

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



RELICENSING UPDATE JULY – SEPTEMBER 2006

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. Douglas PUD is planning on filing its Notice of Intent (NOI) and Pre-Application Document (PAD) with FERC in December 2006.

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

All of the baseline relicensing studies, initiated in early 2005, have been reviewed by stakeholders and study reports are now final. The results of these studies have been integrated into the PAD which is now mostly complete. The relicensing library has been established and contains thousands of environmental studies and documents pertaining to the Wells Project. Douglas PUD's relicensing website describes the Communication Protocol and project history, details the existing FERC license and provides links to the final baseline relicensing studies.

Douglas PUD has engaged in an intensive stakeholder outreach program. This program has included meetings with federal and state agencies, local Indian tribes and the cities and counties

adjacent to the Wells Project. An important component of stakeholder outreach has included the formation of Resource Work Groups (RWGs). The RWGs were formed in 2005 and have thus far completed 28 meetings. These meetings focused on understanding project operations, scoping relicensing issues and developing agreed upon study plans for those issues that require additional information. To date, the RWGs have mutually developed and agreed upon a set of twelve study plans to be included into the PAD.

After the PAD is filed, Douglas PUD will 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.