

**PUBLIC UTILITY DISTRICT NO. 1 OF DOUGLAS COUNTY
WELLS HYDROELECTRIC PROJECT – FERC NO. 2149**



**RELICENSING UPDATE
JANUARY – MARCH 2007**

BACKGROUND

The Public Utility District No. 1 of Douglas County's (Douglas PUD) federal license to operate the Wells Project expires on May 31, 2012. The Wells Hydroelectric Project includes the Wells Reservoir, forebay, tailrace, dam, project lands and two 230 kV transmission lines. Wells Dam is the principal component of the Wells Project. It is located at river mile 515.6 on the Columbia River in the State of Washington, 30 river miles downstream of the Chief Joseph Project, owned and operated by the US Army Corps of Engineers, and 42 miles upstream of the Rocky Reach Project, owned and operated by Chelan PUD. Wells Dam includes ten generating units with a nameplate rating of 774.3 MW and a peaking capacity of 840 MW. The design of Wells Dam is unique in that the generating units, spillways, switchyard and fish passage facilities are combined into a single structure referred to as the hydrocombine. The Wells Reservoir is 29.5 miles long. The Methow and Okanogan rivers are tributaries of the Columbia River within the Wells Reservoir. The Wells Project Boundary extends 1.5 miles up the Methow River and 15.5 miles up the Okanogan River and includes approximately 2,140 acres of shoreline lands above the ordinary high water mark.

RECENT ACTIVITIES

Douglas PUD submitted its Notice of Intent to File an Application for New License and Pre-Application Document with FERC on December 1, 2006. The Pre-Application Document includes a compilation of preliminary issues and 12 study plans that were mutually developed and agreed upon with voluntary resource work groups (RWGs) that began meeting in November 2005. In accordance with Integrated Licensing Process (ILP) regulations, FERC issued Scoping Document 1 on January 29, 2007. FERC's Scoping Document 1 includes issues and studies identified by the RWGs and a detailed Process Plan and Schedule for ILP activities and deadlines.

FERC staff conducted a public site visit of the Wells Project on February 27, 2007 and public scoping meetings on February 28, 2007. The site visit included an overview of the Wells Project and its operations and a tour of the Wells Reservoir and adjacent recreation facilities and wildlife areas. The morning scoping meeting was held in the City of East Wenatchee and the evening

meeting was held in the City of Brewster. Attendees included representatives from federal and state agencies, elected officials, business leaders and community members. Douglas PUD will evaluate responses to FERC's Scoping Document 1 and continue to use the RWGs to evaluate additional study requests toward inclusion into the Proposed Study Plan Document due in May 2007. Thereafter, the RWGs will evaluate results from studies, resolve resource issues and develop management plans to be included into the Preliminary License Proposal due in late 2009.

Information on Wells Project Relicensing is available at www.douglaspud.org/relicensing. Douglas PUD's relicensing website describes the Wells Project, existing FERC license and the Relicensing Process. It includes a relicensing calendar, work group information, compliance reports, baseline study reports, Pre-Application Document, Scoping Document 1 and correspondence.