



PUBLIC UTILITY DISTRICT NO. 1 of CHELAN COUNTY

P.O. Box 1231, Wenatchee, WA 98807-1231 • 327 N. Wenatchee Ave., Wenatchee, WA 98801
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December 5, 2008

**Contains Privileged Information
- Do Not Release -**

Honorable Kimberly D. Bose, Secretary
Nathaniel J. Davis, Sr., Deputy Secretary
FEDERAL ENERGY REGULATORY COMMISSION
888 First Street, NE
Washington, DC 20426

Re: Lake Chelan Hydroelectric Project No. 637-022 -- License Article 410, Historic Properties and Cultural Resources Management Plan, and Programmatic Agreement Annual Report for 2008 Activities¹

Dear Secretary Bose and Deputy Secretary Davis:

The Federal Energy Regulatory Commission (Commission) issued the "Order on Offer of Settlement and Issuing New License"² (License) and "Order on Rehearing"³ for the Lake Chelan Hydroelectric Project (Project) on November 6, 2006, and April 19, 2007, respectively. License Article 410 and Appendix A, Agreement Article 10 requested the Public Utility District No. 1 of Chelan County, Washington (Chelan PUD or Licensee), to file a report within 30 days of every anniversary of the date of issuance of the License, November 6, 2007.

Chelan PUD hereby files its second annual report with the Commission in fulfillment of the Lake Chelan Historic Properties and Cultural Resources Management Plan (HPCRMP) (October 2003) and the Programmatic Agreement (PA) for the Project. This first report included activities conducted under the implemented HPCRMP from November 2007 through November 2008 and was filed with the Commission on December 6, 2007.

Additional copies will be filed by copy of this letter with the Washington State Historic Preservation Office, the Confederated Tribes of the Colville Reservation Tribal Historic Preservation Officer, USDA Forest Service, National Park Service, Washington State Parks and

¹ Chelan PUD requests that the report be put in the Commission's non-public file since it contains culturally sensitive information.

² 117 FERC ¶ 62,129

³ 119 FERC ¶ 61,055

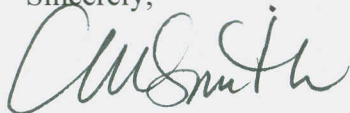
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*Ms. Kimberly D. Bose and Mr. Nathaniel J. Davis, Sr.
Federal Energy Regulatory Commission*

Recreation Commission, the Confederated Tribes and Bands of the Yakama Nation and the Bureau of Indian Affairs.

Please contact me or Jennifer Burns at (509) 661-4474 regarding any questions or comments regarding this report.

Sincerely,



Michelle Smith
Licensing & Compliance Manager
(509) 661-4179
michelle.smith@chelanpud.org

Enclosure: Original only

cc: Robert Whitlam, Ph.D., Washington State Historic Preservation Officer
Camille Pleasants, Confederated Tribes of the Colville Reservation Tribal Historic Preservation Officer
Guy Moura, Traditional Cultural Property Coordinator, Confederated Tribes of the Colville Reservation
James L. Boynton, Forest Supervisor of the USDA Forest Service, Wenatchee National Forest
Powys Gadd, Archaeologist, USDA Forest Service, Wenatchee National Forest
William F. Paleck, Superintendent of the USDI, National Park Service, North Cascades National Park
Bob Mierendorf, Archaeologist, USDI, National Park Service, North Cascades National Park
Rex Derr, Director of the Washington State Parks and Recreation Commission
Stanley Speaks, Portland Regional Director of the USDI, Bureau of Indian Affairs
Chuck James, Bureau of Indian Affairs
Johnson Meninick, the Confederated Tribes and Bands of the Yakama Indian Nation
Frank Winchell, Archaeologist, Federal Energy Regulatory Commission
Henry Ecton, Historian, Federal Energy Regulatory Commission