

FEDERAL ENERGY REGULATORY COMMISSION

Office of Energy Projects
Division of Dam Safety and Inspections
Portland Regional Office
805 SW Broadway, Suite 550
Portland, Oregon 97205

JUL 02 2009

In Reply Refer To:
P-2899-ID
NATDAM-ID00223
-ID83075

Mr. Dale Koger
Hydro Production Manager
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707

Subject: Evaluation of Unit #3 at the Milner Project Powerhouse

Dear Mr. Koger:

This letter serves to acknowledge a phone conversation between Mr. Paul Walz and this office regarding the removal of Unit #3 from the Milner Project power house. We understand the unit has not operated for some time because of a continuing problem with the turbine bearings. The unit will be taken to your Lower Salmon Project maintenance yard for a detailed mechanical evaluation. Upon completion of that evaluation, a decision will be made regarding the future of this unit, which may include abandoning, repairing, or replacing the unit. If the unit is abandoned, provisions will be required to ensure compliance with the license regarding power generation.

Within 30 days of the date of this letter, please provide this office with three copies of your plan and schedule to evaluate Unit #3 and determine the future of that unit.

If you have any questions, please contact Mr. Frank L Blackett of this office at (503) 552-2718.

Sincerely,



Patrick J. Regan, P.E.
Regional Engineer