

State of Idaho
Department of Water Resources
Permit to Appropriate Water
NO. 1-10401

Priority: June 6, 2002

Maximum Diversion Volume: 157,000.0 AF

This is to certify, that US DEPT OF INTERIOR
BUREAU OF RECLAMATION
1150 N CURTIS RD STE 100
BOISE ID 83706-1234

has applied for a permit to appropriate water from:

Source: SNAKE RIVER**Tributary:** COLUMBIA RIVER

and a permit is APPROVED for development of water as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>ANNUAL VOLUME</u>
POWER STORAGE (Powerhead)	01/01 to 12/31	157,000.0 AF
POWER FROM STORAGE	01/01 to 12/31	157,000.0 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER L2 (NW¼NE¼) Sec. 17, Twp 01S, Rge 45E, B.M. BONNEVILLE County

PLACE OF USE: POWER FROM STORAGE

Twp Rge Sec	NE				NW				SW				SE				
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
01S 45E 17		X															
		L 2															

CONDITIONS OF APPROVAL

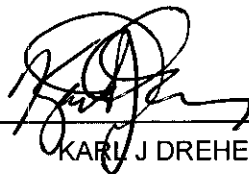
1. Proof of application of water to beneficial use shall be submitted on or before **July 1, 2006**.
2. At the time proof of beneficial use is submitted, the permit holder shall submit information establishing that the volume of water sought for beneficial use has been stored and that the entire volume of water can be used for power generation purposes. Proof of beneficial use does not require full refill of the storage space and same-year vacating of the storage space for power generation.
3. Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 01.
4. The right holder shall maintain measuring devices that can be used to determine the volume of water stored and the volume of water released through the system.
5. The rights for the use of water acquired under this right shall be junior and subordinate to all other rights for the use of water, other than hydropower, within the State of Idaho that are initiated later in time than the priority of this right and shall not give rise to any claim against any future rights for the use of water, other than hydropower, within the State of Idaho initiated later in time than the priority of this permit.

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CONDITIONS OF APPROVAL CONTINUED

6. The diversion and use of water for hydropower purposes under this right is subject to review by the Director on or after April 1, 2035, or whenever the Nez Perce Settlement Agreement is no longer effective, whichever comes first. Upon appropriate findings relative to the interest of the public, the Director may cancel all or any part of the use authorized herein and may revise, delete or add conditions under which the right may be exercised.
7. Powerhead water in Palisades Reservoir may be used for power generation so long as the water may also be required for flow augmentation under the Nez Perce Settlement Agreement known as "Mediators Term Sheet" of April 20, 2004 and under the terms thereof.
8. This right is subject to the provisions of Sections 42-205 through 42-210, Idaho Code, restricting the sale, transfer, assignment, or mortgage of this right. Failure to comply with these provisions is cause for immediate cancellation of this right.
9. The storage of water under this right is contingent upon the certification of the dam and authorization of storage per the dam safety provisions of the Idaho Code.
10. The use of water under this right shall not give rise to any claim against the holder of a senior water right based upon the theories of forfeiture, abandonment, adverse possession, waiver, equitable estoppel, estoppel by laches or customary preference.

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code. Witness the signature of the Director, affixed at Boise, this 18th day of July, 2005.



KARL J DREHER, Director