



Public Utility District No. 1 of Douglas County

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September 30, 2010

Mr. Charlie McKinney
Water Quality Section Manager
Washington State Department of Ecology
15 W. Yakima Ave., Suite 200
Yakima, WA 98902

**Subject: Wells Hydroelectric Project No. 2149-152
Water Quality Certification Application**

Dear Mr. McKinney:

Public Utility District No. 1 of Douglas County, Washington (Douglas PUD), owner and operator of the Wells Hydroelectric Project (Wells Project), hereby submits one compact disk of its application for Water Quality Certification under Section 401 of the Clean Water Act. This application is submitted in support of the Federal Energy Regulatory Commission (FERC) relicensing application for the existing Wells Project (FERC No. 2149), in accordance with 18 C.F.R. § 5.18(b)(3)(i). The current operating license for the Wells Project expires on May 31, 2012.

Douglas PUD is seeking from the FERC a new, 50-year operating license for the Wells Project. Douglas PUD recently completed a major relicensing milestone when it filed the Final License Application for the Wells Project with the FERC on May 27, 2010. More recently, the FERC issued a Notice of Acceptance (NOA) and Ready for Environmental Analysis (REA) on August 10, 2010. Douglas PUD is required to provide the FERC with proof of its filing of the application for Water Quality Certification within 60 days following the FERC's issuance of the NOA and REA. The September 30, 2010 filing of this application is intended to satisfy FERC's requirement in a timely manner.

Ecology has been an active participant in the Wells Project relicensing process, and is a signatory party to the Wells Aquatic Settlement Agreement along with Douglas PUD, Washington State Department of Fish and Wildlife, U.S. Fish and Wildlife Service, U.S. Bureau of Land Management, the Confederated Tribes of the Colville Reservation, and the Confederated Tribes and Bands of the Yakama Nation.

The purpose of the Wells Aquatic Settlement Agreement is to resolve all remaining aquatic resource issues related to compliance with all federal and state laws applicable to the issuance of a new operating license for the Project. The Aquatic Settlement Agreement, in concert with the Wells Anadromous Fish Agreement and Habitat Conservation Plan (Wells HCP), addresses all effects of the Wells Project on aquatic and water quality resources, and these agreements are expected to function as the Wells Project Water Quality Attainment Plan.

The enclosed Water Quality Certification Application consists of a completed Washington Department of Ecology Form ECY 070-163; a list of studies, research and reports which support this application; and copies of each of the listed documents in their entirety. These materials are provided in addition to materials previously provided during the relicensing process, which include the Pre-Application Document; Initial and Updated Study Reports; and the Draft and Final License Application documents.

Proposed Uses of Water

Douglas PUD has six primary water rights used to generate electricity at the Wells Project. These rights include a 220,000 cfs surface water right for power production purposes, a total reservoir impoundment right of 331,200 acre-feet and two ground water rights used to support power production and fish propagation (Tables 1 and 2). In addition to these rights, Douglas PUD also holds surface and ground water rights for the purpose of propagating fish at the Wells and Methow Fish Hatcheries (Tables 2 and 3). The fish raised at these two facilities are essential to Douglas PUD’s ability to satisfy the no-net-impact requirements of the Wells HCP.

Table 1. Reservoir and surface water certificates associated with the operation of the Wells Project.

Certificate Number	P - Date	CFS	GPM	QA Total	Purpose	Permit Holder
S3-00362 (Power Generation)	October 2, 1963	220,000			PO ¹	Douglas PUD
R3-00363 (Reservoir Impoundment)	October 2, 1963			300,000	PO	Douglas PUD
R4-26075 (Reservoir Impoundment)	December 1, 1978			331,200	PO	Douglas PUD
S4-26074 ² (Power Generation)	December 1, 1978	220,000			PO	Douglas PUD

¹ PO = Power operation

² Water right certificate S4-26074 confirms the 220,000 cfs water right stated within S3-00362.

Table 2. Groundwater and surface water certificates for the Wells Fish Hatchery.

Certificate Number	P - Date	CFS	GPM	QA Total	Purpose	Permit Holder
G4-22856 (Wells 1 & 4)	April 2, 1974		4,700	7,520	FS, PO ¹	Douglas PUD
G4-24462 (Wells 2, 3)	November 23, 1976		1,500	2,400	FS ²	Douglas PUD
G4-22857 (Wells 5, 6,15)	April 2, 1974		2,800	4,480	FS	Douglas PUD
G4-28847 (Wells 7, 8, 9)	January 2, 1986		2,960	2692	FS PO	Douglas PUD
G4-28598 (Wells 10 & 11)	January 17, 1985		2,100	2,087	FS	Douglas PUD
G4-29184 (Wells 12, 13, 14)	January 15, 1987		3,000	2,408	FS	Douglas PUD
S3-00362 (Power Generation)	October 2, 1963	220,000			PO ³	Douglas PUD
S4-26074 (Power Generation)	December 1, 1978	220,000			PO ³	Douglas PUD
R3-00363 (Reservoir Impoundment)	October 2, 1963			300,000	PO ³	Douglas PUD
R4-26075 (Reservoir Impoundment)	December 1, 1978			331,200	PO ³	Douglas PUD

¹ PO = Power operation;

² FS = Fish propagation;

³ A portion of these water rights are used to meet the various mitigation obligations associated with operating the Wells Project.

Table 3. Groundwater and surface water certificates for the Methow Fish Hatchery.

Certificate Number	P - Date	CFS	GPM	QA Total	Purpose	Permit Holder
S4-848 (Methow)	January 10, 1922	50.0 (SR)		31,934	FS ¹	U.S. Fish & Wildlife Service ²
S4-29912 (Methow)	January 19, 1989	18.0 (JR)		13,099.2	FS	Douglas PUD
G4-29911 (Wells 1, 2, 3, 4, 5 ,6)	January 19, 1989		4,500	7,277.3	FS	Douglas PUD
S4-29914 (Chewuch)	February 6, 1989	6.0		1,487.6	FS	Douglas PUD
S4-29915 (Twisp)	February 6, 1989	6.0		1,487.6	FS	Douglas PUD

¹ FS = Fishery propagation

² Under a 1990 MOU, up to 7cfs of this water right is allowed to be used by Douglas PUD, subject to the months of use restriction of the water right authorization (January-April, September and October).

Water Quality Studies

Throughout the FERC relicensing process, Douglas PUD has worked closely with Ecology and the Aquatic Settlement Agreement parties to thoroughly document and analyze the existing water quality conditions associated with the Wells Project and to determine what effects the Wells Project has on water quality. Data collected during these efforts included water temperature, turbidity, dissolved oxygen, pH, total dissolved gas, nitrates/nitrites, orthophosphorus, chlorophyll *a* concentrations, phytoplankton, zooplankton and toxins. The results of these investigations, along with additional fish and aquatic resource studies which support this application, can be found in Appendices A and B of this application.

Summary of Compliance with the Water Quality Standards

Based on the results of the numerous water quality studies conducted during the relicensing of the Wells Project, the Aquatic Settlement Work Group concluded that waters within the Wells Project currently meet state numeric criteria for water quality as defined in Chapter 173-201A WAC (See Final License Application, Table 3.3.2.1-11). Table 4 contains a summary of compliance with each of the applicable water quality parameters.

Table 4. Summary of compliance with Washington State Water Quality Standards based upon the studies reported within the Initial and Updated Study Reports.

Standard	Studies	Result(s)	Continued Monitoring
TDG	Politano et al. 2008, 2009a, 2009b	Compliance met under preferred operating conditions and standard compliance scenario	Yes
Temperature	West Consultants, Inc. 2008	Compliance met, zero exceedances	Yes
DO	Parametrix, Inc. 2009a	Compliance met, zero exceedances	No
pH	Parametrix, Inc. 2009a	Compliance met, zero exceedances	No
Turbidity	Parametrix, Inc. 2009a; Douglas PUD and CBE 2009	Compliance met, zero exceedances	No

Douglas PUD greatly appreciates the active and constructive participation of Ecology staff throughout the entire application process to date and looks forward to continued collaboration during implementation of the new operating license for the Wells Hydroelectric Project.

If you have any questions, comments or require further information, please feel free to contact me at (509) 881-2208 or sbickford@dcpud.org.

Sincerely,



Shane Bickford
Natural Resources Supervisor

Enclosure: One CD containing the Water Quality Certification Application for the Wells Project

Cc with enclosure:

Tom Tebb – Director – Central Regional Office
Jon Merz – Watershed and Unit Manager
Patricia Irle – Hydropower Projects Manager
Sonia Wolfman – Attorney General’s Office