


PUGET SOUND ENERGY
The Energy To Do Great Things

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 FEDERAL ENERGY
 REGULATORY COMMISSION

October 18, 2011

Honorable Kimberly D. Bose
 Secretary
 Federal Energy Regulatory Commission
 888 First Street N.E.
 Washington, DC 20426

**Re: Public Utility District No. 1 of Douglas County, Washington
 Wells Project No. 2149-152**

Dear Secretary:

Puget Sound Energy, Inc. (PSE), a utility based in Bellevue, Washington, purchases significant amounts of power under long term contracts from Public Utility District No.1 of Douglas County, Washington ("Douglas PUD"), licensee of the Wells Hydroelectric Project No. 2149, and from Public Utility District No. 1 of Chelan County, Washington ("Chelan PUD"), licensee of the Rocky Reach Hydroelectric Project No. 2145 and the Rock Island Hydroelectric Project No. 943, and from Public Utility District No. 2 of Grant County, Washington ("Grant PUD"), licensee of the Priest Rapids Hydroelectric Project No. 2114. PSE submits this letter in support of the Douglas PUD request that the Federal Energy Regulatory Commission (the "Commission") provide a 50-year license term for the new license for the Wells Project No. 2149, filed May 27, 2010 in its Final License Application ("FLA").

A 50-year term is supported by the record developed in the Wells relicensing proceeding including the terms of the settlement agreements filed therein, and is fully consistent with Commission policy. More particularly, PSE submits that the term of the new license for the Wells Project, like any project being licensed by the Commission, should be determined on the basis of the record developed in the specific relicensing proceeding for each project, not be pre-determined in another proceeding.

Puget Sound Energy, Inc ("PSE") is concerned because of the Commission's orders issuing new licenses to Grant PUD for the Priest Rapids Project No. 2114 and Chelan PUD for the Rocky Reach Project No. 2145 indicate that the terms of the new licenses were selected to facilitate coordination of the future relicensing proceedings for the Priest Rapids, Rocky Reach and Wells Projects. The Priest Rapids license order specifically tied the term of the Priest Rapids license to the 2052 expiration date for the Habitat Conservation Plans ("HCPs") for the Rocky Reach, Rock Island and Wells

Projects. The selection of a term expiring in the same years raises concerns that the term of the new license for Wells may have been pre-determined in the separate proceedings of Priest Rapids and Rocky Reach involving different parties with unique stakeholders' interest.

In summary, PSE recommends that the Commission establish a term of 50 years for the new license for the Wells Project No. 2149 in accordance with the record in the Wells relicensing proceeding. Coordination of common issues relating to the projects can be accomplished without artificially-created simultaneous license term expirations.

Very truly yours,



Paul M. Wiegand
Senior Vice President, Energy Operations
Puget Sound Energy, Inc.

cc: William C. Dobbins – Douglas PUD

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