

September 10, 2008

Dorothy Rice  
Executive Director  
State Water Resources Control Board  
1001 I Street, 15<sup>th</sup> Floor  
Sacramento, CA 95814

**Re: State Water Resources Control Board's Request for Resubmission of Water Quality Certification Application for the Klamath Hydroelectric Project, FERC No. 2082**

Dear Ms. Rice:

This letter acknowledges receipt of your August 22, 2008, letter requesting PacifiCorp resubmit to the State Water Resources Control Board (SWRCB) an application for water quality certification associated with PacifiCorp's relicensing of the Klamath Hydroelectric Project (FERC No. 2082). Your letter specifically requests that PacifiCorp resubmit the certification application by September 30, 2008, if settlement has not been reached by that date. PacifiCorp appreciates the SWRCB's recognition of the importance and sensitivity of ongoing negotiations among PacifiCorp and federal and state agencies (including representatives of the SWRCB). At the same time, PacifiCorp also is mindful of our mutual obligations to continue the traditional FERC licensing process, including the water quality certification process, in the event that settlement is not achieved. PacifiCorp and other settlement parties do not intend to unreasonably delay the relicensing process, and PacifiCorp plans to resubmit the certification application soon and in a manner consistent with settlement discussions and state and federal regulations.

PacifiCorp is troubled by certain statements contained in your August 22 letter about the affect of the Project on water quality and fisheries. Your letter seems to pre-judge Project-related impacts that are yet to be thoroughly evaluated and ultimately determined through the water quality certification process. For example, your letter states that "the State Water Board is ... concerned about ... ongoing water quality impacts that the project as it currently operates has on the beneficial uses of the Klamath River." The letter continues:

It is imperative to move ahead with the water quality certification process, including preparation of environmental documentation meeting the requirements of the California Environmental Quality Act (CEQA), as soon as reasonably possible, so that water quality can be satisfactorily addressed and the relicensing process can move ahead. This need is underscored by indications that the river's water quality and ability to support healthy fisheries is declining: there is substantial evidence to indicate an increase in fish disease in the river, an increase in the toxic blue-green algae *Microcystis aeruginosa*, and an overall decline in fish populations.

