FEDERAL ENERGY REGULATORY COMMISSION Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 637-096--Washington Lake Chelan Hydroelectric Project PUD No. 1 of Chelan County

December 8, 2016

Jeffrey Osborn Compliance Program Manager PUD No. 1 of Chelan County P.O. Box 1231 Wenatchee, Washington 98807-1231

Subject: Notice of temporary change in pumped flow to habitat channel

Dear Mr. Osborn:

This letter acknowledges receipt of your letter filed October 13, 2016, with the Federal Energy Regulatory Commission (Commission) notifying us of a temporary change in pumped flow to the habitat channel for the Lake Chelan Hydroelectric Project (FERC No. 637). Flows are provided pursuant to license Article 408, the Chelan River Biological Evaluation and Implementation Plan, Water Quality Certification condition IV.E, and Settlement Agreement Article 7(c)(2). The requirements anticipate that adjustments may be required once flow in the habitat channel was implemented and allow for flow adjustments in order to provide optimal habitat for Chinook and steelhead.

You are required to provide a minimum flow of 320 cubic feet per second (cfs) to the Chelan River habitat channel during the steelhead and Chinook salmon spawning seasons. You provide flow via five pumps at a calculated 240 cfs at minimum tailwater elevation which is added to 80 cfs minimum flow from the lake. When combined, these

¹ During relicensing, the licensee, at the request of Ecology created the Chelan River Biological Evaluation Plan to facilitate Ecology in developing a 401 water quality certification for the project. The plan was then incorporated into the settlement agreement.

 $^{^2}$ Order On Offer Of Settlement And Issuing New License (117 FERC ¶ 62,129), issued November 6, 2006.

flows ensure that the minimum 320 cfs is provided to the habitat channel. The flow regime described above is meant to ensure that the required 320 cfs reaches the habitat channel under "minimum" tailwater elevations; however, under "normal" tailwater elevations you have determined the actual flow in the habitat channel to be 340-350 cfs.

Your staff, Washington Department of Ecology (Ecology), and Washington Department of Fish and Wildlife (Washington DFW) have observed over the last several years that the water velocities in the habitat channel provided by the five pumps combined with the flow from the lake appear to be too high, particularly for steelhead spawning and Chinook fry early rearing. Therefore, in your consultation with the agencies and the Chelan River Fishery Forum over the last few years, it has been decided to temporarily reduce the flow to the habitat channel by operating four rather than five pumps which provides approximately 280 to 290 cfs to the habitat channel. You implemented this reduced flow regime after notification to the Commission, during the 2013 and 2014 Chinook salmon spawning periods (October 15-November 30) and 2014, 2015 and 2016 steelhead spawning periods (March 15-May 15). You state that you continue to monitor the effects that the reduced flow has on spawning Chinook and steelhead by assessing the number and extent of spawning redds, and observations of spawning activity in the habitat channel.

Your current October 13, 2016 filing states that you proposed to the Chelan River Fisheries Forum, to implement the four pump operation (reduced flow) during the fall 2016 Chinook spawning period. You state that you received comments from Ecology and the Lake Chelan Sportsman Association in support of this reduced flow.

You are required to file Biological Objectives Status Reports pursuant to the Commission's Order Approving Threatened and Endangered Species Protection Plan Under Article 408³ and the Commission's Order Revising Threatened and Endangered Species Protection Plan Schedule Under Article 408.⁴ Your 2013 and 2015 reports have included the results of your evaluation of the flow adjustment on spawning habitat, and a determination as to whether the four or five pump configuration will provide the best flow conditions for the habitat channel. Please continue to include these results in your Biological Objectives Status Report. Your next report is due by April 30, 2017. If you determine through your consultation with the Chelan River Fishery Forum, that similar modifications to the habitat channel flow are preferable for the spring and fall 2017

³ 121 FERC ¶ 62,143 (issued November 28, 2007).

⁴ 131 FERC ¶ 62,151 (issued May 19, 2010).

spawning periods, you should notify the Commission of those modifications as you did in your current filing.

This letter acknowledges your October 13, 2016 filing with the Commission to temporarily adjust the habitat channel flow by operating four rather than five pumps during the fall Chinook spawning period from October 15 through November 30, 2016

Thank you for providing us notice of your temporary modification. If you have any questions regarding this letter, please contact me at (202) 502-6289.

Sincerely,

Robert Ballantine

R. Bluto

Aquatic Resources Branch

Division of Hydropower Administration

and Compliance