

FEDERAL ENERGY REGULATORY COMMISSION  
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. P-2149-152--Washington  
Wells Hydroelectric Project  
Public Utility District No. 1 of Douglas  
County, Washington

December 11, 2012

Mr. Shane Bickford  
Natural Resources Supervisor  
Public Utility District No. 1 of Douglas County  
1151 Valley Mall Parkway  
East Wenatchee, WA 98802-4497

Subject: Introductory Letter

Dear Mr. Bickford:

The Division of Hydropower Administration and Compliance (DHAC) has the primary responsibility for reviewing your compliance with the terms and conditions of your recently issued license. The following guidelines should help you maintain compliance with your license requirements.

Filing Instructions and Mailing Address

Unless indicated otherwise in your license, please file your submittals electronically via the Internet (eFiling) in lieu of paper. Please refer to the instructions on the Commission's Web site under <http://www.ferc.gov/docs-filing/efiling.asp> and filing instructions in the Commission's Regulations at 18 C.F.R. section 385.2001(a)(1)(iii).<sup>1</sup> To assist you with eFilings you should refer to the submission guidelines document at <http://www.ferc.gov/help/submission-guide/user-guide.pdf>. In addition, certain filing requirements have statutory or regulatory formatting and other instructions. You should refer to a list of these "qualified documents" at <http://www.ferc.gov/docs-filing/efiling/filing.pdf>.

With each submittal, it is very important for you to include a cover letter that identifies the Project Number (P-2149) and the reason for the submittal. If you are

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<sup>1</sup> <http://www.ferc.gov/legal/fed-sta.asp> Select the link for Code of Federal Regulations and navigate to §385.2001.

making a filing to address an article requirement please state so in the letter, and identify the article number. The Commission strongly encourages electronic filings; otherwise, you should submit an original and seven copies of the submittal to the following address:

The Secretary  
Federal Energy Regulatory Commission  
Mail Code: DHAC, PJ-12  
888 First Street, N.E.  
Washington, D.C. 20426

So that we may correctly address any future inquiries concerning your project, please complete and return the enclosed contact form within 15 days from the date of this letter. If this information changes, please notify the Commission at the address above.

### Article Compliance

The license contains articles that require the preparation of various analyses and studies according to the schedule established for each article. You should review the license and become familiar with its article requirements. You must deliver each item to the Commission on or before the specified due date.

### Extension of Time

If you are unable to complete a required analysis or study according to the schedule established in the license, you must request an extension of time, as directed by section 385.2008 of the Commission's regulations.<sup>2</sup> Generally, you should file your request at least 90 days before the established due date. This extension request should state why the requirement in the article cannot be completed on time. You must propose a reasonable date when the analysis or study will be completed and filed with the Commission. If an extension request is approved, an order granting an extension of time will be issued, revising the schedule in the license for submitted. If you need to request an extension of the deadline for the start or completion of project construction, section 4.202 of the Commission's regulations requires that you file the request 3 months before the deadline. Federal Statute only allows the Commission to issue one extension of time, for up to two years, for a licensee to commence project construction.<sup>3</sup> The Commission strongly encourages electronic filings, and additional details are discussed in this letter

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<sup>2</sup> 18 C.F.R. § 385.2008. Refer to the Commission's Regulations link in footnote 1 and navigate to the citation.

<sup>3</sup> 16 U.S.C. 806

and Internet links are provided. Please include the project number (P-2149) on any request you file with the Commission.

### Amendments

If you want to modify some aspect of the project--to change the existing project works or operation, to revise project boundaries, to change authorized capacity, or to alter any terms and conditions--you must first obtain authorization from the Commission (See 18 CFR §4.200) and the instructions for project amendments. If you are unsure whether the proposed modification requires an amendment, you may file a request for determination of the need for authorization with the Secretary at the address above. Your filing should consist of a detailed description of the proposed changes, the environmental effects on the surrounding area, and copies of letters of consultation with the resource agencies. After reviewing the changes proposed in your application, the Commission will decide whether an amendment is required. You will be notified in writing of this determination.

### Assistance

The goal of our assistance program is to help you stay in compliance with the terms and conditions of your license. We try to promote responsible stewardship of the nation's water resources through open communication and interaction between licensees and DHAC staff. Should you seek assistance, please contact Ms. Patricia W. Gillis at (202) 502-8735. We can discuss your questions over the telephone or in person. In addition, we can provide informational publications to assist you with your project.

The small business and agriculture regulatory enforcement ombudsman and ten regional fairness boards were established to receive comments from small businesses about federal agency enforcement actions. The ombudsman will annually evaluate each agency's enforcement activities against small business and rate each agency's responsiveness. If you are a small business entity, you may call 1-888-734-3247 to comment on the enforcement actions of this agency.

### Part 8 Requirements

We wish to remind you of your obligations under Part 8 of the Commission's regulations. Specifically, section 8.1 requires you to publish a notice in local newspapers the availability of project lands for public recreational use. You should maintain a copy of the publication for your records. In addition, section 8.2 requires you to post and maintain signs at all recreational access points to the project identifying the availability of the area to the public. Finally, section 8.11 requires each licensee possessing a major or minor license to file a FERC Form 80 on a six year cycle to document recreational usage at the project. The due date for the next FERC Form 80 is April 1, 2015, then April 1, 2020, etc.

You must make the Commission-approved recreational plan(s) for your licensed project available for public inspection at your offices located near the project. Please read Part 8 of the Commission's regulations for more details about these requirements.<sup>4</sup>

### Annual Charges

Pursuant to section 10 of the Federal Power Act (Act) and Part II of the regulations, the Commission will assess a licensee annual charges for costs of administration of Part I of the Act, for use of government and tribal lands, for use of government dams, and for benefits derived from headwater projects, as may be appropriate. Questions concerning annual charges may be directed to Mr. Norman Richardson, Office of the Executive Director, at (202) 502-6219.

To enable the Commission to determine appropriate annual charges, each licensee, other than a state or municipal entity, of a project with **more than 1,500 kW** of installed capacity, or any licensee of a project using a government dam, must file with the Commission, on or before November 1 of each year, a statement under oath showing the gross amount of energy generated (or produced by nonelectrical equipment). It also must include the amount of energy used for pumped storage pumping by the project during the preceding fiscal year (October 1 through September 30), in kilowatt hours. If any licensee does not report the gross energy output of its project within the time specified above, the Commission's staff will estimate the energy output. This estimate may be used instead of the filings made by such licensee after November 1. The estimate may result in higher non-refundable charges for that year.

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<sup>4</sup> 18 C.F.R. § 8.2(b). Refer to the Commission's Regulations link in footnote 1 and navigate to the citation.

You should also be aware that part of the annual charges for your licensed project is based upon the installed capacity of the generating units. Therefore, any changes that would alter the project's installed capacity require an amendment of the license. You must have prior Commission approval before implementing any work that could result in a change in installed capacity. For additional information, you should refer to standard Articles 2 and 3 of your license, and the Commission Order on Rehearing in International Falls Power Company, issued January 18, 1994 (66 FERC ¶ 61,086).

#### Headwater Benefits

If your project is located downstream from a storage reservoir or other headwater improvement you may be receiving headwater benefits. These benefits come in the form of increased energy generation from regulated flows by an upstream project. The Commission calculates headwater benefits in accordance with sections 11.10 through 11.21 of its regulations, and you would be notified at the commencement of a study. If you have questions regarding headwater benefits charges you should contact Ms. Kelly Houff of our office at (202) 502-6393.

Your cooperation in these matters will be appreciated. We look forward to working with you.

Sincerely,

Charles K. Cover, P.E.  
Project Review Branch  
Division of Hydropower Administration  
and Compliance

Enclosure: Contact Form

Project No. P-2149-152--Washington  
Wells Hydroelectric Project  
Public Utility District No. 1 of Douglas  
County, Washington

Date: \_\_\_\_\_

The Secretary  
Federal Energy Regulatory Commission  
Mail Code: DHAC, PJ-12  
888 First Street, N.E.  
Washington, D.C. 20426

Dear Madam:

The exact name, title, address, and telephone number of the corporate president or vice-president, elected municipal official, etc., responsible for the project as exemptee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_  
Fax No. : \_\_\_\_\_  
Email: \_\_\_\_\_

The exact name, title, address, and telephone number of the authorized representative for day-to-day project activities:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_  
Fax No.: \_\_\_\_\_  
Email: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Signature

cc: Portland Regional Office  
805 SW Broadway  
Fox Tower – Suite 550  
Portland, Oregon 97205