

# Govt, Utility Officials Sign Klamath River Dam Removal Deal

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SAN FRANCISCO (Dow Jones)--Federal and state officials signed agreements Thursday with a western utility and Indian tribes that call for removal of four hydroelectric dams on the Klamath River to resolve a long-simmering dispute over water use.

The two agreements, signed by U.S. Interior Secretary Ken Salazar, the governors of California and Oregon, executives at PacifiCorp, a unit of Warren Buffett's Berkshire Hathaway Inc. (BRKB, BRKA), and officials from three Indian tribes, provide a framework for removing the dams by 2020, if the plan receives approval by Congress and Interior Department scientists. The pacts also lay out a plan for sharing water between wild fish and farms, and restoring the ecological balance of the river basin.

"The Klamath River, which for years was synonymous with controversy, is now a stunning example of how cooperation and partnership can resolve difficult conflicts," Salazar said in prepared remarks at the Oregon state capital in Salem. "The agreements provide a path forward to meet the needs of local communities, tribes, farmers, fishermen and other stakeholders while restoring a beautiful river and its historic salmon runs."

The agreements are the result of years of negotiations following a standoff between farmers and government agencies in 2001, when a drought forced irrigation shutoffs to protect wild salmon. When irrigation was restarted, salmon populations fell.

The dam-removal agreement contemplates project costs between \$200 million and \$450 million. PacifiCorp would cover up to \$200 million of dam-removal costs through a 10-year surcharge on its Oregon and California customers' bills. California officials agreed to provide up to \$250 million in additional funds, if needed.

If the restoration agreements are approved and implemented, they would allocate water from the river for fisheries, agriculture uses, national wildlife refuges, and other uses, Salazar said.

Greg Abel, chief executive of PacifiCorp and its parent, MidAmerican Energy Holdings Company, said the agreements will protect utility customers, "no matter what the ultimate public policy decision is in terms of dam removal."

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