Pacific Power & Light Company
Public Service Building
Portland, Oregon

Attention: Mr. E. Robert delUccia
Senior Vice President

Gentlemen:

Enclosed are two bound copies of "Contract between the United States and Pacific Power & Light Company for Keno Development Pursuant to Klamath River Project No. 2082 as Amended," executed by Regional Director R. J. Pafford, Jr., for your use.

Sincerely yours,

W. G. Ely
Acting Project Manager

Encl. in dupl.


*w/encl.

(signed contracts sent to Central File)
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Klamath Project, Oregon-California

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND PACIFIC
POWER & LIGHT COMPANY FOR KENO DEVELOPMENT PURSUANT
TO KLAMATH RIVER PROJECT NO. 2082 AS AMENDED

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Klamath Project, Oregon-California

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND PACIFIC
POWER & LIGHT COMPANY FOR KENO DEVELOPMENT PURSUANT
TO KLAMATH RIVER PROJECT NO. 2082 AS AMENDED

This contract, made this 4th day of January, 1968,
in pursuance generally of the Act of June 17, 1902 (32 Stat. 388),
and acts amendatory thereof or supplementary thereto, between the
UNITED STATES OF AMERICA, hereinafter referred to as the United States,
represented by the Regional Director, Region 2, Bureau of Reclamation,
hereinafter referred to as the Contracting Officer, or his successor,
and the PACIFIC POWER & LIGHT COMPANY, hereinafter referred to as the
Company, a corporation organized under the laws of the State of Maine,

witnesseth, that:

EXPLANATORY RECITALS

whereas, the parties hereto entered into a contract on
June 23, 1930, as amended June 30, 1931, granting the Company certain
rights upon public land acquired by the United States in connection
with the reclamation development of the Klamath Project of the
United States; and

whereas, pursuant to the above contract, the Company has
constructed at approximately Mile 235.8 in the Klamath River at Keno
a needle-type dam for regulatory purposes; and
WHEREAS, the Company proposes to construct the Keno Development consisting as a first stage of removal of the existing needle-type dam, construction of a new diversion dam at approximately Mile 235, channel improvements upstream from said dam, and as a second stage construction of power facilities, all as proposed in the application for amendment of License for Project No. 2082 made March 29, 1965, before the Federal Power Commission; and

WHEREAS, the Federal Power Commission on November 29, 1965, issued an Order Further Amending License for Klamath River Project No. 2082, and said Order provides in Article 55 thereof:

"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."

and

WHEREAS, this contract is entered into under said Article 55 and shall not be construed to affect the obligations of the Company under any other provision of the License not related to Article 55; and
WHEREAS, the operation by the Company of the proposed 
works under the conditions and stipulations herein contained will 
not impair the Klamath Project of the United States and will 
provide additional channel capacity during high flows for Klamath 
Project purposes;

NOW, THEREFORE, in consideration of the mutual and dependent 
covenants herein contained, it is agreed by the parties hereto as 
follows:

TERM OF CONTRACT

1. This contract shall be effective on the date that the 
portion of the Keno Development, which includes the new diversion 
dam at Mile 235 and the planned channel improvements, is sufficiently 
completed to permit regulation of the Klamath River (Lake Ewauna 
to Keno) as hereinafter provided, such date to be evidenced by 
written notification by the Company to the United States. As of 
the effective date of the contract, the contract of June 23, 1930, 
as amended, shall be superseded and canceled and the Klamath River 
shall be regulated as provided herein; until such time, the said 
contract of June 23, 1930, as amended, shall continue to be in 
effect, except that regulation as provided for in the contract of 
June 23, 1930, as amended, shall be provided by the new diversion 
dam. The term of this contract shall extend for the term of the 
Federal Power Commission Licence for Klamath River Project No. 2082.
OPERATION OF DIVERSION DAM FOR REGULATION OF WATER LEVELS

2. (a) When the United States is diverting water from the Klamath River for uses within the Klamath Project, the Company will operate the diversion dam so that the upstream water level will not be below the minimum normal objective operating height of elevation 4085.0, Bureau of Reclamation datum, at or near the location of the present Highway No. 66 bridge at Keno, Oregon, unless the flow in the Klamath River at the diversion dam equals or exceeds six thousand (6,000) cubic feet per second.

(b) The Company shall operate the diversion dam when desired by the United States to provide for the discharge of three thousand (3,000) cubic feet per second from the Lost River Diversion Channel and three hundred (300) cubic feet per second from the Klamath Straits Drain at all times when the flow from Link River is at or below ten thousand (10,000) cubic feet per second. When flow from Link River exceeds ten thousand (10,000) cubic feet per second, the parties shall cooperate in operating their facilities in order to minimize loss and damage to the area. The United States may increase its inflow to the Klamath River at or downstream from the Klamath Straits Drain from three hundred (300) cubic feet per second to one thousand (1,000) cubic feet per second when the flow from Link River is at or below nine thousand three hundred (9,300)
cubic feet per second. The United States will limit its discharges
in accordance with the foregoing except when, and to the extent
that, a greater discharge, together with the Company's planned
discharge from Link River and other inflow (with the gates at the
diversion dam adjusted to accommodate the total planned flow)
will not raise the water level above elevation 4086.5 (Bureau of
Reclamation datum) in the upper portion of Lake Ewauna.

(c) The Company and the United States will exchange
information on recorded and estimated flows, will agree on criteria
for operations affecting the other party and will notify the other
party of proposed operations affecting the other party. Operating
personnel of the respective parties will make appropriate arrange-
ments for the foregoing.

(d) Elevations referred to in subdivisions (a) and (b)
of this article are given on Bureau of Reclamation datum. Primary
control point for such datum is a benchmark consisting of a brass
cap established in 1907 and located on the intake works of "A"
canal near Link River Dam at the outlet of Upper Klamath Lake.
The benchmark is marked elevation 4148.0, which on the Bureau of
Reclamation datum is elevation 4148.650 feet. Secondary benchmarks
(the primary benchmark to control in case of question) used to
establish elevations referred to in subdivisions (a) and (b) of
this article are:
(i) Lake Ewauna: Benchmark L-74 (OSHD), set in 1931 on the southwest corner of Main Street Link River Bridge. Elevation on Bureau of Reclamation datum is 4095.90 feet.

(ii) Highway No. 66 bridge: Benchmark #11 (USGS) set in 1905 about 410 feet northeast of Highway 66 bridge across Klamath River at Keno in a rock cutcrop. Elevation on Bureau of Reclamation datum is 4111.07 feet.

Established gages at Highway 66 bridge and Highway 97 by-pass bridge crossing the Link River (the latter to determine elevation of upper portion of Lake Ewauna) will be used for operations under this contract, and elevations established by reading of such gages shall be conclusive on all parties as to any matter hereunder. In case of question as to setting of such gages for future operations, the question will be resolved by reference to the primary benchmark. Gages other than those specified above may be used for operations under this contract provided that adequate correlation is established in advance and agreed to by both parties from the gage to the control point location specified in subdivisions (a) and (b) of this article. Upon the establishment of such alternate gages, elevations established by such gages shall be conclusive and the gages may be reset as provided above for the existing gages.
3. The Company shall reimburse the United States for damage to its property resulting from, and shall hold the United States harmless from all claims for damage caused by reason of, water levels in Klamath River and Lost River Diversion Channel other than would have obtained had the new diversion dam not been built or the then existing channel improvements made by the Company not been made.

SUCCESSORS AND ASSIGNS OBLIGATED

4. The provisions of this contract shall apply to and bind the successors and assigns of the parties hereto.

OFFICIALS NOT TO BENEFIT

5. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.
IN WITNESS WHEREOF, the parties hereto have executed this contract the day and year first above written.

THE UNITED STATES OF AMERICA

By [signature]
Regional Director, Region 2
Bureau of Reclamation

PACIFIC POWER & LIGHT COMPANY

By [signature]
Vice President

(SEAL)

ATTEST:

Secretary
PACIFIC POWER & LIGHT COMPANY

Certified Copy of Resolution

I, M. E. Thompson, a duly elected and acting Assistant Secretary of Pacific Power & Light Company, a corporation of the State of Maine, HEREBY CERTIFY that the following is a full and true copy of a certain resolution which was duly adopted by its board of directors, at a meeting thereof duly held on September 13, 1967, namely:

RESOLVED, that the President or a Vice-President and the Secretary or an Assistant Secretary of Pacific Power & Light Company be authorized, and each of them is hereby authorized, in the name of and on behalf of the Company to enter into and execute a contract between the United States of America, Department of Interior, Bureau of Reclamation and Pacific Power & Light Company referring to the operation of the Keno Development portion of FPC Project No. 2082 substantially in the form set out in the draft identified R.O. Draft 3/22-1967, REV R.O. 7/6-1967.

I FURTHER CERTIFY that said resolution has not been rescinded or modified, and is now in full force and effect as set forth above.

WITNESS my hand and the seal of Pacific Power & Light Company this 18th day of September, 1967.

M. E. Thompson
Assistant Secretary

(Seal)
Mr. R. J. Pafford, Jr.
Regional Director, Region 2
United States Department of Interior
Bureau of Reclamation, Region 2
Sacramento, California 95825

Dear Mr. Pafford:

In accordance with the provisions of Article 1 of the "Contract Between the United States of America and Pacific Power & Light Company for the construction of the Klamath River Project No. 2082 as Amended, Contract No. 14-06-000-3379A", Pacific Power & Light Company hereby gives notice that the portion of the Keno Development which includes the new diversion dam at Mile 235 and planned channel improvements is sufficiently completed to permit regulating the Klamath River (Lake Evauma to Keno) as provided in said contract.

Accordingly the effective date of such contract, as provided in Article 1 thereof, is the date of this letter.

Yours very truly,

PACIFIC POWER & LIGHT COMPANY

By [Signature]
Senior Vice President

Dated: January 29, 1972

cc: Mr. C. D. Lawrence, Project Manager
Bureau of Reclamation, Klamath Project
P. O. Box 8
Klamath Falls, Oregon 97601