



EDMUND G. BROWN JR., Governor
JOHN LAIRD, Secretary for Natural Resources

May 22, 2012

Ms. Andrea Kelly
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Re: Dam Removal Schedule and Timing of Klamath Settlement Milestones

Dear Ms. Kelly:

You have communicated that interested parties have concerns whether any delay in the passage of federal legislation and funding from the State of California may impact the dam removal date of 2020 that is provided for under the Klamath Hydroelectric Settlement Agreement (KHSA). In our discussions regarding implementation of the KHSA you have indicated that PacifiCorp does not view a delay in the passage of federal legislation or in final adoption of the California funding at this time as impacting the anticipated 2020 date for removal of the facilities. The Natural Resources Agency of the State of California holds the same view and believes that PacifiCorp, through the KHSA, remains contractually committed to transfer the Klamath dams to a dam removal entity in 2020.

The Resources Agency appreciates PacifiCorp's efforts in implementing the KHSA, which the state believes is in the best interests of all stakeholders as well as PacifiCorp customers. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Randolph", written over a horizontal line.

Liane Randolph
Deputy Secretary and General Counsel

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