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Congress of the United States  
House of Representatives  
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COMMITTEE ON  
NATURAL RESOURCES  
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FORESTS, AND PUBLIC LANDS  
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ALASKAN NATIVE AFFAIRS  
COMMITTEE ON THE BUDGET

July 17, 2012

Michael R. Peevey  
President, California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Dear Mr. Peevey:

I write regarding PacifiCorp's application to accelerate the collection of the \$13.76 million Klamath surcharge authorized by the Klamath Hydroelectric Settlement Agreement. I object to this request to impose another rate increase on PacifiCorp's California customers based upon the unlikelihood that Congress will ever pass the KHSA into law.

One of the prerequisites to implement the KHSA is enactment of federal authorizing legislation. Although such legislation has been introduced, it has not moved. In fact, the only indication of Congressional sentiment regarding the KHSA was a vote on February 18, 2011 when the House adopted an appropriations amendment to prohibit the use of funds for the Klamath Dam Removal and Sedimentation Study (112<sup>th</sup> Congress Roll Call No. 111).

As chairman of the Water and Power Subcommittee of the House Natural Resources Committee I can tell you that sentiment in the House is very much opposed to destroying four hydroelectric dams capable of producing 155 MW of reliable hydroelectricity and the concomitant destruction of the Iron Gate fish hatchery that produces 5 million salmon smolts each year.

There is no reasonable justification for assuming the KHSA will be implemented at any time in the foreseeable future, and, therefore, no reasonable basis for imposing an additional rate increase on PacifiCorp customers. In fact, with passage of the March 31, 2012 deadline for the Secretary of the Interior to make a determination on dam removal and the indefinite deferral of any such decision, the Public Utilities Commission should immediately suspend collection of the existing Klamath surcharge.

Sincerely,

  
Tom McClintock