



PUBLIC UTILITY DISTRICT NO. 1 *of* CHELAN COUNTY
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October 17, 2003

Ms. Magalie Roman Salas, Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, D.C. 20426

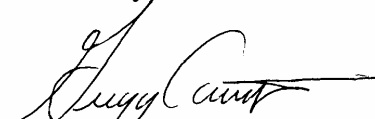
Subject: Lake Chelan Hydroelectric Project FERC No. 637-022
Offer of Settlement

Dear Secretary Salas:

The Public Utility District No. 1 of Chelan County, Washington, has reached a settlement with the United States Forest Service, National Park Service, NOAA Fisheries, United States Fish and Wildlife Service, the Washington Department of Fish and Wildlife, the Washington Department of Ecology, the Confederated Tribes of the Colville Reservation, American Whitewater Affiliation and the City of Chelan regarding the issuance of a new license to the Lake Chelan Project. Enclosed is a copy of the "Offer of Settlement," the settlement agreement executed by the Parties, the proposed license articles and the Lake Chelan Comprehensive Management Plan. Copies of these documents are enclosed.

By copy of this letter, all participants are hereby notified, in compliance with Rule 602(d)(2) of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.602), that comments on the Offer of Settlement may be filed not later than 20 days after the filing of the Offer of Settlement and reply comments may be filed not later than 30 days after the filing of the Offer, unless otherwise provided by the Commission.

Sincerely,


Gregg Carrington
Director of Licensing

cc: Official Service List, FERC Portland Regional Office
Enclosures: Original, one hard copy, 8 CDs