

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



**RELICENSING UPDATE
OCTOBER – DECEMBER 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. 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 documents represent the culmination of over two years of work by Douglas PUD staff, consultants and stakeholder representatives. 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. Over 150 issues or concerns were originally addressed that were consolidated and sorted throughout the course of 28 separate RWG meetings. The study plans address Aquatic, Water Quality, Cultural, Terrestrial, and Recreation and Land Use issues designated by the groups as appropriate for study during the two-year ILP study period.

Additionally, Douglas PUD has continued its intensive stakeholder outreach program by conducting follow-up meetings with policy staff from state and federal agencies, tribes and local governments. In total, 31 separate stakeholder outreach meetings with policy staff have been conducted in addition to the 28 voluntary RWG meetings conducted with technical staff. After the Pre-Application Document 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. 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 and final baseline relicensing studies.