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FEDERAL ENERGY REGULATORY COMMISSION
Portland, OR 97205

Licensing & Compliance

MAR 26 2009

Project No. 637-058 and -059 -- Washington
Lake Chelan Hydroelectric Project
Chelan County PUD

OFFICE OF ENERGY PROJECTS

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

Subject: 2008 Annual Flow and Lake Level Reports, Article 405(a) and (b)

Dear Ms. Smith:

This acknowledges receipt of your 2008 Annual Flow Report and Annual Lake Level Report, filed February 27, 2009, pursuant to Article 405(a) and (b) of the November 6, 2006 Order Issuing New License and ordering paragraphs (B) and (C) of the November 30, 2007 Order Modifying and Approving Operations Compliance and Monitoring Plan, respectively, for the Lake Chelan Hydroelectric Project (FERC No. 637).

In part, license Article 405(a) requires you to file an Annual Flow Report, beginning in the year in which the new minimum flow release structure is installed that documents compliance with instream flows, ramping rates, and tailrace security flows, including hourly and daily inflow records, as appropriate, to document compliance with the relevant project operating constraints. License Article 405(b) requires you to file with the Commission within one year of the issuance date of the license, and annually thereafter, a report comparing monthly actual and target lake levels; and runoff volume forecasts and other factors influencing achievement of targeted lake levels. The ordering paragraphs (B) and (C) of the November 30, 2007 order require your reports to be filed annually with the Commission by February 28. Furthermore, your Annual Flow Report would document compliance with Article 408(f) once the installation of the new minimum flow release structure is completed in 2009, which requires monitoring of flows in the project tailrace and in Reach 4 of the Chelan River and the annual reporting of monitoring results thereof.

Regarding your Annual Flow Report, you state that since the new minimum flow release structure was under construction and not operational during 2008, there were no minimum flow releases in 2008 and no need for ramping rates in the Chelan River. Additionally, the pump station and enhanced fish habitat in Reach 4 of the Chelan River are not scheduled for completion until 2009, at which time minimum flows will be initiated. As a result, your report documents only the 2008 flow releases from the spillway, tailrace flows released from the powerhouse and daily average tailwater elevations. For powerhouse tailrace flows, you state that flows greater than 2,000 cfs were provided from October 2 through December 31 for Chinook and coho salmon spawning on the newly completed enhanced tailrace spawning habitat.

Regarding your Annual Lake Level Report, you state that during the 2007-2008 Operating Cycle, lake levels remained at or above the target minimum lake levels for recreation that are required under the project license. You state that the lake level reached 1,099' msl on July 4 and was operated at or above 1,099.2' msl from July 5 through August. Due to cold spring conditions and a forecasted late runoff, you intentionally held the lake level lower in April to provide adequate lake storage to capture high flows from the delayed runoff and avoid high spill flows. You state that spill flows exceeding 6,000 cfs would have prevented construction of fish habitat measures in the Chelan River scheduled for May and June. Consequently, the lake level was below the refill target of 1087.6 for May 1. As a result, you state that you notified the public and waterfront residents by letter dated May 2, 2008 notifying them that the lake level would be lower than average during the early summer period due to the late runoff conditions.

Your filings adequately fulfill the reporting requirements identified herein. Thank you for your filing. If you have any questions, please contact me at (503) 552-2716 or via email at erich.gaedeke@ferc.gov.

Sincerely,



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