

FEDERAL ENERGY REGULATORY COMMISSION
Portland, OR 97204

APR 16 2008

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OFFICE OF ENERGY PROJECTS

Project No. 637-049 -- Washington
Lake Chelan Hydroelectric Project
Chelan County PUD

Ms. Michelle Smith
Licensing and Compliance Manager
Chelan County PUD
P.O. Box 1231
Wenatchee, WA 98807-1231

Subject: 2007 Annual Flow Report, Article 405

Dear Ms. Smith:

This acknowledges receipt of your 2007 Annual Flow Report, filed February 28, 2008, pursuant to Article 405 of the November 6, 2006 Order Issuing New License and the April 19, 2007 Order on Rehearing for the Lake Chelan Hydroelectric Project (FERC No. 637).

The ordering paragraph (B), as modified by the April 19, 2007 order, requires the licensee to file annually with the Commission by February 28, beginning 2008, their Annual Flow Report. Additionally, if the low level outlet required for releasing new minimum flows is not completed as scheduled and corresponding flow data is not available for the 2008 report, the licensee is required to provide a status update regarding associated construction activities and applicable extension of time request(s). Your report discusses: (1) Chelan River instream flows; (2) Chelan River ramping rates; and (3) powerhouse tailrace security flows. Your report also included data from Lake Chelan daily average lake elevations, powerhouse flows, and Chelan River flows from spill.

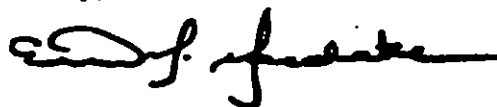
In summary, you state that Chelan River minimum instream flows were not in effect during 2007 since the construction of the new low level outlet has not been completed. Continuous spill occurred from April 16 through July 30, and spill levels were managed to meet lake level requirements, prevent erosion in the Chelan River channel and to study water levels and bed load movement in preparation for construction of the enhanced fish habitat in Reach 4 of the Chelan River. Additionally, you state that powerhouse operations during Chinook and steelhead spawning and incubation periods provided consistent flows, generally at or above 2,000 cubic feet per second, which should have provided good intragravel dissolved oxygen levels for the survival of these fish. Finally, you state that a final draft of your report was provided to the resource

agencies, Tribes and non-governmental organizations identified under the Article on January 25, 2008 for a 30-day review and comment period and no comments were received.

Your filing adequately fulfills the requirement of the orders identified herein. As a reminder, your 2008 Annual Flow Report is due by February 28, 2009.

Thank you for your filing. If you have any questions, please contact me at (503) 552-2716.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Gaedeke", written in a cursive style.

Erich G. Gaedeke
Fishery Biologist
Division of Hydropower Administration
and Compliance