

January 23, 2007

Magalie R. Salas, Secretary
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Powerdale Hydroelectric Project (FERC Project No. 2659)
2006 Temperature and Flow Monitoring Annual Report**

Dear Secretary Salas:

Attached please find a copy of PacifiCorp's 2006 Temperature and Flow Monitoring Annual Report for the Powerdale Hydroelectric Project. PacifiCorp has prepared this report pursuant to the Powerdale Order Amending License, Accepting Surrender, and Dismissing Application for New License and the 401 Water Quality Certificate. PacifiCorp submitted this report on December 15, 2006 to the Oregon Department of Environmental Quality and documentation of completion to the Commission, and later realized that the report should also have been filed with the Oregon Department of Fish and Wildlife, the National Marine Fisheries, U.S. Fish & Wildlife Service, the Confederate Tribes of the Warm Springs Reservation of Oregon, and the Commission as directed in the Order Approving the Instream Flow and Ramp Rate Standard Operating Procedures. The report includes information pertaining to water temperature data, bypass reach flows, and project related ramping.

I want to bring to your attention that PacifiCorp has identified two instances of ramp rate and instream flow variances from its license and 401 Certificate requirements. This letter and attached report serves as notification of these events and includes information as to the cause, duration, and corrective actions taken.

Please feel free to call Ian Chane, Project Biologist at (503) 813-6621 if you have any questions or comments.

Sincerely,


Dave Leonhardt,
Program Manager

Enclosure

Cc: ODEQ (Attn: Paul Devito)
ODFW (Attn: Rod French)

USFWS (Attn: Larry Rasmussen)
CTWSR (Attn: Alexis Vaivoda)
NOAA Fisheries (Attn: Keith Kirkendall)

Powerdale Hydroelectric Project
 FERC Project No. 2659
 Temperature and Flow Monitoring
 2006

Temperature Monitoring

Following implementation of higher minimum bypass reach flows at the Powerdale Hydroelectric Project in 2003, opportunities to generate during the summer low-flow period have been greatly reduced. As reported in previous annual reports, data collected in 2004 and 2005 was not adequate to assess the project because the project was off-line for the majority of the evaluation period due to low flow conditions. In 2006 generation was limited to a total of 319 hours from April 15 through October 15 (Table 1). During the limited time that we did generate, inflow to the project was so low that we were seldom able to use our full water right of 500 cfs. Assessment of water temperature data during this period of limited generation does not provide adequate information to determine project impacts on water temperatures in the bypass reach.

Table 1. Generation at the Powerdale Hydroelectric Project from April 15 through October 15, 2006.

Start Date/Time	End Date/Time	Operational Hours
7/13/2006 18:00	7/14/2006 16:00	22
7/14/2006 18:00	7/14/2006 20:00	2
7/14/2006 22:00	7/15/2006 18:00	20
7/15/2006 20:00	7/15/2006 21:00	1
7/15/2006 23:00	7/16/2006 0:00	1
7/16/2006 2:00	7/16/2006 11:00	9
7/16/2006 13:00	7/16/2006 15:00	2
7/18/2006 17:00	7/18/2006 17:30	0.5
7/18/2006 19:00	7/19/2006 19:00	24
7/19/2006 21:00	7/19/2006 21:30	0.5
7/19/2006 23:00	7/20/2006 0:00	1
7/20/2006 2:00	7/20/2006 7:00	5
7/20/2006 9:00	7/20/2006 19:00	10
7/20/2006 21:00	7/20/2006 22:00	1
7/21/2006 0:00	7/29/2006 19:00	211
7/29/2006 21:00	7/29/2006 23:00	2
7/30/2006 1:00	7/30/2006 2:00	1
7/30/2006 4:00	7/30/2006 5:00	1
7/30/2006 7:00	7/30/2006 8:00	1
7/30/2006 11:00	7/30/2006 11:30	0.5
7/30/2006 13:00	7/30/2006 14:00	1
7/30/2006 16:00	7/30/2006 17:00	1
7/30/2006 19:00	7/30/2006 20:00	1
Total Hours of Generation		319

Ramp Rate Monitoring

PacifiCorp monitored project-related ramping during 2006. Provided below is a graph showing stage change in the bypass reach during July, the only period of operation during the monitoring period in 2006. Data indicate that variances occurred on July 13 and 18, 2006. Although PacifiCorp installed limits on generation changes with associated alarming, these two events were caused by the opening of the canal headgates in preparation of initiating generation. These variances resulted in a bypass reach downramp of approximately 3.5 inches in an hour, 0.5 inches greater than the ramp rate requirement. This information only became available to PacifiCorp when level logger data collected in the bypass reach was retrieved and analyzed following the end of the water year.

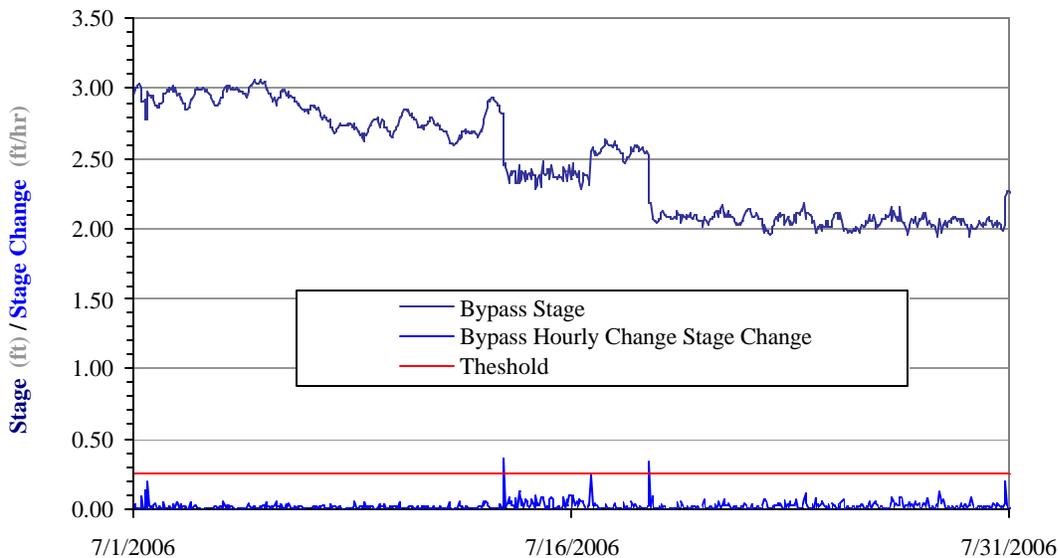


Figure 1.0. Bypass reach stage change (ramp rate) at the Powerdale project from July 13 through July 31, 2006. The threshold indicates the 3 inch/hour (0.25 feet) ramp rate that is not to be exceeded.

Bypass Reach Flows

In compliance with the Federal Energy Regulatory Commission (FERC) approved Instream Flow Standard Operating Procedures (SOP) for the Powerdale project, PacifiCorp posted average hourly flows on the internet during 2006. PacifiCorp also deployed level loggers to record water surface elevation (i.e., stage) changes in the bypass reach. These data were used to assess ramp rates in the bypassed reach and also instream flow. The level logger was located next to the calibrated stream gage in the bypass reach. By using a rating table developed for the calibrated stream gage, level logger stage change data was converted to total flow in the bypass reach. Figure 2.0 depicts the average hourly bypass reach flows from July through October, 2006.

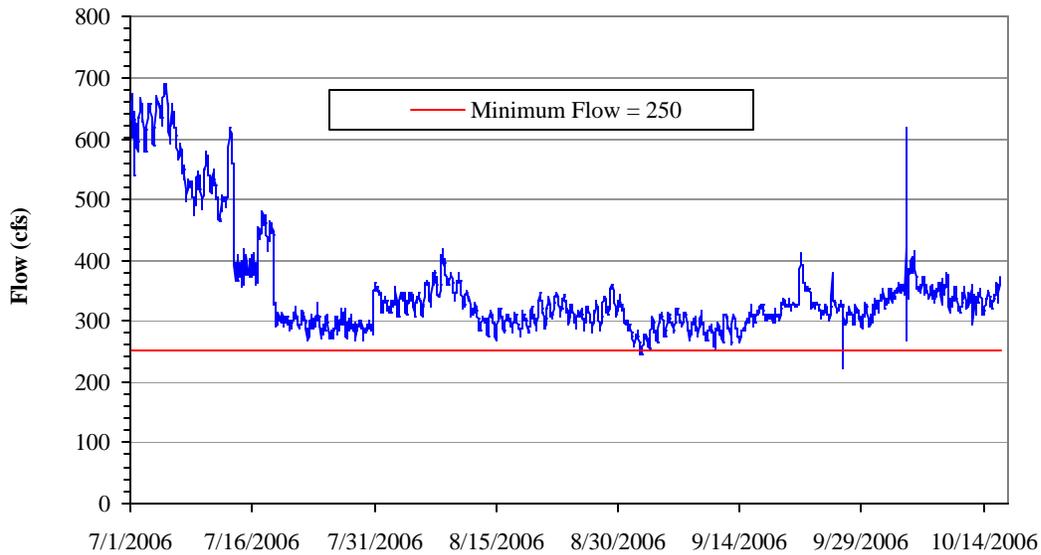


Figure 2.0 Bypass reach flow summary for the Powerdale Hydroelectric Project from July through October, 2006.

Two instances of flow dropping below the minimum requirement are evident by the level logger data. On September 2, 2006 flows dropped below 250 cfs for a five-hour period. This was unrelated to project operations and was the result of low inflow to the project. On September 26, 2006 flows dropped below the minimum flow requirement as indicated by a single average hourly reading. This variance resulted from activities related to operations and maintenance of the fish ladder located at Powerdale dam. PacifiCorp recently installed a pump in the ladder to provide flow through the ladder pools at times when the forebay level drops below the elevation required to maintain flow to the fish ladder. Prior to the installation of the pump, flows could only be delivered by maintaining the forebay elevation. Following a ladder inspection associated with the installation of the fish ladder pump on September 26, 2006, PacifiCorp was raising the forebay elevation to the normal operating level to provide fish ladder flows. During this process flows were reduced temporarily in the bypass reach to meet the immediate needs of the fish in the fish ladder. The fish ladder pump has been installed and its operation should alleviate the need to manipulate forebay elevations to facilitate fish ladder flows .

Summary

Overall, compliance monitoring and the associated controls appear sufficient in meeting the compliance requirements. PacifiCorp has addressed the issue of flow changes caused by fish ladder maintenance needs with the installation of the fish ladder pump.

Due to the extensive damage to the Powerdale project that occurred in November 2006, PacifiCorp is at this time evaluating project economics related to early cessation of generation and early decommissioning of the project, of which both are described in Section 5 of the Powerdale Settlement Agreement. The evaluation is expected to be completed no later than January 2007; should PacifiCorp elect to request early cessation of generation from the FERC, in accordance with the settlement

agreement, we will inform the parties within 30 days of filing such a request. If PacifiCorp chooses to rebuild the damaged portions of the project additional temperature and flow monitoring and reporting will occur in 2007.

Letter to FERC Secretary
Via U.S. Mail
January 23, 2007

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INTERNAL DISTRIBUTION ONLY
Via email

Bcc (no enclosure): Bornemeier, de Tar, Fields, J. Kelly, Leonhardt, Strande, Wazlaw, Weatherly
Gary Hazlett, Powerdale Operations Staff
File