



Puget Sound Energy, Inc.  
P.O. Box 97034  
Bellevue, WA 98009-9734

December 1, 2008

Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street N.E.  
Washington, DC 20426

**Re: Public Utility District No. 1 of Chelan County, Washington  
Rocky Reach Project No. 2145-060**

Dear Secretary Bose:

Puget Sound Energy, Inc. (PSE), a utility based in Bellevue, Washington, purchases significant amounts of power under long term contracts from Public Utility District No. 1 of Douglas County, Washington ("Douglas PUD"), licensee of the Wells Hydroelectric Project No. 2149, and from Public Utility District No. 1 of Chelan County, Washington ("Chelan PUD"), and from Public Utility District No. 2 of Grant County, Washington ("Grant PUD"), licensee of the Priest Rapids Hydroelectric Project No. 2114. PSE submits this letter in support of the Chelan PUD comments filed October 10, 2008, requesting the Federal Energy Regulatory Commission (the "Commission") to provide a 50-year license term for the new license for the Rocky Reach Project No. 2145.

A 50-year term is supported by the record developed in the Rocky Reach relicensing proceeding, including the terms of the settlement agreement filed therein, and is fully consistent with Commission policy. More particularly, PSE submits that the term of the new license for the Rocky Reach Project, like any project being licensed by the Commission, should be determined on the basis of the record developed in the specific relicensing proceeding for each project, not be pre-determined in another proceeding.

Chelan PUD filed its comments because the Commission's order issuing a new license to Grant PUD for the Priest Rapids Project No. 2114<sup>1</sup> indicates that the term of the new license for Priest Rapids was selected to facilitate coordination of the future relicensing proceedings for the Priest Rapids, Rocky Reach and Wells Projects. The Priest Rapids license order specifically tied the

---

<sup>1</sup> Public Utility District No. 2 of Grant County, Wash., 123 FERC ¶ 61,049 at PP 182-187 (2008).

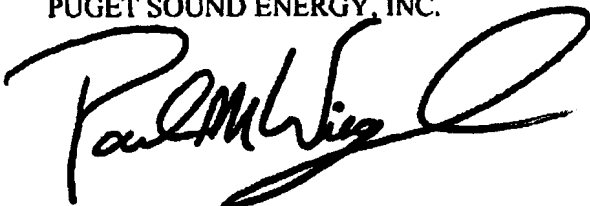
term of the Priest Rapids license to the 2052 expiration date for the Habitat Conservation Plans ("HCPs") for the Rocky Reach, Rock Island and Wells Projects. The selection of a 44-year term expiring in the same year raises concerns that the terms of the new licenses for both Rocky Reach and Wells may have been pre-determined in the separate Priest Rapids proceeding involving different parties with unique stakeholder interests.

PSE does not dispute that common factual circumstances or legal issues would support certain coordination of efforts and potentially similar license provisions. However, as the Commission well knows, it took years of negotiations and Commission proceedings to produce the HCPs and other approved fish passage mitigation efforts. The fact that those requirements differ for the individual Mid-Columbia projects is not remarkable, given the differing physical characteristics of the particular hydro projects, the differing fish species resident in the individual river stretches, and the differing physical location of the various facilities. Indeed, the fact that the now-existing requirements are customized for specific projects demonstrates the inappropriateness of making presumptions that common license terms should apply outside the proceedings for an individual project. Shortening the term of a new license for Rocky Reach or Wells, based upon the date that an existing HCP expires, could also have the perverse effect of discouraging licensees from entering into innovative and comprehensive conservation plans intended to contribute to the recovery of plan species in advance of those expiration dates.

In summary, PSE recommends that the Commission establish a term of 50 years for the new license for Rocky Reach in accordance with the recent comments of Chelan PUD. In addition, PSE submits that the term of a new license for the Wells Project should be determined on the record in the Wells relicensing proceeding. Coordination of common issues relating to the projects can be accomplished without artificially-created simultaneous license term expirations.

Very truly yours,

PUGET SOUND ENERGY, INC.



Paul M. Wiegand

Vice President Power Generation

cc: Rich Riazzi – Chelan PUD  
William C. Dobbins – Douglas PUD

PMW/ren

**CERTIFICATE OF SERVICE**

I hereby certify that I have, this day, served the foregoing documents upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Bellevue, Washington, this 2nd day of December, 2008.

A handwritten signature in black ink, appearing to read "Rick T. Rasmussen", is written over a horizontal line. The signature is somewhat stylized and includes a large, circular flourish at the beginning.

Rick T. Rasmussen  
Paralegal  
Perkins Coie LLP  
10885 NE 4th Street, Suite 700  
Bellevue, WA 98004  
425.635.1400