PacifiCorp, the State of Oregon, the State of California, and their respective officers, agents, employees, and members as additional insureds. As evidence of this required insurance coverage, the DRE will furnish a certificate or certificates of insurance including all of the foregoing coverage(s) to PacifiCorp and the States before any contract for Facilities Removal is effective and before Facilities Removal work begins. The following language shall be used for naming additional insureds:

ADDITIONAL INSURED: PacifiCorp, the State of Oregon, the State of California, and their respective officers, employees and agents are Additional Insureds for the CONTRACTOR's activities to be performed under this Contract. Coverage is primary and non-contributory with any other insurance and self-insurance.

Part III: Bonding

The DRE agrees to provide, or to contract with entities that will provide, conventional performance and payment bonding, unless otherwise agreed to by the States, DRE, and

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PacifiCorp, from a financially sound surety company to assure that Facilities Removal will be performed as required:

1. Bid Bond;
2. Performance Bond (in an amount equivalent to original contract value); and
3. Payment Bond (in an amount equivalent to original contract value).

The DRE agrees to include PacifiCorp and the States as Third Party Beneficiaries in any contract with a contractor(s) that will perform Facilities Removal or any activities associated with Facilities Removal.

Part IV: Risk Mitigation

A. Contractual Indemnification

The DRE agrees to contract with a specialty corporate indemnitor ("Liability Transfer Corp.") to protect the States and PacifiCorp against any harm to persons, property, or the environment, or damages resulting from either Facilities Removal or Facility operation arising from, relating to, or triggered by actions associated with Facilities Removal, including but not limited to any damage caused by the release of any material or substance, including but not limited to hazardous substances that is not covered contractually or by insurance. Without limiting the generality of the foregoing, this liability protection must include protection from third-party diminution in value land or property claims to the extent not already covered by contractor(s) insurance or mitigation funding.

The Parties agree that the approval of a Liability Transfer Corp. is not subject to the provisions of Section 8.3 of this Settlement; *provided, however*, that the Parties further agree that the selection of a Liability Transfer Corp. will be subject to the approval of the States and PacifiCorp, in consultation with the Federal Parties, whose approval may not be unreasonably withheld.

PacifiCorp and the States agree that, in the selection of a Liability Transfer Corp., the following parameters constitute the minimum indicia of sufficiency:

1. Appropriate corporate capitalization as agreed to by the States and PacifiCorp;
2. Past performance in performing similar projects in scope, magnitude (complexity and size, such as but not limited to performance of work at multiple locations at the same time), and type (water way work; environmentally regulated);
3. Experience with federally regulated permitting processes; and
4. Longevity in industry.

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The Parties agree that the DRE may contract with a Liability Transfer Corp. to provide contractual indemnification for the above-described risks, and further agree that the DRE may also transfer its ownership of the Facilities and Parcel B Lands, in whole or in part, to that entity.

The Parties further agree that the Liability Transfer Corp. will become a party to this Settlement before ownership of the Facilities, in whole or in part, is transferred to the Liability Transfer Corp.

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EXHIBITS

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**EXHIBIT 1****Water Rights Agreement between PacifiCorp and the State of Oregon**

The purpose of this Water Rights Agreement (Agreement) is to establish a process for the reauthorization and resolution of water rights and claims related to the Klamath Hydroelectric Project and for participation of state agencies in such process, in a manner consistent with the Klamath Hydroelectric Settlement Agreement dated February 18, 2010 (Settlement). Parties to this Agreement are PacifiCorp (the Company), and the State of Oregon by and through the following agencies: Oregon Water Resources Department (WRD), Oregon Department of Environmental Quality (DEQ), Oregon Department of Fish and Wildlife (ODFW), and the Hydroelectric Application Review Team (HART).

This Agreement between PacifiCorp and the State of Oregon will be included as an exhibit to the Klamath Hydroelectric Settlement Agreement; however, this Agreement has force and effect independent of the viability of the Klamath Hydroelectric Settlement Agreement.

I. Reauthorization and Expansion of Use under HE 180

The Company has filed an application with WRD to reauthorize its right to use 2500 cfs of water under HE No. 180 at J.C. Boyle powerhouse. Pursuant to Section 6.1.1 of the Settlement, the Company will perform certain interim measures and may, subject to the terms described below, divert a maximum of 3,000 cubic feet per second (“cfs”) of water, for purposes of power generation at J.C. Boyle hydroelectric plant prior to the decommissioning and removal of the J.C. Boyle facility. This section addresses agreements between the Company and WRD related to this request.

- A. Reauthorization of HE No. 180: The Company seeks to enlarge its water right by an amount up to 500 cfs more than the 2,500 cfs currently authorized under HE No. 180, pursuant to ORS 543A.145. The Company will provide written notice to WRD expressing its intent to enlarge its water right. If a reauthorized water right is issued by WRD, the priority date for the additional 500 cfs, if approved, shall be the date the Company filed the notice of intent to reauthorize HE No. 180, as provided in ORS 543A.145(3). Any reauthorized water right shall provide that use of any amount additional to the currently authorized 2,500 cfs may not occur following termination of the Settlement as provided in Section 8 of the Settlement, unless extended by mutual agreement of the Company and WRD. WRD will extend the expiration date of HE No. 180 as necessary to allow for completion of the reauthorization process, pursuant to ORS 543A.150(2).

The Parties agree that any reauthorized water right issued by WRD shall have an expiration date of December 31, 2020. The expiration date may be extended in accordance with applicable law.

The Parties agree that any reauthorized water right issued by WRD shall incorporate and require compliance with protocols developed pursuant to the

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Settlement for: quantifying any additional flows in the Klamath River made available through implementation of the Klamath River Basin Restoration Agreement dated February 18, 2010; and for coordinating with the Company on the timing and manner of release of such flows.

- B. Limited License: The Company may apply for a limited license for use of 500 cfs for hydroelectric purposes in addition to uses currently permitted by HE No. 180. The purpose of the application for a limited license is to obtain permission for use of water that the Company intends to request as part of its reauthorization application while the reauthorization application is pending before WRD. The Company's application for a limited license, WRD's review of and determination on the Company's application, and the terms of use of any limited license issued are subject to ORS 537.143 and applicable administrative rules. In addition, any limited license issued as a result of the Company's application is subject to the limitations described herein.

The Parties agree that use of water under this limited license will not have priority over any other water right exercised according to a permit, certificate, or adjudicated right subject to regulation by the watermaster, and shall be subordinate to all other authorized uses that rely upon the same source. The Parties agree that any limited license issued by WRD shall incorporate protocols developed pursuant to the Settlement for: quantifying any additional flows in the Klamath River made available through implementation of the Klamath River Basin Restoration Agreement dated February 18, 2010; and for coordinating with the Company on the timing and manner of release of such flows. If OWRD determines to issue a limited license pursuant to the Agreement, and the protocols developed pursuant to the Settlement have not been completed, OWRD will include in the limited license a condition that the protocols will be incorporated by reference upon their completion. Any limited license subsequently issued pursuant to the Agreement shall incorporate the protocols. In addition, any limited license issued by OWRD shall provide that use under the limited license may not occur following termination of the Settlement as provided in Section 8 of the Settlement, unless such use is mutually agreed to by the Company and WRD.

The Parties further agree that WRD may reconsider or revoke the limited license if the use is determined by WRD in a legal or administrative proceeding to be inconsistent with applicable law or policy. WRD will revoke the limited license upon issuance of a final order on the application for reauthorization if the reauthorization order contains an enlargement of HE No. 180 in the amount of 500 cfs, or if the reauthorization order contains an enlargement of HE No. 180 by an amount less than 500 cfs, WRD will revoke the limited license to the extent of the enlargement. The limited license will have a duration of not more than one year. Prior to the expiration of any limited license term, the Company may request the issuance of a new license for the same use, but the total duration of licenses issued for this use may not exceed five years. The Company agrees to

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pay fees and expenses provided for in Oregon law and associated with a request for a limited license, pursuant to ORS 537.143 and OAR 690-340-0030.

II. Assignment of the Company's Water Rights and Claims; Conversion to Instream Water Rights

- A. Background: The Company holds rights for the use of water for hydroelectric purposes as provided by HE 180 and Certificate 24508. In addition, the Company maintains Claim Nos. 167, 168 and 218 for use for hydroelectric purposes in the ongoing Klamath Basin Water Rights Adjudication. ORS 543A.305 provides for the "conversion" of a hydroelectric water right to an instream water right when use of the water ceases for the hydroelectric project.
- B. HE 180: Within 365 days of December 31, 2020, or, if the J.C. Boyle power plant is still operating on that date, within 365 days after use of water under HE No. 180 ceases, or as otherwise provided by ORS 543A.305, the Company shall assign HE 180, or any right resulting from reauthorization of HE 180, to WRD for conversion to an instream water right pursuant to ORS 543A.305. WRD shall accept HE 180 "AS IS"; the Company expressly disclaims any representation or warranty concerning HE 180 or its convertibility to an instream water right. Prior to the assignment, the Company shall use reasonable efforts to avoid allowing HE 180 to become subject to forfeiture for non-use, and shall not otherwise intentionally jeopardize the validity of HE 180, and in times of water shortage the Company and WRD may agree with other existing water users to prorate water shortages notwithstanding relative priority dates. If the Company's historic use of water under HE 180 becomes a matter of dispute in a legal proceeding the Company shall cooperate with WRD in defending the validity of HE 180 by making reasonable efforts to provide documentation regarding the history of the use of water pursuant to HE 180.
- C. Certificate 24508: Within 120 days after use of water under Certificate 24508 ceases, or as otherwise provided by ORS 543A.305, the Company shall assign Certificate 24508 to WRD for conversion to an instream water right pursuant to ORS 543A.305. WRD shall accept Certificate 24508 "AS IS"; the Company expressly disclaims any representation or warranty concerning Certificate 24508 or its convertibility to an instream water right. Prior to the assignment, the Company shall use reasonable efforts to avoid allowing Certificate 24508 to be forfeited for non-use, and shall not otherwise intentionally jeopardize the validity of Certificate 24508, and in times of water shortage the Company and WRD may agree with other existing water users to prorate water shortages notwithstanding relative priority dates. If the Company's historic use of water under Certificate 24508 becomes a matter of dispute in a legal proceeding the Company shall cooperate with WRD in defending the validity of Certificate 24508 by making reasonable efforts to provide documentation regarding the history of the use of water pursuant to Certificate 24508.

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- D. Klamath Basin Water Right Adjudication Claims 167 and 168: Within 120 days after use of water under Claims 167 and 168 ceases, pursuant to a final FERC order amending the license for Project No. 2082 to remove the Eastside and Westside power plants and appurtenant facilities on the Link River from the license, or a final FERC order accepting surrender of the license for Project No. 2082 as it pertains to the Eastside and Westside power plants, or as otherwise provided by ORS 543A.305, the Company shall assign Claims 167 and 168 as described herein. If rights based on either Claim 167 or 168 are determined to exist, and all appeals pertaining to either claim have been exhausted, the Company shall assign such right(s) to WRD. If the Findings of Fact and Order of Determination (“FFOD”) for Claims 167 and 168 has not yet been issued in the Adjudication pursuant to ORS 539.130, or if the portion of the FFOD pertaining to either of these claims is still subject to appeal, the Company shall assign such claim(s) to ODFW. If assignment is made to ODFW, WRD will proceed with conversion as appropriate pursuant to ORS 543A.305, but ODFW will be responsible for further prosecution of Claims 167 and 168 in the Adjudication, unless WRD and ODFW agree to another course of action.

Prior to the assignment of Claims 167 or 168, or any rights recognized under Claims 167 or 168, the Company shall use reasonable efforts to avoid allowing Claims 167 or 168 to be deemed abandoned for non-use prior to adjudication; or for any rights recognized under Claims 167 and 168 in the FFOD, to avoid becoming subject to forfeiture for non-use, and shall not otherwise intentionally jeopardize the validity of Claims 167 or 168, except to the extent that the FERC annual license or Settlement requires flow regimes inconsistent with Claims 167 or 168, and in times of water shortage the Company and ODFW may agree with other existing water users to prorate water shortages notwithstanding relative priority dates. If the Company’s historic use of water under Claims 167 or 168 becomes a matter of dispute in a legal proceeding, the Company shall cooperate with ODFW in defending the validity of Claims 167 or 168 by making reasonable efforts to provide documentation regarding the history of the use of water pursuant to Claims 167 or 168 prior to assignment. If conversion occurs, at the time of conversion the right(s) will be held by WRD as provided by ORS 543A.305. The Company shall cooperate with WRD by making reasonable efforts to provide historic documentation in aid of the conversion.

- E. Klamath Basin Water Right Adjudication Claim 218: In the event the Company decides to permanently cease power generation at Fall Creek hydroelectric power plant in California, or decides not to exercise Claim 218 for power generation, within 365 days of permanent cessation of power generation or water diversion, or as otherwise provided by ORS 543A.305, the Company shall assign Claim 218 as described herein.

If rights based on Claim 218 are determined to exist, and all appeals pertaining to the claim have been exhausted, the Company shall assign such right(s) to WRD. If the Findings of Fact and Order of Determination (“FFOD”) for Claim 218 has

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not yet been issued in the Adjudication pursuant to ORS 539.130, or if the portion of the FFOD pertaining to Claim 218 is still subject to appeal, the Company shall assign Claim 218 to ODFW. If assignment is made to ODFW, WRD will proceed with conversion as appropriate pursuant to ORS 543A.305, but ODFW will be responsible for further prosecution of Claim 218 in the Adjudication, unless WRD and ODFW agree to another course of action. For the purposes of this Agreement, transfer of the Fall Creek hydroelectric power plant, along with Claim 218, to another entity shall not constitute permanent cessation of power generation; provided, that any transfer of the Fall Creek hydroelectric power plant will be governed by applicable law.

Prior to the assignment of Claim 218, or any rights recognized under Claim 218, the Company shall use reasonable efforts to avoid allowing Claim 218 to be deemed abandoned for non-use prior to adjudication; or for any rights recognized under Claim 218 in the FFOD, to avoid becoming subject to forfeiture for non-use, and shall not otherwise intentionally jeopardize the validity of Claim 218, except to the extent that the FERC annual license or Settlement requires flow regimes inconsistent with Claim 218, and in times of water shortage the Company and ODFW may agree with other existing water users to prorate water shortages notwithstanding relative priority dates. If the Company's historic use of water under Claim 218 becomes a matter of dispute in a legal proceeding, the Company shall cooperate with ODFW in defending the validity of Claim 218 by making reasonable efforts to provide documentation regarding the history of the use of water pursuant to Claim 218 prior to assignment. If conversion occurs, at the time of conversion the right(s) will be held by WRD as provided by ORS 543A.305. The Company shall cooperate with WRD by making reasonable efforts to provide historic documentation in aid of the conversion.

WRD shall accept Claim 218 "AS IS"; the Company expressly disclaims any representation or warranty concerning Claim 218 or its convertibility to an instream water right.

Nothing in this Section E is intended in any way to limit the Company's use of water under Claim 218.

III. The Company's Protests to State Instream Water Right Applications

Within 90 days of the sooner of: (1) assignment of the water rights or claims pursuant to Sections II.B through II.D of this Agreement; or (2) issuance of a final order in the Klamath Basin Adjudication pursuant to ORS 539.140 and 539.150 and completion of all appeals pertaining to the Company's Claims 167 and 168, and the Company's contests in Cases 282 and 286 of the Klamath Basin Adjudication, the Company agrees to withdraw with prejudice its protests to Instream Water Right Application Numbers 70094, 70812 and 70813. The withdrawal must be in writing in a form subject to the approval, not to be unreasonably withheld, of OWRD.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**IV. Agency Reauthorization Costs**

Under ORS 543A.405, the Company, as applicant for reauthorization of a hydroelectric project, must pay all expenses related to the review and decision of the HART incurred by any state agency participating in the HART that are not otherwise covered by the reauthorization fee paid under ORS 543A.415. The Company's application is for water rights reauthorization for the Klamath Project (HE 180, J.C. Boyle), located near Klamath Falls, Oregon. WRD, ODFW and DEQ will incur costs in connection with review of the Company's reauthorization application and during participation in federal studies under the Settlement, which studies may also form a basis for the HART's decision whether reauthorization and enlargement of the Company's water rights are in the public interest.

Pursuant to ORS 543A.405, the Company has requested an estimate of the anticipated costs to be incurred in processing and reviewing these applications. The costs to be paid by the Company under this Agreement and their estimate are attached to and incorporated into this Agreement as Appendix 1. For the period of September 1, 2009, through September 1, 2012, the HART estimates the costs for these activities to be :

Estimated costs from September 1, 2009 through September 1, 2012: (See Appendix 1)	<u>\$ 216,371.00</u>
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25% payment due upon signing:	<u>\$ 54,093.00</u>
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Under terms of this Agreement, the Company will make four payments of 25% each of the estimated costs of review according to the following schedule: The initial payment of 25% is to be made within 45 days of the signing of this Agreement, with the remaining three payments of 25% each to be made on or before October 1, 2010, July 1, 2011, and January 30, 2012. Payment shall be made to: Oregon Water Resources Department, 725 Summer Street NE, Suite A, Salem, OR 97301.

During the course of this Agreement, the Company will receive from HART, coordinated by the WRD, a quarterly report indicating cost reimbursement funds received under this Agreement and expenses charged against the project. The reports will be provided to the Company according to the regular report generation schedule of the HART. The report will display the revenue and expenses for each agency receiving funds under the Agreement. In addition, participating agencies will provide a quarterly status report to the Company that includes a summary of work performed. The Company may, at its discretion, request additional revenue and expense information from any agency receiving funds under this Agreement. If requested by the Company, agency parties to this Agreement will work with the Company to provide additional information concerning revenues and activities associated with charged expenses. WRD will only provide additional information for project revenues and expenditures incurred by it and is not responsible, nor is it within its scope, to audit the expenditures of other agencies. If the HART quarterly reporting becomes more than six (6) months delinquent, the Company may withhold payments specified above until quarterly reporting is made current.

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If the costs of evaluating the applications exceeds the estimate provided herein, the HART members receiving funds under this Agreement shall comply with the provisions of ORS 543A.405(5). Additionally, if the total amount paid by the Company exceeds costs actually incurred by the agencies, the excess payment shall be refunded to the Company according to ORS 543A.405(5).

Costs paid by the Company under this Agreement are in addition to any other fee required by applicable law, including but not limited to the annual fee established under ORS 543.088. The Company's payment of costs under this Agreement does not create an obligation to pay the project-specific fee required under ORS 543.080 for agency oversight of measures included in the reauthorized water right, which fee shall be established in and payable under the reauthorized water right.

V. Other Terms

- A. Reservations: Nothing in this Agreement is intended or shall be construed to affect or limit the authority or obligation of any Party to fulfill its constitutional, statutory, and regulatory responsibilities or comply with any judicial decision. Nothing in this Agreement shall be interpreted to require any Party to implement any action which is not authorized by applicable law or where sufficient funds have not been appropriated for that purpose. The Parties expressly reserve all rights not granted, recognized, or relinquished in this Agreement.
- B. No Argument, Admission, or Precedent: This Agreement shall not be offered for or against a Party as argument, admission, or precedent regarding any issue of fact or law in any mediation, arbitration, litigation, or other administrative or legal proceeding, except that this Agreement may be used in any future proceeding to interpret or enforce the terms of this Agreement, consistent with applicable law. This Agreement may also be used by any Party in litigation by or against non-Parties to implement or defend this Agreement. This section shall survive any termination of this Agreement.
- C. Successors and Assigns: This Agreement shall apply to, be binding on, and inure to the benefit of the Parties and their successors and assigns, unless otherwise specified in this Agreement. No assignment may take effect without the express written approval of the other Parties, which approval will not be unreasonably withheld.
- D. Amendment: This Agreement may be amended in writing by all Parties still in existence, including any successors or assigns.
- E. Dispute Resolution: The Parties agree to devote such resources as are needed and as can be reasonably provided to resolve any disputes arising under this Agreement expeditiously. Each Party shall bear its own costs for its participation in dispute resolution. If a dispute cannot be timely resolved informally, the Parties may elect to use a neutral mediator. Mediation shall not occur if the

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Parties do not unanimously agree on use of a mediator, choice of mediator, and allocation of costs.

- F. Remedies: This Agreement does not create a cause of action in contract for monetary damages for any alleged breach by any Party of this Agreement. The Parties reserve all other existing remedies.
- G. Entire Agreement: This Agreement contains the complete and exclusive agreement among the Parties with respect to the subject matter thereof, and supersedes all prior discussions, negotiations, representations, warranties, commitments, offers, agreements in principle, and other writings among the Parties, with respect to its subject matter.
- H. Severability: This Agreement is made on the understanding that each provision is a necessary part of the entire Agreement. However, if any provision of this Agreement is held by a regulatory agency or a court of competent jurisdiction to be invalid, illegal, or unenforceable: (i) the validity, legality, and enforceability of the remaining provisions of this Agreement are not affected or impaired in any way; and (ii) the Parties shall negotiate in good faith in an attempt to agree to another provision (instead of the provision held to be invalid, illegal, or unenforceable) that is valid, legal, and enforceable and carries out the Parties' intention to the greatest lawful extent under this Agreement.
- I. Confidentiality: Disclosure of settlement communications pertaining to this Agreement shall be governed by the "Agreement for Confidentiality of Settlement Communications and Negotiations Protocol Related to the Klamath Hydroelectric Project" dated December 3, 2008.
- J. Termination: This Agreement may be terminated at the sole discretion either of: (i) PacifiCorp, or (ii) WRD, DEQ, ODFW, and the HART collectively, in the event of termination of the Settlement.
- K. No Third Party Beneficiaries: This Agreement is not intended to and shall not confer any right or interest in the public, or any member thereof, or on any persons or entities that are not Parties hereto, as intended or expected third party beneficiaries hereof, and shall not authorize any non-Party to maintain a suit at law or equity based on a cause of action deriving from this Agreement. The duties, obligations, and responsibilities of the Parties with respect to third parties shall remain as imposed under applicable law.
- L. Elected Officials Not to Benefit: No Member of or Delegate to Congress, Resident Commissioner, or elected official shall personally benefit from this Agreement or from any benefit that may arise from it.
- M. No Partnership: Except as otherwise expressly set forth herein, nothing contained in this Agreement is intended or shall be construed to create an association, trust,

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partnership, or joint venture, or impose any trust or partnership duty, obligation, or liability on any Party, or create an agency relationship between or among the Parties or between any Party and any employee of any other Party.

- N. Governing Law: This Agreement shall be governed by the laws of the State of Oregon. Any reference in this Agreement to any applicable law shall be deemed to be a reference to a statute or regulation, or successor, in existence as of the date of the action in question.

VI. Signatures

PacifiCorp

_____ Date: _____

by: _____

Oregon Water Resources Department

_____ Date: _____

by: _____

Oregon Department of Environmental Quality

_____ Date: _____

by: _____

Oregon Department of Fish and Wildlife

_____ Date: _____

by: _____

Approved As To Legal Sufficiency in Accordance With ORS 291.047

By: _____ Date: _____

Jesse D. Ratcliffe
Assistant Attorney General
Oregon Department of Justice

Appendix 1
Tasks and Cost Estimate

PacifiCorp Klamath Hydroelectric Project
Oregon Water Resources Department

September 1, 2009 through September 1, 2012

PROJECT/NUMBER: Klamath HE 180, PC 34, PC 35, PC667Klamath/FERC #2082

OWRD PROJECT PERSONNEL: Cost reimbursement primarily for a Natural Resource Specialist 4 (NRS-4) Limited oversight supervision provided by a Division Administrator. Administrative support provided by an Office Specialist 2 position.

Facility Engineer- FE-3		
Salary	Includes salary for 20% of an NRS-4 for first year and 10% for second and third years at \$5985/mo	\$28,728.00
Benefits (at 34% of base salary)	Includes benefits for NRS-4 position at 34%	\$9,767.52
Services & Supplies	Includes training, facility rentals, telecommunications, printing & copying, and office supplies.	\$4,309.20
Travel	Includes hotel, meals, private vehicle mileage, and state motor pool rental vehicle fees	\$4,000.00
Subtotal	Sum of Salary, Benefits, Services, Supplies and Travel	\$46,804.72
Agency Indirect (at 15% of Subtotal)	Includes administrative support such as budget, personnel, accounting, and payroll services; data services; and management oversight.	\$7,020.71
Attorney General's Fees		\$15,036.00
	Subtotal plus Overhead	\$68,861.43

ODEQ Cost Estimate for Klamath Hydroelectric Project Activities: September 2009 - September 2012

1.1 Salaries

Period	3	Years	Total
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1.2 NRS 4

FTE Estimate:			0.125
COMPONENT	Monthly (1.0 FTE)	Per Project	
Salary	\$ 5,985	\$	26,933
Benefits	\$ 2,644	\$	11,899
Services & Supplies	\$ 1,162	\$	5,230
Agency Indirect	\$ 1,674	\$	7,533
Program Indirect (LQ only)	\$ -	\$	-
			=====
Total	\$ 11,466	\$	51,595

1.2 Principle Executive Manager E (Step 9)

FTE Estimate:			0.025
COMPONENT	Monthly (1.0 FTE)	Per Project	
Salary	\$ 7,585	\$	6,827
Benefits	\$ 3,351	\$	3,016
Services & Supplies	\$ 1,473	\$	1,326
Agency Indirect	\$ 2,122	\$	1,909
Program Indirect (LQ only)	\$ -	\$	-
			=====
Total	\$ 14,531	\$	13,078

1.3 Office Specialist 2 (Step 9)

FTE Estimate:			0.025
COMPONENT	Monthly (1.0 FTE)	Per Project	
Salary	\$ 3,018	\$	2,716
Benefits	\$ 1,333	\$	1,200
Services & Supplies	\$ 586	\$	527
Agency Indirect	\$ 844	\$	760
Program Indirect (LQ only)	\$ -	\$	-
			=====
Total	\$ 5,782	\$	5,203

Subtotal SALARY: \$69,875.82

\$69,875.82

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2.0 Travel

Destination	Trips/Yr	Mileage & Per Diem	
PDX	1	\$300.75	\$902.25
Southern Oregon	1	\$274.13	\$822.38
Northern California	1	\$658.00	\$1,974.00
Subtotal TRAVEL:			\$3,698.63

3.0 Attorney General

DOJ Costs	Per Year	Per Project	
		10,000.00	
Subtotal DOJ:			\$10,000.00
Grand TOTAL:			83,574.44

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Lodging	Meals	Nights per trip	Mileage per Trip
87	44	1	350
116	49	1	225
114	59	2	500

Total Costs		Destination
\$300.75		Southern Oregon
\$274.13		Portland
\$658.00		Northern California (2 nights per)

=====
Total: \$1,232.88

0.485	Mileage Rate
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Salary & Benefit Schedule

Salaries	
NRS4 Step 9	\$5,985
PEME Step 9	\$7,585
OS2 Step 9	\$3,018
Indirect Costs	
Benefits	0.4418
S&S	0.1942
Agency Indirect	0.2797

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Appendix 1
Tasks and Cost Estimate

OREGON DEPARTMENT OF FISH AND WILDLIFE
COST ESTIMATE

PROJECT/NUMBER: Klamath, FERC#2082
ODFW PROJECT PERSONNEL: Cost reimbursement for the following personnel costs: Engineer, Water Rights Coordinator, District Fish Biologist, consulting, and AG assistance. Personnel not included in cost reimbursement agreement: High Desert Region Hydropower Biologist, regional staff, and program leaders.
PERIOD OF AGREEMENT: September 1, 2009 through September 1, 2012

Facility Engineer- FE-3		
Salary	Includes salary for .5 months of a Facility Engineer	\$3,294
Benefits (at 39.9% of base salary)	Includes benefits for FE-3 position	\$1,315
Services & Supplies	Includes training, facility rentals, telecommunications, printing & copying, and office supplies.	\$494
Travel	Includes hotel, meals, private vehicle mileage, and vehicle rental fees	\$659
Subtotal	Sum of Salary, Benefits, Services, Supplies and Travel	\$5,762
Agency Indirect (at 22.74% of Subtotal)	Includes administrative support such as budget, personnel, accounting, and payroll services; data services; and management oversight.	1,310
Facility Engineer- FE-3 Total	Subtotal plus indirect	\$7,072
Water Rights Coordinator		
Salary	Includes salary for .5 months of a WR Coordinator	\$3,139
Benefits (at 40.84% of base salary)	Includes benefits for FE-3 position	\$1,282
Services & Supplies	Includes training, facility rentals, telecommunications, printing & copying, and office supplies.	\$471
Travel	Includes hotel, meals, private vehicle mileage, and vehicle rental fees	\$628
Subtotal	Sum of Salary, Benefits, Services, Supplies and Travel	\$5,520
Agency Indirect(at 22.74% of Subtotal)	Includes administrative support such as budget, personnel, accounting, and payroll services; data services; and management oversight.	1,255
Water Rights Coordinator- Total	Subtotal plus indirect	\$6,775

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District Fish Biologist		
Salary	Includes salary for 1.5 months of a NRS 3 District Biologist or assistant position	\$8,936
Benefits (at 41.91% of base salary)	Includes benefits for position	\$3,745
Services & Supplies	Includes training, facility rentals, telecommunications, printing & copying, and office supplies.	\$1,340
Travel	Includes hotel, meals, private vehicle mileage, and vehicle rental fees	\$1,787
Subtotal	Sum of Salary, Benefits, Services, Supplies and Travel	\$15,809
Agency Indirect(at 22.74% of Subtotal)	Includes administrative support such as budget, personnel, accounting, and payroll services; data services; and management oversight.	\$3,595
District Fish Biologist Total	Subtotal plus indirect	\$19,403
Consulting Costs	Attorney General regarding federal studies, NEPA, water rights, and HART reauthorization legal assistance (1/3 of \$30,000)	\$10,000
Consulting Costs Subtotal	Private Consulting to review Study Results	\$15,000
		\$25,000
Agency Indirect (at 22.74% of Subtotal)		\$5,685
Consulting Costs Total		\$30,685
Total Agency Specific Cost		\$63,935

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EXHIBIT 2
Sequence of Performance Chart—KHSA

Action	Actor	Target Date	Section Reference
Enactment of Oregon Legislation (SB 76)	Oregon Legislature and Governor	Passed and signed.	2.3
Release of Public Review Draft	All Parties	September 30, 2009	N/A
Execution of Settlement	All Parties	February 18, 2010	8.2
Execution of Water Right Agreement between PacifiCorp and State of Oregon	PacifiCorp and OWRD	February 18, 2010	2.4.1
PacifiCorp implement ICP Interim Measures 2-6	PacifiCorp	Ongoing or upon Effective Date	Appendix C
PacifiCorp implement Non-ICP Measures 7 (funding), 9, 11 (studies), 13, 17, 21	PacifiCorp	Upon Effective Date	Appendix D
Parties designate representative for IMIC	Each party or category of parties	Within 30 days of Effective Date of Settlement	Appendix B Section 3.3
Parties, except ODEQ, request to the California SWRCB and the ODEQ that permitting and environmental review for PacifiCorp's licensing activities be held in abeyance during the Interim Period	All Parties except ODEQ	Within 30 days of the Effective Date	6.5
PacifiCorp applies for leases authorizing occupancy of submerged and submersible lands by the J.C. Boyle Dam, J.C. Boyle Powerhouse, and Keno Dam	PacifiCorp	Within 60 days of Effective Date of Settlement	2.5
PacifiCorp and the Secretary enter into contract to permit entry onto PacifiCorp lands	PacifiCorp and Interior	Within 3 months of Effective Date of Settlement	3.3.3

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Action	Actor	Target Date	Section Reference
PacifiCorp convene IMIC	PacifiCorp	Within 3 months of Effective Date	Appendix B 4.1
PacifiCorp implement Non-ICP Interim Measures 7 (impl.), 8 (planning)	PacifiCorp	Within 90 days of Effective Date	Appendix D
PacifiCorp files Economic Analysis and requests the Oregon PUC to establish customer surcharges	PacifiCorp	Within 30 days of Effective Date	4.1.1.A, 7.3.9
PacifiCorp files Economic Analysis and requests the California PUC to establish customer surcharge	PacifiCorp	Within 30 days of Effective Date	4.1.1.B, 7.3.9
Parties except ODEQ request California SWRCB and ODEQ to hold permitting and environmental review in abeyance during Interim Period	Parties except ODEQ	Within 30 days of Effective Date	6.5
Enactment of Federal legislation	United States Congress	Legislation to be proposed within 90 days of Effective Date	2.1.1.A
Enactment of California Bond Measure	California Legislature and Voters	Passed in November 2009, to be voted on before March 31, 2012	4.1.2.A
Enactment of California CEQA Legislation	California Legislature; Governor	At the beginning of the next legislative session	2.1.1.C
States submit draft trustee instructions to PUCs	States in consultation with Federal Parties	Within 6 months of Effective Date	4.2.4.A
PacifiCorp implement Non-ICP Interim Measure 19 (study)	PacifiCorp	Within 6 months of Effective Date	Appendix D
PacifiCorp and IMIC develop protocol regarding KBRA flows	PacifiCorp and IMIC	Within 9 months of Effective Date	Appendix D Interim Measure 14

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Action	Actor	Target Date	Section Reference
PacifiCorp implement Non-ICP Interim Measure 14	PacifiCorp	Upon OWRD approval	Appendix D
PacifiCorp submit TMDL Implementation Plans	PacifiCorp	Within 60 days of TMDL approval	6.3.2.A
PacifiCorp implement Non-ICP Interim Measure 18	PacifiCorp	Beginning in 2010	Appendix D
PacifiCorp implement Non-ICP Interim Measure 12	PacifiCorp	Before Sept.1, 2010	Appendix D
PacifiCorp implement Non-ICP Interim Measure 10	PacifiCorp	Within 1 year of Effective Date	Appendix D
PacifiCorp implement Non-ICP Interim Measure 15	PacifiCorp	Beginning Feb.1, 2010	Appendix D
PacifiCorp files Application for Partial Surrender of license to decommission East Side/West Side facilities	PacifiCorp	Within 6 months of enactment of federal legislation	6.4.1.A
Identify proposed transfer of Parcel B Lands	PacifiCorp and States	Before January 31, 2012	7.6.4.B
Identification of non-federal DRE, if applicable	Secretary of the Interior	Prior to issuance of the Secretarial Determination and DRE designation	3.3.4.E
California and Oregon Concurrence with non-federal DRE-designate, if any	California and Oregon	Prior to Secretarial Determination	3.3.5.A.iii
Secretarial Determination and DRE designation	Secretary of the Interior	March 31, 2012	3.2.5.A and 3.3.5.A
Release of Detailed Plan	Secretary of the Interior	On or before March 31, 2012	3.3.2
Oregon Concurrence with Affirmative Determination	State of Oregon	Within 60 days of publication of an Affirmative Determination in the Federal Register	3.3.5.A

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Action	Actor	Target Date	Section Reference
California Concurrence with Affirmative Determination	State of California	Within 60 days of publication of an Affirmative Determination in the Federal Register	3.3.5.A
States submit draft revised trustee instructions to PUCs	States in consultation with Federal Parties and DRE	Within 3 months of States' Concurrence on Affirmative Determination	4.2.4.B
PacifiCorp implement Non-ICP Interim Measure 8, 11	PacifiCorp	Upon Affirmative Determination	Appendix D
PacifiCorp implement Non-ICP Interim Measure 19	PacifiCorp	Within 6 months of Affirmative Determination	Appendix D
Parties Meet and Confer to establish schedule to implement Affirmative Determination and Detailed Plan and identify Value to Customers necessary to implement schedule	All Parties	Within 90 days of Affirmative Determination	7.3.4
DRE becomes Party to Settlement	DRE	Within 30 days of Notice from both States of their respective Concurrence with an Affirmative Determination	7.1.3
DRE and PacifiCorp enter into contract and permit of entry	DRE and PacifiCorp	After designation of a DRE	Legislation
DRE releases Definite Plan	DRE	Prior to applying for permits and authorizations for Facilities removal	7.2
Parties review the Definite Plan	All Parties	Within 60 days after the DRE provides Notice to the Parties of the completion of the Definite Plan	7.2.1.B and 2.1.4.C

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Action	Actor	Target Date	Section Reference
DRE provides Notice to Parties and FERC that Facilities Removal is ready to commence	DRE		7.4.1
PacifiCorp conveys Parcel B Lands	PacifiCorp	After DRE Notice that Facilities Removal is ready to commence	7.6.4.D
FERC issues Order approving transfer of the Iron Gate hatchery from PacifiCorp to CDFG	FERC	Within 60 days of transfer of Iron Gate Dam to DRE	Legislation
FERC resumes timely consideration of pending FERC licensing application for Fall Creek Development	FERC	Within 60 days of transfer of the Iron Gate Hatchery from PacifiCorp to CDFG	Legislation
PacifiCorp transfers title in the Facilities to the DRE	PacifiCorp	Per facility, upon receipt of DRE Notice that all permits and approvals have been obtained	7.4.2
Complete AIP for Keno transfer; complete Keno transfer agreement	Interior and PacifiCorp	June 11, 2011; March 31, 2012	7.5.2
PacifiCorp transfer Keno Development to the United States	PacifiCorp	At the time of transfer of J.C. Boyle	7.5.2
Commencement of Decommissioning	PacifiCorp	January 1, 2020	7.3.1
Completion of Facilities Removal	DRE	December 31, 2020	7.3.1
PacifiCorp assigns its hydroelectric water rights to OWRD for conversion to an instream water right	PacifiCorp	Per Exhibit 1	7.6.5.A
PacifiCorp submits a Revocation Request to California SWRCB and notification of intent to abandon its water rights	PacifiCorp	Within 90 days of completion of Facilities Removal at Copco No. 1, Copco No. 2 and Iron Gate Facilities	7.6.5.B
PacifiCorp implement Non-ICP Interim Measure 20	PacifiCorp	After removal of Iron Gate	Appendix D
PacifiCorp ceases hatchery funding	PacifiCorp	8 years following Decommissioning of Iron Gate Dam	7.6.6.A

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Action	Actor	Target Date	Section Reference
PacifiCorp, KWAPA, and UKWUA enter into Billing Services Offset Agreement(s)	PacifiCorp, KWAPA, and UKWUA	Timely	5.2
Notify PacifiCorp of desire to commence billing credits	KWAPA / UKWUA	120 days before desired commencement	5.2.4
Provide PacifiCorp with names and other pertinent information re eligible customers	KWAPA / UKWUA	90 days before commencement of bill crediting system	5.2.4
File for any necessary regulatory approval of tariffs implementing bill crediting	PacifiCorp	Within 30 days of receiving names and eligible customers and other pertinent information	5.2.6
Enter agreements and provide notification re federal power	Interior, KWAPA, PacifiCorp	Timely	5.3

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EXHIBIT 3
Maps



PacificCorp
Klamath River
Hydroelectric Project
Lands Disposition

Parcel A

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

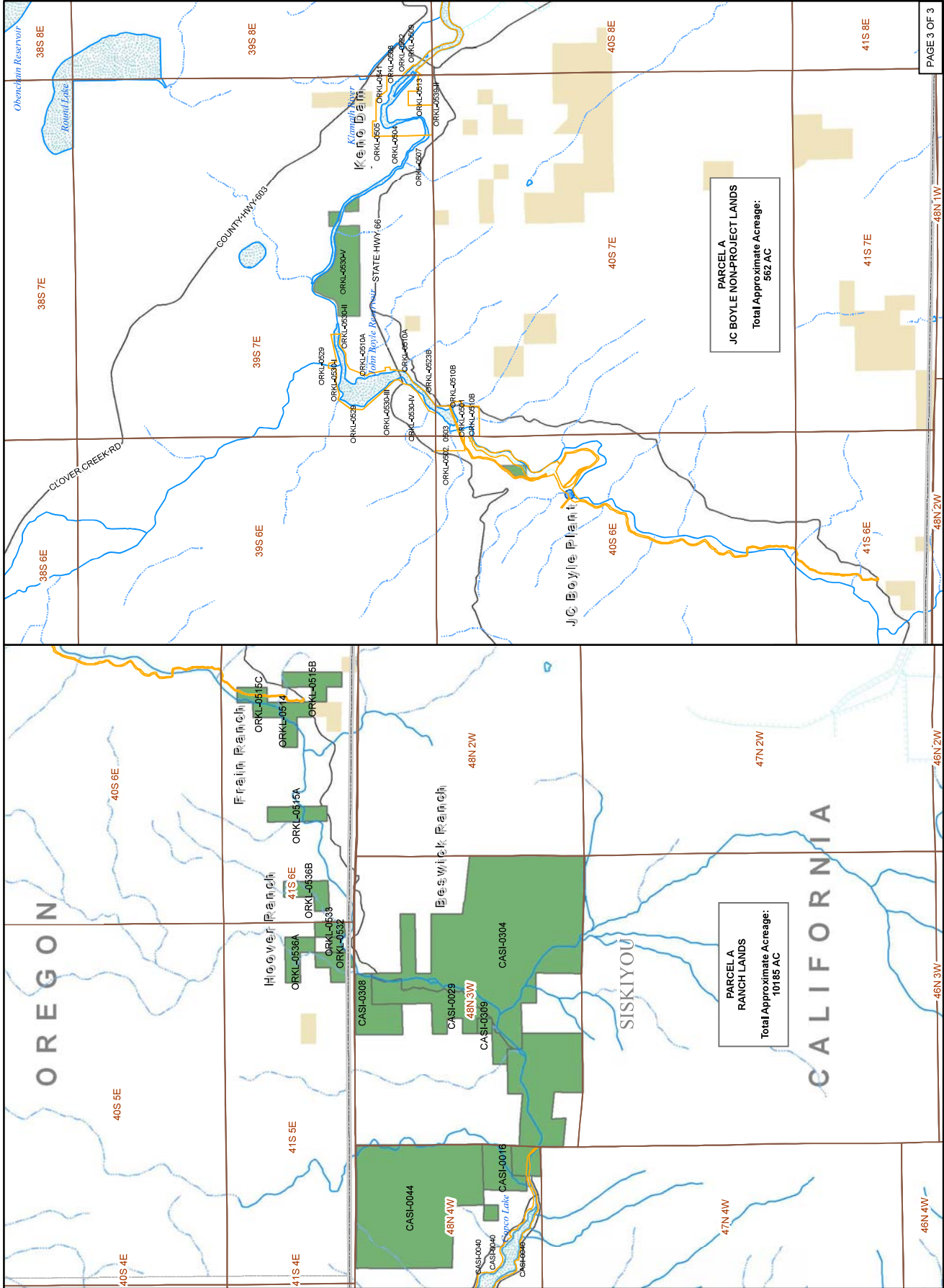
- Legend**
- Klamath River Properties**
- Group
 - Parcel A Lands
 - State Lands
 - PLS
 - Township Range
 - Administrative Boundaries
 - State
 - County
 - FERC Boundary
- Aquatic Features**
- INTERMITTENT CANAL, DITCH, AQUADUCT
 - INTERMITTENT STREAM, RIVER, WASH
 - PERENNIAL CANAL, DITCH, AQUADUCT
 - PERENNIAL STREAM, RIVER, WASH
 - Regional Lakes
- Generation Facilities**
- Hydro
- Major Roads**
- PRIMARY INTERSTATE HWY
 - PRIMARY U.S. & STATE HWY
 - SECONDARY, CONNECTING STATE & LOCAL HWY

0 0.5 1 Miles



Data Management
Geographic Information Systems
gis@pacificcorp.com

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PacifiCorp

Klamath River

Hydroelectric Project

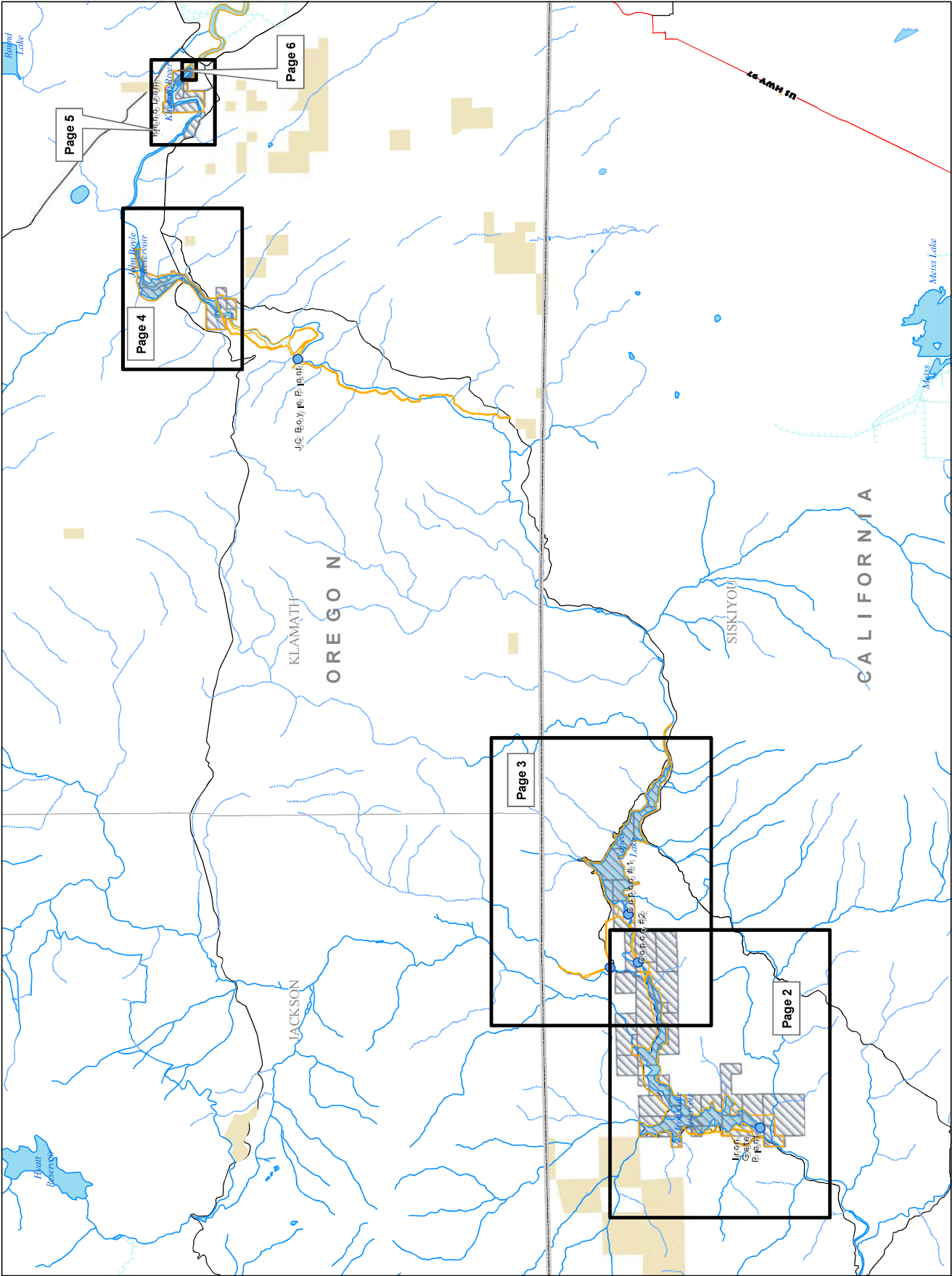
Lands Disposition

Parcel B

Project Overview

PacifiCorp Parcels

Public Version - Confidential Information Has Been Removed



Data Management/Information Systems
Geographic Information Systems
Data are projected in UTM Zone 10, NAD83, meters

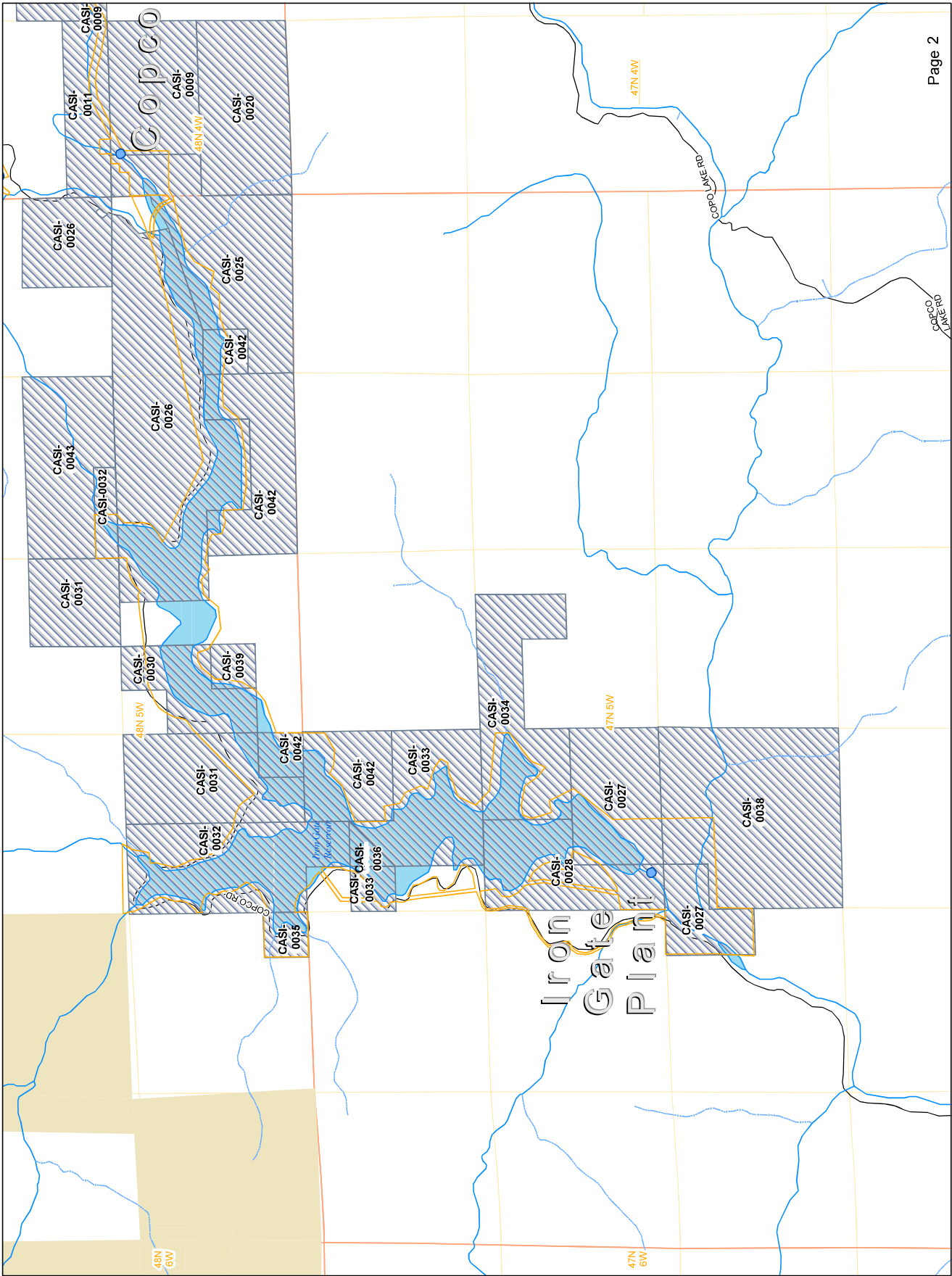


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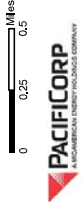
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PacifiCorp
Klamath River
Hydroelectric Project
Lands Disposition
Parcel B
Project Overview
PacifiCorp Parcels

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED



- Parcel B Lands
- State Lands
- Administrative Boundaries
 - State
 - County
- Generation Facilities
 - FERC Boundary
- Generation Type
 - Hydro
- Major Roads
 - Primary, Interstate Hwy
 - Secondary, Connecting State County
- Aquatic Features
 - Intermittent Canal, Ditch, Aquaduct
 - Perennial Canal, Ditch, Aquaduct
 - Perennial Water Feature, Stream, River, Wash
 - Regional Lakes



Data Management/
Geographic Information Systems
gis@pacifi.com

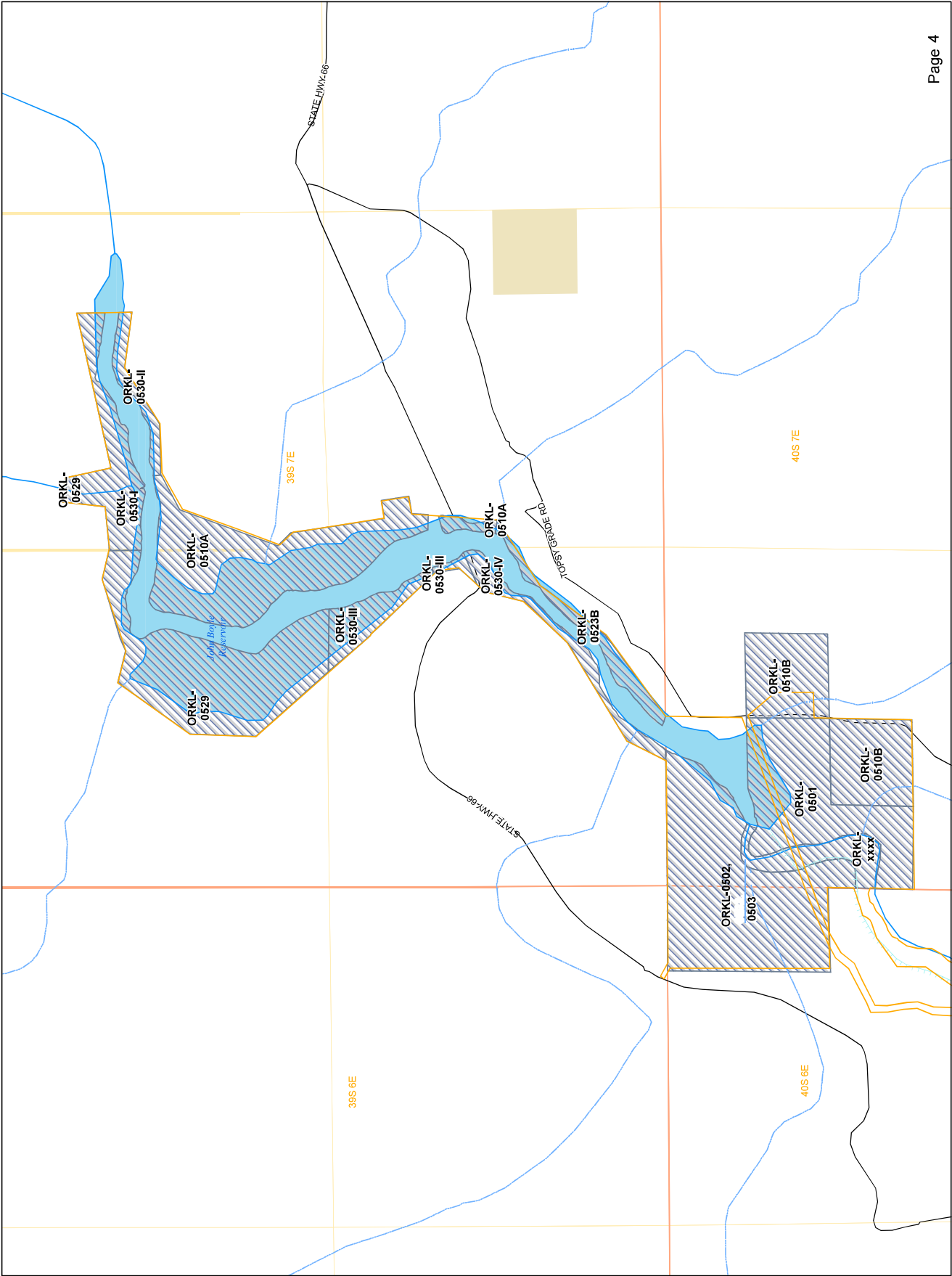
Data are projected in UTM Zone 10, NAD83, meters.
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PacifiCorp
Klamath River
Hydroelectric Project
Lands Disposition

Parcel B
Project Overview
PacifiCorp Parcels

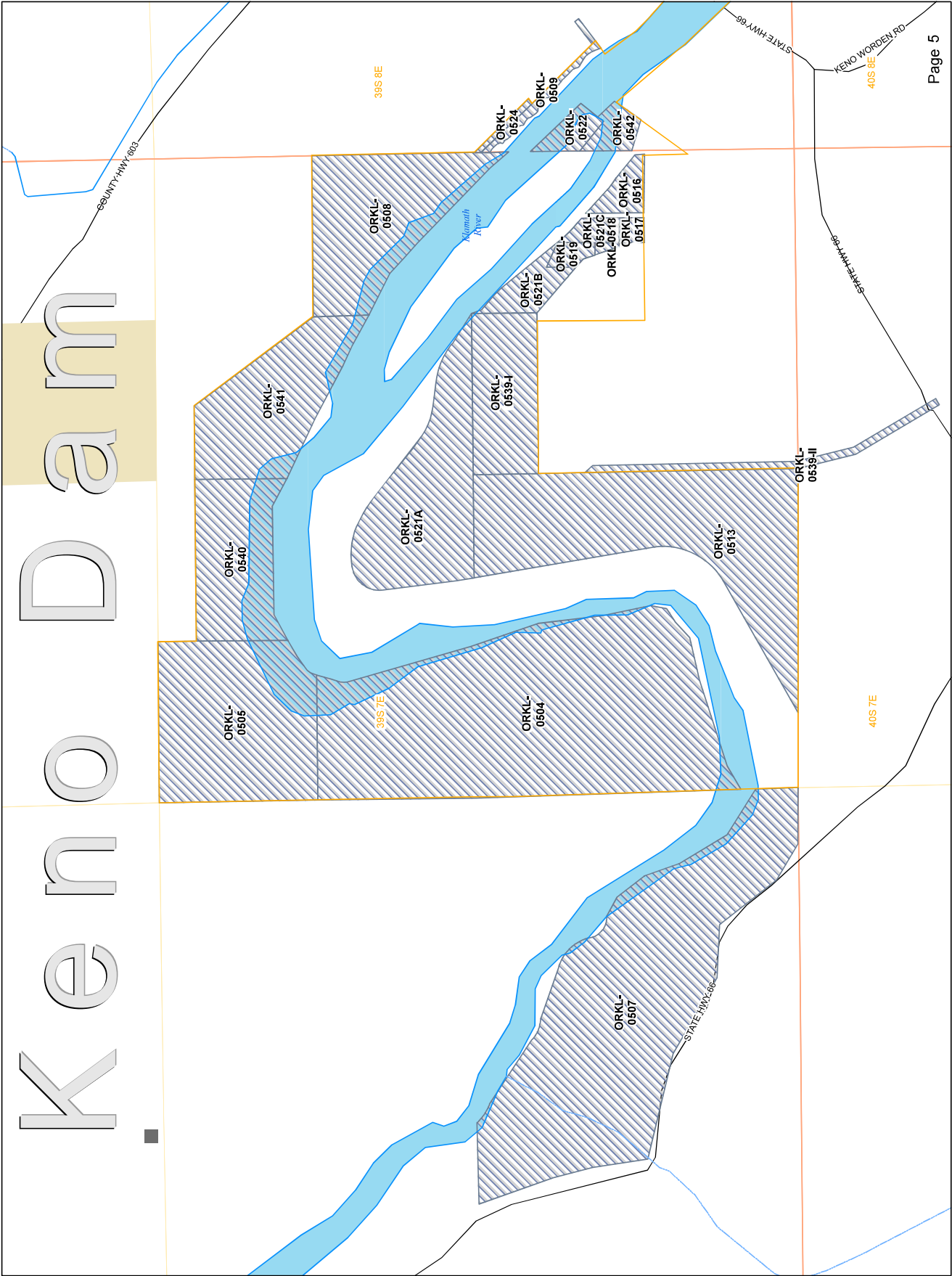
PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED



Keno Dam
Klamath River
Hydroelectric Project
Lands Disposition

Parcel B
Project Overview
PacificCorp Parcels

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED



- Parcel B Lands
- State Lands
- Administrative Boundaries
 - State
 - County
- FERC Boundary
- Generation Facilities
 - Hydro
- Major Roads
 - Primary, U.S. & State Hwy
 - Secondary, Connecting State County
- Aquatic Features
 - Intermittent Canal, Ditch, Aquaduct
 - Intermittent Water Feature, Stream, River, Wash
 - Perennial Canal, Ditch, Aquaduct
 - Perennial Water Feature, Stream, River, Wash
 - Regional Lakes

0 0.125 0.25 Miles



Data Management/
Geographic Information Systems

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PacifiCorp

Klamath River

Hydroelectric Project

Lands Disposition

Parcel B

Project Overview

PacifiCorp Parcels

Public Version - Confidential Information Has Been Removed

- Parcel B Lands

State Lands

Administrative Boundaries

Generation Facilities

Major Roads

Aquatic Features
- State Lands

County

FERC Boundary

Hydro

Primary, U.S. & State Hwy

Secondary, Connecting State County

Intermittent Canal, Ditch, Aqueduct

Perennial Canal, Ditch, Aqueduct

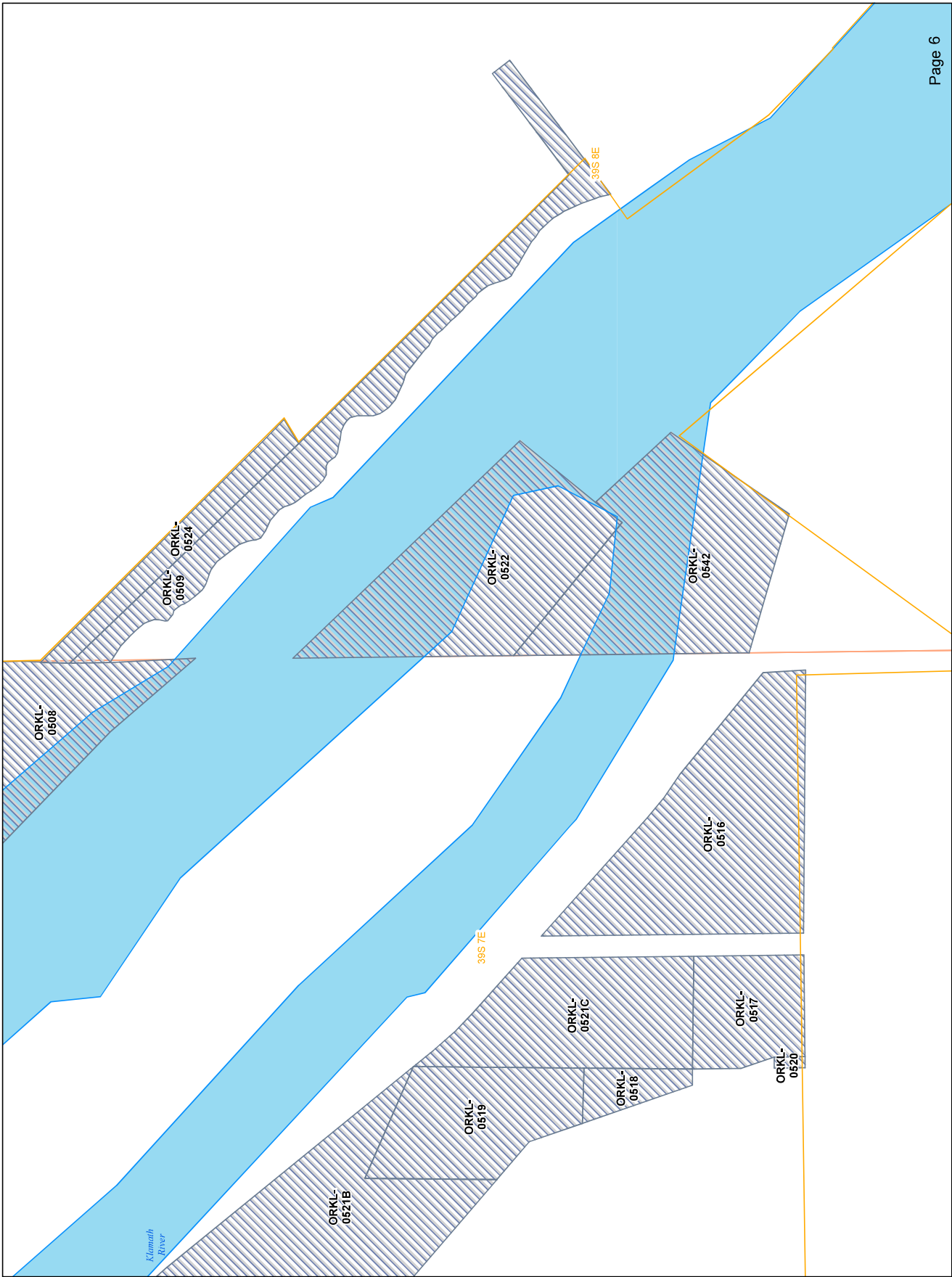
Perennial Water Feature, Stream, River, Wash

Regional Lakes



Data Management
Geographic Information Systems

Data are projected in UTM Zone 10, NAD83, meters.
PacifiCorp does not warrant the accuracy, reliability, or completeness of these data for any purpose other than the specific project for which they were collected. For more information, please contact the source organization. The source organization should be contacted for verification of the data.



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LEGAL DESCRIPTIONS OF PACIFICORP PARCEL B PROPERTIES

OREGON PARCELS

ORKL-0501

Lots five (5), six (6) and eight (8) of Section Six (6) in Township forty (40) South, range seven (7) east of the Willamette Meridian, containing eighty-five and 96/100 (85.96) acres;

ORKL-0502 and 0503

Lot one (1) and the southeast quarter of the northeast quarter of section one (1) in township forty (40) south, range six (6); and lots one (1), two (2), three (3) and four (4) of section six (6) in township forty (40) south, range seven (7) east of Willamette Meridian; excepting and reserving that certain railroad right of way heretofore sold to the Southern Pacific Railway Company, and fully set out and described in that certain deed dated September 27, 1909, recorded on October 4, 1909, at page 464 of volume 26 of the deed records of Klamath County, Oregon;

Also, all of the right, title and interest of the party of the first part in and to that certain instrument dated March 22, 1920, from Leon W. Anderson and Nellie L. Anderson, husband and wife, of Klamath County, State of Oregon, to Mercantile Trust Company, of San Francisco, California, which said document was recorded on April 17, 1920, in the office of the County Clerk of said Klamath County in Volume 52 of Deeds, page 327.

ORKL-0504

Lots One (1), Two (2) and Three (3) of Section Thirty-six (36), Township Thirty-nine (39) South, Range Seven (7) East, Willamette Meridian;

ORKL-0505

Government Lot 4 in Section 36, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

ORKL-0507

The SE1/4 SW1/4 and the SW1/4 SE1/4 and Government Lots 3, 4 and 5 in Section 35, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon; EXCEPTING THEREFROM that portion thereof described as Parcel 3 in that certain Warranty Deed from the California Oregon Power Company, a corporation, to Weyerhaeuser Timber Company, a corporation, recorded July 15, 1959 in Deed Volume 314, page 179, Deed Records of Klamath County, Oregon.

ORKL-0508

Government Lot 7 in Section 36, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

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(road easement granted to Klamath County, 1-26-68)

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ORKL-0509

The following described land being in Section 31, Township 39 South, Range 8 East, Willamette Meridian, Klamath County, Oregon.

Beginning at a point on the section line which bears South 111.4 feet from the quarter corner on the West boundary of Section 31, Township 39 South, Range 8 East, Willamette Meridian, Klamath County, Oregon; thence South 44°01' East 1316.7 feet to a point on the Northerly boundary line of Riverside Addition to the Town of Keno, Oregon; thence South 53°30 West 78.5 feet more or less, along the Northerly boundary of said Riverside Addition to the low water line on the North bank of the Klamath River; thence Northwesterly along the low water line of the North bank of the Klamath River down stream to a point on the West boundary line of said Section 31; thence 82.0 feet, more or less, North along said Section line to the point of beginning.

Together with a strip of land 40 feet wide extending along the Westerly line of Riverside Addition to Keno, Oregon, from the Northerly line of Broyles Avenue to the Northerly line of the above described premises.

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ORKL-0510-A

Lot Eight (8), and Southwest quarter ($SW\frac{1}{4}$) of section Twenty-nine (29), Township Thirty-nine (39) South, Range Seven (7) East of Willamette Meridian.

Lots Five (5) and Six (6) of section Thirty (30) Township Thirty-nine (39) South, Range Seven East of Willamette Meridian.

Lot Six (6) of section Thirty-one (31) Township Thirty-nine (39) South, Range Seven (7) East of Willamette Meridian.

Lots One (1) and Two (2), and Northeast quarter of Northwest quarter ($NE\frac{1}{4}NW\frac{1}{4}$), and North half of Northwest quarter ($N\frac{1}{2}NE\frac{1}{4}$) section Thirty-two (32) in Township Thirty-nine (39) South, Range Seven (7) East of Willamette Meridian, also the following described parcels of land, to-wit:

(1) Commencing at a point Twenty (20) chains South of the corner of sections 28, 29, 32 and 33 marked by a stake marked $\frac{1}{2}$; thence West 45 links; thence South 34 degrees 65 minutes West 12.12 chains; thence South 56 degrees 30 minutes East 8.75 chains intersecting the North and south section line between sections 32, and 33; thence North 14.78 chains to point of beginning, containing 5.44 acres more or less.

(2) Beginning at a point twenty (20) chains South and Forty-five (45) links West of the corner of sections 28, 29, 32 and 33, thence West 19.55 chains to the Northwest corner of the Southeast quarter of Northeast quarter of section 32; thence South seven (7) chains; thence East parallel to the North line of said Southeast

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quarter of Northeast quarter of section 32, 14.81 chains; thence North 34, degrees 5, minutes East 8.45 chains to the place of beginning; all of said two parcels of land being in Township Thirty nine (39) South, Range Seven (7) East of Willamette Meridian.

Northwest quarter of Northwest quarter ($NW\frac{1}{4}NW\frac{1}{4}$) and South half of Northwest quarter ($S\frac{1}{2}NW\frac{1}{4}$) and North half of Southwest quarter ($N\frac{1}{2}SW\frac{1}{4}$) of section Thirty-three (33) in Township Thirty-nine (39) South, Range Seven (7) East of Willamette Meridian.

Southwest quarter of Northeast quarter ($SW\frac{1}{4}NE\frac{1}{4}$), West half of Southeast quarter ($W\frac{1}{2}SE\frac{1}{4}$), East half of Southwest quarter ($E\frac{1}{2}SW\frac{1}{4}$), and Southwest quarter of Southwest quarter ($SW\frac{1}{4}SW\frac{1}{4}$) of section 6, in Township Forty (40) South, Range Seven (7) East Willamette Meridian,

Lots Three (3) and Four (4), Southeast quarter of Southwest quarter ($SE\frac{1}{4}SW\frac{1}{4}$), and Southwest quarter of Southeast quarter ($SW\frac{1}{4}SE\frac{1}{4}$) of section Seven (7) Township Forty South, Range Seven (7) East Willamette Meridian.

less property sold to the International Paper Company (all or a portion of Lot 2, Section 32, T39S, R7E, W.M.

less property sold to Ernest and Judy Smith 9/4/87 (a portion located in the N1/2 of Section 32, T39S, R7E, W.M. lying south of State Highway 66)

less property sold in Section 33 T39S, R7E, W.M.

ORKL-0513

Government Lots 11, 12 and 13 in Section 36, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon. EXCEPTING therefrom those portions conveyed to the United States of America.

ORKL-0516

Beginning at a point 1282.2 feet north of a point 308.7 feet west of the corner to Townships 39 and 40 South Ranges 7 and 8 East Willamette Meridian, Oregon; thence North 263 feet; thence N. 47°41' W. 282.2 feet; thence South 452 feet; thence East 208.7 feet to the place of beginning, containing 1.71 acres, more or less.

ALSO beginning at a point 1282.2 feet north of a point 100 feet west of the corner to Townships 39 and 40 South Ranges 7 and 8 East Willamette Meridian, Oregon; thence North 116 feet; thence N. 54°56' W. 253.5 feet; thence South 263 feet; thence East 208.7 feet to the place of beginning, all of said property being situate in Section 36, Township 39 South, Range 7 East Willamette Meridian.

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ORKL-0518

PARCEL NO. 2. Beginning at a point 1490.9 feet north of a point 766.1 feet west of the corner to Townships 39 and 40 South, Ranges Seven (7) and Eight (8) East Willamette Meridian, Oregon; THENCE North 208.7 feet; THENCE West 208.7 feet; THENCE South 208.7 feet; THENCE East 208.7 feet to the place of beginning, containing one acre, more or less, all of said property being situate in Section 36, Township 39 S. R. 7 E. W. M. less that part conveyed to Leo J. Brennan et al by deed dated February 7, 1967.

ORKL-0519

Beginning at a point 1699.6 feet north of a point 766.1 feet west of the corner to Townships 39 and 40 South, Ranges Seven (7) and Eight (8) East Willamette Meridian, Oregon; THENCE North 273.5 feet; THENCE N. 74° 28' W. 216.6 feet; THENCE South 331.6 feet; THENCE East 208.7 feet to the place of beginning, containing 1.45 acres, more or less, and being situate in Section 36, Township 39 South Range 7 East Willamette Meridian

less that part conveyed to Leo J. Brennan et al by deed dated February 7, 1967.

ORKL-0520

Beginning at a point 1282.2 feet north of a point 766.1 feet west of the corner to Townships 39 and 40 South Ranges Seven (7) and Eight (8) East of the Willamette Meridian, Oregon;
 THENCE North 208.7 feet;
 THENCE West 208.7 feet;
 THENCE South 208.7 feet;
 THENCE East 208.7 feet to the place of beginning, excepting that part of the herein described land conveyed to Leo J. Brennan et al by deed dated February, 7, 1967 and recorded in Book M67 at Page 942 deed records of Klamath County, Oregon.

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ORKL-0521
 (A=Lots 9 and 10
 B, C, D= Lot 8)

{ All of lots Eight (8), Nine (9) and Ten (10) of
 Section Thirty-six (36), Township Thirty-nine (39) South,
 Range Seven (7) East Willamette Meridian, EXCEPT the portions
 thereof already conveyed by Thomas McCormick and wife, as
 follows:-

- 1;- To the United States of America, by deed dated
 November 14, 1906, and recorded in Volume 21 of
 Deeds, page 466, records of Klamath County, Oregon.
- 2;- To the United States of America, by deed dated
 August 5, 1909, and recorded in Volume 27 of
 Deeds, page 294, records of said County.
- 3;- To Fred L. Rutledge, by deed dated _____ day of
 August, 1927, and recorded in Volume 81 of Deeds,
 Page 62, records of said County. K-519
- 4;- To George Crossen, by deed dated August 10, 1928,
 and recorded in Volume 89 of Deeds, page 348,
 Records of said County. K-518
- 5;- To Everett Hotchkiss, by deed dated December 6,
 1928, and recorded in Volume 86 of Deeds, page
 346, records of said County. K-517 (?)
- 6;- To Sam Harris and Ray Harris, by deed dated July
 16, 1928, and recorded in Volume 86 of Deeds,
 page 505, records of said County. K-517
- 7;- To A. W. Reents, by deed dated May 15, 1926 and
 recorded in Volume 78 of Deeds, page 93, records
 of said County. K-516

ORKL-0522

Beginning at a point on the Range line between Section Thirty-One (31), Township Thirty-Nine (39), South Range Eight (8) East of the Willamette Meridian and Section Thirty-Six (36), Township Thirty-Nine (39), South Range Seven (7) East of the Willamette Meridian, which is Eight Hundred Thirty-One and Six-Tenths (831.6) feet South of the quarter corner between said Section 31 and 36; thence South on Range line Seventy-Eight and Two-Tenths (78.2) feet; thence South 50°05' East Three Hundred Twenty-One and One-Tenths (321.1) feet; thence North 39°55' East to the center line of the Klamath River; thence down stream along the center line of said stream along the center line of said stream to said Range line; thence South along said Range line to the point of beginning.

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ORKL-0523-B

Lots Seven (7), Eight (8), and Nine (9) of Section Thirty-one (31) and Lot Three (3) of Section Thirty-two (32), Township Thirty-nine (39) South, Range Seven (7) East of W. M.

ORKL-0524

Also, beginning at a point on the Range line between Section 31, Township 39 South, Range 8 East, Willamette Meridian and Section 36, Township 39 South, Range 7 East, Willamette Meridian, 40.6 feet South of the quarter corner between Sections 31 and 36 on said range line; thence South along said range line 71.6 feet to a point which is the most Northerly point of the tract of land conveyed by the grantors to the grantee by deed dated May 29, 1930 and recorded in Volume 90, page 340, of the deed records of Klamath County, Oregon; thence South 44°00' East along the Northerly boundary of said tract 572.6 feet to a point; thence North 59°59' East 51.5 feet to a point; thence North 44°00' West 636.4 feet, more or less, to the point of beginning.

ORKL-0529

Beginning at the Northwest corner of said Section 29; thence South 0°08' West along the West line of said Section for a distance of 1812.82 feet to a point marked by a copper nickel pipe, 5/8 inch in diameter and 40 inches in length, set in a rock mound; thence North 86°17' East for a distance of 697.69 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as LB 10, said iron pipe, as are all other iron pipes mentioned in this description, being referenced by a copper-nickel pipe, 5/8 inch in diameter and 40 inches in length, driven adjacent thereto until its top is 10 inches above the ground; thence North 7°03' East on a line which passes through a point 693.53 feet distant, marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated LB 11, to its intersection with the South line of said NW1/4 NW1/4, said point of intersection being the true point of beginning of this description; thence continuing North 7°03' East 250 feet, more or less, to said point designated LB 11; thence South 80°43' East for a distance of 382.27 feet to a point marked by an iron pipe, 3/4 inch in diameter, designated LB 12; thence South 11°24' East on a line which passes through a point 742.04 feet distant, marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated LB 13, for a distance of 193 feet, more or less, to its intersection with the South line of said NW1/4 NW1/4; thence Westerly along said South line to the true point of beginning of this description.

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Also parts of Government Lots 2 and 1, the E1/2 SW1/4, Government Lots 3 and 4 of Section 30 and the NW1/4 NE1/4 of Section 31, Townsmp 39 South, Range 7 East, Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northeast corner of said Section 30; thence South 0°08' West along the East line of said Section for a distance of 1812.82 feet to a point marked by a copper-nickel pipe, 5/8 inch in diameter and 40 inches in length set in a rock mound, said point being the true point of beginning of tms description; thence South 86°17' West for a distance of 0.92 feet to a point marked by an iron pipe 3/4 inch in diameter, driven flush with the ground and designated WT 8, said iron pipe, as are all other iron pipes mentioned in tms description, being referenced by a copper-nickel pipe, 5/8 inch in diameter and 40 inches in length, driven adjacent thereto until its top is 10 inches above the ground; thence North 75°46' West for a distance of 460.81 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 7; thence South 72°24' West for a distance of 1183.71 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated WT 6; thence North 75°06' West for a distance of 516.19 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 5; thence South 36°06' West for a distance of 1396.82 feet to a point marked by an iron pipe, 3/4 inch in diameter, and driven flush with the ground and designated WT 4; thence South 2°46' West for a distance of 1031.45 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 3; thence South 41°00' East (at a distance of 1540.84 feet crossing the South line of said Section 30 at a point which is 767.05 feet distant South 88°34' East from the South 1/4 corner thereof) for a distance of 1542.89 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated WT 2; thence South 39°59' East for a distance of 660.00 feet to a point marked by a copper-nickel pipe, 5/8 inch in diameter and 40 inches in length, driven in the ground until its top is 10 inches above the ground; thence continuing South 39°59' East for a distance of 195 feet, more or less, to a point on the East line of the NW 1/4 NE 1/4 of said Section 31; thence North along said East line for a distance of 640 feet, more or less, to the Northeast corner of said NW 1/4 NE 1/4; thence East along the South line of said Section 30 to the Southeast corner of said Lot 4; thence Northerly along the Easterly line of said Lot 4, the Easterly line of said Lot 3 and the Southeasterly line of said Lot 2 to the Southwest corner of said Lot 1; thence Easterly along the South line of said Lot 1 to the Southeast corner thereof; thence North along the East line of said Section 30 to the true point of beginning.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

ORKL-0530

Parcel I

Parts of Lots One (1), Two (2), and Three (3) of Section Twenty-nine (29), Township Thirty-nine (39) South, Range Seven (7) East, Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the section corner common to Sections 19, 20, 30, and 29, Township 39 South, Range 7 East, Willamette Meridian; thence South $0^{\circ} 02' 53''$ East, along the West line of Section 29, a distance of 1,805.49 feet to the TRUE POINT OF BEGINNING of this description; thence South $75^{\circ} 57' 45''$ East, a distance of 48.18 feet to a point; thence North $84^{\circ} 47' 58''$ East, a distance of 653.11 feet to a point; thence North $6^{\circ} 51' 53''$ East to the intersection with the 1/16 Section line between the Northwest Quarter of the Northwest Quarter and Lot 1; a distance of 443.51 feet to an iron pin; thence East along the said 1/16 section line, a distance of 446.09 feet to an iron pin; thence South $11^{\circ} 33' 51''$ East, a distance of 548.51 feet to an iron pin; thence North $78^{\circ} 04' 23''$ East, a distance of 2,490.78 feet to a point in Lot 3 from which point the Northeast corner of said Section 29 bears North $48^{\circ} 22' 12''$ East a distance of 2,082.39 feet; thence South $0^{\circ} 24' 58''$ East, to the intersection with the Meander Line, along the right bank of the Klamath River, a distance of 365 feet, more or less; thence Westerly along the Meander Line of said Lots 1, 2, and 3 to the intersection with the West line of said Section 29; thence North along the West line of said Section 29 a distance of 485 feet, more or less, to the true point of beginning;

containing 34.50 acres, more or less, of which 21.90 acres, more or less, are in said Lot 1, 7.60 acres, more or less, in said Lot 2, and 5.00 acres, more or less, in said Lot 3.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Parcel II

Parts of Lots Six (6) and Seven (7) of Section Twenty-nine (29), Township Thirty-nine (39) South, Range Seven (7) East, Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the section corner common to Sections 20, 21, 29, and 28, Township 39 South, Range 7 East, Willamette Meridian; thence South $48^{\circ} 22' 12''$ West, a distance of 2,082.39 feet to a point marked by an iron pin and designated as "LB-14;" thence South $0^{\circ} 24' 58''$ East, a distance of 868.91 feet to a point marked by an iron pin in Lot 6, said point being the TRUE POINT OF BEGINNING of this description; thence North $82^{\circ} 03' 08''$ West, a distance of 876.03 feet to a point marked by an iron pin; thence South $58^{\circ} 29' 02''$ West to the intersection with the South line of said Lot 7, a distance of 1,015 feet, more or less; thence West along the South Line of said Lot 7, a distance of 700 feet, more or less; thence North along the West line of said Lot 7 to the intersection with the Meander Line along said Lot 7, a distance of 130 feet, more or less; thence Easterly along the Meander Lines of said Lots 7 and 6 to the intersection with the line bearing South $0^{\circ} 24' 58''$ East between said point "LB-14" and the true point of beginning; thence South $0^{\circ} 24' 58''$ East along said line, a distance of 188.91 feet, more or less, to the true point of beginning; containing 11.75 acres, more or less, of which 5.95 acres, more or less, are in said Lot 6, and 5.80 acres, more or less, in said Lot 7.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Parcel III

Parts of Lots Four (4) and Five (5) of Section Thirty-one (31), Township Thirty-nine (39) South, Range Seven (7) East, Willamette Meridian, more particularly described as follows:

Beginning at the 1/4 section corner common to Sections 30 and 31, Township 39 South, Range 7 East, Willamette Meridian; thence South $88^{\circ} 39' 29''$ East along the North line of Section 31 to the intersection with the West line of said Lot 5, a distance of 1,348.27 feet, more or less, to the TRUE POINT OF BEGINNING of this description; thence South along the West line of said Lot 5, a distance of 640.48 feet to a point; thence South $41^{\circ} 11' 19''$ East, a distance of 240.29 feet to a point marked by an iron pin; thence South $42^{\circ} 50' 07''$ East, a distance of 1,194.47 feet to a point marked by an iron pin; thence South $9^{\circ} 13' 28''$ East, a distance of 386.02 feet to a point marked by an iron pin; thence South $41^{\circ} 45' 43''$ West to the intersection with the North Boundary of the Right of Way of State Highway No. 21; thence Northeasterly along the said highway right of way to the intersection with the Meander Line

along the East side of said Lot 4; thence Northerly along the Meander Line of said Lots 4 and 5 to the intersection with the North line of said Section 31; thence North $88^{\circ} 39' 29''$ West along the North line of said Section 31, a distance of 383.93 feet to the true point of beginning; containing 19.25 acres, more or less, of which 5.40 acres, more or less, are in said Lot 4, and 13.85 acres, more or less, in said Lot 5.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Parcel IV

Parts of Lots One (1), Two (2), Three (3), and Four (4) of Section Thirty-one (31), Township Thirty-nine (39) South, Range Seven (7) East, Willamette Meridian, more particularly described as follows:

Beginning at the corner common to Sections 36, 31, 1, and 6, Township 39 and 40 South, Range 6 and 7 East, Willamette Meridian; thence South $89^{\circ} 56' 42''$ East along the South line of said Section 31, a distance of 1,960.02 feet to a point marked by an iron pin and the TRUE POINT OF BEGINNING of this description thence North $27^{\circ} 31' 03''$ East, a distance of 688.07 feet to a point marked by an iron pin; thence North $59^{\circ} 46' 33''$ East, a distance of 1,781.22 feet to a point marked by an iron pin; thence North $44^{\circ} 16' 57''$ East, a distance of 969.66 feet to a point marked by an iron pin; thence North $14^{\circ} 50' 18''$ East, a distance of 629.93 feet to a point marked by an iron pin; thence North $41^{\circ} 45' 43''$ East to the intersection with the South Boundary of the Right of Way of State Highway No. 21; thence North-easterly along the said highway right of way to the intersection with the Meander Line along the East side of said Lot 4; thence Southwesterly along the Meander Lines of said Lots 4, 3, 2, and 1 to the intersection with the South line of said Section 31; thence North $89^{\circ} 56' 42''$ West along the South line of said Section 31, a distance of 165 feet, more or less, to the true point of beginning; containing 17.10 acres, more or less, of which 0.27 acres, more or less, are in said Lot 1, 1.33 acres, more or less, in said Lot 2, 3.57 acres, more or less, in said Lot 3, and 3.93 acres, more or less, in said Lot 4.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

ORKL-0539 I and II

Parcel 1:

The North 550 feet of the West 1/2 of the Southeast 1/4 of Section 36, Township 39 South, Range 7 East, Willamette Meridian, Klamath County, Oregon.

EXCEPTING therefrom that portion conveyed to the United States of America by Deed recorded August 9, 1909 in Volume 27, page 294, Deed Records of Klamath County, Oregon.

Parcel 2:

A strip of land for road purposes 60 feet in width lying 30 feet on each side of the following described center line:

Commencing at a point on the Northerly right of way line of Oregon State Highway 66 at Station 1807+71; thence North 29°28'52" West, 800 feet; thence North 12°43'22" West, 498 feet to a point which is 30 feet East and 10 feet North of the South quarter corner of Section 36, Township 39 South, Range 7 East, Willamette Meridian, Klamath County, Oregon; thence Northerly along a line which is parallel to and 30 feet Easterly of the West line of the Southeast 1/4 of said Section 36, a distance of 1700 feet; thence North 40°48'41" West 50 feet, more or less, to a point on said West line of the Southeast 1/4.

ORKL-0540

All that portion of Lot 5, Section 36, Township 39 South, Range 7 East of the Willamette Meridian, EXCEPT the North 319 feet thereof and being more particularly described as follows:

Beginning at a point on the West line of Lot 5, Section 36, Township 39 South, Range 7 East of the Willamette Meridian from which the Northwest corner of said Lot 5 bears North 9°09'22" East 319.00 feet distant; thence along the said West line of said Lot 5, South 0°09'22" West 425.81 feet to the North bank of Klamath River; thence along Klamath River North 71°09'15" East 222.86 feet; thence South 76°39'45" East 380.77 feet; thence North 77°56'55" East 94.85 feet; thence South 82°02'05" East 203.00 feet; thence North 73°23'15" East 221.68 feet; thence South 62°13'45" East 198.60 feet; thence South 82°00'45" East 62.74 feet, more or less to the East line of said Lot 5, Section 36; thence along the said East line of said Lot 5, North 0°03'07" East 481.31 feet to a point from which the North quarter corner of said Section 36 bears North 0°03'07" East 319.00 feet distant; thence North 89°43'16" West 1342.12 feet more or less to the point of beginning.

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ORKL-0541

Lot 6 except that portion thereof which lies northerly of the following described line: Commencing at a point located on the line between Govt. Lots 5 and 6, said point being located South 0° 03' 07" West, 319.0 feet from the north quarter corner of Section 36; thence South 89° 43' 16" East, 620.0 feet to a point; thence in a southeasterly direction to the northwest corner of Govt. Lot 7 of said Section 36.

subject to road easement granted to Klamath County 1-26-68

ORKL-0542

A tract of land in Lot 1, (SW1/4) of Section 31, Township 39 South, Range 8 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the centerline of River Street and the Westerly boundary line of Brighton Avenue (Highway 66) in the town of Doten, (now Keno) Oregon, which point is marked with an iron pipe; thence North 57°08' West along the centerline of said River Street, projected, a distance of 1,194.6 feet; thence North 32°52' East 372.1 feet to the true point of beginning; thence continuing North 32°52' East 259.8 feet, more or less to the mean water line of the Klamath River; thence North 40°24' West 179.7 feet along said mean water line to the Easterly boundary of the tract of land described in Book 94 at page 36, Deed Records of Klamath County, Oregon; thence along the Easterly and Southerly boundaries of said parcel as follows: South 41°47' West 58.9 feet and North 50°05' West 321.1 feet to the Easterly boundary of the tract of land described in Volume 130 of page 412, Deed Records of Klamath County, Oregon; thence South 0°06' East along said boundary a distance of 434.0 feet; thence South 72°16' East 273.2 feet to the true point of beginning.

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CALIFORNIA PARCELS

CASI-0009

*The North West quarter of South East quarter (NW $\frac{1}{4}$ of SE $\frac{1}{4}$)
 South half of South East quarter (S $\frac{1}{2}$ of SE $\frac{1}{4}$) and South West
 quarter (SW $\frac{1}{4}$) of Section Twenty-nine (29), East half of
 North West quarter (E $\frac{1}{2}$ of NW $\frac{1}{4}$) and North East quarter (NE $\frac{1}{4}$)
 of Section Thirty-one (31), —, in Township Forty-eight (48) — North,
 Range Four (4) West —, Mount Diablo Meridian,
 containing Five hundred and twenty (520) —*

_____ acres, according to the United States Surveys;

less property sold consisting of 31.85 acres of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ lying south and east of the
 present reservoir.

CASI-0011

Lot Four (4) and the South East quarter of the South
 West quarter (SE $\frac{1}{4}$ of SW $\frac{1}{4}$) and the South half of the South East
 quarter (S $\frac{1}{2}$ of SE $\frac{1}{4}$) of Section Thirty (30), Township forty-eight
 (48) North Range Four (4) West, Mount Diablo Meridian;

CASI-0020

South Half (S $\frac{1}{2}$)

of Section Thirty-one (31), Township Forty-eight (48) North, Range Four (4) West
Mount Diablo Base and Meridian, containing Three Hundred Fifteen and 17/100 (315.17)
 _____ Acres, according to the United States Public Surveys;

CASI-0021

The northwest quarter of the south-
 west quarter (NW $\frac{1}{4}$ of SW $\frac{1}{4}$) of Section
 thirty-six (36), Township, forty-eight (48)
 North, Range five (5) West, Mount Diablo
 Base and Meridian.

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CASI-0024

That certain fractional portion of the NE $\frac{1}{4}$ of Section thirty-six (36) TWP forty-eight (48) North of Range five (5) West M.D.M., bounded by a line described as beginning at the Northeast corner of said Section 36 and extending westerly four hundred sixty one and nine-tenths (461.9) feet along the section line between said Section 36 and Section 25 of the same Township and Range to the center line of Fall Creek; thence southwesterly along the center line of Fall Creek to the point of intersection of the center lines of Fall Creek and the Klamath River, thence northeasterly along the center line of the Klamath River to the east line of said Section 36, thence northerly along said east line of Section 36, ten hundred ninety (1090) feet to the point of beginning, said tract containing 25.93 acres, more or less: also, a right of way 60 feet wide for a railroad and wagon road across the remaining portion of the N.E. $\frac{1}{4}$ of Section 36, Township 48 North, Range 5 West, the center line of said right of way being more particularly described as follows

Beginning at a point on the quarter section line running north and south in Section 36 T. 48 N. Range 5 West, which is seventeen hundred two and seven-tenths (1702.7) feet south of the quarter section corner on the north line of said section 36, thence north fifty two degrees, eighteen and one half minutes ($52^{\circ} 18\frac{1}{2}'$) east twenty five and three-tenths (25.3) feet to the beginning of a curve whose total deflection angle is thirty degrees and thirty four minutes ($30^{\circ} 34'$) to the right tangent length is one hundred twenty and three-tenths (120.3) feet, radius is four hundred forty and eighty four hundredths (440.84) feet and length is two hundred thirty five and one-tenth (235.1) feet, thence north

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eighty two degrees, fifty two and one-half minutes
 ($82^{\circ} 52\frac{1}{2}'$) east, two hundred twenty three and four-
 tenths (223.4) feet to the beginning of a curve
 whose total deflection angle is seventeen degrees
 eighteen minutes ($17^{\circ} 18'$) to the right, tangent
 length is forty three and six-tenths (43.6) feet,
 radius is two hundred eighty six and fifty seven
 hundredths (286.57) feet and length is eighty six
 and five-tenths (86.5) feet; thence south seventy
 nine degrees forty nine and one half minutes ($79^{\circ} 49\frac{1}{2}'$)
 east, one hundred ninety four and eight-tenths
 (194.8) feet to the beginning of a curve whose total
 deflection angle is four degrees and eight minutes
 ($4^{\circ} 8'$) to the left, tangent length is twenty and
 seven-tenths (20.7) feet, radius is five hundred
 seventy three and thirteen one hundredths (573.13)
 feet and length is forty one and three-tenths (41.3)
 feet, thence south eighty three degrees fifty seven
 and one half minutes ($83^{\circ} 57\frac{1}{2}'$) east, sixty seven
 and six tenths (67.6) feet to the beginning of a
 curve whose total deflection angle is fifteen degrees
 fifty three minutes ($15^{\circ} 53'$) to the left, tangent
 length is forty (40) feet, radius is two hundred
 eighty six and fifty seven one-hundredths (286.57)
 feet and length is seventy nine and four-tenths
 (79.4) feet, thence north eighty degrees nine and
 one-half minutes ($80^{\circ} 09\frac{1}{2}'$) east, fifty two and
 four-tenths (52.4) feet to the beginning of a curve
 whose total deflection is fourteen degrees, seventeen
 minutes ($14^{\circ} 17'$) to the left, tangent length is
 forty four and eight-tenths (44.8) feet, radius is
 three hundred fifty eight and seventeen one-hundredths
 (358.17) feet and length is eighty nine and three-
 tenths (89.3) feet, thence, north sixty five degrees
 fifty two and one half minutes ($65^{\circ} 52\frac{1}{2}'$) east,
 five hundred eighty four (584) feet to the center
 line of Fall Creek, said right of way containing
 two and thirty two hundredths (2.32) acres, more
 or less.

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CASI-0025

(also described as Lots One and Two of the Northwest quarter)

The West Half of the Northwest quarter ($W\frac{1}{2}NW\frac{1}{4}$) of Section Thirty one (31) in Township Forty eight (48) North of Range Four (4) West, Mount Diablo Meridian; also all of that portion of Section Thirty Six (36) Township Forty Eight (48) North of Range Five (5) West, Mount Diablo Meridian, lying South of the Klamath River, saving and excepting the Northwest quarter of the Southwest quarter ($NW\frac{1}{4}SW\frac{1}{4}$) of said Section Thirty Six (36).

CAISI-0026

The Southeast quarter ($SE\frac{1}{4}$) of Section 25; the East half of the Northeast quarter ($E\frac{1}{2}NE\frac{1}{4}$) of Section 34; the Northeast quarter ($NE\frac{1}{4}$) and the Northwest quarter of the Southeast quarter ($NW\frac{1}{4}SE\frac{1}{4}$) and the Northeast quarter of the Southwest quarter ($NE\frac{1}{4}SW\frac{1}{4}$) and the Northwest quarter ($NW\frac{1}{4}$) of Section 35; the North half of the Northwest quarter ($N\frac{1}{2}NW\frac{1}{4}$) and the Northwest quarter of the Northeast quarter ($NW\frac{1}{4}NE\frac{1}{4}$) and the Northeast quarter of the Northeast quarter ($NE\frac{1}{4}NE\frac{1}{4}$) and that fractional portion of the Southehalf of the North half ($S\frac{1}{2}N\frac{1}{2}$), lying North of the Klamath River, of Section 36; all in Township Forty-eight (48) North of Range Five (5) West M.D.M.; together with the appurtenances thereunto belonging; save and excepting therefrom that certain fractional portion of the Northeast quarter ($NE\frac{1}{4}$) of Section Thirty-six (36), Township Forty-eight (48) North of Range Five (5) West M.D.M., bounded by a line described as beginning at the Northeast corner of said Section 36, thence extending westerly four hundred sixty one and nine tenths feet (461.9) along the section line between said Section 36 and Section 25 of the same Township

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

and range to a point on the Center line of Fall Creek; thence, Southwesterly along the Center line of Fall Creek, to the point of intersection of the Center line of Fall Creek and the Klamath River; thence Northeasterly along the Center line of the Klamath River to the East line of the said Section 36; thence northerly along said East line of said Section 36, 1190.0 feet to the point of beginning.

LESS THE FOLLOWING:

A fractional portion of the Southeast quarter of the Southeast quarter of Section 25, Township 48 North, Range 5 West, Mount Diablo Meridian, being more particularly described as follows:

Beginning at a point 30.00 feet southwesterly of the centerline of the Pacific Power & Light Company Transmission Line No. 19, from which point the southeast corner of said Section 25 bears South $40^{\circ} 51' 31''$ East, 506.61 feet; thence South $38^{\circ} 31' 10''$ West, 166.98 feet; thence South $28^{\circ} 14' 58''$ West, 132.47 feet; thence North $36^{\circ} 15' 00''$ West, 184.77 feet; thence North $30^{\circ} 54' 15''$ East, 141.54 feet; thence North $53^{\circ} 45' 00''$ East, 134.36 feet; thence South $42^{\circ} 46' 42''$ East, 139.73 feet parallel to said Transmission Line No. 19 to the point of beginning.

and subject to a telephone line easement to PT&T 9/28/81 and subject to a 30' pipeline easement to the City of Yreka 8/30/68.

CASI-0027

The East half of the Southwest quarter ($E\frac{1}{2}$ of $SW\frac{1}{4}$) and the Southeast quarter ($SE\frac{1}{4}$) of Section Nine (9); the Northwest quarter of the Northwest quarter ($NW\frac{1}{4}$ of $NW\frac{1}{4}$) of Section Sixteen (16), and the East half of the Northeast quarter ($E\frac{1}{2}$ of $NE\frac{1}{4}$) of Section Seventeen (17) in Township Forty-seven (47) North (N) of Range Five (5) West, Mount Diablo Base and Meridian; saving and excepting that portion thereof heretofore conveyed to the Klamath Lake Railroad Company;

and subject to a telephone line easement to PT&T 10/13/80 and a 20' road easement to James Liskey.

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CASI-0028

The West Half of the East Half of the Northwest Quarter ($W\frac{1}{2} E\frac{1}{2} NW\frac{1}{4}$) and the West Half of the West Half ($W\frac{1}{2} W\frac{1}{2}$), and also that portion of the East Half of East Half of Northwest Quarter ($E\frac{1}{2} E\frac{1}{2} NW\frac{1}{4}$) of Section Nine (9) in Township Forty-seven (47) North of Range Five (5) West, Mount Diablo Meridian, which lies on the westerly side of the center line of the Klamath River, where said river flows through said sub-division; subject, however, to right of way one hundred (100) feet wide, across said section, heretofore conveyed to Klamath Lake Railroad Company by Central Pacific Railway Company and United States Trust Company of New York, by deed numbered 213-C, dated August 16, 1905.

CASI-0030

The East half of the Northwest quarter, the Southwest quarter of the Northwest quarter and the Northwest quarter of the Southwest quarter of Section 34, Township 48 North, range 5 West, M.D.M. California, less the Klamath Lake Railroad Company right of way.

subject to a 20 road easement to H.J. Rhodes 6/12/64

CASI-0031

All of Section Twenty-seven (27); Northeast Quarter ($NE\frac{1}{4}$), North Half of Southeast Quarter ($N\frac{1}{2}$ of $SE\frac{1}{4}$) and Southwest Quarter of Southeast Quarter ($SW\frac{1}{4}$ of $SE\frac{1}{4}$) of Section Thirty-three (33), Township Forty-eight (48) North, Range Five (5) West, Mount Diablo Base and Meridian, containing Nine Hundred Twenty and 00/100 (920.00) Acres, more or less; together with all rights, privileges and appurtenances thereunto belonging or in any wise appertaining; subject however, to any rights, liens or encumbrances created or permitted, by any other person than the said first party, since March 16, 1931; also subject to the condition that first party shall not be held liable for any encroachments on said premises by existing ditch and telephone line.

EXCEPTING from the foregoing conveyance a right of way of lawful width for any and all existing and lawfully established County Roads.

less the following sold to Rhodes and Roberts 4/13/64:
the N $\frac{1}{2}$ and the SW $\frac{1}{4}$ of Section 27, Township 48N, Range 5W, MDM.

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CASI-0032

The South half of the South half of the South West Quarter of Section Twenty-six, and the West half of Section Thirty-three, Township Forty-eight, North, Range Five West, and the North East quarter of the North West quarter of Section Four, Township Forty-seven North, Range Five West, Mount Diablo Meridian, subject to the rights of the Lowood School District.

Together with all water rights, water ditches and water privileges thereunto belonging or in anywise appertaining.

CASI-0033

The Southeast quarter; the East half of the Southwest quarter and the South half of the Northwest quarter of Section Four, Township Forty-seven North, Range Five West, Mount Diablo Meridian, saving and excepting that portion of the Southeast quarter of the Northwest quarter of said Section Four lying northerly and westerly of the center line of the Klamath River containing 310 acres, more or less

CASI-0034

All that portion of the East half ($E\frac{1}{2}$) of the East half, ($E\frac{1}{2}$), of the North West quarter ($NW\frac{1}{4}$) of Section Nine (9), lying on the East side of the Klamath River where it flows through said land; The North East quarter ($NE\frac{1}{4}$) of Section Nine (9); the North half ($N\frac{1}{2}$) of the North West quarter ($NW\frac{1}{4}$) and the West half ($W\frac{1}{2}$) of the North East quarter ($NE\frac{1}{4}$) of Section Ten (10); all in Township Forty-seven (47), North of Range Five (5) West, Mt. Diablo Meridian, containing in all 340 acres, more or less; together with all water rights, water ditches and water privileges used or enjoyed on the above described property, or in connection therewith, particularly including all rights of said first party in the waters of Bogus Creek.

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CASI-0035

The South East Quarter of the South East quarter of Section Thirty-two, Township Forty-eight North, Range Five West, Mount Diablo Meridian.

Together with all water rights, water ditches and water privileges thereunto belonging or in anywise appertaining.

CASI-0036

All that portion of the South East Quarter of the North West Quarter ($SE\frac{1}{4}$ of $NW\frac{1}{4}$) of Section Four (4) Township Forty-seven (47) North of Range Five (5) West, Mount Diablo Meridian, lying on the North and West side of the center of the Klamath River.

CASI-0038

The East half; the South West quarter, the East half of the North West Quarter and the South West Quarter of the North West Quarter of Section Sixteen in Township Forty-seven North, Range Five West, Mount Diablo Meridian,

CASI-0039

The Northeast quarter ($NE\frac{1}{4}$) of the Southwest quarter ($SW\frac{1}{4}$) of Section Thirty-four (34), Township Forty-eight (48) North of Range Five (5) West, Mount Diablo Meridian, containing forty acres of land.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

CASI-0040

Those portions of the Southeast 1/4 of Section 29 and the Southwest 1/4 of Section 28, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004050390;

Those portions of the Northeast 1/4 of Section 29 and the Northwest 1/4 of Section 28, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004050380;

That portion of Section 28, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004050060;

That portion of the Northwest 1/4 of Section 33, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004040010;

That portion of the Southeast 1/4 of Section 21, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004360040;

That portion of the South 1/2 of Section 27, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004300020;

That portion of the North 1/2 of Section 34, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004040060;

Those portions of Section 35 and Section 36, Township 48 North Range 4 West, M.D.M., known as Siskiyou County, California Tax Lot 004030070;

CASI-0042

The southeast quarter of the southeast quarter of Section 33, Township 48 North, Range 5 West and the northeast quarter of Section 4, Township 47 North, Range 5 West, M.D.M., and northwest quarter of southwest quarter, south half of south half and northeast quarter of southeast quarter of Section 35, Township 48 North, Range 5 West, M.D.M.

CASI-0043

The South Half (S 1/2) except the south half of the south half of the southwest quarter (S 1/2 S 1/2 SW 1/4) of Section 26, Township 48 North, Range 5 West, Mount Diablo Meridian, Siskiyou County, California, containing 280 acres, more or less,

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EXHIBIT 4
Estimated Timeline—KHSA as Amended

TARGET DATE	ACTION	ACTOR
4/6/2016	2016 AIP Signatories and others execute Amended KHSA (“Amendment Effective Date”).	2016 AIP Signatories
By 5/6/2016	PacifiCorp files Amended KHSA with FERC; files expedited motion asking FERC to hold in abeyance relicensing proceeding for Project No. 2082.	PacifiCorp
Within 15 days of FERC’s relicensing abeyance order	PacifiCorp withdraws pending 401 applications in Oregon and California.	PacifiCorp
By July 1, 2016	If FERC denies PacifiCorp’s motion to abate or fails to rule on the motion before July 1, 2016, PacifiCorp will ask the SWRCB and the ODEQ to abate 401 certification and other environmental reviews related to PacifiCorp’s relicensing activities	PacifiCorp
4/2016–6/2016	DRE conducts due diligence review of Amended KHSA, draft funding agreements, and draft FERC filings.	DRE
6/15/2016	Oregon-DRE and California-DRE funding agreements executed.	States, DRE
On or around 7/1/2016	DRE executes Amended KHSA.	DRE
On or around 7/1/2016	File FERC application for license transfer.	PacifiCorp, DRE
On or around 7/1/2016	DRE and PacifiCorp will enter into an operation and maintenance agreement	PacifiCorp, DRE
On or around 7/1/2016	File FERC application for surrender and decommissioning, retaining 2020 target date for removal.	DRE
On or around 7/1/2016	File applications for 401 certifications regarding decommissioning with California Water Resources Control Board and Oregon Department of Environmental Quality.	DRE

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TARGET DATE	ACTION	ACTOR
7/2016–1/2017	<p>DRE develops and files non-FERC regulatory permits, including:</p> <ul style="list-style-type: none"> • 404 application for Facilities Removal with U.S. Army Corps, biological assessments for associated ESA Section 7 consultations, and associated Section 106 historic preservation reviews • 402 construction storm water permit applications • Oregon removal-fill permit with Oregon Department of State Lands • Other regulatory approvals as necessary 	DRE, with technical assistance from Federal Parties, States, and PacifiCorp
By 12/31/19	FERC approves license transfer.	FERC
By 12/31/2019	FERC approves decommissioning and surrender.	FERC
1/1/2020	DRE begins Facilities Removal in accordance with Definite Plan.	DRE

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Joint Application for Approval of License Amendment and License Transfer

Attachment B

Exhibit M – Klamath Hydroelectric Project

(Exhibit A in FERC's current regulations)

Public Version

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EXHIBIT M—PROJECT DESCRIPTION

Klamath Hydroelectric Project
(FERC Project No. 2082)

PacifiCorp
Portland, Oregon

Version: September 2016

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M1.0 PURPOSE

This current version of the Exhibit M updates previous information on record and generally describes the Klamath Hydroelectric Project (Project) facilities and lands, which have been retained in the Project (FERC Project No. 2082) while certain developments (J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate) now comprise the newly designated Lower Klamath Project (FERC Project No. xxxxx).¹ Updates to this Exhibit M will be filed with the Commission as necessary.

¹ This Exhibit M has been prepared to correspond to the requirements of Exhibit A in FERC's current rules, 18 C.F.R. 4.51(b).

M2.0 PROJECT OVERVIEW

M2.1 PROJECT FACILITIES

The Klamath Hydroelectric Project (Project) area is located on the upper Klamath River in Klamath County (south-central Oregon) and Siskiyou County (north-central California). The nearest principal cities are Klamath Falls, Oregon, located at the northern end of the Project area; Medford, Oregon, 45 miles northwest of the downstream end of the Project; and Yreka, California, 20 miles southwest of the downstream end. Figure M2.1-1 is a map of the Project area.

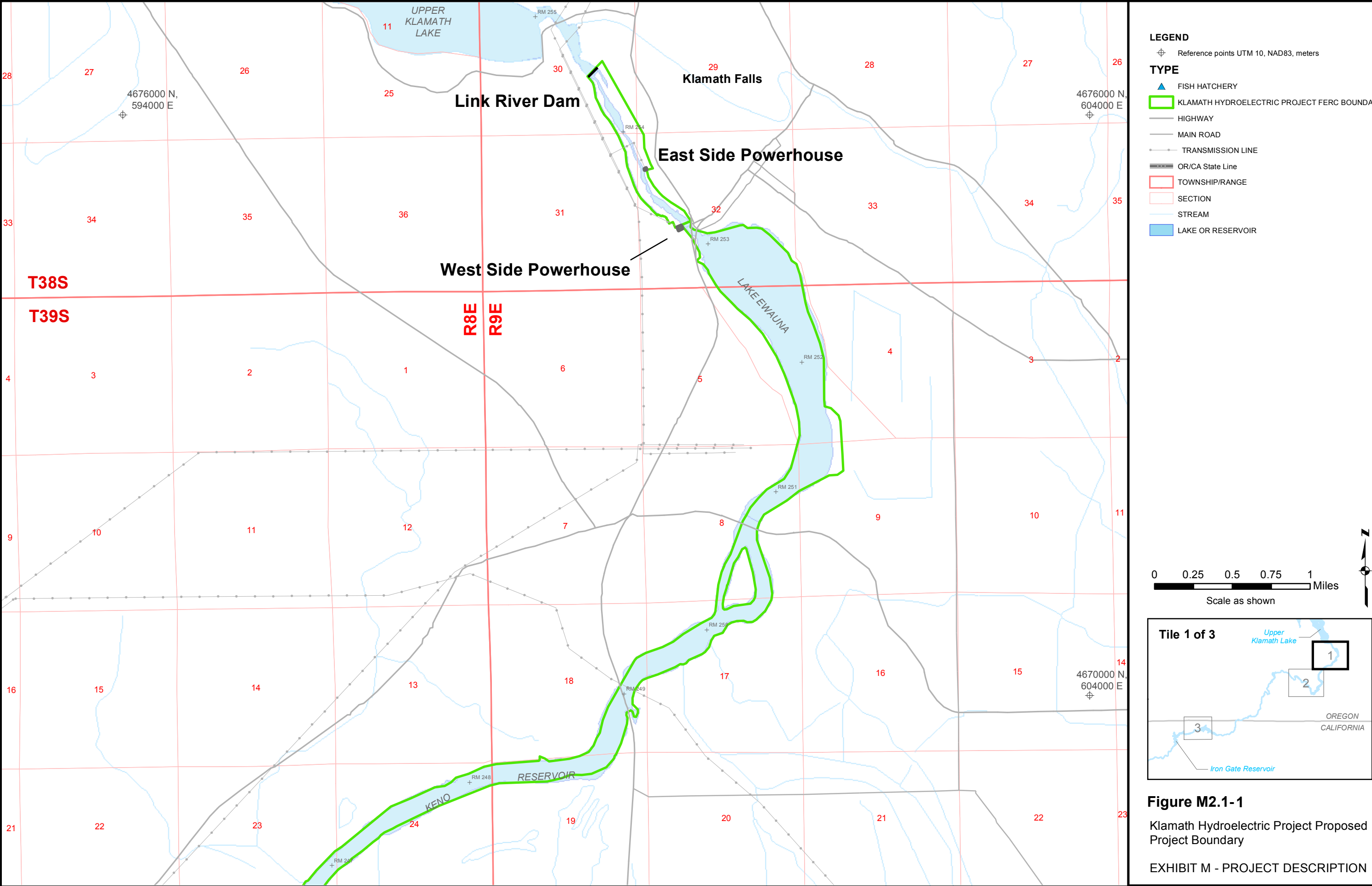
The existing Project consists of four developments, three of which are on the Klamath River between river mile (RM) 233 and RM 254. One of these developments, Keno dam, is a reregulation dam with no generation facilities. The fourth development is on Fall Creek, a Klamath River tributary at about RM 196. The four existing Project developments are as follows:

- The East Side Development (3.2 megawatt [MW]) and the West Side Development (0.6 MW) are the facilities farthest upstream, located near RM 254 and within the city limits of Klamath Falls, Oregon. They are associated with Link River dam, which is owned by the U.S. Bureau of Reclamation (USBR) and currently operated by PacifiCorp under USBR's directives. The power plants, transmission lines, and associated water conveyance systems are owned and operated by PacifiCorp.
- The Keno Development is a re-regulating dam facility with no generation capability. At RM 233 in Oregon, it is 21.3 miles downstream of Link River dam. PacifiCorp operates Keno dam to maintain Keno reservoir elevations between 4085.0 and 4086.5 whenever USBR is diverting water to the Klamath Irrigation Project.
- The Fall Creek Development is a run-of-river facility with a low diversion dam, a 4,560-foot-long power canal, and a 2,834-foot-long penstock leading to a powerhouse with three Pelton units. The power plant (2.2 MW at 730 feet of head and 50 cubic feet per second [cfs]) is located on Fall Creek, a small Klamath River tributary that flows into the upper end of Iron Gate reservoir. The Fall Creek Development receives additional water for generation purposes from the Spring Creek diversion, which can provide an additional 16.5 cfs to Fall Creek upstream of the Fall Creek diversion dam.

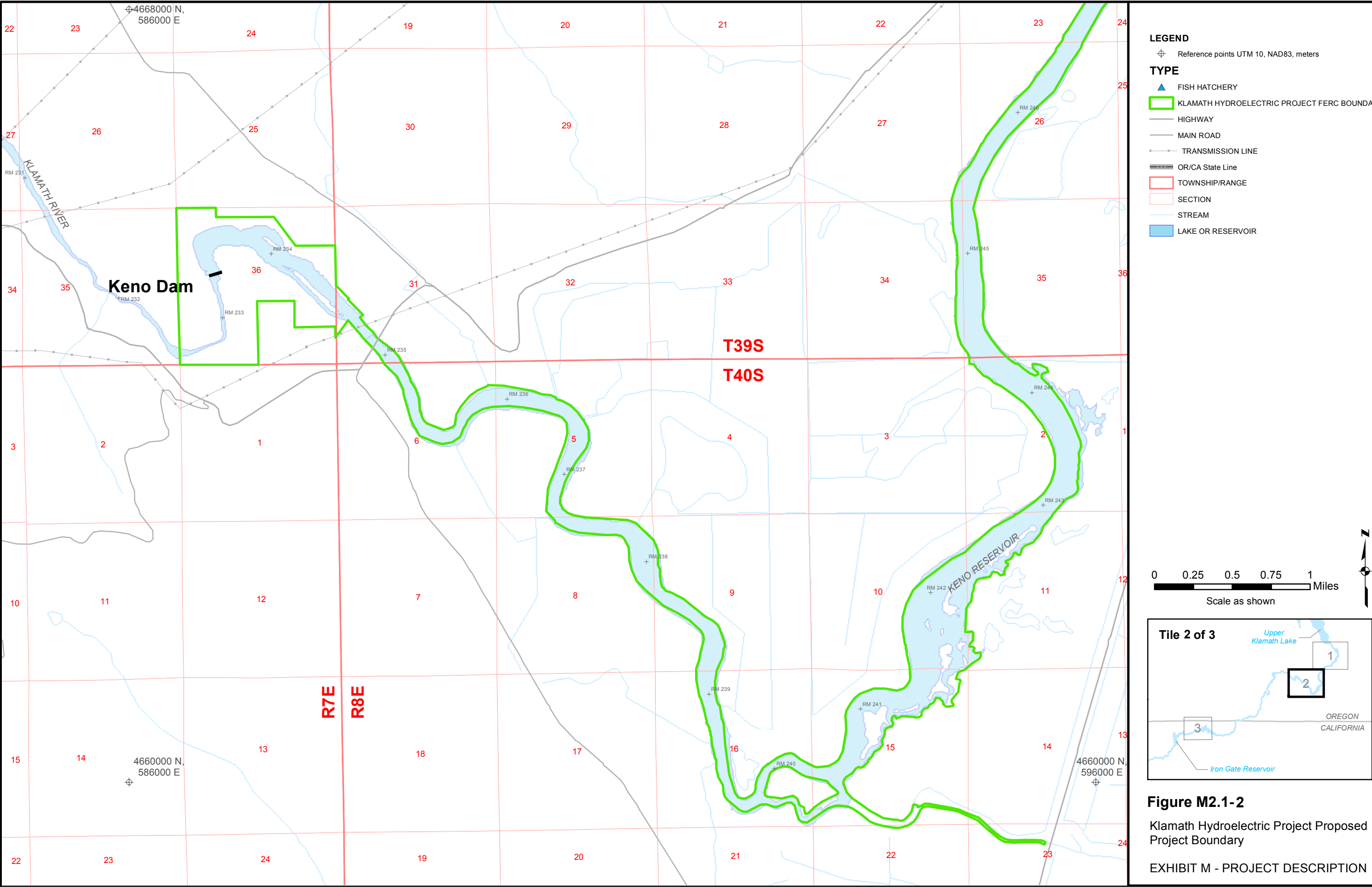
There are two transmission line segments associated with the Project. These segments are described in subsequent sections of this Exhibit M and their locations are shown in Exhibit K maps. One-line diagrams are provided in Figures M2.1-2 and M2.1-3. The Project interconnects with the PacifiCorp 230-kV system at PacifiCorp's Klamath Falls and Copco No. 2 230-kV substations/switchyards.

Key information about Project facilities is summarized in Table M2.1-1. Additional information about Project facilities and equipment is provided in the remainder of this exhibit.

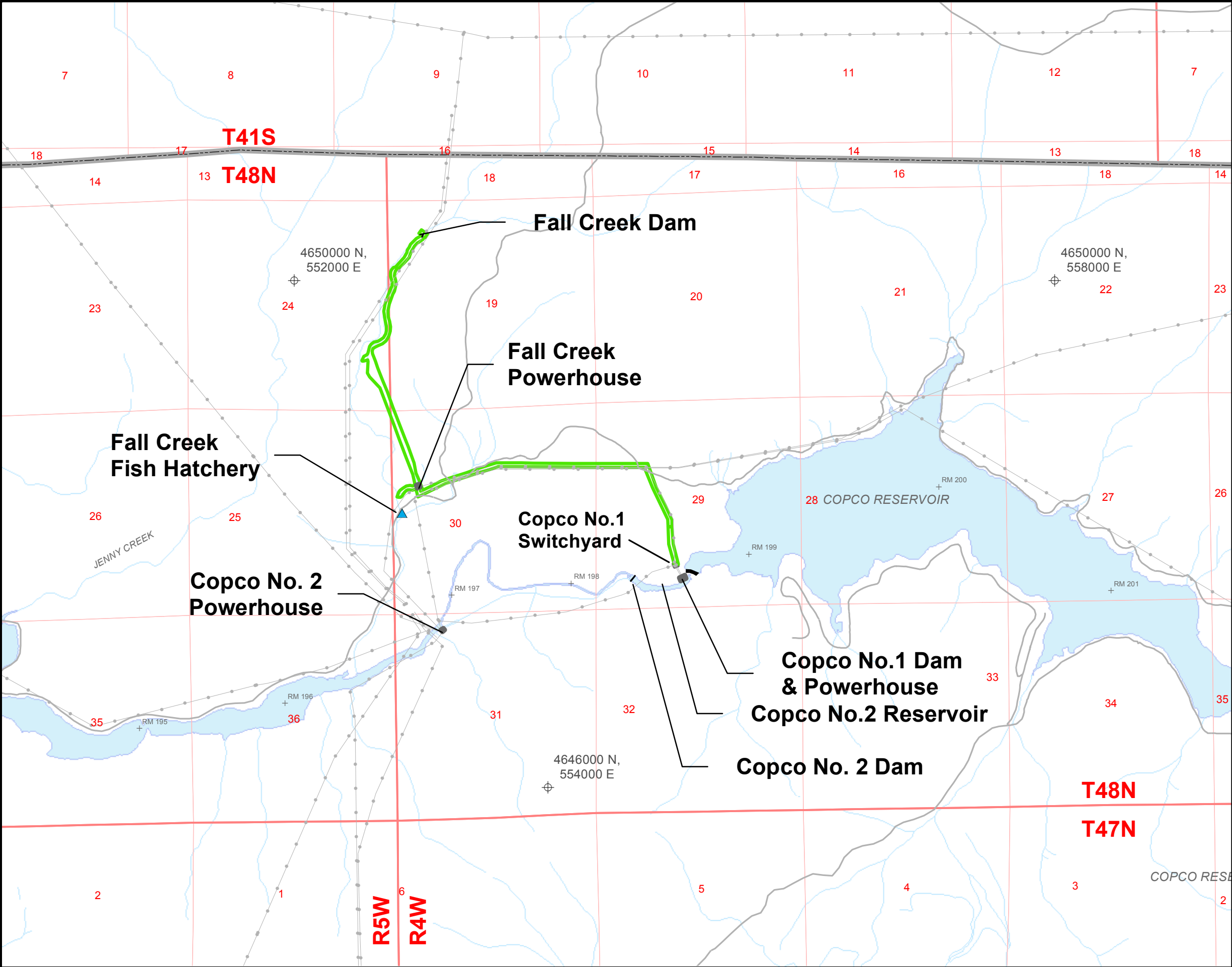
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LEGEND

- Reference points UTM 10, NAD83, meters
- TYPE**
- FISH HATCHERY
- KLAMATH HYDROELECTRIC PROJECT FERC BOUNDARY
- HIGHWAY
- MAIN ROAD
- TRANSMISSION LINE
- OR/CA State Line
- TOWNSHIP/RANGE
- SECTION
- STREAM
- LAKE OR RESERVOIR

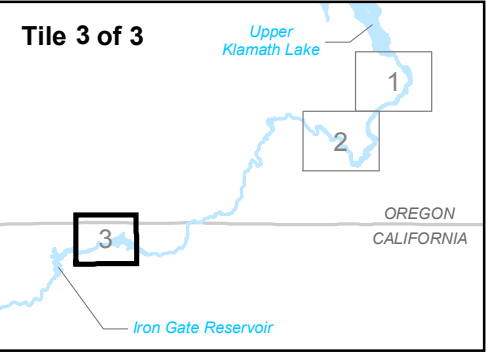
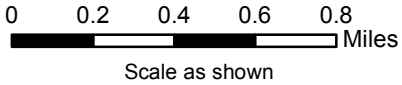


Figure M2.1-3
Klamath Hydroelectric Project Proposed Project Boundary
EXHIBIT M - PROJECT DESCRIPTION

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PacifiCorp
Klamath Hydroelectric Project
FERC No. 2082

Figure M2.1-2. Transmission network diagram, Oregon/California area.

Transmission network diagrams are considered Critical Energy Infrastructure Information (CEII) and are not contained in this publicly available version of this filing, consistent with Federal Energy Regulatory Commission policies under Order Nos. 702, 630, 630-A, 643, 649 and 683.

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FERC No. 2082

Figure M2.1-3. Transmission network diagram, Oregon/California area.

Transmission network diagrams are considered Critical Energy Infrastructure Information (CEII) and are not contained in this publicly available version of this filing, consistent with Federal Energy Regulatory Commission policies under Order Nos. 702, 630, 630-A, 643, 649 and 683.

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PacifiCorp
Klamath Hydroelectric Project
FERC No. 2082

Table M2.1-1. Key data regarding the Klamath Hydroelectric Project developments.

Item	Link River Dam	Keno Development	Fall Creek Development/ Spring Creek Diversion
General Information			
Owner of the Dam	USBR	PacifiCorp	PacifiCorp
Purpose	Water supply; hydropower	Flow regulation	Hydropower; water supply
Completion Date	Dam: 1921 East Side: 1924 West Side: 1908	1967	Fall Creek: 1903 Spring Creek: 1988
Dam Location (river mile)	254.3	233.0	Not applicable
Powerhouse Location (river mile)	East Side: 253.7 West Side: 253.3	None	Not applicable
Structural Features of the Dams			
Dam Type	Concrete	Concrete	Earthfill/Earthfill
Dam Height (ft)	16	25	7/6.5
Dam Length (ft)	435	680	95/66
Spillway Length (ft)	300	265	32/42" dia. pipe
Number of Spill Gates	31	6	1/1
Spill Gate Type	Vertical lift	Tainter	Vertical Lift/Vertical Lift
Spillway Crest (ft msl)	4130.0 ^a	4070.0	3253.4/102 (local datum)
Spillway Apron (ft msl)	Not applicable	4052.0	3249.5/95 (local datum)
Gross Head (ft) at Spillway	13	18	3.9/6.5
Spillway Energy Dissipaters?	No	No	No/No
Upstream Fish Passage Ladders?	Yes	Yes	No/No
Juvenile Bypass Facilities?	No	Not applicable	No/No
Reservoir Information			
Reservoir Common Name	Upper Klamath Lake	Keno Reservoir	No reservoir/ no reservoir
Distance to Upstream Dam (miles)	---	24.0	Not applicable/ not applicable
Reservoir Length (miles)	---	22.5	Run of river/ run of river
Maximum Surface Area (acres) ^b	90,000	2,475	Run of river/ run of river
Normal Maximum Depth (ft) from Normal Maximum Surface Elevation	Data not available	19.5	Unknown/5 ft

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PacifiCorp

Klamath Hydroelectric Project

FERC No. 2082

Table M2.1-1. Key data regarding the Klamath Hydroelectric Project developments.

Item	Link River Dam	Keno Development	Fall Creek Development/ Spring Creek Diversion
Maximum Depth Elevations (ft msl) from 2001-2002 Study ^c	---	4,065.5	No reservoir/ no reservoir
Normal Maximum Operating Surface Elevation (ft msl)	4,143.3	4,085.0	3,250.5/100.2 (local datum)
Normal Minimum Operating Surface Elevation (ft msl)	4137.0	Data not available	3250.5/100 (local datum)
Normal Annual Operating Fluctuation (ft)	6.3	0.5	0/1
Total Storage Capacity (ac-ft) ^d	629,780	18,500	No reservoir/ no reservoir
Current (2001-2002) Estimate of Gross Storage Capacity	NA	NA	No reservoir/ no reservoir
Active Storage Capacity (ac-ft)	515,615 ^e	495	0/0
Average Flow (cfs) ^f	1,428	1,624	40/165
Retention Time (days)			
At Average Flow	185	6	<1 hour/ <1 hour
At 710 cfs	372	13	<1 hour/ <1 hour
At 1,500 cfs	176	6	<1 hour/ <1 hour
At 3,000 cfs	88	3	<1 hour/ <1 hour
At 10,000 cfs (extreme event)	26	1	<1 hour/ <1 hour
Power Generation Features			
Fish Screens	East Side: None West Side: None	Not applicable	None/ none
Trash Racks	East Side: at entrance of wood-stave flow line; 28 x 28 ft with 2 3/4-inch spacing West Side: before canal headgates, 16 x 5 ft with 2.75-inch spacing; before penstock, 12 x 18 ft with 2-inch spacing	Not applicable	At entrance to penstock, 17.5 x 10.7 ft with 3-inch bar spacing/ none

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PacifiCorp
Klamath Hydroelectric Project
FERC No. 2082

Table M2.1-1. Key data regarding the Klamath Hydroelectric Project developments.

Item	Link River Dam	Keno Development	Fall Creek Development/ Spring Creek Diversion
Diversion to Powerhouse	East Side: 1,729 ft wood-stave flow line; 1,362 ft steel flow line; surge tank West Side: 5,575 ft earthen canal; 140 ft steel penstock	Not applicable	4,560-ft waterway to 42-inch (reducing to 30-inch) diameter penstock/ 6,850-ft waterway to Fall Creek
Number of Turbines	East Side: 1 West Side: 1	None	3/0
Turbine Type	East Side: Vertical Francis West Side: Horizontal Francis	None	Pelton/ not applicable
Turbine Generator Nameplate Capacity (MW)	East Side: 3.2 West Side: 0.6	None	Fall Creek: Unit 1: 0.5 Unit 2: 0.45 Unit 3: 1.25
Total Nameplate Generating Capacity (MW)	3.8	None	Fall Creek: 2.2
Gross Head (ft) at Powerhouse	East Side: 47 West Side: 48	None	Fall Creek: 730
Total Turbine Hydraulic Capacity (cfs)	East Side Rated: 1,200 Min: 200 West Side: 250	None	Fall Creek: Rated: 60 Max: 30 Min: 2
Powerhouse Construction	East Side: reinforced concrete structure West Side: reinforced concrete and wood structure	None	Reinforced concrete substructure with steel superstructure enclosed by metal siding/ not applicable
Transmission Lines			
Line Designation	56-8	None	3 (two sections)/ not applicable
Length (mi)	0.36	None	1.65 total/ not applicable
Voltage (kV)	69	None	Both 69/ not applicable
Interconnections	Plant to tap on line 18	None	Plant to tap point on line 18 (very short), Plant to Copco No. 1 switchyard/ not applicable

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED
PacifiCorp
Klamath Hydroelectric Project
FERC No. 2082

Table M2.1-1. Key data regarding the Klamath Hydroelectric Project developments.

Item	Link River Dam	Keno Development	Fall Creek Development/ Spring Creek Diversion
------	----------------	------------------	---

- ^a The spillway crest at Link River dam is adjustable with stop logs; normal full pool elevation is shown.
- ^b Pool elevations for these values are unknown.
- ^c Data from the Final Bathymetry and Sediment Classification of the Klamath Hydropower Project Impoundments, J.M. Eilers and C.P. Gubala of JC Headwaters, Inc. prepared for PacifiCorp, April 2003.
- ^d Total storage capacity is at normal full pool.
- ^e Upper Klamath Lake active storage capacity taken from Biological Opinions on the Effects of Proposed Klamath Project Operations from May 31, 2013, through March 31, 2023, on Five Federally Listed Threatened and Endangered Species. National Marine Fisheries Service and U.S. Fish and Wildlife Service, May 2013.
- ^f Data for Keno is from USGS Gage 11509500. All other data are average daily turbine flows plus spill flows for 1994 through 1997 provided by PacifiCorp.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

PacifiCorp
Klamath Hydroelectric Project
FERC No. 2082

M2.2 FERC PROJECT BOUNDARY

The FERC Project boundary is depicted in Figure M2.1-1 of this Exhibit M. The FERC Project boundary encloses those lands necessary for operation and maintenance of Project facilities.

PacifiCorp owns and manages approximately 16.3 percent of the existing FERC Project boundary area, including the land containing most of the Project powerhouses, portions of the transmission lines, conduits, canals, and dam facilities, and land underlying the Project reservoirs, and tributary streams. Approximately 3.2 percent of the Project boundary area is federally owned, 72.7 percent state owned (river beds of the Klamath River and Lake Ewauna in Oregon), and 7.6 percent privately owned. Although not within the Project boundary, the Spring Creek diversion dam and ditch are located on BLM land.

Contemporary land use in the Project area and adjacent properties includes hydroelectric generation, livestock grazing, recreation, and timberlands.

M2.3 LANDS OF THE UNITED STATES

The lands of the United States enclosed by the Project boundary are listed in Table M2.3-1 with township/range/section descriptions and total areas in acres. Acreages were calculated using geographical information system (GIS) ArcInfo® software. It should be noted that the parcel and FERC boundary GIS data used to calculate ownership acreages are not survey accurate and some discrepancies may exist. There are no Project transmission lines on lands of the United States.

Table M2.3-1. Lands of the United States.

Meridian	Township/Range/ Section	Owner	Area (acres)	Development
Willamette	39S/07E/36	USBR	82.0	Keno
Total			82.0	All

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**M3.0 EAST SIDE AND WEST SIDE DEVELOPMENTS****M3.1 INTRODUCTION**

The existing Project includes the East Side and West Side developments as described below.

M3.2 OVERVIEW

Link River dam marks the upstream boundary of the current Klamath Hydroelectric Project at RM 254.3. The dam is owned by the U.S. Bureau of Reclamation (USBR). PacifiCorp operates and maintains the dam at USBR's direction to meet, in order of priority: (1) Endangered Species Act (ESA) requirements; (2) Tribal Trust requirements; (3) irrigation needs; and (4) hydroelectric purposes. Because the dam and its reservoir (Upper Klamath Lake) are not Project facilities, they are described only generally in this exhibit.

Link River dam is the point of water diversion for the East Side and West Side Developments, which are owned and operated by PacifiCorp. The dam has a vertical slot fish ladder that was constructed in 2005 and specifically designed to allow suckers to migrate from below Link River dam upstream to Upper Klamath Lake. USBR owns the ladder and PacifiCorp currently operates it. The ladder is approximately 105 feet long, contains 33 pools, and rises approximately 13 feet in elevation.

Water for the East Side and West Side powerhouses is diverted via intake gates on the east and west ends of the dam. The gates feed canals and flowlines dedicated to each powerhouse.

Key information about the East Side and West Side powerhouses is summarized in Table M2.1-1.

M3.3 EAST SIDE WATER CONVEYANCE SYSTEM AND POWERHOUSE

PacifiCorp owns and operates the East Side Development including the water conveyance system from the Link River dam to the powerhouse. The facilities consist of 670 feet of single-wall mortar and stone canal below Link River dam; an intake structure; 1,729 feet of 12-foot-diameter, wood-stave flowline; 1,362 feet of 12-foot-diameter, steel flowline; a surge tank; and a powerhouse on the east bank of Link River. There is no turbine bypass valve at the powerhouse. Maximum diversion capacity for the East Side powerhouse is 1,200 cubic feet per second (cfs).

There are no fish screens at either the Link River dam or at the East Side flowline intake. There is no trash rack at the Link River dam diversion. A steel bar trash rack (28 feet by 28 feet with 2.75-inch bar spacing) is in place at the pipeline intake structure.

The powerhouse is a reinforced-concrete structure housing a single vertical Francis turbine with rated discharge of 975 cfs, and a rated capacity of 4,250 horsepower (hp) at 47 feet of net head. The synchronous generator has a rated capacity of 4,000 kilovolt amperes (kVA) at 0.8 power factor (3.2 MW).

Three single-phase, 1,000-kVA, 4,330/66,000-volt (V) transformers at the powerhouse step-up the generator voltage.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED
PacifiCorp
Klamath Hydroelectric Project
FERC No. 2082

M3.4 WEST SIDE WATER CONVEYANCE SYSTEM AND POWERHOUSE

PacifiCorp owns and operates the West Side Development including the water conveyance system from the Link River dam to the powerhouse. The facilities consist of a 5,575-foot-long concrete-lined and unlined canal below Link River dam; a spillway and discharge structure; an intake; 140 feet of 7-foot-diameter steel flowline; and a powerhouse on the west bank of the Link River. There is no turbine bypass valve at the powerhouse. An additional gate structure is incorporated into the canal near the intake at Link River dam. Maximum diversion capacity for the West Side canal is 250 cfs. The ungated overflow spillway is approximately 390 feet upstream from the penstock intake structure. The spillway also contains a small gated release structure to facilitate draining of the canal.

There are no fish screens at the Link River dam diversion or at the flowline intake. Trash racks are located in front of the Link River dam diversion. Each rack is 16 feet high and 5 feet wide and has 2.75-inch bar spacing. A second trash rack is located at the flowline entrance. It is 12 feet high and 18 feet wide, and has 2-inch bar spacing.

The West Side powerhouse is a reinforced concrete and wood structure housing a single, horizontal, pit-type Francis turbine with rated discharge of 250 cfs and a rated capacity of 1,040 hp at a net head of 46 feet. The open frame synchronous generator has a rated capacity of 600 kVA at 1.0 power factor (0.6 MW).

Three single-phase, 500-kVA, 2,300/66,000-V transformers at the powerhouse step-up the generator voltage.

M3.5 TRANSMISSION LINES

From the East Side powerhouse, a 69-kV transmission line, approximately 0.36 mile long (PacifiCorp Line 56-8), crosses over the Klamath River and connects to PacifiCorp's Line 11.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**M4.0 KENO DEVELOPMENT****M4.1 INTRODUCTION**

The existing Project includes the Keno development and information on the Keno development is provided below.

M4.2 OVERVIEW

Keno dam is a reregulating facility owned by PacifiCorp. It is located at approximately RM 233, which is approximately 21 miles downstream of Link River dam. The facility does not include power-generating equipment. For the existing Project, PacifiCorp operates Keno dam under a contract with USBR.

M4.3 DAM

Keno dam is a combination of earth embankment and reinforced-concrete, non-overflow, and spillway sections. The dam crest elevation is El. 4,070 feet msl and is approximately 680 feet long and 10 feet wide (curb to curb across the concrete section). The reinforced-concrete portion of the dam is 680 feet long. The dam height is approximately 25 feet above the excavated foundation. A grout curtain runs the length of the dam axis.

The ogee-type spillway section has a crest elevation of El. 4,070 feet msl and is 265 feet wide and has six 40-foot-wide spill gates. Normal maximum water surface is El. 4,086.5. The spillway apron extends approximately 60 feet downstream from the toe of the spillway ogee section. The estimated spillway capacity is 25,000 cfs at water surface El. 4,080 and with all six gates open.

There is a 24-pool weir and orifice type fish ladder at the Keno dam. This fish ladder gains 19 feet in elevation over a length of approximately 350 feet. Key information about Keno dam is summarized in Table M2.1-1.

M4.4 RESERVOIR

The Keno reservoir has a surface area of 2,475 acres at El. 4,085 feet msl and a total storage capacity of 18,500 acre-feet. Key information about Keno reservoir is summarized in Table M2.1-1.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**M5.0 FALL CREEK DEVELOPMENT****M5.1 OVERVIEW**

The Fall Creek Development is located on Fall Creek, a tributary to the Iron Gate reservoir, approximately 0.4 miles south of the Oregon-California border. Additional diversion facilities are located on Spring Creek. The facilities on Fall Creek consist of a concrete and timber flashboard spillway structure, an earth- and-rock-filled diversion dam, 4,560 feet of earthen and rock-cut power canal, 2,834 feet of steel penstock, and a powerhouse. The purpose of the Fall Creek Development is to generate hydroelectric power.

An associated feature of the Fall Creek development is an earthen diversion dam located on Spring Creek. Spring Creek is a tributary of Jenny Creek, located adjacent and to the west of Fall Creek. When in use, it diverts up to 16.5 cfs from Spring Creek into a tributary of Fall Creek. This flow supplements the flow in Fall Creek at the Fall Creek diversion dam.

M5.2 DAMS**M5.2.1 Fall Creek**

Fall Creek dam is a 5-foot-high, earth-filled embankment with a concrete and timber flashboard spillway structure. The overall crest length is 130 feet with a crest elevation at El. 3,253.4 feet msl and a crest width of 12 feet. The concrete spillway section is 32 feet wide.

At a normal water surface elevation of El. 3,251 feet msl, there is no active storage in the diversion pond. A small hole in one of the spillway stop logs provides 0.5 cfs of instream flow in Fall Creek below the dam.

The 18-foot-long corrugated metal pipe (CMP) culvert power canal headworks includes a manual slide gate. The adjacent gated 36-inch CMP is used to sluice sediment from in front of the headworks.

The 4,560-foot-long earth and rock power canal is 9 feet wide. At the design flow of 50 cfs, the water depth is 3 feet. At the entrance to the penstock is a trash rack that is 17.5 feet long by 10.7 feet wide with 3-inch bar spacing. The 42-inch-diameter penstock (reducing to 30-inch-diameter), approximately 2,834 feet long, drops over the hillside to the powerhouse.

Key information about Fall Creek dam is summarized in Table M2.1-1.

M5.2.2 Spring Creek

The Spring Creek dam is a small earthen embankment approximately 7 feet high and 10 feet wide that spans the entire stream width (approximately 66 feet). Water from Spring Creek is diverted through an earthen canal that discharges to the Fall Creek drainage. The canal includes a 36-inch diameter CMP culvert headworks with manual slide gate. An adjacent 42-inch diameter CMP culvert with manual slide gate and grated inlet is used to bypass flows downstream and to maintain a constant water surface elevation in the reservoir.

Key information about the Spring Creek dam is summarized in Table M2.1-1.

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FERC No. 2082

M5.3 POWERHOUSE

The powerhouse is a reinforced-concrete substructure with a steel superstructure enclosed by corrugated metal siding. It houses three horizontal shaft Pelton turbines. Unit No. 1 has a rated discharge capacity of 14 cfs and a rated output of 1,000 hp at 730 feet of net head. The Unit No. 1 generator is rated 500 kVA at 1.0 power factor (0.5 MW). Unit No. 2 has a rated discharge capacity of 21 cfs and a rated output of 1,500 hp at 730 feet of net head. The Unit No. 2 generator is rated 450 kVA at 1.0 power factor (0.45 MW). Unit No. 3 has a rated discharge capacity of 25 cfs and a rated output of 1,800 hp at 730 feet of net head. The Unit 3 generator is rated 1,250 kVA at 1.0 power factor (1.25 MW). The combined hydraulic capacity of the three turbines is 50 cfs.

There are three single-phase, 833-kVA, 2,300/72,000-V step-up transformers at the powerhouse.

Key information about the Fall Creek powerhouse is summarized in Table M2.1-1.

M5.4 TRANSMISSION LINES

The Fall Creek plant has two associated 69-kV transmission line segments. Line 3 connects the Fall Creek plant to Copco No. 1 switchyard, approximately 1.65 miles to the east. There is also a very short segment of Line 3 that connects the plant to a tap point on Line 18, which runs nearly overhead.

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M6.0 INFORMATION SOURCES

Eilers, J.M. and C.P. Gubala. 2003. Draft Bathymetry and Sediment Classification of the Klamath Hydropower Project Impoundments. Prepared for PacifiCorp by JC Headwaters. March 2003.

National Marine Fisheries Service and U.S. Fish and Wildlife Service. Biological Opinions on the Effects of Proposed Klamath Project Operations from May 31, 2013, through March 31, 2023, on Five Federally Listed Threatened and Endangered Species. NMFS file number: SWR-2012-9372, FWS file number: 08EKLA00-2013-F-0014. May 2013.

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Joint Application for Approval of License Amendment and License Transfer

Attachment C

Exhibit M – Lower Klamath Project Description

(Exhibit A in FERC's current regulations)

Public Version

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EXHIBIT M—PROJECT DESCRIPTION

Lower Klamath Project
(FERC Project No. xxxxx)

PacifiCorp
Portland, Oregon

Version: September 2016

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M1.0 PURPOSE

This current version of the Exhibit M updates previous information on record and generally describes the newly designated Lower Klamath Project facilities and lands, which were formerly part of the Klamath Hydroelectric Project (FERC Project No. 2082).¹ Updates to this Exhibit M will be filed with the Commission as necessary.

¹ This Exhibit M has been prepared to correspond to the requirements of Exhibit A in FERC's current rules, 18 C.F.R. 4.51(b).

M2.0 PROJECT OVERVIEW

M2.1 PROJECT FACILITIES

The Lower Klamath Project area is located on the upper Klamath River in Klamath County (south-central Oregon) and Siskiyou County (north-central California). The nearest principal cities are Klamath Falls, Oregon, located at the northern end of the Project area; Medford, Oregon, 45 miles northwest of the downstream end of the Project; and Yreka, California, 20 miles southwest of the downstream end. Figure M2.1-1 is a map of the Project area.

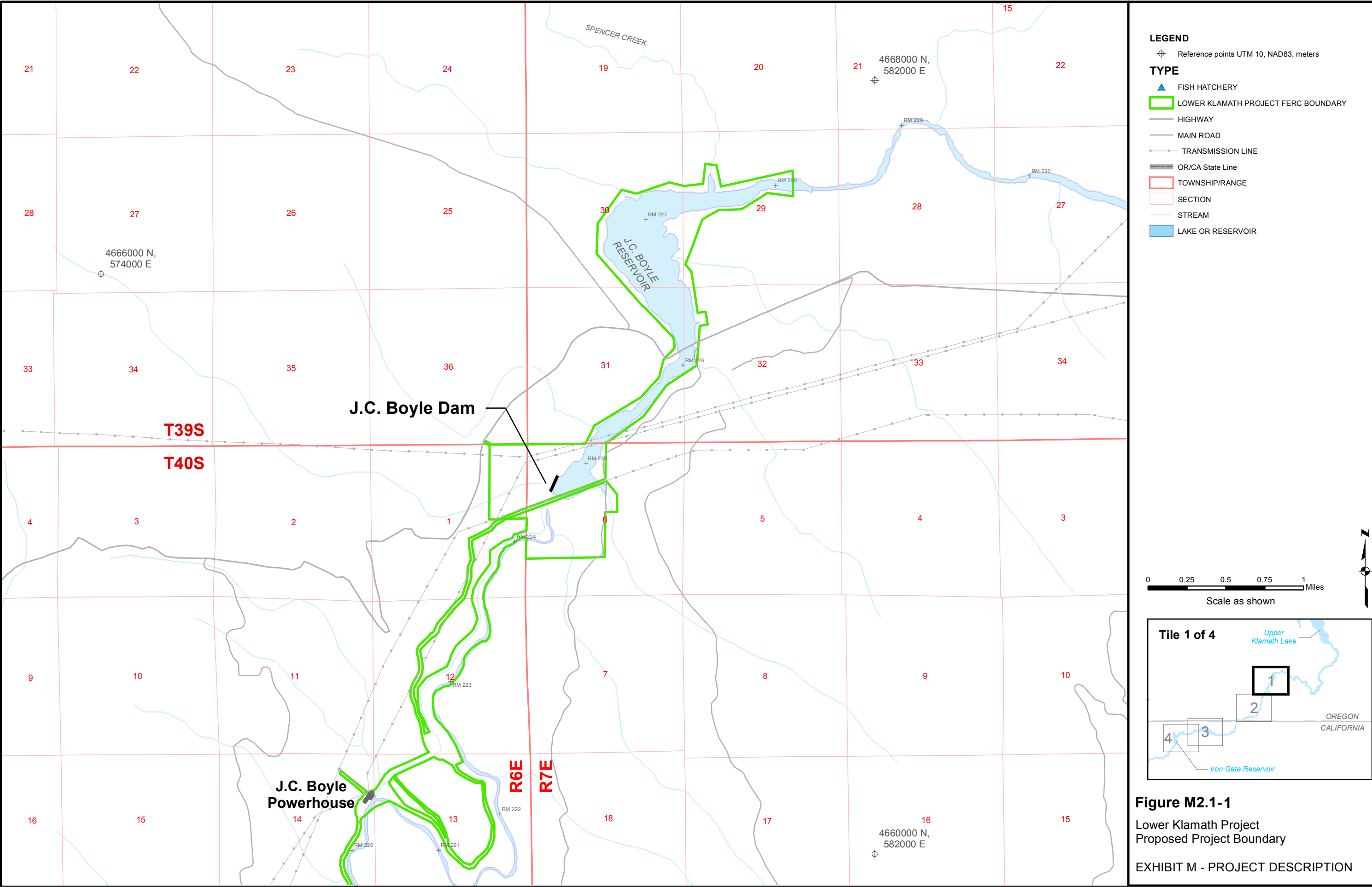
The Lower Klamath Project consists of four developments which are on the Klamath River between river mile (RM) 190 and RM 228. The Lower Klamath Project begins at the J.C. Boyle Development and continues downstream to the Iron Gate Development. The four Lower Klamath Project developments are as follows:

- The J.C. Boyle Development consists of a dam, reservoir, and powerhouse (98 MW), which are located within Oregon. The top of the reservoir is at RM 228.3, the dam is at RM 224.7 and the powerhouse is several miles downstream at RM 220.4.
- The Copco No. 1 Development consists of a dam and power plant located in California at RM 198.6. The Copco No. 1 power plant (20 MW) is located at the base of the dam on the right bank.
- The Copco No. 2 Development is located at RM 198.3 and diverts water to a 5,900-foot-long water conveyance system serving a 27-MW power plant. The Copco No. 2 reservoir above the dam is small and located immediately downstream of the Copco No. 1 dam. Because it has very minimal active storage, the Copco No. 2 powerhouse operates as a “slave” to Copco No. 1.
- The Iron Gate Development consists of a dam, reservoir, and powerhouse (18 MW), and is the farthest downstream (RM 190) development in the Lower Klamath Project. The Iron Gate Development also includes the Iron Gate Fish Hatchery, which was constructed at the same time as the power generation facilities. The development is operated to provide stable river flows in the Klamath River downstream of the Project.

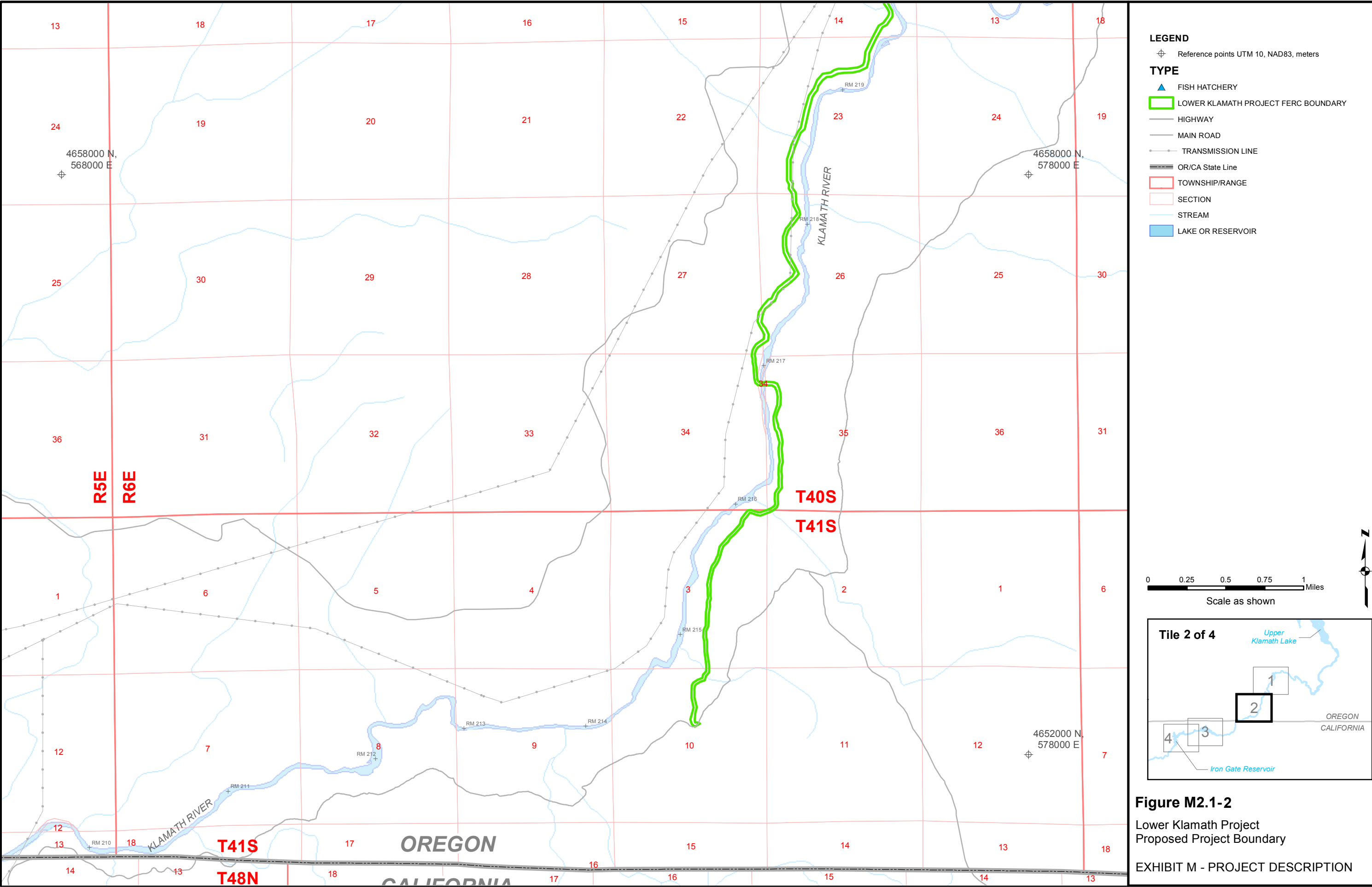
There are five transmission line segments associated with the Lower Klamath Project. These segments are described in subsequent sections of this Exhibit M and their locations are shown in Exhibit K maps. One-line diagrams are provided in Figures M2.1-2 and M2.1-3. The Lower Klamath Project interconnects with the PacifiCorp 230-kV system at PacifiCorp’s J.C. Boyle and Copco No. 2 230-kV substations/switchyards.

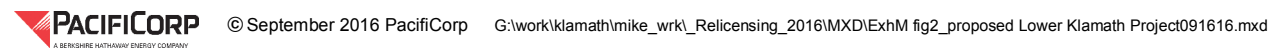
Key information about Project facilities is summarized in Table M2.1-1. Additional information about Project facilities and equipment is provided in the remainder of this exhibit.

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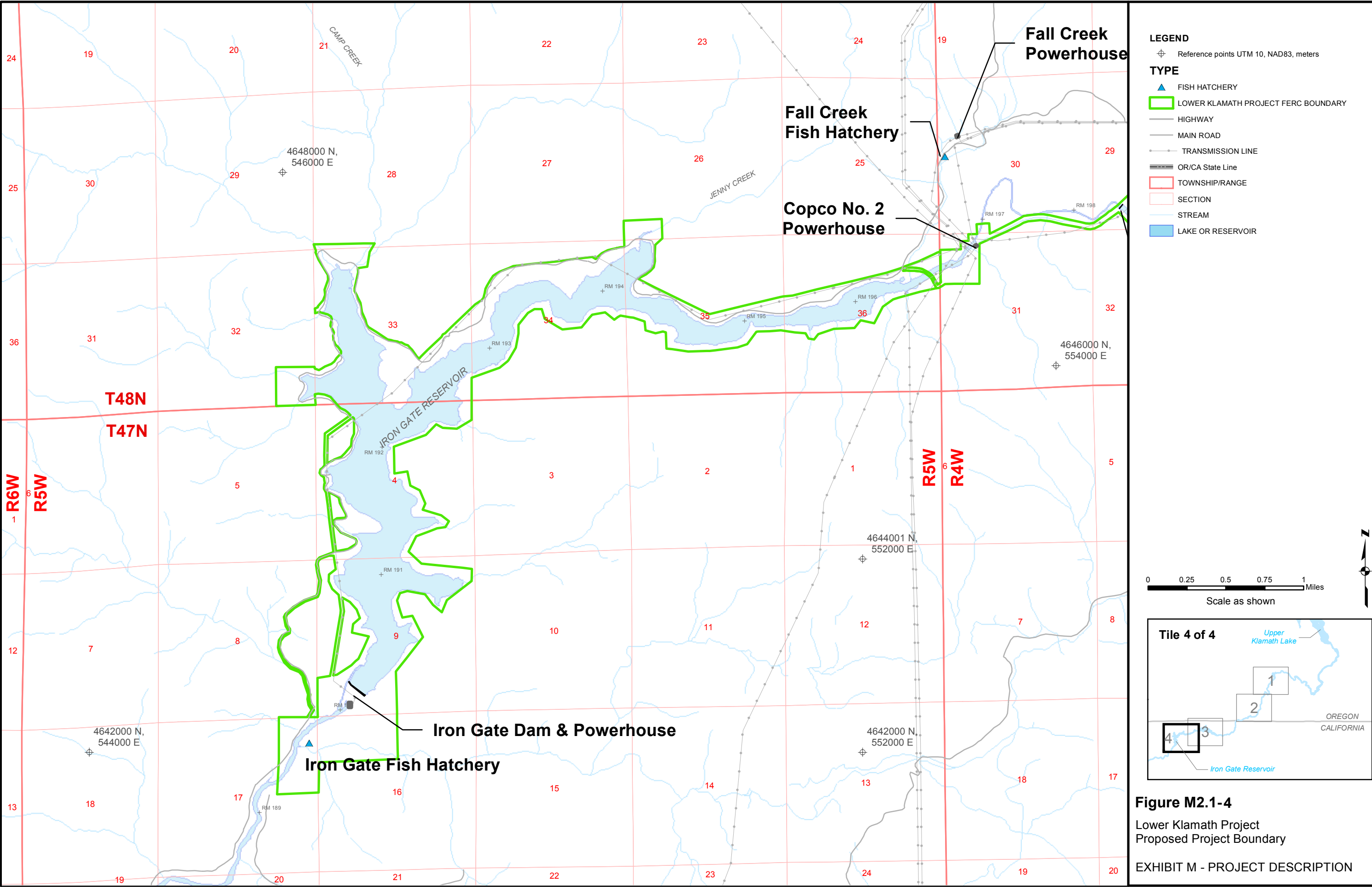


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LEGEND

Reference points UTM 10, NAD83, meters

TYPE

- FISH HATCHERY
- LOWER KLAMATH PROJECT FERC BOUNDARY
- HIGHWAY
- MAIN ROAD
- TRANSMISSION LINE
- OR/CA State Line
- TOWNSHIP/RANGE
- SECTION
- STREAM
- LAKE OR RESERVOIR

0 0.25 0.5 0.75 1 Miles
Scale as shown

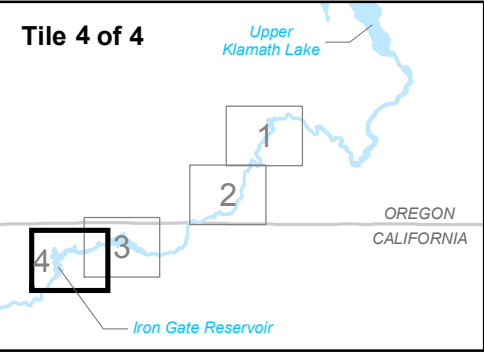


Figure M2.1-4
Lower Klamath Project
Proposed Project Boundary
EXHIBIT M - PROJECT DESCRIPTION

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FERC No. xxxxx

Figure M2.1-2. Transmission network diagram, Oregon/California area.

Transmission network diagrams are considered Critical Energy Infrastructure Information (CEII) and are not contained in this publicly available version of this filing, consistent with Federal Energy Regulatory Commission policies under Order Nos. 702, 630, 630-A, 643, 649 and 683.

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Figure M2.2-3. Transmission network diagram, Oregon/California area.

Transmission network diagrams are considered Critical Energy Infrastructure Information (CEII) and are not contained in this publicly available version of this filing, consistent with Federal Energy Regulatory Commission policies under Order Nos. 702, 630, 630-A, 643, 649 and 683.

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Table M2.1-1. Key data regarding the Lower Klamath Project developments.

Item	J.C. Boyle Development	Copco No. 1 Development	Copco No. 2 Development	Iron Gate Development
General Information				
Owner of the Dam	PacifiCorp	PacifiCorp	PacifiCorp	PacifiCorp
Purpose	Hydropower	Hydropower	Hydropower	Hydropower
Completion Date	1958	1918	1925	1962
Dam Location (river mile)	224.7	198.6	198.3	190.1
Powerhouse Location (river mile)	220.4	198.5	196.8	190.0
Structural Features of the Dams				
Dam Type	Earthfill	Concrete	Concrete	Earthfill
Dam Height (ft)	68	126	33	173
Dam Length (ft)	693	415	278	740
Spillway Length (ft)	115	182	130	685
Number of Spill Gates	3	13	5	0
Spill Gate Type	Tainter	Tainter	Tainter	Ungated
Spillway Crest (ft msl)	3781.5	2593.5	2454.0	2328.0
Spillway Apron (ft msl)	3763.5	2483.0	2452.0	2164.0
Gross Head (ft) at Spillway	18	111	21	164
Spillway Energy Dissipaters?	Yes	Yes	No	Yes
Upstream Fish Passage Ladders?	Yes	No	No	No ^a
Juvenile Bypass Facilities?	Yes	No	No	No
Reservoir Information				
Reservoir Common Name	J.C. Boyle Reservoir	Copco Reservoir	Copco No. 2 Reservoir	Iron Gate Reservoir
Distance to Upstream Dam (miles)	5.6	26.1	0.3	8.2
Reservoir Length (miles)	3.6	4.5	0.3	6.8
Maximum Surface Area (acres) ^b	420	1,000	40	944
Normal Maximum Depth (ft) from Normal Maximum Surface Elevation	41.7	115.5	28	162.6
Maximum Depth Elevations (ft msl) from 2001-2002 Study ^c	3,751.8	2,492.0	---	2,165.4
Normal Maximum Operating Surface Elevation (ft msl)	3,793	2,607.5	2,483.0	2,328.0
Normal Minimum Operating Surface Elevation (ft msl)	3,788	2601.0	Data not available	2,324.0
Normal Annual Operating Fluctuation (ft)	5	6.5	Data not available	4.0
Total Storage Capacity (ac-ft) ^d	3,495	46,867	73	58,794

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FERC No. xxxxx

Table M2.1-1. Key data regarding the Lower Klamath Project developments.

Item	J.C. Boyle Development	Copco No. 1 Development	Copco No. 2 Development	Iron Gate Development
Current (2001-2002) Estimate of Gross Storage Capacity ^d	NA	33,724	NA	50,941
Active Storage Capacity (ac-ft)	1,724	6,235	Negligible	3,790
Retention Time (days)				
Average Flow (cfs) ^e	1,511	1,885	1,885	1,852
At Average Flow	1.2	12	0.020	16
At 710 cfs	2.5	32	0.052	42
At 1,500 cfs	1.2	15	0.025	20
At 3,000 cfs	0.6	8	0.012	10
At 10,000 cfs (extreme event)	0.2	2	0.004	3
Power Generation Features				
Fish Screens	Yes; four Rex traveling band screens	None	None	None
Trash Racks	At intake to power canal 4 vertical traveling screens (0.25-mesh). Before tunnel and penstocks, 60 x 17.9 ft with 2-inch bar spacing.	Two 44 x 12.5 ft with 3-inch bar spacing	36.5 x 48 ft with 2-inch bar spacing	At penstock entrance, 17.5 x 45 ft with 4-inch bar spacing
Diversion to Powerhouse	Gated intake to 638-ft steel flow line; 2-mile concrete canal; small forebay; 2 steel penstocks	Three penstocks at the dam	Wood-stave flow line and rock tunnel to two steel penstocks	Gated intake tower to penstock at dam
Number of Turbines	2	2	2	1
Turbine Type	Vertical Francis	Horizontal Francis	Vertical Francis	Vertical Francis
Turbine Generator Nameplate Capacity (MW)	Unit 1: 50 Unit 2: 48	Unit 1: 10 Unit 2: 10	Unit 1: 13.5 Unit 2: 13.5	18
Total Nameplate Generating Capacity (MW)	98	20	27	18
Gross Head (ft) at Powerhouse	463	123	152	158
Total Turbine Hydraulic Capacity (cfs)	Rated: 2,850 Max: 3,000 Min: Unit 1: 344 Unit 2: 407	Rated: 3,200 Max: 3,560 Min: Unit 1: 241 Unit 2: 467	Rated: 3,200 Max: 3,250 Min: 258	Rated: 1,550 Max: 1,735 Min: 296

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Lower Klamath Project

FERC No. xxxxx

Table M2.1-1. Key data regarding the Lower Klamath Project developments.

Item	J.C. Boyle Development	Copco No. 1 Development	Copco No. 2 Development	Iron Gate Development
Powerhouse Construction	Reinforced concrete structure	Reinforced concrete substructure with a concrete and steel superstructure	Reinforced concrete structure	Reinforced concrete structure
Transmission Lines				
Line Designation	98	15, 26-1, 26-2	19	62
Length (mi)	0.24	1.29, 0.07, 0.07	0.14	6.55
Voltage (kV)	230, 69	69, 69, 69	115	69
Interconnections	This 69 kV line tap is not currently energized. Generation output from JC Boyle plant is delivered to JC Boyle 230 kV substation.	Line 15 from Copco No. 1 switchyard to Copco No. 2 plant, line 26-1 from Copco No. 1 plant to switchyard, line 26-2 from Copco No. 1 plant to switchyard	Copco No. 2 plant to Copco No.2 switch yard	Plant to Copco No. 2

^a Two fish ladders serve the Iron Gate fish hatchery, but do not allow passage past the dam.^b Pool elevations for these values are unknown.^c Data from the Final Bathymetry and Sediment Classification of the Klamath Hydropower Project Impoundments, J.M. Eilers and C.P. Gubala of JC Headwaters, Inc. prepared for PacifiCorp, April 2003.^d Total storage capacity is at normal full pool.^e Data are average daily turbine flows plus spill flows for 1994 through 1997 provided by PacifiCorp.

M2.2 FERC PROJECT BOUNDARY

The FERC Project boundary is depicted in Figure M2.1-1 of this Exhibit M. The FERC Project boundary encloses those lands necessary for operation and maintenance of Project facilities.

PacifiCorp, the current licensee of the Lower Klamath Project, owns and manages approximately 86.5 percent of the FERC Project boundary area, including the land containing most of the Project powerhouses, portions of the transmission lines, conduits, canals, and dam facilities, and land underlying the Project reservoirs, Klamath River, and tributary streams. Approximately 9.7 percent of the Project boundary area is federally owned, 3.1 percent is owned by the State of Oregon (original bed of the Klamath River in J.C. Boyle reservoir) and there is a small amount of private ownership. Portions of the J.C. Boyle canal and the entire powerhouse are located on BLM land.

Contemporary land use in the Project area and adjacent properties includes hydroelectric generation, livestock grazing, recreation, and timberlands.

M2.3 LANDS OF THE UNITED STATES

The lands of the United States enclosed by the Project boundary are listed in Table M2.3-1 with township/range/section descriptions and total areas in acres. Acreages were calculated using geographical information system (GIS) ArcInfo® software. It should be noted that the parcel and FERC boundary GIS data used to calculate ownership acreages are not survey accurate and some discrepancies may exist.

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Lower Klamath Project

FERC No. xxxxx

Table M2.3-1. Lands of the United States.

Meridian	Township/Range/ Section	Owner	Area (acres)	Project
Willamette	40S /6E/1	BLM	27.52	J.C. Boyle
Willamette	40S/6E/12	BLM	78.08	J.C. Boyle
Willamette	40S/6E/13	BLM	51.42	J.C. Boyle
Willamette	40S/6E/14	BLM	21.93	J.C. Boyle
Willamette	40S/6E/23	BLM	21.19	J.C. Boyle
Willamette	40S/6E/26	BLM	15.21	J.C. Boyle
Willamette	40S/6E/27	BLM	3.27	J.C. Boyle
Willamette	40S/6E/34	BLM	2.56	J.C. Boyle
Willamette	40S/6E/35	BLM	12.18	J.C. Boyle
Willamette	40S/7E/6	BLM	14.58	J.C. Boyle
Willamette	41S/6E/2	BLM	0.31	J.C. Boyle
Willamette	41S/6E/3	BLM	8.25	J.C. Boyle
Willamette	41S/6E/10	BLM	5.65	J.C. Boyle
Total			262.14	J.C. Boyle
Mt. Diablo	47N/5W/4	BLM	47.42	Iron Gate
Mt. Diablo	47N/5W/8	BLM	8.07	Iron Gate
Mt. Diablo	48N/5W/34	BLM	77.46	Iron Gate
Total			132.95	Iron Gate
Totals			395.09	All

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**M3.0 J.C. BOYLE DEVELOPMENT****M3.1 OVERVIEW**

The J.C. Boyle Development consists of a reservoir, a combination embankment and concrete dam, a water conveyance system, and a powerhouse on the Klamath River between about RM 228 and RM 220. The J.C. Boyle Development is downstream of the Keno dam and upstream of the Copco No. 1 dam. The purpose of the J.C. Boyle facility is to generate hydroelectric power.

M3.2 DAM

The embankment dam is a 68-foot-tall (at its maximum height above the original streambed) earthfill structure with a 15-foot side crest and a length of 413.5 feet at El. 3,800.0 feet msl. The concrete portion of the dam is 279 feet long and is composed of a spillway section, an intake structure, and a 115-foot-long gravity section of 23 feet maximum height between the intake block and the left abutment.

The spillway is a concrete gravity ogee overflow section with three 36-foot-wide by 12-foot-high radial gates. The spillway crest is at El. 3,781.5 feet msl and normal pool is 0.5 feet below the top of the gates (El. 3,793.5). The spillway bay discharges onto a 13-foot-long concrete apron stepped at three elevations generally following the profile of the bedrock surface. Below the apron is a vertical drop of 15 feet maximum height to the discharge channel, which was excavated in rock. The discharge channel is generally unlined. The estimated spillway capacity at water surface El. 3,793 feet msl with all three gates open is 14,850 cfs.

The intake structure is located to the immediate left of the spillway and consists of a 40-foot-high reinforced concrete tower. It has four 11-foot, 2-inch-wide openings to the reservoir, each of which has a steel trash rack followed by a vertical traveling screen (0.25-inch mesh) with high-pressure spray cleaners. Spray along with any screened fish are collected and diverted downstream of the dam. A fabricated metal building was added to the intake structure in 1989.

Behind the intake traveling screens is an entrance to the 14-foot-diameter steel flowline, the downstream end of which is equipped with a 14-foot by 14-foot automated fixed wheel gate. A bulkhead gate is also provided at the upstream end of the 14-foot flowline.

A 24-inch fish screen bypass pipe provides approximately 20 cfs of instream flow below the dam. An 24-inch instream flow augmentation pipe provides water from the steel flowline to supplement instream flow releases that are primarily comprised of flows from the fish ladder, fish screen bypass, and spill gate leakage at the dam.

A pool and weir fishway approximately 569 feet long with 63 pools is located at the dam for upstream fish passage. The fishway operates over a gross head range of approximately 55 to 60 feet.

The water conveyance infrastructure between the dam and the powerhouse has a total length of 2.56 miles. From the intake structure, the water flows through a 638-foot long, 14-foot-diameter, steel flowline. The flowline is supported on steel frames where it spans the Klamath River and discharges into an open power canal. The power canal is 2 miles long along a bench cut in the

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Lower Klamath Project

FERC No. xxxxx

face of the river canyon. Depending on the terrain, the canal is either a double- or single-walled concrete flume. The power canal is provided with overflow structures at the upstream and downstream ends and terminates in a forebay. The forebay overflow section is equipped with float-operated gates, which release water during the hydraulic surge from the canal following any load rejection at the powerhouse. The released water discharges through a short, concrete-lined chute and returns to the bypass reach.

Water for power generation is drawn from the forebay through a 60-foot-wide and 17.9-foot-high trash rack with 2-inch bar spacing before entering a 15.5-foot-diameter, concrete-lined, horseshoe-section tunnel, which is 1,660 feet long. The last 57-foot length of the tunnel before the downstream portal is steel lined with the liner bifurcating into two 10.5-foot-diameter steel penstocks. The bifurcation is encased in a concrete anchor block, and a steel surge tank is mounted on the thrust block. Descending to the powerhouse, the penstocks reduce in two steps to 9 feet in diameter. Each penstock is 956 feet in length and is supported by ring girders seated on concrete footings.

Key information about J.C. Boyle dam is summarized in Table M2.1-1.

M3.3 RESERVOIR

The J.C. Boyle dam impounds a narrow reservoir of 420 surface acres (J.C. Boyle reservoir). The normal maximum and minimum operating levels are between El. 3,793 feet and El. 3,788 feet msl, a range of 5 feet. The reservoir contains approximately 3,495 acre-feet of total storage capacity and 1,724 acre-feet of active storage capacity.

Key information regarding J.C. Boyle reservoir is summarized in Table M2.1-1.

M3.4 POWERHOUSE

The conventional outdoor-type reinforced concrete powerhouse is located approximately 4.3 river miles downstream of the dam on the right bank of the river.

There are two vertical-Francis turbines. Both have a rated discharge of 1,425 cfs. Unit 1 turbine is rated 75,700 hp at 440 feet of net head. Unit 2 turbine is rated 63,873 hp at 435 feet of net head. Unit 1 generator is rated at 53,000 kVA at 0.95 power factor (50.35 MW). Unit 2 generator is rated at 51,000 kVA at 0.95 power factor (48.45 MW). Key information about J.C. Boyle powerhouse is summarized in Table M2.1-1.

Two three-phase transformers (Unit 1 46,000 -kVA, 11,000/236,000-V and Unit 2 42,300-kVA, 11,000/236,000-V) step up the generator voltage for transmission interconnection.

M3.5 TRANSMISSION LINES

The power from the powerhouse is transmitted a very short distance to the J.C. Boyle substation. From there the plant is connected to the Klamath Falls substation via the 230 kV JC Boyle to Klamath Falls line. There is also a second line that pre-dates the substation. This 0.24-mile 69-kV transmission line (PacifiCorp line 98) connects the plant to a tap point on PacifiCorp's Line 18. This line is not currently energized.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**M4.0 COPCO NO. 1 DEVELOPMENT****M4.1 OVERVIEW**

The Copco No. 1 Development consists of a reservoir, dam, spillway, intake, and outlet works and powerhouse located on the Klamath River between approximately RM 204 and RM 198 near the Oregon-California border. Copco No. 1 is downstream of the J.C. Boyle dam and upstream of Copco No. 2 dam. The purpose of the facility is to generate hydroelectric power.

M4.2 DAM

The Copco No. 1 dam is a concrete gravity arch structure with a 462-foot radius at the crest. As originally designed, the spillway crest was approximately 115 feet above the original river bed. After construction began, the river gravel was found to be over 100 feet deep at the dam site; this material was excavated and then backfilled with concrete, making the total height of the dam 230 feet, measured from the lowest depth of excavation to the spillway crest, and 250 feet to the top of the spillway deck.

The crest length between the rock abutments is approximately 410 feet. The upstream face of the dam is vertical at the top, then battered at 1 horizontal to 15 vertical. The downstream face is stepped, with risers generally about 6.0 feet in height.

The ogee-type spillway is located on the crest of the dam. It is divided into 13 bays controlled by 14-foot by 14-foot Tainter gates. The spillway crest is located at El. 2,593.5 feet msl. The normal operating reservoir water level is 1.5 feet below the top of the gates at El. 2,606.0 feet msl. The estimated spillway capacity at water surface El. 2,607.5 feet msl with all 13 gates open is 36,764 cfs.

Two intake structures are located at approximately invert El. 2,575.0 feet msl in the dam near the right abutment. The left intake houses four vertical lift gates. Two 10-foot-diameter (reducing to 8-foot-diameter) steel penstocks feed Unit No. 1 in the powerhouse. The right intake houses four vertical-lift gates. A single, 14-foot-diameter (reducing to two 8-foot-diameter) steel penstock feeds Unit No. 2. Facilities exist at the intake for future expansion of the powerhouse, but there are no plans to expand the Project capacity. There are two side-by-side trash racks, which measure 44 feet wide, 12.5 feet high, and have bar spacings of 3 inches, in front of each intake.

The low-level sluice outlet has been abandoned.

Key information about Copco No. 1 dam is summarized in Table M2.1-1.

M4.3 RESERVOIR

The Copco No. 1 reservoir is approximately 1,000 acres in extent and contains approximately 15,200 acre-feet of total storage capacity at elevation 2,607.5 and approximately 6,235 acre-feet of active storage capacity. The normal maximum and minimum operating levels are between El. 2,607.5 and El. 2,601.0 feet, respectively, a range of 6.5 feet. Key information about Copco No. 1 reservoir is summarized in Table M2.1-1.

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M4.4 POWERHOUSE

The Copco No. 1 powerhouse is a reinforced-concrete substructure with a concrete and steel superstructure enclosed by metal siding located at the base of Copco No. 1 dam on the right bank. The two turbines are double-runner, horizontal-Francis units, each with a rated discharge of 1,180 cfs. Unit 1 turbine is rated at 21,759 hp at a net head of 125 feet. Unit 2 turbine is rated at 18,600 hp at a net head of 125 feet. The generators are rated at 12,500 kVA at 0.8 power factor (10 MW). There are no turbine bypass valves.

Unit 1 has three single-phase, 5,000-kVA, 2,300/72,000-V transformers to step-up the generator voltage for transmission interconnection. Unit 2 has three single-phase, 4,165-kVA, 2,300/72,000-V transformers to step up the generator voltage for transmission interconnection.

Key information about the Copco No. 1 powerhouse is summarized in Table M2.1-1.

M4.5 TRANSMISSION LINES

Copco No. 1 plant has four associated 69-kV transmission lines. PacifiCorp Line 15 connects the Copco No. 1 switchyard to Copco No. 2, approximately 1.29 miles to the west. PacifiCorp line 3 approximately 1.66 miles in length connect Copco No 1 switchyard to a tap on the 69 kV line from Fall Creek plant. PacifiCorp lines 26-1 and 26-2, each approximately 0.07 mile in length, connect Copco No. 1 powerhouse to the Copco No. 1 switchyard.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**M5.0 COPCO NO. 2 DEVELOPMENT****M5.1 OVERVIEW**

The Copco No. 2 Development consists of a diversion dam, small impoundment, a water conveyance system, and a powerhouse. The dam is located approximately $\frac{1}{4}$ mile downstream of Copco No. 1 dam at RM 198.3. The purpose of the Copco No. 2 facilities is to generate hydroelectric power.

M5.2 DAM

The Copco No. 2 dam is a concrete gravity structure with an intake to the flowline on the left abutment and a 145-foot-long spillway section with five Tainter gates. The dam is 33 feet high, has an overall crest length of 335 feet and a crest width of 9 feet. The crest elevation is El. 2,493 feet msl. The dam has a 132-foot-long earthen embankment with a gunite cutoff wall. The dam has a manual gate controlling a sluiceway adjacent to the intake. A corrugated metal flume provides approximately 5 cfs of instream flow in the bypass reach. The concrete gravity spillway section crest elevation is 2,473 feet msl. The estimated spillway capacity at water surface El. 2,483 feet msl is 13,060 cfs with the five gates open.

The intake structure incorporates trash racks and a roller-mounted (caterpillar) bulkhead gate. The trash rack is 36.5 feet by 48 feet and has 2-inch bar spacing.

The flow line to the powerhouse consists of portions of 2,440 feet of concrete-lined tunnel, 1,313 feet of wood-stave pipeline, an additional 1,110 feet of concrete-lined tunnel, a surge tank, and two steel penstocks. The diameter of the tunnel and wood stave pipeline sections is a constant 16 feet. The two penstocks, one 405.5 feet long and one 410.6 feet long, range from 16 feet in diameter at the inlet to 8 feet in diameter at the turbine spiral cases.

Key information about Copco No. 2 dam is summarized in Table M2.1-1.

M5.3 RESERVOIR

The reservoir created by the Copco No. 2 dam is approximately 1/4-mile long and has a storage capacity of 73 acre-feet. At the normal water surface elevation of El. 2483 feet msl, there is very minimal active storage. El. 2,483 feet msl is both the maximum and minimum normal water surface. As a result, Copco No. 2 generation tracks Copco No. 1 generation.

Key information about Copco No. 2 reservoir is summarized in Table M2.1-1.

M5.4 POWERHOUSE

The powerhouse is a reinforced concrete structure that houses two vertical-Francis turbines. Each turbine has a rated discharge of 1,338 cfs. Unit 1 turbine is rated at 26,285 hp at 145 feet of net head and Unit 2 is rated at 20,000 hp at 140 feet of net head. The synchronous generators are rated 15,000 kVA at 0.9 power factor (13.5 MW).

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There is one three-phase, 35-megavolt ampere (MVA), 6,600/115,000-V transformer for each generator to step up the voltage for transmission interconnection.

Key information about Copco No. 2 powerhouse is summarized in Table M2.1-1.

M5.5 TRANSMISSION LINES

A 115-kV transmission line (PacifiCorp Line 19) connects Copco No. 2 plant to Copco No. 2 switchyard approximately 0.14 miles to the northwest. The 69-kV bus at the Copco No. 2 powerhouse switchyard includes two 69-kV transmission lines to the PacifiCorp transmission system, a 69-kV transmission line (PacifiCorp Line 15) to the Copco No. 1 switchyard approximately 1.29 miles to the east, and a 69-kV transmission line (PacifiCorp Line 62) to the Iron Gate plant approximately 6.55 miles to the southwest.

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED**M6.0 IRON GATE DEVELOPMENT****M6.1 OVERVIEW**

The Iron Gate Development consists of a reservoir, an earth embankment dam, an ungated side-channel spillway, intakes for the diversion tunnel and penstock, a steel penstock from the dam to the powerhouse, and the powerhouse. It is located on the Klamath River between approximately RM 196.8 and RM 190, approximately 20 miles northeast of Yreka, California. It is the farthest downstream hydroelectric facility of the Lower Klamath Project. The purpose of the Iron Gate facilities is to generate hydroelectric power.

M6.2 DAM

Iron Gate dam is a zoned earthfill embankment. The dam has a height of 189 feet from the rock foundation to the dam crest at El. 2,343.0 feet msl. The crest is 20 feet wide and approximately 740 feet long. It has a central, vertical-asymmetrical clay core. The dam is founded on a sound basalt rock foundation. There is a grout curtain in the bedrock beneath the impervious core.

There are fish trapping and holding facilities located on the random fill area at the dam toe. The top of the random fill area is at El. 2,189.0 feet msl. High- (El. 2,310.0 feet msl) and low-level (El. 2,250 feet msl) intakes for the fish facility water are incorporated into the dam.

In 2003, modifications were made to Iron Gate Dam to raise the dam crest elevation from El. 2343 feet msl to El. 2348 feet msl. The modifications included construction of a concrete wall extension along the dam crest, anchored into the existing dam structure. Additional riprap materials were placed on the upstream face of the dam to protect those areas inundated by the higher reservoir elevations. This work included shotcrete protection at the top of the spillway and spillway chute.

The spillway is excavated in rock at the right dam abutment. It is an ungated chute spillway with a side channel entrance. The spillway crest is at El. 2,328.0 feet msl, 15 feet below the dam crest. The spillway crest is 727 feet long and consists of a concrete ogee and slab placed over the excavated rock ridge. The upper part of the channel is partly lined with concrete. At the end of the chute, a flip-bucket terminal structure is located approximately 2,150 feet downstream of the toe of the dam. Key information about Iron Gate dam is summarized in Table M2.1-1.

The diversion tunnel used during construction was driven through bedrock in the right abutment and is still in place. The tunnel terminates in a reinforced concrete outlet structure at the downstream toe of the dam. Control of the flow in the tunnel is provided by a slide gate approximately 112 feet upstream of the dam axis. The gate is housed in a reinforced concrete tower accessible by bridge from the dam crest. The intake is a reinforced concrete structure equipped with trash racks and is submerged on the floor of the reservoir approximately 380 feet upstream from the dam axis. Operation of the gate controlling flow through the tunnel is limited to emergency use during high flow events. If needed for such purposes, the tunnel can pass up to approximately 5,000 cfs.

The intake structure for the powerhouse is a 45-foot-high, free-standing, reinforced-concrete tower, located in the reservoir immediately upstream of the left dam abutment. It is accessed by a

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foot bridge from the abutment. It houses a 14-foot by 17-foot slide gate, which controls the flow into a 12-foot-diameter, welded-steel penstock. The penstock is concrete-encased where it penetrates the dam approximately 35 feet below the normal maximum reservoir level. The penstock is supported on concrete supports down the dam abutment. There is a trash rack at the penstock entrance, which is 17.5 feet by 45 feet with 4-inch bar spacing.

M6.3 RESERVOIR

The reservoir formed upstream of the Iron Gate dam is approximately 944 surface acres and contains approximately 58,794 acre-feet of total storage capacity (at El. 2,328.0 feet msl) and 3,790 acre-feet of active storage capacity. The normal maximum and minimum operating levels are between El. 2,328.0 feet msl and El. 2,324.0 feet msl, respectively, a range of 4 feet.

Key information about Iron Gate reservoir is summarized in Table M2.1-1.

M6.4 POWERHOUSE

The powerhouse is located at the base of the dam on the left bank.

The Iron Gate powerhouse consists of a single vertical Francis turbine. The turbine has a rated discharge capacity 1,735 cfs, with a rated output of 25,000 at a rated net head of 154 feet. The synchronous generator is rated 18,947 kVA at 0.95 power factor (18 MW). In the event of a turbine shutdown, a synchronized Howell-Bunger bypass valve located immediately upstream of the turbine diverts water around the turbine to maintain flows downstream of the dam.

There is a single three-phase, 18,947-kVA, 6,600/69,000-V step-up transformer at the powerhouse to interconnect the PacifiCorp transmission system.

Key information about Iron Gate powerhouse is summarized in Table M2.1-1.

M6.5 TRANSMISSION LINES

Iron Gate plant has one associated 69-kV transmission line. Line 62 runs along the north side of Iron Gate reservoir for approximately 6.55 miles, to the Copco No. 2 switchyard.

M6.6 IRON GATE FISH HATCHERY

The Iron Gate fish hatchery was constructed in 1966 and is located downstream of Iron Gate dam, adjacent to the Bogus Creek tributary. The hatchery complex includes an office, incubator building, rearing ponds, fish ladder with trap, visitor information center, and employee residences. Up to 50 cfs is diverted from the Iron Gate reservoir to supply the 32 raceways and fish ladder.

The hatchery produces Chinook salmon, steelhead trout, and coho salmon. Annual production goals are 6 million Chinook, 200,000 steelhead, and 75,000 coho. The hatchery is operated by the California Department of Fish and Wildlife. Per the license, eighty percent of operations and maintenance costs are required to be funded by PacifiCorp, but PacifiCorp currently funds 100 percent of those costs pursuant to the Klamath Hydroelectric Settlement Agreement.

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M7.0 INFORMATION SOURCES

Eilers, J.M. and C.P. Gubala. 2003. Final Bathymetry and Sediment Classification of the Klamath Hydropower Project Impoundments. Prepared for PacifiCorp by JC Headwaters. April 2003.

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Joint Application for Approval of License Amendment and License Transfer

Attachment D

Klamath Hydroelectric Project Exhibit Drawings and Maps List

PUBLIC VERSION - CONFIDENTIAL INFORMATION HAS BEEN REMOVED

Current Exhibits Summary

PacifiCorp Klamath Hydroelectric Project FERC License No. 2082 (Issued January 28, 1954)

Exhibit#	Drawing No.	Development (if applicable)	Title	Action and Cite	DI#	Filed Date	Approved Date	See it:	Status
J	2082-2	KL-ALL	"Hydro Development, Klamath River in Oregon & California - Profile & Topographic Map" (FPC 2082-2) Sheet 2	Original: (Order Issuing License (Major), Klamath River Project No. 2082 (October 17, 1956)	3	10/17/1956			*
J	2082-196	KL-ALL	"General Map" (FPC 2082-196) Sheet 1	(Order Amending License (Major) and Dismissing Application for New License (Transmission Line), Klamath River Project No. 2082, 44 FPC 1065 (September 25, 1970)	48	9/25/1970			*
K-8	2082-176	Keno	"Keno Development, Except Insofar As It Shows Tunnel, Canal, Flume, Penstock and Powerhouse" (FPC 2082-176) Sheet 1	(Order Further Amending License (Major), Klamath River Project No. 2082, 34 FPC 1387 (November 29, 1965))	40	11/29/1965			*
K-9	2082-228	Transmission	"Fall Creek Development Plan" (FPC 2082-228) Sheet 1	(Order Amending License and Revising Annual Charges, Klamath River Project No. 2082, 12 FERC ¶62,123 (August 22, 1980))	59	8/22/1980			*
L	2082-78	Eastside	"East Side Development" (FPC 2082-78) Sheet 1	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-79	Eastside	"East Side Development" (FPC 2082-79) Sheet 2	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-80	Eastside	"East Side Development" (FPC 2082-80) Sheet 3	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-81	Eastside	"East Side Development" (FPC 2082-81) Sheet 4	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-82	Eastside	"East Side Development" (FPC 2082-82) Sheet 5	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-83	Eastside	"East Side Development" (FPC 2082-83) Sheet 6	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-84	Westside	"West Side Development" (FPC 2082-84) Sheet 8	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-85	Westside	"West Side Development" (FPC 2082-85) Sheet 9	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-86	Westside	"West Side Development" (FPC 2082-86) Sheet 10	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-87	Westside	"West Side Development" (FPC 2082-87) Sheet 11	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-88	Westside	"West Side Development" (FPC 2082-88) Sheet 12	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-89	Westside	"West Side Development" (FPC 2082-89) Sheet 13	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L	2082-90	Westside	"West Side Development" (FPC 2082-90) Sheet 14	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959)	16	9/23/1959			*
L-22	2082-168	Keno	"Keno Development" (FPC 2082-168) Sheet 2	(Order Further Amending License (Major), Klamath River Project No. 2082, 34 FPC 1387 (November 29, 1965)	40	11/29/1965			*
L-22	2082-184	Keno	"Keno Dam and Spillway" (FPC 2082-184) Sheet 1	(Order Approving Revised Exhibit L Drawings for Project and Deleting Superseded Exhibits, Klamath River Project No. 2082, 41 FPC 393 (March 21, 1969))	46	3/21/1969			*
L-22	2082-186	Keno	"Profile and Sections of Channel Improvements - River Miles 234.6 - 236" (FPC 2082-186) Sheet 5	(Order Approving Revised Exhibit L Drawings for Project and Deleting Superseded Exhibits, Klamath River Project No. 2082, 41 FPC 393 (March 21, 1969))	46	3/21/1969			*
L-22	2082-200	Keno	"Plan of Channel Improvement - River Miles 234.6 - 236" (FPC 2082-200) Sheet 4	(Order Approving Revised Exhibit L Drawings for Project and Deleting Superseded Exhibits, Klamath River Project No. 2082, 41 FPC 393 (March 21, 1969))	46	3/21/1969			*
L-22	2082-201	Keno	"Channel Improvement River Miles 236 - 242" (FPC 2082-201) Sheet 6	(Order Approving Revised Exhibit L Drawings for Project and Modifying License, Klamath River Project No. 2082, 41 FPC 824 (June 20, 1969)	47	6/20/1969			*
L-22	2082-202	Keno	"Channel Improvement River Miles 242 - 250" (FPC 2082-202) Sheet 7	(Order Approving Revised Exhibit L Drawings for Project and Modifying License, Klamath River Project No. 2082, 41 FPC 824 (June 20, 1969)	47	6/20/1969			*
L-24	2082-199	Fall Creek	"Fall Creek Powerhouse" (FPC 2082-199) Sheet 2	(Order Amending License (Major) and Dismissing Application for New License (Transmission Line), Klamath River Project No. 2082, 44 FPC 1065 (September 25, 1970)	48	9/25/1970			*
L-24	2082-204	Fall Creek	"Fall Creek Development Diversion Structures" (FPC 2082-204) Sheet 1	(Order Modifying License, Granting Extension of Time to File Revised Exhibits, and Approving Revised Exhibit L, Klamath River Project No. 2082, 51 FPC 1850 (June 6, 1974)	51	6/6/1974			*
M		KL-ALL	"General Description and Specifications of Equipment"	(Order Issuing License (Major), Klamath River Project No. 2082 (October 17, 1956))	3	10/17/1956			*

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Current Exhibits Summary

PacifiCorp Klamath Hydroelectric Project
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Exhibit#	Drawing No.	Development (if applicable)	Title	Action and Cite	DI#	Filed Date	Approved Date	See it:	Status
M-10		Fall Creek	"Revised Fall Creek Development Description of Equipment"	(Order Amending License and Revising Annual Charges, Klamath River Project No. 2082, 12 FERC ¶62,123 (August 22, 1980))	59	8/22/1980			*
R	2082-221	Keno	"Keno Development Recreation Site Plan" (FPC 2082-221)	(Order Approving Revised Exhibit R Drawings, Klamath River Project No. 2082, 56 FPC 1900 (September 29, 1976))	54	9/29/1976			*
R	2082-222	Link River	"Link River Development General Plan" (FPC 2082-222) Sheet 9	(Order Approving Revised Exhibit R Drawings, Klamath River Project No. 2082, 56 FPC 1900 (September 29, 1976))	54	9/29/1976			*

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Joint Application for Approval of License Amendment and License Transfer

Attachment E

Lower Klamath Project Exhibit Drawings and Maps List

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Current Exhibits Summary
Lower Klamath Project
FERC License No. ____ (Issued ____)

Exhibit#	Drawing No.	Development (if applicable)	Title	Action and Cite	DI#	Filed Date	Approved Date	See it:	Status
J	2082-2	KL-ALL	"Hydro Development, Klamath River in Oregon & California - Profile & Topographic Map" (FPC 2082-2) Sheet 2	Original: (Order Issuing License (Major), Klamath River Project No. 2082 (October 17, 1956)	3	10/17/1956			*
J	2082-196	KL-ALL	"General Map" (FPC 2082-196) Sheet 1	(Order Amending License (Major) and Dismissing Application for New License (Transmission Line), Klamath River Project No. 2082, 44 FPC 1065 (September 25, 1970)	48	9/25/1970			*
J-4	2082-46	JC Boyle (Big Bend)	"General Map Supplementing Exhibit J-1" (FPC 2082-46) Sheet 1	Original: (Order Approving Revised Exhibits, Further Amending the License and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959)	15	9/15/1959			*
J-7	2082-134	Iron Gate	"General Map" (FPC 2082-134) Sheet 1	J-7 established by (Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962)	26	11/21/1962			*
K	2082-3	JC Boyle (Big Bend #2)	Topographic Map, Big Bend No. 2 (Sheet 1)	(Order Issuing License (Major), Klamath River Project No. 2082 (October 17, 1956))	3	10/17/1956			*
K	2082-121	Iron Gate	"Untitled Drawing re: Project Area" (FPC 2082-121)	(Order Approving Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082 (June 21, 1962))	24	6/21/1962			*
K	2082-124	Iron Gate	"Untitled Drawing re: Project Area" (FPC 2082-124)	(Order Approving Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082 (June 21, 1962))	24	6/21/1962			*
K	2082-125	Iron Gate	"Untitled Drawing re: Project Area" (FPC 2082-125)	(Order Approving Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082 (June 21, 1962))	24	6/21/1962			*
K-4	2082-48	JC Boyle (Big Bend)	"Access Road Location" (FPC 2082-48) , Sheet 2	(Order Approving Revised Exhibits, Further Amending the License, and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
K-4	2082-49	JC Boyle (Big Bend)	"Access Road Location" (FPC 2082-49) , Sheet 3	(Order Approving Revised Exhibits, Further Amending the License, and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
K-4	2082-50	JC Boyle (Big Bend)	"Access Road Location" (FPC 2082-50) , Sheet 4	(Order Approving Revised Exhibits, Further Amending the License, and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
K-4	2082-51	JC Boyle (Big Bend)	"Topographic Map of Conduit, Forebay, Tunnel, Penstock, Powerhouse, Dan, Reservoir, Access Road and Transmission Line Locations" (FPC 2082-51) Sheet 5	(Order Approving Revised Exhibits, Further Amending the License, and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
K-4	2082-54	JC Boyle (Big Bend)	"Topographic Map of Conduit, Forebay, Tunnel, Penstock, Powerhouse, Dan, Reservoir, Access Road and Transmission Line Locations" (FPC 2082-54) Sheet 8	(Order Approving Revised Exhibits, Further Amending the License, and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
K-4	2082-55	JC Boyle (Big Bend)	"Topographic Map of Conduit, Forebay, Tunnel, Penstock, Powerhouse, Dan, Reservoir, Access Road and Transmission Line Locations" (FPC 2082-55) Sheet 9	(Order Approving Revised Exhibits, Further Amending the License, and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
K-7	2082-135	Iron Gate	"Project Boundary, Areas and Ownerships, Reservoir Area Capacity Curves" (FPC 2082-135) Sheet 1	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
K-7	2082-136	Iron Gate	"Project Boundary, Areas and Ownerships" (FPC 2082-136) Sheet 2	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
K-7	2082-137	Iron Gate	"Project Boundary, Areas and Ownerships" (FPC 2082-137) Sheet 3	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
K-7	2082-138	Iron Gate	"Project Boundary, Areas and Ownerships" (FPC 2082-138) Sheet 4	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
K-7	2082-139	Iron Gate	"Project Boundary, Areas and Ownerships" (FPC 2082-139) Sheet 5	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
K-7	2082-140	Iron Gate	"Project Boundary, Areas and Ownerships" (FPC 2082-140) Sheet 6	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*

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Current Exhibits Summary
Lower Klamath Project
FERC License No. ____ (Issued ____)

Exhibit#	Drawing No.	Development (if applicable)	Title	Action and Cite	DI#	Filed Date	Approved Date	See it:	Status
K-7	2082-141	Iron Gate	"Project Boundary, Areas and Ownerships" (FPC 2082-141) Sheet 7	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L	2082-95	Copco 1	"Copco No. 1 Development" (FPC 2082-95) Sheet 24	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	25:00:00	Copco 1	"Copco No. 1 Development" (FPC 2082-96) Sheet 25	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-97	Copco 1	"Copco No. 1 Development" (FPC 2082-97) Sheet 26	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-98	Copco 1	"Copco No. 1 Development" (FPC 2082-98) Sheet 27	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-99	Copco 1	"Copco No. 1 Development" (FPC 2082-99) Sheet 28	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-100	Copco 1	"Copco No. 1 Development" (FPC 2082-100) Sheet 29	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-101	Copco 1	"Copco No. 1 Development" (FPC 2082-101) Sheet 30	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-102	Copco 1	"Copco No. 1 Development" (FPC 2082-102) Sheet 31	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-103	Copco 2	"Copco No. 2 Development" (FPC 2082-103) Sheet 32	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-104	Copco 2	"Copco No. 2 Development" (FPC 2082-104) Sheet 33	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-110	Copco 2	"Copco No. 2 Development" (FPC 2082-110) Sheet 32A	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-105	Copco 2	"Copco No. 2 Development" (FPC 2082-105) Sheet 34	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-106	Copco 2	"Copco No. 2 Development" (FPC 2082-106) Sheet 35	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-107	Copco 2	"Copco No. 2 Development" (FPC 2082-107) Sheet 36	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-108	Copco 2	"Copco No. 2 Development" (FPC 2082-108) Sheet 37	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L	2082-109	Copco 2	"Copco No. 2 Development" (FPC 2082-109) Sheet 38	(Upon Application for Amendment of License Under the Federal Power Act, Klamath River Project No. 2082 (September 23, 1959))	16	9/23/1959			*
L-4	2082-56	JC Boyle (Big Bend)	"Revised: Diversion Dam - Plan, Section Details and Fish Protection Arrangements" (FPC 2082-56) Sheet 1	(Order Reapproving Revised Exhibit L Drawings for Project, Klamath River Project No. 2082, 37 FPC 329 (February 16, 1967))	43	2/16/1967			*
L-4	2082-57	JC Boyle (Big Bend)	"Tunnel, Penstock and Surge Tank Profile and Details" (FPC 2082-57) Sheet 2	(Order Approving Revised Exhibits, Further Amending the License and Prescribing Annual Charges, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
L-4	2082-58	JC Boyle (Big Bend)	"Forebay, Spillway, Deer Escape, Flume Plan, Sections and Details" (FPC 2082-58) Sheet 3	(Order Approving Revised Exhibits, Further Amending the License and Prescribing Annual Charges, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
L-4	FPC 2082-59	JC Boyle (Big Bend #2)	"Powerhouse Plan and Section" (FPC 2082-59) Sheet 4	(Order Approving Revised Exhibits, Further Amending the License and Prescribing Annual Charges, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
L-4	2082-60	JC Boyle (Big Bend #2)	"14' 0" Diameter Pipe Line - Profile and Section, Pipe Line Outlet and Spillway - Plan and Section, Deer Escape and Equipment Ramp - Plan and Section" (FPC 2082-60) Sheet 5	(Order Approving Revised Exhibits, Further Amending the License and Prescribing Annual Charges, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
L-4	2082-61	JC Boyle (Big Bend #2)	"Diversion Dam Grouting Record" (FPC 2082-61) Sheet 6	(Order Approving Revised Exhibits, Further Amending the License and Prescribing Annual Charges, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
L-10	2082-142	Iron Gate	"Iron Gate Development Plan and Sections of Dam" (FPC 2082-142) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*

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Current Exhibits Summary
Lower Klamath Project
FERC License No. ____ (Issued ____)

Exhibit#	Drawing No.	Development (if applicable)	Title	Action and Cite	DI#	Filed Date	Approved Date	See it:	Status
L-10A	2082-178	Iron Gate	"Dam Crest Modifications" (FPC 2082-178) Exhibit L-10A, Supplementing L-10	(Order Approving Revised Exhibit L Drawings, Klamath River Project No. 2082, 36 FPC 462 (August 17, 1966))	56	8/17/1966			*
L-11	2082-143	Iron Gate	"Iron Gate Development Powerhouse Sections" (FPC 2082-143) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-11	2082-144	Iron Gate	"Iron Gate Development Powerhouse Plan and Sections" (FPC 2082-144) Sheet 2	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-12	2082-145	Iron Gate	"Iron Gate Development Fish Facilities - Plans, Sections and Details" (FPC 2082-145) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-12	2082-146	Iron Gate	"Iron Gate Development Fish Facilities - Water Supply Piping" (FPC 2082-146) Sheet 2	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-12	2082-147	Iron Gate	"Iron Gate Development Fish Facilities - Fish Ladder, Plan and Sections" (FPC 2082-147) Sheet 3	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-13	2082-148	Iron Gate	"Iron Gate Development, Spillway Trash Sluice Gate - Plan and Sections" (FPC 2082-148) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-14	2082-149	Iron Gate	"Revised: Iron Gate Development, Penstock - Plan, Profile, Sections and Details" (FPC 2082-149) Sheet 1	(Order Reapproving Revised Exhibit L Drawings for Project, Klamath River Project No. 2082, 37 FPC 329 (February 16, 1967))	43	2/16/1967			*
L-14	2082-150	Iron Gate	"Revised: Iron Gate Development, Penstock - Concrete Encasement, Plan and Profile; Bypass Plan - Sections and Details" (FPC 2082-150) Sheet 2	(Order Reapproving Revised Exhibit L Drawings for Project, Klamath River Project No. 2082, 37 FPC 329 (February 16, 1967))	43	2/16/1967			*
L-15	2082-151	Iron Gate	"Iron Gate Development, Spillway - Plan, Profile and Sections" (FPC 2082-151) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-15	2082-179	Iron Gate	"Spillway Modifications" (FPC 2082-179) Sheet 1A	(Order Approving Revised Exhibit L Drawings, Klamath River Project No. 2082, 36 FPC 462 (August 17, 1966))	42	8/17/1966			*
L-16	2082-152	Iron Gate	"Iron Gate Development, Sluice and Diversion Tunnel, Gate Structure in Rock - Plan, Sections and Details" (FPC 2082-152) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-16	2082-153	Iron Gate	"Iron Gate Development, Sluice and Diversion Tunnel, Gate Structure Above Rock - Plan and Sections" (FPC 2082-153) Sheet 2	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-16	2082-154	Iron Gate	"Iron Gate Development, Sluice and Diversion Tunnel, Gate Structure - Closure, Gates Section" (FPC 2082-154) Sheet 3	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-17	2082-155	Iron Gate	"Iron Gate Development, Power Conduit Intake, Structure - Plan and Sections" (FPC 2082-155) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-18	2082-156	Iron Gate	"Iron Gate Development, Sluice and Diversion Tunnel - Plan and Profile, Outlet Structure Plan, Elevations and Section" (FPC 2082-156) Sheet 1	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-18	2082-157	Iron Gate	"Iron Gate Development, Sluice and Diversion Tunnel, Intake Structure - Plan, Section and Details" (FPC 2082-157) Sheet 2	(Order Approving Revised Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
L-23	2082-180	Iron Gate	"Fish Hatchery Location and Plot Plan" (FPC 2082-180) Sheet 1	(Order Approving Exhibit L Drawings Depicting Fish Hatchery as Constructed, Klamath River Project No. 2082, 38 FPC 309 (August 9, 1967))	44	8/9/1967			*
L-23	2082-181	Iron Gate	"Fish Hatchery Rearing Ponds, Building, Aerator and Piping" (FPC 2082-181) Sheet 2	(Order Approving Exhibit L Drawings Depicting Fish Hatchery as Constructed, Klamath River Project No. 2082, 38 FPC 309 (August 9, 1967))	44	8/9/1967			*
M		KL-ALL	"General Description and Specifications of Equipment"	(Order Issuing License (Major), Klamath River Project No. 2082 (October 17, 1956))	3	10/17/1956			*
M-4		J.C. Boyle (Big Bend)	"Description and Specifications of Equipment"	(Order Approving Revised Exhibits, Further Amending the License, and Prescribing Annual Charge, Klamath River Project No. 2082, 22 FPC 496 (September 15, 1959))	15	9/15/1959			*
M-8		Iron Gate	"Revised General Description & Specifications for the Iron Gate Development"	(Order Approving Revised Project Exhibits and Adjusting Annual Charges, Klamath River Project No. 2082, 28 FPC 856 (November 21, 1962))	26	11/21/1962			*
R	2082-192	Copco No. 1 & No. 2	"Copco No. 1 and No. 2 Developments Recreation Plan" (FPC 2082-192) Sheet 6	(Order Approving Exhibit R, Klamath River Project No. 2082, 54 FPC 1279 (September 18, 1975))	53	9/18/1975			*

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Current Exhibits Summary

Lower Klamath Project

FERC License No. ____ (Issued ____)

Exhibit#	Drawing No.	Development (if applicable)	Title	Action and Cite	DI#	Filed Date	Approved Date	See it:	Status
R	2082-218	Iron Gate	"Iron Gate Development Recreation Plan" (FPC 2082-218)	(Order Approving Revised Exhibit R Drawings, Klamath River Project No. 2082, 56 FPC 1900 (September 29, 1976))	54	9/29/1976			*
R	2082-219	Iron Gate	"Iron Gate Development Recreation Sites" (FPC 2082-219)	(Order Approving Revised Exhibit R Drawings, Klamath River Project No. 2082, 56 FPC 1900 (September 29, 1976))	54	9/29/1976			*
R	2082-220	JC Boyle	"John C. Boyle Development Recreation Plan (FPC 2082-220)	(Order Approving Revised Exhibit R Drawings, Klamath River Project No. 2082, 56 FPC 1900 (September 29, 1976))	54	9/29/1976			*
R	2082-223	Iron Gate	"Iron Gate Development Additional Recreation Sites" (FPC 2082-223) Sheet 10	(Order Approving Revised Exhibit R Drawings, Klamath River Project No. 2082, 56 FPC 1900 (September 29, 1976))	54	9/29/1976			*

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Joint Application for Approval of License Amendment and License Transfer

Attachment F

Proposed Klamath Hydroelectric Project Revised License Articles

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Klamath Hydroelectric Project
FERC Project No. 2082

FERC Form Articles L-6 (Dec.15, 1953)

**TERMS AND CONDITIONS OF LICENSE
FOR UNCONSTRUCTED MAJOR PROJECT AFFECTING
NAVIGABLE WATERS AND LANDS OF THE UNITED STATES
12 FPC 1267 (1953)**

Article 1. The entire project, as described in the order of the Commission, shall be subject to all the provisions, terms, and conditions of the license.

Article 2. No substantial change shall be made in the maps, plans, specifications, and statements described and designated as exhibits and approved by the Commission in its order as a part of the license until such change shall have been approved by the Commission: Provided, however, that if the Licensee or the Commission deems it necessary or desirable that said approved exhibits, or any of them, be changed, there shall be submitted to the Commission for approval amended, supplemental, or additional exhibit or exhibits covering the proposed changes which, upon approval by the Commission, shall become a part of the license and shall supersede, in whole or in part, such exhibit or exhibits theretofore made a part of the license as may be specified by the Commission.

Article 3. Said project works shall be constructed in substantial conformity with the approved exhibits referred to in Article 2 herein or as changed in accordance with the provisions of said article. Except when emergency shall require for the protection of navigation, life, health, or property, no substantial alteration or addition not in conformity with the approved plans shall be made to any dam or other project works under the license without the prior approval of the Commission; and any emergency alteration or addition so made shall thereafter be subject to such modification and change as the Commission may direct. Minor changes in the project works or divergence from such approved exhibits may be made if such changes will not result in decrease in efficiency, in material increase in cost, or in impairment of the general scheme of development; but any of such minor changes made without the prior approval of the Commission, which in its judgment have produced or will produce any of such results, shall be subject to such alteration as the Commission may direct. The Licensee shall comply with such rules and regulations of general or special applicability as the Commission may from time to time prescribe for the protection of life, health, or property.

Article 4. The construction, operation, and maintenance of the project and any work incident to additions or alterations, whether or not conducted upon lands of the United States, shall be subject to the inspection and supervision of the Regional Engineer, Federal Power Commission, in the region wherein the project is located, or of such other officer or agent as the Commission may designate, who shall be the authorized representative of the Commission for such purposes. The licensee shall furnish to said representative such information as he may require concerning

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the construction, operation, and maintenance of the project, and of any alteration thereof, and shall notify him of the date upon which work will begin, and as far in advance thereof as said representative may reasonably specify, and shall notify him promptly in writing of any suspension of work for a period of more than one week, and of its resumption and completion. The Licensee shall allow him and other officers or employees of the United States, showing proper credentials, free and unrestricted access to, through, and across the project lands and project works in the performance of their official duties.

Article 5. Upon the completion of the project, or at such other time as the Commission may direct, the Licensee shall submit to the Commission for approval revised maps, plans, specifications, and statements insofar as necessary to show any divergence from or variations in the project area and project boundary as finally located or in the project works as actually constructed when compared with the area and boundary shown and the works described in the license or in the maps, plans, specifications, and statements approved by the Commission, together with a statement in writing setting forth the reasons which in the opinion of the Licensee necessitated or justified variations in or divergence from the approved maps, plans, specifications, and statements. Such revised maps, plans, specifications, and statements shall, if and when approved by the Commission, be made a part of the license under the provisions of Article 2 hereof.

Article 6. For the purpose of determining the stage and flow of the stream or streams from which water is to be diverted for the operation of the project works, the amount of water held in and withdrawn from storage, and the effective head on the turbines, the Licensee shall install and thereafter maintain such gages and stream-gaging stations as the Commission may deem necessary and best adapted to the requirements; and shall provide for the required readings of such gages and for the adequate rating of such stations. The Licensee shall also install and maintain standard meters adequate for the determination of the amount of electric energy generated by said project works. The number, character, and location of gages, meters, or other measuring devices, and the method of operation thereof, shall at all times be satisfactory to the Commission and may be altered from time to time if necessary to secure adequate determinations, but such alteration shall not be made except with the approval of the Commission or upon the specific direction of the Commission. The installation of gages, the ratings of said stream or streams, and the determination of the flow thereof, shall be under the supervision of, or in cooperation with, the District Engineer of the United States Geological Survey having charge of stream-gaging operations in the region of said project, and the Licensee shall advance to the United States Geological Survey the amount of funds estimated to be necessary for such supervision or cooperation for such periods as may be mutually agreed upon. The Licensee shall keep accurate and sufficient record of the foregoing determinations to the satisfaction of the Commission, and shall make return of such records annually at such time and in such form as the Commission may prescribe.

Article 7. So far as is consistent with proper operation of the project, the Licensee shall allow the public free access, to a reasonable extent, to project waters and adjacent lands owned by the Licensee for the purpose of full public utilization of such lands and waters for navigation and recreational purposes, including fishing and hunting, and shall allow for such purposes the construction of access roads, wharves, landings, and other facilities on its lands the occupancy of

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which may, in appropriate circumstances, be subject to payment of rent to the Licensee in a reasonable amount: Provided, that the Licensee may reserve from public access such portions of the project waters, adjacent lands, and project facilities as may be necessary for the protection of life, health, and property and Provided further, that the Licensee's consent to the construction of access roads, wharves, landings, and other facilities shall not, without its express agreement, place upon the Licensee any obligation to construct or maintain such facilities.

Article 8. In the construction and maintenance of the project, the location and standards of roads and trails, and other land uses, including the location and condition of quarries, borrow pits, spoil disposal areas, and sanitary facilities, shall be subject to the approval of the department or agency of the United States having supervision over the lands involved.

Article 9. Insofar as any material is dredged or excavated in the prosecution of any work authorized under the license, or in the maintenance of the project, such material shall be removed and deposited so it will not interfere with navigation, and will be to the satisfaction of the District Engineer, Department of the Army, in charge of the locality.

Article 10. In the construction and maintenance of the project works, the Licensee shall place and maintain suitable structures and devices to reduce to a reasonable degree the liability of contact between its transmission lines, and telegraph, telephone, and other signal wires or power transmission lines constructed prior to its transmission lines and not owned by the Licensee, and shall also place and maintain suitable structures and devices to reduce to a reasonable degree the liability of any structures or wires falling and obstructing traffic and endangering life on highways, streets, or railroads.

Article 11. The Licensee shall make provision, or shall bear the reasonable cost, as determined by the agency of the United States affected, of making provision for avoiding inductive interference between any project transmission line or other project facility constructed, operated, or maintained under the license, and any radio installation, telephone line, or other communication facility installed or constructed before or after construction of such project transmission line or other project facility and owned, operated, or used by such agency of the United States in administering the lands under its jurisdiction. None of the provisions of this article is intended to relieve the Licensee from any responsibility or requirement which may be imposed by other lawful authority for avoiding or eliminating inductive interference.

Article 12. The Licensee shall clear such portions of transmission line rights-of-way across lands of the United States as are designated by the officer of the United States in charge of the lands; shall keep the areas so designated clear of new growth, all refuse, and inflammable material to the satisfaction of such officer; shall trim all branches of trees in contact with or liable to contact the transmission line; shall cut and remove all dead or leaning trees which might fall in contact with the transmission line; and shall take such other precautions against fire as may be required by such officer. No fires for the burning of waste material shall be set except with the prior written consent of the officer of the United States in charge of the lands as to time and place.

Article 13. Timber on lands of the United States cut, used or destroyed in the construction and maintenance of the project works or in the clearing of said lands shall be paid for in accordance

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with the requirements of and at the current stumpage rates applicable to the sale of similar timber by the agency of the United States having jurisdiction over said lands; and all slash and debris resulting from the cutting or destruction of such timber shall be disposed of as the officer of such agency may direct.

Article 14. The Licensee shall do everything reasonably within its power and shall require its employees, contractors, and employees of contractors to do everything reasonably within their power, both independently and upon request of officers of the agency of the United States concerned, to prevent, make advanced preparations for suppression, and suppress fires on or near lands occupied under the license.

Article 15. Whenever the United States shall desire to construct, complete, or improve navigation facilities in connection with the project, the Licensee shall convey to the United States, free of cost, such of its lands and its rights-of-way and such right of passage through its dams or other structures, and permit such control of pools as may be required to complete and maintain such navigation facilities.

Article 16. The Licensee shall furnish free of cost to the United States power for the operation and maintenance of navigation facilities at the voltage and frequency required by such facilities and at a point adjacent thereto, whether said facilities are constructed by the Licensee or by the United States.

Article 17. The operation of any navigation facilities, which may be constructed as a part of or in connection with any dam or diversion structure constituting a part of the project works, shall at all times be controlled by such reasonable rules and regulations in the interest of navigation, including the control of the level of the pool caused by such dam or diversion structure, as may be made from time to time by the Secretary of the Army. Such rules and regulations may include the construction, maintenance, and operation by the Licensee, at its own expense, of such lights and signals as may be directed by the Secretary of the Army.

Article 18. The United States specifically retains and safeguards the right to use water in such amount, to be determined by the Secretary of the Army, as may be necessary for the purposes of navigation on the navigable waterway affected; and the operations of the Licensee, so far as they affect the use, storage and discharge from storage of waters affected by the license, shall at all times be controlled by such reasonable rules and regulations as the Secretary of the Army may prescribe in the interest of navigation, and as the Commission may prescribe for the protection of life, health, and property, and in the interest of the fullest practicable conservation and utilization of such waters for power purposes and for other beneficial public uses, including recreational purposes; and the Licensee shall release water from the project reservoir at such rate in cubic feet per second, or such volume in acre-feet per specified period of time, as the Secretary of the Army may prescribe in the interest of navigation, or as the Commission may prescribe for the other purposes hereinbefore mentioned.

Article 19. The Licensee shall interpose no objection to, and shall in no way prevent, the use by the agency of the United States having jurisdiction over the lands of the United States affected, or by persons or corporations occupying lands of the United States under permit, of water for fire

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suppression from any stream, conduit or body of water, natural or artificial, used by the Licensee in the operation of the project works covered by the license, or to the use by said parties of water for sanitary and domestic purposes from any stream or body of water, natural or artificial, used by the Licensee in the operation of the project works covered by the license.

Article 20. The Licensee shall be liable for injury to, or destruction of, any buildings, bridges, roads, trails, lands, or other property of the United States, occasioned by the construction, maintenance, or operation of the project works or of the works appurtenant or accessory thereto under the license. Arrangements to meet such liability, either by compensation for such injury or destruction, or by reconstruction or repair of damaged property, or otherwise, shall be made with the appropriate department or agency of the United States.

Article 21. The Licensee shall allow any agency of the United States, without charge, to construct or permit to be constructed on, through, and across the project lands, conduits, chutes, ditches, railroads, roads, trails, telephone lines, and other means of transportation and communication not inconsistent with the enjoyment of said lands by the Licensee for the purposes stated in the license. This article shall not be construed as conferring upon the Licensee any right of use, occupancy, or enjoyment of the lands of the United States other than for the construction, operation, and maintenance of the project as stated in the license.

Article 22. There is reserved to the appropriate department or agency of the United States, or of the State or county involved, the right to take over, maintain, and supervise the use of any project road after construction of the project works is completed.

Article 23. The actual legitimate original cost of the original project, and of any addition thereto or betterment thereof, shall be determined by the Commission in accordance with the Act and the Commission's rules and regulations thereunder.

Article 24. After the first twenty (20) years of operation of the project under the license, six (6) percent per annum shall be the specified rate of return on the net investment in the project for determining surplus earnings of the project for the establishment and maintenance of amortization reserves, pursuant to Section 10 (d) of the Act; one-half of the project surplus earnings, if any, accumulated after the first twenty years of operation under the license, in excess of six (6) percent per annum on the net investment, shall be set aside in a project amortization reserve account as of the end of each fiscal year, provided that, if and to the extent that there is a deficiency of project earnings below six (6) percent per annum for any fiscal year or years after the first twenty years of operation under the license, the amount of such deficiency shall be deducted from the amount of any surplus earnings accumulated thereafter until absorbed, and one-half of the remaining surplus earnings, if any, thus cumulatively computed, shall be set aside in the project amortization reserve account; and the amounts thus established in the project amortization reserve account shall be maintained therein until further order of the Commission. *This Article is effective through July 12, 1976. (Amendment of License Article No. 24 and Addition of Article No. 28 to the License for Project No. 2071, Yale Project No. 2071, Letter Order Project No. 2071 (November 3, 1976))*

Article 25. No lease of the project or part thereof whereby the lessee is granted the exclusive

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occupancy, possession, or use of project works for purposes of generating, transmitting, or distributing power shall be made without the prior written approval of the Commission; and the Commission may, if in its judgment the situation warrants, require that all the conditions of the license, of the Act, and of the rules and regulations of the Commission shall be applicable to such lease and to such property so leased to the same extent as if the lessee were the Licensee: Provided, that the provisions of this article shall not apply to parts of the project or project works which may be used by another jointly with the Licensee under a contract or agreement whereby the Licensee retains the occupancy, possession, and control of the property so used and receives adequate consideration for such joint use, or to leases of land while not required for purposes of generating, transmitting, or distributing power, or to buildings or other property not built or used for said purposes or to minor parts of the project or project works, the leasing of which will not interfere with the usefulness or efficient operation of the project by the Licensee for such purposes.

Article 26. The Licensee, its successors and assigns will, during the period of the license, retain the possession of all project property covered by the license as issued or as later amended, including the project area, the project works, and all franchises, easements, water rights, and rights of occupancy and use; and that none of such properties necessary or useful to the project and to the development transmission, and distribution of power therefrom will be voluntarily sold, transferred, abandoned, or otherwise disposed of without the approval of the Commission: Provided, that a mortgage or trust deed or judicial sales made thereunder, or tax sales, shall not be deemed voluntary transfers within the meaning of this article. In the event the project is taken over by the United States upon the termination of the license, as provided in Section 14 of the Act, or is transferred to a new licensee under the provisions of Section 15 of the Act, the Licensee, its successors and assigns will be responsible for and will make good any defect of title to or of right of user in any of such project property which is necessary or appropriate or valuable and serviceable in the maintenance and operation of the project, and will pay and discharge, or will assume responsibility for payment and discharge, of all liens or incumbrances upon the project or project property created by the Licensee or created or incurred after the issuance of the license: Provided, that the provisions of this article are not intended to prevent the abandonment or the retirement from service of structures, equipment, or other project works in connection with replacements thereof when they become obsolete, inadequate, or inefficient for further service due to wear and tear, or to require the Licensee, for the purpose of transferring the project to the United States or to a new licensee, to acquire any different title to or right of user in any of such project property than was necessary to acquire for its own purposes as Licensee.

Article 27. The terms and conditions expressly set forth in the license shall not be construed as impairing any terms and conditions of the Federal Power Act which are not expressly set forth herein.

~~**Article 28.** The Licensee, having commenced construction of the Iron Gate Development, shall continue to prosecute such construction and complete the Iron Gate Development not later than December 31, 1961. (Order Further Amending License, FERC Project No. 2082, 25 FPC 579 (March 27, 1961)); not pertinent to Klamath Hydroelectric Project~~

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Article 29. The Licensee shall, prior to flooding, clear all lands in the bottoms and margins of reservoirs up to high-water level, clear and keep clear to an adequate width lands of the United States along open conduits, and shall dispose of all temporary structures, unused timber, brush, refuse, or inflammable material resulting from the clearing of the lands or from the construction and maintenance of the project works. In addition, all trees along margins of reservoirs which may die during operation of the project shall be removed. The clearing of the lands and the disposal of the material shall be done with due diligence and to the satisfaction of the authorized representative of the Commission. (Order Further Amending Order Issuing License, FERC Project No. 2082, 18 FPC 364 (September 25, 1957))

Article 30. The Commission reserves the right to determine at a later date which additional transmission lines and facilities, if any, shall be included in the license as part of the project works. (Order Further Amending License, FERC Project No. 2082, 25 FPC 579 (March 27, 1961))

~~**Article 31.** The Licensee shall file for Commission approval revised Exhibits F and K for the Iron Gate Development within one year following completion of construction of such development. (Order Further Amending License, FERC Project No. 2082, 25 FPC 579 (March 27, 1961)); not pertinent to Klamath Hydroelectric Project~~

~~**Article 32.** The Licensee shall construct, operate and maintain fishways at the Big Bend diversion dam, screens at the intake for the Big Bend conduit, and deer escape facilities in and around the open portions of the Big Bend conduit. Plans for fishways, screens and deer escape facilities shall be submitted in advance of construction of these facilities for approval by the Commission with advice of the Secretary of the Interior and the Oregon State Game Commission. (Order Further Amending Order Issuing License, FERC Project No. 2082, 18 FPC 364 (September 25, 1957)); not pertinent to Klamath Hydroelectric Project~~

~~**Article 33.** The licensee shall replace the egg taking station on the Klamath River at the mouth of Spencer Creek as may be prescribed hereafter by the Commission upon the recommendation of the Oregon State Game Commission. (Order Further Amending Order Issuing License, FERC Project No. 2082, 18 FPC 364 (September 25, 1957)); not pertinent to Klamath Hydroelectric Project~~

~~**Article 34.** The Licensee shall for the protection of fishlife maintain in the natural channel of the Klamath River immediately below the diversion dam a reasonable minimum flow consistent with the primary purpose of the project to be fixed hereafter by the Commission after notice to interested parties and opportunity for hearing. (Order Further Amending Order Issuing License, FERC Project No. 2082, 18 FPC 364 (September 25, 1957)); not pertinent to Klamath Hydroelectric Project~~

Article 35. The Licensee shall pay to the United States the following annual charges:
 (a) For the purpose of reimbursing the United States for the cost of administering Part I of the Federal Power Act, a reasonable amount as determined in accordance with the provisions of the Commission's regulations in effect from time to time. The authorized installed capacity for that purpose is ~~468,973~~ 6,000 kW, effective May 31, 2005 (date of commencement of construction of

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the upgrade). (Order Amending License and Revising Annual Charges under Article 35; Klamath Hydroelectric Project, FERC No. 2082: 117 FERC ¶ 62,252: December 19, 2006)

(b) For the purpose of recompensing the United States for the use, occupancy, and enjoyment of its lands, exclusive of those used for transmission line right-of-way, \$1,043.62. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

(c) Effective January 1, 1981, for the purpose of recompensing the United States for use, occupancy, and enjoyment of 5.75 acres of its lands for transmission line right-of-way, a reasonable amount as determined in accordance with the provisions of the Commission's regulation in effect from time to time. (Order Amending License and Revising Annual Charges, FERC Project No. 2082, 13 FERC ¶62,172 (November 18, 1980))

(d) For the purpose of recompensing the United States for the East Side and West Side developments' use of surplus water or water power from Link River Dam, a reasonable amount as determined in accordance with the provisions of the Commission's regulations in effect from time to time. (Order Establishing Annual Charges, Amending License, and Giving Notice of Headwater Benefits Investigation; Klamath Hydroelectric Project, FERC No. 2082: 115 FERC ¶61,104: April 25, 2006)

Article 36. ~~The Big Bend Development shall be so operated as to increase or decrease gradually the rise or fall of the river at a rate not to exceed nine (9) inches per hour at a point one half (1/2) mile below the Big Bend powerhouse, subject to conditions beyond the control of the Licensee; provided, that the permissible limits and rate of change will be subject to review and adjustment by the Commission from time to time, after notice and opportunity for hearing.~~ (Order Further Amending Order Issuing License, FERC Project No. 2082, 18 FPC 364 (September 25, 1957)); *not pertinent to Klamath Hydroelectric Project*

Article 37. The Licensee shall guarantee continuing access to and across lands of the United States within the project area for legitimate business and shall allow the use by any agency of the United States or its permittees of any access road or roads, constructed in connection with the project for the purpose of removing forest products with the understanding that the user of such road or roads for such purpose shall make appropriate arrangements with the Licensee to provide for any extraordinary road maintenance, that would be required as a result of that use. (Order Further Amending Order Issuing License, FERC Project No. 2082, 18 FPC 364 (September 25, 1957))

Article 38. No Klamath water as defined in the contract dated January 31, 1956, between the Licensee and the United States of America, and filed herein on February 13, 1956, shall be used by the Licensee when needed or required for use for domestic, municipal or irrigation purposes on lands other than "project land", as defined in said contract, within the Upper Klamath River Basin as that basin is defined in said contract; **provided, that** nothing herein shall curtail or interfere with the water rights of the Licensee having a priority earlier than May 19, 1905; provided further, that all drainage and return flows from lands in the Upper Klamath River Basin, other than those defined as "project land" in said contract shall be returned to the Klamath River above Keno. (Order Further Amending Order Issuing License, FERC Project No. 2082, 18

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FPC 364 (September 25, 1957))

[Article No. 39 was subsequently deleted.] (Order Amending License and Revising Annual Charges, Klamath Project No. 2082, 13 FERC ¶62,172 (November 18, 1980))

[Articles No. 40-43 were subsequently deleted.] (Order Further Amending License, Klamath Project No. 2082, 25 FPC 579 (March 27, 1961))

~~**Article 44.** Prior to the construction and operation of the Iron Gate Development, the Licensee shall, to the extent of conditions within its control, operate its existing Copeco No. 1 and Copeco No. 2 plants so as to limit fluctuation of the surface of the Klamath River at a recording station located one-half (1/2) mile below the lower of said plants to a maximum of nine (9) inches per hour increase or decrease, and so that the minimum flow of said river at said point is 500 cubic feet per second.~~ (Order Further Amending License, FERC Project No. 2082, 25 FPC 579 (March 27, 1961)); *not pertinent to Klamath Hydroelectric Project*

~~**Article 45.** The Licensee shall communicate with the California Archeological Surveys, Department of Archeology, University of California, Berkeley, California, to determine the most satisfactory means of accomplishing any necessary archeological reconnaissance and salvage at the Iron Gate site.~~ (Decision Upon Application for Amendment of License Under Federal Power Act, FERC Project No. 2082, 23 FPC 59 (September 23, 1959)); *not pertinent to Klamath Hydroelectric Project*

~~**Article 46.** The Licensee shall consult with the California Department of Natural Resources, Division of Beaches and Parks, Sacramento, California, to determine means for protecting and enhancing recreational values at the Iron Gate site.~~ (Decision Upon Application for Amendment of License Under Federal Power Act, FERC Project No. 2082, 23 FPC 59 (September 23, 1959)); *not pertinent to Klamath Hydroelectric Project*

Article 47. The actual legitimate original cost, estimated were not known, and the accrued depreciation of the parts of the project completed prior to the effective date of the license shall be determined by the Commission as of such effective date, in accordance with the Act, and the rules and regulations of the Commission, and such cost less such accrued depreciation, so determined, shall be the net investment in the project as of such effective date. (Decision Upon Application for Amendment of License Under Federal Power Act, FERC Project No. 2082, 23 FPC 59 (September 23, 1959))

Article 48. The actual legitimate original cost of the parts of the project to be completed after the effective date of the license, and of any addition to or betterment of the project, shall be determined by the Commission in accordance with the Act and the rules and regulations of the Commission thereunder. (Decision Upon Application for Amendment of License Under Federal Power Act, FERC Project No. 2082, 23 FPC 59 (September 23, 1959))

~~**Article 49.** The Licensee shall construct or arrange for the construction, at its expense, of a fish hatchery at Iron Gate Development, together with supplemental structures and ancillary equipment as detailed in the agreement filed with the Commission on August 17, 1962, by the~~

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~~State of California Department of Fish and Game and the Licensee, of a size and capacity to annually hatch and rear 200,000 yearling steelhead trout to a total weight not to exceed 20,000 pounds, 75,000 yearling silver salmon to a total weight not to exceed 5,000 pounds, 6,000,000 fingerling king salmon to a total weight not to exceed 20,000 pounds, and 5,500,000 king salmon swimup fry; provided not more than 12,800,000 king salmon eggs shall be required to be accommodated in any one year at the Iron Gate hatchery facility; and provided further that if the total number of king salmon eggs taken at the Iron Gate egg collection facility in any one year is equal to or less than 15,800,000, the fish hatchery facilities described herein shall not be required to accommodate more than 81 percent of the total king salmon eggs taken during the year. Plans for the aforesaid facility shall be prepared by Licensee, in cooperation with the State of California Department of Fish and Game and the U.S. Fish and Wildlife Service, Department of the Interior, and shall be submitted to the Commission for approval no later than October 15, 1963. The facility shall be constructed within one year from the date of approval of the plans by the Commission. (Opinion and Order on Rehearing and Denial of Motion for Stay, FERC Project No. 2082, 30 FPC 499 (August 19, 1963)); not pertinent to Klamath Hydroelectric Project~~

Article 50. ~~Licensee shall reimburse the State of California Department of Fish and Game for 80 percent of the combined annual cost of operation and maintenance of the facilities and appurtenances constructed pursuant to Article 49 and of the permanent fish trapping, collecting, holding, and spawn taking facilities and appurtenances constructed at Iron Gate Dam. Should Licensee and the State of California Department of Fish and Game fail to agree on the amount to be paid by the Licensee for this purpose, the Commission reserves the right to determine the amount of such annual payment, after notice and opportunity for hearing. (Opinion and Order on Petition to Require Licensee to Construct, Operate, and Maintain a Fish Hatchery, Amending License, and Directing Revised Filings, FERC Project No. 2082, 29 FPC 478 (March 14, 1963)); not pertinent to Klamath Hydroelectric Project~~

Article 51. ~~The Licensee shall, concurrently with or prior to the construction of Iron Gate Development, construct temporary fish and wildlife protective facilities and devices together with appurtenant works including, but not limited to, those required to trap and transport adult and young of both salmon and steelhead trout past the damsite or otherwise accommodate such fish during the construction period, the type of such facilities and devices to conform to plans and specifications as prescribed hereafter by the Commission upon the recommendation of the Secretary of the Interior and California Department of Fish and Game, after notice and opportunity for hearing. (Order Further Amending License, FERC Project No. 2082, 25 FPC 579 (March 27, 1961)); not pertinent to Klamath Hydroelectric Project~~

Article 52. ~~The Licensee shall release to the streambed below Iron Gate Dam not less than the flows specified in the following schedule:~~

Periods	Flows, second-feet
September 1-April 30	1,300
May 1-May 31	1,000
June 1-July 31	710
August 1-August 31	1,000

~~Provided that Licensee shall not be responsible for conditions beyond its control nor required to~~

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~~release more water than it has lawful right to use for hydroelectric purposes, and Provided further that Licensee shall restrict the changes of release rates to not more than 250 second feet per hour or a 3 inch change in river stage per hour whichever produces the least change in stage as measured at a gage located not less than 0.5 mile downstream from Iron Gate Dam. (Order Further Amending License, FERC Project No. 2082, 25 FPC 579 (March 27, 1961)); not pertinent to Klamath Hydroelectric Project~~

Article 53. The Licensee shall construct, maintain, and operate, or shall arrange for the construction, maintenance, and operation of permanent wildlife facilities and protective devices including, but not limited to, deer protective fences, and comply with such reasonable modifications in project structures and operation in the interest of wildlife as may be prescribed hereafter by the Commission upon the recommendation of the Secretary of the Interior, and the California Department of Fish and Game, after notice and opportunity for hearing. (Order Further Amending License, FERC Project No. 2082, 25 FPC 579 (March 27, 1961))

Article 54. The construction, operation, and maintenance of the project and any work incident to additions or alterations shall be subject to the inspection and supervision of the Regional Engineer, Federal Power Commission, San Francisco, California, or of such other officer or agent as the Commission may designate, who shall be the authorized representative of the Commission for such purposes. The Licensee shall cooperate fully with said representative and shall furnish him a detailed program of inspection by the Licensee that will provide for an adequate and qualified inspection force for construction of the project. Construction of the project works or any feature thereof shall not be initiated until the program of inspection for the project works or any such feature thereof has been approved by said representative. The Licensee shall also furnish to said representative such further information as he may require concerning the construction, operation, and maintenance of the project, and of any alteration thereof, and shall notify him of the date upon which work will begin, and as far in advance thereof as said representative may reasonably specify, and shall notify him promptly in writing of any suspension of work for a period of more than one week, and of its resumption and completion. The Licensee shall allow him and other officers or employees of the United States, showing proper credentials, free and unrestricted access to, through, and across the project lands and project works in the performance of their official duties. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 55. The Licensee shall enter into a formal agreement with the United States Bureau of Reclamation for the purpose of regulating the level of Lake Ewauna and the Klamath River between Keno Dam and Lake Ewauna, and in the event that the Licensee and the Bureau fail to reach agreement, the Commission will prescribe the terms of such regulation after notice and opportunity for hearing. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 56. In order to prevent, or to minimize to the extent reasonably possible, deleterious effects to fish and wildlife caused by construction activities during the construction of the first stage of the Keno development, the licensee shall, in consultation with the Oregon State Game Commission, Oregon State Sanitary Authority, the Bureau of Sport Fisheries and Wildlife, and the Federal Water Pollution Control Administration, schedule and supervise the construction

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activities so as to: (a) minimize turbidity, siltation or other water pollution, (b) prevent the destruction of water-fowl nesting areas from deposition of spoil from channel improvement activities, and (c) avoid disturbing water-fowl nesting areas during the nesting season: **Provided**, That the Commission on its own motion or upon the motion of the Oregon State Game Commission, the Oregon State Sanitary Authority, the Bureau of Sport Fisheries and Wildlife and the Federal Water Pollution Control Administration may prescribe measures reasonably necessary to accomplish these objectives. (Order Approving Revised Exhibit L Drawings for Project and Modifying License, FERC Project No. 2082, 41 FPC 824 (June 20, 1969))

Article 57. The Licensee shall, prior to construction of Stage 2 of the Keno development, cooperate with the Oregon State Game Commission, U.S. Forest Service, and Bureau of Sport Fisheries and Wildlife in conducting additional studies to determine effects construction of the second stage of the Keno development would have on fish and wildlife resources. The Licensee shall incorporate into project plans measures found necessary to mitigate and compensate for the loss and damage to existing fish and wildlife resources. Cost of such measures shall be borne by the Licensee. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 58. The Licensee shall, for the conservation and development of fish and wildlife resources, construct, maintain, and operate, or arrange for the construction, maintenance, and operation of such facilities and comply with such reasonable modifications of the project structures and operation as may be ordered by the Commission upon its own motion or upon the recommendation of the Secretary of the Interior, Oregon State Game Commission, or California Department of Fish and Game, after notice and opportunity for hearing and upon findings based on substantial evidence that such facilities and modifications are necessary and desirable, reasonably consistent with the primary purpose of the project, and consistent with the provisions of the Act. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 59. Whenever the United States shall desire, in connection with the project, to construct fish and wildlife facilities or to improve the existing fish and wildlife facilities at its own expense, the Licensee shall permit the United States or its designated agency to use, free of cost, such of Licensee's lands and interest in lands, reservoirs, waterways and project works as may be reasonably required to complete such facilities or such improvements thereof. In addition, after notice and opportunity for hearing, the Licensee shall modify the project operation as may be prescribed by the Commission, reasonably consistent with the primary purpose of the project, in order to permit the maintenance and operation of the fish and wildlife facilities constructed or improved by the United States under the provisions of this article. This article shall not be interpreted to place any obligation on the United States to construct or improve fish and wildlife facilities or to relieve the Licensee of any obligation under this license. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 60. The Licensee shall, within one year from the date of the Commission order authorizing the construction of the Keno development, file with the Commission for approval an Exhibit R conforming to Section 4.41 of Commission Regulations under the Federal Power Act. The plan shall be prepared after consultation with appropriate Federal, State, and local agencies,

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and shall include recreational improvements which may be provided by others in addition to the improvements the Licensee plans to provide. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 61. The Licensee shall construct, maintain and operate or shall arrange for the construction, maintenance and operation of such recreational facilities including modifications thereto, such as access roads, wharves, launching ramps, beaches, picnic and camping areas, sanitary facilities and utilities, as may be prescribed hereafter by the Commission during the term of this license upon its own motion or upon the recommendation of the Secretary of the Interior or other interested Federal and State agencies, after notice and opportunity for hearing and upon findings based upon substantial evidence that such facilities are necessary and desirable, and reasonably consistent with the primary purpose of the project. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 62. So far as is consistent with proper operation of the project, the Licensee shall allow the public free access, to a reasonable extent, to project waters and adjacent project lands owned by the Licensee for the purpose of full public utilization of such lands and waters for navigation and recreational purposes, including fishing and hunting, and shall allow to a reasonable extent for such purposes the construction of access roads, wharves, landings, and other facilities on its lands the occupancy of which may in appropriate circumstances be subject to payment of rent to the Licensee in a reasonable amount: **Provided, that** the Licensee may reserve from public access, such portions of the project waters, adjacent lands, and project facilities as may be necessary for the protection of life, health, and property and Provided further, that the Licensee's consent to the construction of access roads, wharves, landings, and other facilities shall not, without its express agreement, place upon the Licensee any obligation to construct or maintain such facilities. These facilities are in addition to the facilities that the Licensee may construct and maintain as required by the license. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

[Article No. 63 was subsequently deleted.] (Amendment of License for Project No. 2082 by Adding Article 73 and Deleting Article 63, Klamath Project No. 2082, Letter from Licensee for Project No. 2082 to FERC (March 19, 1981))

Article 64. On the application of any person, association, corporation, Federal agency, State or municipality, the Licensee shall, after notice and opportunity for hearing, permit such reasonable use of its reservoirs or other project works or parts thereof as may be ordered by the Commission in the interest of comprehensive development of the waterway or waterways involved and the conservation and utilization of water resources of the region for water supply for steam-electric, irrigation, industrial, municipal or similar purposes, consistent with the primary objective of the project. The Licensee shall receive such reasonable compensation as may be appropriate for use of its reservoirs or other project works or parts thereof for such purposes, any such compensation to be fixed either by Commission approval of an agreement between the Licensee and the party or parties benefiting or by the Commission in the event the parties are unable to agree. Applications shall contain information in sufficient detail to afford a full understanding of the proposed use, including satisfactory evidence that the applicant possesses necessary water rights pursuant to applicable State law, or a showing of cause why such evidenced cannot be submitted,

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and a statement as to the relationship of the proposed use to any State or municipal plans or orders which may have been adopted with respect to the use of such waters. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 65. The Licensee shall install additional capacity or make other changes in the project as directed by the Commission, to the extent that it is economically sound and in the public interest to do so, after notice and opportunity for hearing. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 66. The Licensee shall submit in accordance with the Commission's rules and regulations, revised Exhibit L drawings showing final design for channel improvement in the Klamath River from river mile 236 to 254, inclusive, and shall not begin construction of such work until the Commission approves the exhibit. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 67. Licensee shall remove the existing Keno Regulating Dam as soon as the new Keno Dam to replace it is in service and Licensee shall request the exhibits which show the existing Keno Regulating Dam and the description of same to be eliminated from the license. (Order Further Amending License, FERC Project No. 2082, 34 FPC 1387 (November 29, 1965))

Article 68. Licensee shall rehabilitate the Fall Creek diversion dam within one year from the date of issuance of this amendment of license. (Order Amending License and Dismissing Application for New License, FERC Project No. 2082, 44 FPC 1065 (September 25, 1970))

Article 69. Licensee shall discharge a minimum flow of 0.5 cfs at all times from the Fall Creek diversion dam into Fall Creek, and shall maintain a 15 cfs continuous flow in Fall Creek (or a quantity equal to the natural flow of the stream, whichever is less) at the outlet of the powerplant tailrace: **Provided, that** such flows may be modified by operating emergencies and other emergencies beyond the control of the Licensee, and for short periods of time in the interest of recreation and protection of fishery resources upon mutual agreement between the Licensee and appropriate State(s) conservation departments: **Provided, further** that such flows may be adjusted by further order of the Commission upon its own motion or upon recommendation of the appropriate State(s) conservation departments, the Secretary of the Interior, or Licensee, after notice and opportunity for hearing. (Order Amending License and Dismissing Application for New License, FERC Project No. 2082, 44 FPC 1065 (September 25, 1970))

Article 70. The Commission reserves the right to determine at a later date what, if any, additional facilities shall be included in the license as part of the Fall Creek Development. (Order Amending License and Dismissing Application for New License, FERC Project No. 2082, 44 FPC 1065 (September 25, 1970))

Article 71. Licensee shall file, within one year from the date of this order, revised Exhibits F, J, K, and M showing the 69 kv transmission line for the Fall Creek Development. (Order Amending License and Dismissing Application for New License, FERC Project No. 2082, 44 FPC 1065 (September 25, 1970))

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Article 72. Pursuant to Section 10(d) of the Act, a specified reasonable rate of return upon the net investment in the project shall be used for determining surplus earnings of the project for the establishment and maintenance of amortization reserves. One-half of the project surplus earnings, if any, accumulated in excess of the specified rate of return per annum on the net investment, shall be set aside in a project amortization reserve account at the end of each fiscal year. To the extent that there is a deficiency of project earnings below the specified rate of return per annum for any fiscal year the amount of that deficiency shall be deducted from the amount of any surplus earnings subsequently accumulated, until absorbed. One-half of the remaining surplus earnings, if any, cumulatively computed, shall be set aside in the project amortization reserve account. The amounts established in the project amortization reserved account shall be maintained until further order of the Commission.

The annual specified reasonable rate of return shall be the sum of the annual weighted costs of long-term debt, preferred stock, and common equity, as defined below. The annual weighted cost for each component of the reasonable rate of return is the product of its capital ratio and cost rate. The annual capital ratio for each component of the rate of return shall be calculated based on an average of 13 monthly balances of amounts properly includable in the licensee's long-term debt and proprietary capital accounts as listed in the Commission's Uniform System of Accounts. The cost rates for long-term debt and preferred stock shall be their respective weighted average costs for the year, and the cost of common equity shall be the interest rate on 10-year government bonds (reported as the Treasury Department's 10-year constant maturity series) computed on the monthly average for the year in question plus four percentage points (400 basis points).

(Amendment of License Article No. 24 and Addition of Article No. 72 to the License for Project No. 2082, Klamath Project No. 2082, Letter Order for Project No. 2082 (October 21, 1976))

Article 73. (a) In accordance with the provisions of this article, the licensee shall have the authority to grant permission for certain types of use and occupancy of project lands and waters and to convey certain interests in project lands and waters for certain types of use and occupancy, without prior Commission approval. The licensee may exercise the authority only if the proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational, and other environmental values of the project. For those purposes, the licensee shall also have continuing responsibility to supervise and control the use and occupancies for which it grants permission, and to monitor the use of, and ensure compliance with the covenants of the instrument of conveyance for, any interests that it has conveyed, under this article. If a permitted use and occupancy violates any condition of this article or any other condition imposed by the licensee for protection and enhancement of the project's scenic, recreational, or other environmental values, or if a covenant of a conveyance made under the authority of this article is violated, the licensee shall take any lawful action necessary to correct the violation. For a permitted use or occupancy, that action includes, if necessary, canceling the permission to use and occupy the project lands and waters and requiring the removal of any non-complying structures and facilities.

(b) The type of use and occupancy of project lands and water for which the licensee may grant permission without prior Commission approval are: (1) landscape plantings; (2) noncommercial piers, landings, boat docks, or similar structures and facilities that can accommodate no more

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than 10 watercraft at a time and where said facility is intended to serve single-family type dwellings; and (3) embankments, bulkheads, retaining walls, or similar structures for erosion control to protect the existing shoreline. To the extent feasible and desirable to protect and enhance the project's scenic, recreational, and other environmental values, the licensee shall require multiple use and occupancy of facilities for access to project lands or waters. The licensee shall also ensure, to the satisfaction of the Commission's authorized representative, that the use and occupancies for which it grants permission are maintained in good repair and comply with applicable state and local health and safety requirements. Before granting permission for construction of bulkheads or retaining walls, the licensee shall: (1) inspect the site of the proposed construction, (2) consider whether the planting of vegetation or the use of riprap would be adequate to control erosion at the site, and (3) determine that the proposed construction is needed and would not change the basic contour of the reservoir shoreline. To implement this paragraph (b), the licensee may, among other things, establish a program for issuing permits for the specified types of use and occupancy of project lands and waters, which may be subject to the payment of a reasonable fee to cover the licensee's costs of administering the permit program. The Commission reserves the right to require the licensee to file a description of its standards, guidelines, and procedures for implementing this paragraph (b) and to require modification of those standards, guidelines, or procedures.

(c) The licensee may convey easements or rights-of-way across, or leases of, project lands for: (1) replacement, expansion, realignment, or maintenance of bridges and roads for which all necessary state and federal approvals have been obtained; (2) storm drains and water mains; (3) sewers that do not discharge into project waters; (4) minor access roads; (5) telephone, gas, and electric utility distribution lines; (6) non-project overhead electric transmission lines that do not require erection of support structures within the project boundary; (7) submarine, overhead, or underground major telephone distribution cables or major electric distribution lines (69-kV or less); and (8) water intake or pumping facilities that do not extract more than one million gallons per day from a project reservoir. No later than January 31 of each year, the licensee shall file three copies of a report briefly describing for each conveyance made under this paragraph (c) during the prior calendar year, the type of interest conveyed, the location of the lands subject to the conveyance, and the nature of the use for which the interest was conveyed.

(d) The licensee may convey fee title to, easements or rights-of-way across, or leases of project lands for: (1) construction of new bridges or roads for which all necessary state and federal approvals have been obtained; (2) sewer or effluent lines that discharge into project waters, for which all necessary federal and state water quality certification or permits have been obtained; (3) other pipelines that cross project lands or waters but do not discharge into project waters; (4) non-project overhead electric transmission lines that require erection of support structures within the project boundary, for which all necessary federal and state approvals have been obtained; (5) private or public marinas that can accommodate no more than 10 watercraft at a time and are located at least one-half mile from any other private or public marina; (6) recreational development consistent with an approved Exhibit R or approved report on recreational resources of an Exhibit E; and (7) other uses, if: (i) the amount of land conveyed for a particular use is five acres or less; (ii) all of the land conveyed is located at least 75 feet, measured horizontally, from the edge of the project reservoir at normal maximum surface elevation; and (iii) no more than 50 total acres of project lands for each project development are conveyed under this clause (d)(7) in

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any calendar year. At least 45 days before conveying any interest in project lands under this paragraph (d), the licensee must submit a letter to the Director, Office of Hydropower Licensing, stating its intent to convey the interest and briefly describing the type of interest and location of the lands to be conveyed (a marked Exhibit G or K map may be used), the nature of the proposed use, the identity of any federal or state agency official consulted, and any federal or state approvals required for the proposed use. Unless the Director, within 45 days from the filing date, requires the licensee to file an application for prior approval, the licensee may convey the intended interest at the end of that period.

(e) The following additional conditions apply to any intended conveyance under paragraph (c) or (d) of this article:

(1) Before conveying the interest, the licensee shall consult with federal and state fish and wildlife or recreation agencies, as appropriate, and the State Historic Preservation Officer.

(2) Before conveying the interest, the licensee shall determine that the proposed use of the lands to be conveyed is not inconsistent with any approved Exhibit R or approved report on recreational resources of an Exhibit E; or, if the project does not have an approved Exhibit R or approved report on recreational resources, that the lands to be conveyed do not have recreational value.

(3) The instrument of conveyance must include covenants running with the land adequate to ensure that: (i) the use of the lands conveyed shall not endanger health, create a nuisance, or otherwise be incompatible with overall project recreational use; and (ii) the grantee shall take all reasonable precautions to insure that the construction, operation, and maintenance of structures or facilities on the conveyed lands will occur in a manner that will protect the scenic, recreational, and environmental values of the project.

(4) The Commission reserves the right to require the licensee to take reasonable remedial action to correct any violation of the terms and conditions of this article, for the protection and enhancement of the project's scenic, recreational, and other environmental values.

(f) The conveyance of an interest in project lands under this article does not in itself change the project boundaries. The project boundaries may be changed to exclude land conveyed under this article only upon approval of revised Exhibit G or K drawings (project boundary maps) reflecting exclusion of that land. Lands conveyed under this article will be excluded from the project only upon a determination that the lands are not necessary for project purposes, such as operation and maintenance, flowage, recreation, public access, protection of environmental resources, and shoreline control, including shoreline aesthetic values. Absent extraordinary circumstances, proposals to exclude lands conveyed under this article from the project shall be consolidated for consideration when revised Exhibit G or K drawings would be filed for approval for other purposes. (Amendment of License for Project No. 2082 by Adding Article 73 and Deleting Article 63, Klamath Project No. 2082, Letter from Licensee for Project No. 2082 to FERC (March 19, 1981))