UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Public Utility District No. 1 of Chelan County Project No. 637 – 048

ORDER GRANTING EXTENSION OF TIME UNDER ARTICLE 408 AND WASHINGTON DEPARTMENT OF ECOLOGY 401 WATER QUALITY CERTIFICATION CONDITION III.A.(ii)

(Issued March 20, 2008)

On February 13, 2008, Public Utility District No. 1 of Chelan County (licensee) filed a request for an extension of time to complete the construction of the facilities necessary for providing minimum flows in the Chelan River and Reach 4 stream channel improvements pursuant to Article 408 and the Washington Department of Ecology's 401 Water Quality Certification Condition III.A.(ii) of the Order Issuing New License issued November 6, 2006¹ for the Lake Chelan Hydroelectric Project. The project is located on the Chelan River in Chelan County, Washington.

License Article 408 requires the licensee to file, for Commission approval, a threatened and endangered species protection plan. In part, the plan is to include, but not be limited to, provisions for the following: (a) timely development of a system to release water at the Lake Chelan Dam or pump water from the project powerhouse tailrace to the Chelan River, and subsequent operation of that system at rates sufficient to continuously maintain flows equal to or greater than the flows required by the license for Chelan River Reach 4; and (b) timely development of final designs and implementation of channel improvements in Reach 4 and the powerhouse tailrace, and timely maintenance of anadromous fish habitat value of those improvements through the life of the license. The licensee's plan under Article 408 was approved by the Commission's Order Approving Threatened and Endangered Species Plan Under Article 408, issued November 28, 2007. Condition III.A.(ii) of the Washington State Department of Ecology's (WDOE) 401 Water Quality Certification requires the licensee to provide the structures needed to provide the new minimum flow requirements within two years after the effective date of the license.

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The licensee states that updated construction schedules have identified the need for additional time to complete the improvements than originally anticipated. The licensee states that the design and bidding documents for construction of the facilities to provide the new minimum flows, a hydraulic control structure and stream channel in Reach 4, and improvements for fish habitat in the powerhouse tailrace have recently been completed and permits are pending. The current estimated schedule for completing the new system for providing the new minimum flows in the Chelan River, Reach 4 stream channel, and pump station is September 2009. However, the licensee states that they are requesting a two-year extension of time due to the short available annual in-water work window and unpredictability of spill in the Chelan River due to annual snowpack and runoff conditions. As a result, the licensee proposes to delay the completion of construction of facilities for the minimum flow release system in the Chelan River and Reach 4 stream channel improvements until November 6, 2010. Finally, the licensee states that they will provide an update of the associated construction activities in their annual flow report under Article 405 due February 28, 2009.

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The licensee states that they have consulted with the Chelan River Fishery Forum (CRFF).² The licensee's filing included documentation of concurrence from the CRFF. By letter dated February 4, 2008 and filed with the Commission on February 11, 2008, the WDOE concurred with the licensee's request and issued an order granting the licensee's two-year extension of time request for modification of their construction and associated implementation schedule.

The reasons and information filed by the licensee in support of the requested extension of time are reasonable and justify granting the extension. Therefore, the licensee should complete construction of the required facilities to provide the new minimum flows in the Chelan River and Reach 4, and improvements for fish habitat in the powerhouse tailrace by November 6, 2010.

² Washington Department of Ecology, Washington Department of Fish and Wildlife, U.S. Forest Service, National Park Service, U.S. Fish and Wildlife Service, National Marine Fisheries Service, Confederated Tribes of the Colville Reservation, Confederated Tribes and Bands of the Yakama Nation, Confederated Tribes of the Umatilla Indian Reservation, City of Chelan, and the Lake Chelan Sportsman's Association.

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The Director orders:

(A) The deadline to complete construction of the required facilities to provide the new minimum flows in the Chelan River and Reach 4, and improvements for fish habitat in the powerhouse tailrace under license Article 408 and the Washington Department of Ecology's 401 Water Quality Certification Condition III.A.(ii) is extended to November 6, 2010.

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(B) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days from the date of issuance of this order, pursuant to 18 CFR ' 385.713.

John K. Novak Biological Resources Branch Division of Hydropower Administration and Compliance