

EXHIBIT C: CONSTRUCTION HISTORY

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C1.0 CONSTRUCTION HISTORY

The Chelan River has a long, colorful history of dam development for navigation, water supply and power generation. The first dam built to raise the level of Lake Chelan was completed in 1892. It was constructed to provide water for south Chelan property but washed out that same year. It was replaced by another structure the following year. This much larger and stronger dam was built by the newly-formed Chelan Water Power Company and designed to raise the lake level enough to allow steam-powered boats to land at the lower end of the lake. However, this structure was also destroyed by floodwaters during 1894. Five years later, M.M. Kingman purchased the Chelan Water Power Company and proceeded to build a third dam, this time for power generation. After work had to be abandoned, a fourth dam was started. The lights came on in Chelan during May 1903. Chelan Water Power Company was purchased by the Chelan Electric Company in 1906 and, in turn, was acquired by Spokane-based Washington Water Power Company (WWP) in 1925. A year later, WWP received a 50-year federal license to construct the fifth and existing dam and powerhouse. The first generating unit went into commercial operation during September 1927. The second unit followed 11 months later. Chelan PUD purchased the Lake Chelan Hydroelectric Project (Lake Chelan Project or Project) in June 1955 with the proceeds of a \$21 million bond issue and entered into a 40-year power sales contract with WWP. The power sales contract with WWP expired June 22, 1995. The power is now being used to meet local energy needs through Chelan PUD’s electric distribution system.

Table C-1 below lists the chronological order of major events, such as construction and licensing activities, that have occurred prior to and during the terms of both the original license and new license issued for the Lake Chelan Project.

Table C-1: Chronological History of the Lake Chelan Project

Date	Event
1892	Construction of first dam at Lake Chelan to provide water to south Chelan real estate
June 1892	First dam washes out prior to completion
1893	Chelan Water Power Company formed to construct second dam for water and navigation
June 1894	Second dam washes out
1896	Construction begins on third dam
1897	Work abandoned due to high spring runoff
1899	M. M. Kingman acquires Chelan Water Power Company
1899	Construction begins on fourth dam
1902	Chelan Water Power Company granted 50-year franchise for electric service in Chelan
May 1903	Dam and Powerhouse completed

Date	Event
1906	Chelan Electric Company (a subsidiary of Great Northern Railroad) incorporated and purchases all property of Chelan Water Power Company
1907	Chelan Electric Co. takes over operation of project
1909	Chelan Electric Co. decides to construct larger dam and applies for rights to elevation 1,085. Rights are granted but further studies show full utilization of the resource requires a dam to elevation 1,100.
1909-1918	Chelan Electric Co. pursues engineering and purchase of necessary property.
1918-1925	Work on hold due to World War I
1920	Federal Power Act signed and Federal Power Commission (FPC) established
April 1924	FPC determines the proposed Lake Chelan Project requires a major project license
July 1925	WWP purchases holdings of Chelan Electric Co. (see July 20, 1937)
August 1925	Application and exhibits completed and submitted to FPC
November 17, 1925	USFS conducts public hearing in Wenatchee to hear testimony on scenic and recreational attributes of Lake Chelan
1926	WWP and Puget Sound Power & Light interconnected at Chelan
March 1926	FPC approves license application
April 15, 1926	Construction of Project begins
April 17, 1926	Chelan Electric Co. accepts license terms
May 8, 1926	FPC grants license for the Lake Chelan Project (FERC No. 637) (retroactive to April 1, 1924)
September 27, 1927	First unit placed in commercial operation under a FPC license
June 15, 1928	Reservoir filled
August 1, 1928	Construction completed - Second unit placed in commercial operation
December 7, 1934	FPC order eliminating requirement for installation of two additional 34,000 hp units
July 20, 1937	FPC approves transfer of all property of Chelan Electric Co. to WWP (see July 1925)
1946, 1947, 1948, 1956, 1974	Temporary modifications to license to allow Licensee to exceed average draft rate from storage of 1,000 cfs in the interests of flood control
March 19, 1948	FPC order amending Article 13 of the license for a 5-year period ending September 15, 1953, allowing the average draft rate to exceed 1,000 cfs beginning April 1 of each year to provide additional needed electrical energy.
1951, 1952	Generators rewound
June 21, 1955	Chelan PUD purchases the Lake Chelan Project and associated properties and enters into a 40-year power sales contract with WWP

Date	Event
1961	Minor reinforcing of powerhouse walls and bank protection were completed to withstand higher tailwater levels due to construction of the Rocky Reach Dam (FERC Project No. 2145)
1972	Equipment and facilities for remote operation of the Project from Chelan PUD's dispatch center in Wenatchee were placed in operation
March 31, 1974	Original license expired
March 1974-May 1981	Project operated under successive annual licenses
September 1974	Chelan PUD began preparation of relicense application
October 30, 1975	Application for new license submitted to the FPC
January 26, 1977	Chelan PUD proposed additional recreational development at four sites
May 12, 1981	FERC issued a new 30-year License for the Project retroactive to April 1974
December 12, 1981	Transmission lines deleted from licensed project boundary
1984, 1985	Turbines replaced in Chelan powerhouse
March 22, 1993	FERC issues approval of water rights agreement with State of Washington that increases reservation amount for irrigation to 65,000 ac-ft
June 22, 1995	Power sales contract with WWP expired
1997	Chelan PUD began preparation of second relicense application
March 31, 2004	Current FERC license expires

Bold represents key events in the history of the Lake Chelan Project.