

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 637-046 & -055--Washington
Lake Chelan Hydroelectric Project
Public Utility District No. 1 of Chelan County

January 27, 2009

Ms. Michelle Smith
Licensing & Compliance Manager
Public Utility District No. 1 of Chelan County
P.O. Box 1231
Wenatchee, WA 98807-1231

Subject: 2007 and 2008 Annual Cultural Resources Activities Reports; Article 410

Dear Ms. Smith:

On December 6, 2007, and December 5, 2008, you filed the respective 2007 and 2008 annual reports on cultural resource activities at the Lake Chelan Hydroelectric Project (FERC No. 637). The reports were filed pursuant to the Programmatic Agreement (PA)¹ and your Historic Properties and Cultural Resources Management Plan (HPCRMP). Article 410 of the project license² requires you to implement the PA and approved the HPCRMP, filed on October 8, 2003. In addition, you are subject to the provisions of Settlement Agreement Article 10 with regard to cultural resources at the project. The project occupies 465.5 acres of federal lands administered by the U.S. Forest Service (FS) for the Wenatchee National Forest and the National Park Service (NPS) for the Lake Chelan National Recreation Area.

The Lake Chelan Cultural Forum (LCCF) was established, pursuant to the provisions of Settlement Agreement Article 10, to implement the Lake Chelan HPCRMP. The LCCF meets to share information, coordinate efforts, and make recommendations regarding historic properties and cultural resources within the project's Area of Potential

¹ Executed September 28, 2005, among the Commission, the Washington State Historic Preservation Officer, and the Confederated Tribes of the Colville Reservation Tribal Historic Preservation Officer.

² Order on Offer of Settlement and Issuing New License issued November 6, 2006 (117 FERC ¶ 62,219)

Effect (APE). The LCCF consists of representatives from the Washington State Office of Archaeology and Historic Preservation (SHPO), the Washington State Parks and Recreation Commission, NPS, FS, the Commission, the Bureau of Indian Affairs, the Confederated Tribes of the Colville Reservation (CCT), the Confederated Tribes and Bands of the Yakama Nation (YN), and the licensee.

Your 2007 report states that the LCCF met six times throughout the year. An archaeological site inventory conducted in 1999 as part of the relicensing of the project and previous surveys of the Lake Chelan Basin documented 93 archaeological and historic sites within the APE. The LCCF discussed several surveillance technologies and the Determination of Eligibility (DOE) form to use to record information on the sites. The LCCF determined that a formal monitoring plan should be adopted prior to start of any fieldwork. You contracted with Cultural Resources Consultants (CRC) to conduct the monitoring and retained Archaeological Investigations Northwest (AINW) to update and complete the DOE forms for the National Register of Historic Places (National Register). You appointed Rob Salter, a retired employee with cultural resource experience, as your cultural resource coordinator and point-of-contact on the LCCF. You also reported that have contracted with the Washington State University to develop a collections inventory and Native American Graves Protection and Repatriation Act (NAGPRA) report, and contracted with Paragon Research to draft a memorandum of understanding (MOU) for curation of collections in the repository at Nespelem, Washington.

Your 2008 reports states that the LCCF convened in 2008 on four occasions. The monitoring plan was finalized in March 2008. Forty-five cultural resource sites were included in the monitoring plan to provide baseline information. CRC completed its initial monitoring in September 2008 and three sites were recommended for treatment and annual monitoring. One site with documented erosion was evaluated for bank stabilization or data recovery. The LCCF will determine the preferred option during 2009. The two pictographs sites will be monitored, possibly with Light Detection and Ranging technology. AINW prepared the DOE forms for LCCF review to document consensus determinations for National Register eligibility. Mary Collins, Director, Museum of Anthropology at Washington State University prepared a report of "Archaeological Collections Curation Activities" and a report of "NAGPRA Inventories of Archaeological Collections Under the Control of the Chelan County Public Utilities District." An MOU between you, the Bureau of Land Management, and the CCT was finalized in November 2008. The CCT and YN submitted NAGPRA claims for three sites in March 2008. There were no ground-disturbing activities within the project's APE that required any archaeological surveys in 2008.

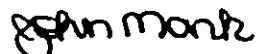
You included the agendas and minutes of each meeting and a list of the attendees, in person or via teleconference, in the 2007 and 2008 annual reports.

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Thank you for cooperation and your efforts in the protection of historic and cultural resources. Your 2007 and 2008 reports fulfill the annual filing requirement of your PA and HPCRMP. You are reminded that your annual report on cultural resource activities in 2009 is due by December 6, 2009. If you have any questions with regard to this matter, please contact me at (212) 273-5940.

Sincerely,



John Mark
Environmental Protection Specialist
Division of Hydropower
Administration and Compliance

PRO DHAC DOCKETS MARK
OEP/DHAC: MARK, J: jm: January 27, 2009: K01