



Public Utility District No.1 of Douglas County

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Wells Hydroelectric Project Relicensing Update –May 2010

Douglas PUD filed its Final License Application (FLA) with the Federal Energy Regulatory Commission (FERC) today. This is a major milestone in FERC's Integrated Licensing Process for the Wells Hydroelectric Project. The FLA consists of three volumes containing an Executive Summary, an Initial Statement and eight exhibits. The eight exhibits are Project Description, Project Operations and Resource Utilization, Construction History, Statement of Cost and Financing, Environmental Exhibit, General Design Drawings, Project Maps and Plans and Ability of Applicant to Operate the Project.

The main portion of the FLA is the Environmental Exhibit with its thirteen supporting documents. The Environmental Exhibit's supporting documents include the proposed continuation of the Anadromous Fish Agreement and Habitat Conservation Plan (HCP), the implementation of an Aquatic Settlement Agreement that will protect and enhance sturgeon, bull trout, lamprey, resident fish, and water quality resources found within the Wells Project and that will help prevent the introduction and spread of aquatic nuisance species. The Aquatic Settlement Agreement was a collaborative effort and has been signed by the US Fish and Wildlife Service, Washington Department of Fish and Wildlife, Washington Department of Ecology, Confederated Tribes of the Colville Reservation, Confederated Tribes and Bands of the Yakama Nation, and the US Bureau of Land Management.

The FLA also includes a hatchery and genetics management plan for Methow River spring Chinook, final management plans for the protection and enhancement of wildlife and botanical resources, an avian protection plan and a management plan for the protection and preservation of cultural resources. Douglas PUD's Land Use Policy that governs shoreline management activities for the 123 miles of shoreline contained within the Wells Project is one of the supporting documents in the FLA. Lastly, the FLA includes a draft Biological Assessment that was developed in close coordination with the National Marine Fisheries Service, United States Fish and Wildlife Service and FERC. The draft Biological Assessment provides a detailed analysis of the effects of the proposed relicensing actions on Endangered Species Act listed species. "These documents represent the culmination of over five years of work by Douglas PUD staff, and the federal, state, tribal and local community representatives involved in relicensing the Wells Project," said Shane Bickford, Douglas PUD Natural Resources Supervisor.

Right up to the day the FLA was filed, Douglas PUD has continued its intensive stakeholder outreach program by conducting follow-up meetings with technical and policy staff from state and federal agencies, tribes and local governments. "I feel the communication with policy level individuals at numerous agencies has been beneficial and I appreciate the time and talent these agencies have

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dedicated to this process,” said Bill Dobbins, Douglas PUD General Manager. Over 100 separate stakeholder outreach meetings with policy staff have been conducted to date. In addition to policy meetings, an even larger number of resource work group meetings were conducted with technical staff. These meetings were invaluable in the development and final approval of the 12 resource management plans and six settlement agreements contained within the FLA.

Douglas PUD is filling an application for approval of the Aquatic Settlement Agreement as an Offer of Settlement related to the relicensing of the Wells Project with the FLA.

FERC will prepare a draft and final Environmental Assessment (EA). FERC’s EA will include, among other things, preliminary license articles. Douglas PUD continues to work closely with members of the Aquatic Settlement Work Group on the development of measures for the 401 Clean Water Act, water quality certification. The application for water quality certification for the Wells Project is expected to be filed with the Washington State Department of Ecology in August 2010.

BACKGROUND:

The Public Utility District No. 1 of Douglas County’s federal license to operate the Wells Hydroelectric Project expires on May 31, 2012. The Wells 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.

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 videos, relicensing documents, timelines and history of the Wells Hydroelectric Project.

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