



Oregon  
John A. Kitzhaber, M.D., Governor

Department of Environmental Quality  
811 SW Sixth Avenue  
Portland, OR 97204-1390  
(503) 229-5696  
TTY (503) 229-6993

CERTIFIED MAIL;  
RETURN RECEIPT REQUESTED

June 24, 2002

Julie Keil, Hydropower Relicensing  
Portland General Electric Company  
121 SW Salmon St. - 3WTC BRHL  
Portland, OR 97204

James Manion, General Manager  
Warm Springs Power Enterprises  
P.O. Box 960  
Warm Springs, OR 97761

Re: Pelton Round Butte Hydroelectric Project, FERC Project No. 2030; Certification  
Pursuant to Section 401 of the federal Clean Water Act

Dear Ms. Keil and Mr. Manion:

Portland General Electric Company (PGE) and the Confederated Tribes of the Warm Springs Reservation of Oregon (CTWS) own and operate the Pelton Round Butte Hydroelectric Project (Project). The Project is located on the Deschutes River near the towns of Madras and Warm Springs, in Jefferson County, Oregon. PGE and CTWS operate the Project under a joint annual license issued by the Federal Energy Regulatory Commission (FERC). On June 28, 2001, a joint application was submitted by PGE and CTWS (Joint Applicants) to FERC for a new major license to continue operating the Project (FERC Project No. 2030).

On June 26, 2001, the Joint Applicants applied to the Oregon Department of Environmental Quality (Department) for water quality certification of the Project pursuant to § 401 of the federal Clean Water Act and ORS 468B.040. The Department has evaluated the application for consistency with the applicable provisions of Sections 301, 302, 303, 306, and 307 of the Clean Water Act; Oregon Administrative Rules (OAR) Chapter 340, Divisions 41 and 48; the specific water quality provisions for the Deschutes River Basin set forth in OAR 340-041-0562 through 0565; and ORS 543A.025(2)-(4).

Based on the Joint Applicants' application, the Department's *Evaluation and Findings Report* (enclosed), consideration of public comment, review by the state Hydroelectric Application Review Team, and entry of a § 401 Implementation Agreement between the Department and the Joint Applicants (enclosed), the Department grants § 401 certification for the Pelton Round Butte Hydroelectric Project as proposed to be relicensed. The Department is reasonably assured that the Project as proposed to be relicensed will be consistent with applicable provisions of Sections 301, 302, 303, 306, and 307 of the Clean Water Act, state water quality standards, ORS 543A.025, and other appropriate requirements of state law related to water quality, provided the § 401 certification conditions attached to this certification are followed.



Ms. Keil and Mr. Manion

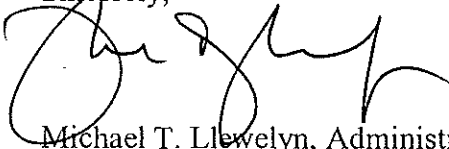
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This certification is valid for the Joint Applicants only and not transferable, in accordance with OAR 340-048-0025(4).

In accordance with OAR 340-048-0025(3), the Joint Applicants, if dissatisfied with the conditions of this certification, may request a hearing before the Environmental Quality Commission. Such request for a hearing must be made in writing to the Director of the Oregon Department of Environmental Quality within 20 days of the date of mailing of this certification. Any hearing will be conducted pursuant to the rules of the Commission for contested cases.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael T. Llewelyn", is written over the word "Sincerely,".

Michael T. Llewelyn, Administrator  
Water Quality Division

Attachment: Certification Conditions (including Exhibit A – March, 2002 Water Quality Management and Monitoring Plan)

Enclosures: June 19, 2002 Evaluation and Findings Report  
Implementation Agreement