

FEDERAL ENERGY REGULATORY COMMISSION  
Portland, OR 97204

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FEB 27 2008

OFFICE OF ENERGY PROJECTS

Project No. 637-047 -- 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 Implementation and Monitoring Report, Article 408(g)

Dear Ms. Smith:

This acknowledges receipt of your 2007 Annual Implementation and Monitoring Report, filed January 31, 2008, pursuant to Article 408(g) of the November 6, 2006 Order Issuing New License for the Lake Chelan Hydroelectric Project (FERC No. 637).

License Article 408(g) requires you to file your report with the Commission by January 31 of each year to document all measures completed in the previous year in accordance with Article 14 of the Lake Chelan Settlement Agreement (SA). You state that although you met with the National Marine Fisheries Service (NMFS) and Washington Department of Ecology (WDOE) in 2007 to develop an annual list of measures for water conservation and a budget, a list of proposed measures or lease/purchase of water rights was not submitted by the agencies for 2007. As a result, no projects were funded during 2007 and no associated monitoring occurred. Instead, the annual funding under Article 14 will be carried-over to 2008 as required. Finally, you state that future annual reports will document consultation efforts with NMFS and WDOE to solicit preparation of a list of proposed measures or lease/purchase of water rights for 2008.

Your filing adequately fulfills the requirement of Article 408(g). We look forward to your next annual report and your associated measures and monitoring funded under SA Article 14.

David Cooper: 3/4/08  
Stu Duggan  
Keith Muscott  
Michelle Smith  
Lebray

LC/9575

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", with a long horizontal flourish extending to the right.

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