December 5, 2008

Contains Privileged Information
- Do Not Release -

Honorable Kimberly D. Bose, Secretary
Nathaniel J. Davis, Sr., Deputy Secretary
FEDERAL ENERGY REGULATORY COMMISSION
888 First Street, NE
Washington, DC 20426


Dear Secretary Bose and Deputy Secretary Davis:

The Federal Energy Regulatory Commission (Commission) issued the “Order on Offer of Settlement and Issuing New License” \(^2\) (License) and “Order on Rehearing” \(^3\) for the Lake Chelan Hydroelectric Project (Project) on November 6, 2006, and April 19, 2007, respectively. License Article 410 and Appendix A, Agreement Article 10 requested the Public Utility District No. 1 of Chelan County, Washington (Chelan PUD or Licensee), to file a report within 30 days of every anniversary of the date of issuance of the License, November 6, 2007.

Chelan PUD hereby files its second annual report with the Commission in fulfillment of the Lake Chelan Historic Properties and Cultural Resources Management Plan (HPCRMP) (October 2003) and the Programmatic Agreement (PA) for the Project. This first report included activities conducted under the implemented HPCRMP from November 2007 through November 2008 and was filed with the Commission on December 6, 2007.

Additional copies will be filed by copy of this letter with the Washington State Historic Preservation Office, the Confederated Tribes of the Colville Reservation Tribal Historic Preservation Officer, USDA Forest Service, National Park Service, Washington State Parks and

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\(^1\) Chelan PUD requests that the report be put in the Commission’s non-public file since it contains culturally sensitive information.

\(^2\) 117 FERC ¶ 62,129

\(^3\) 119 FERC ¶ 61,055

COMMISSIONERS: Dennis S. Bolz, Ann Congdon, Norm Gutzwiller, Werner Janssen, Randy Smith GENERAL MANAGER: Richard Riazzi
Recreation Commission, the Confederated Tribes and Bands of the Yakama Nation and the Bureau of Indian Affairs.

Please contact me or Jennifer Burns at (509) 661-4474 regarding any questions or comments regarding this report.

Sincerely,

Michelle Smith
Licensing & Compliance Manager
(509) 661-4179
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Enclosure: Original only
cc: Robert Whitlam, Ph.D., Washington State Historic Preservation Officer
    Camille Pleasants, Confederated Tribes of the Colville Reservation Tribal Historic Preservation Officer
    Guy Moura, Traditional Cultural Property Coordinator, Confederated Tribes of the Colville Reservation
    James L. Boynton, Forest Supervisor of the USDA Forest Service, Wenatchee National Forest
    Powys Gadd, Archaeologist, USDA Forest Service, Wenatchee National Forest
    William F. Paleck, Superintendent of the USDI, National Park Service, North Cascades National Park
    Bob Mierendorf, Archaeologist, USDI, National Park Service, North Cascades National Park
    Rex Derr, Director of the Washington State Parks and Recreation Commission
    Stanley Speaks, Portland Regional Director of the USDI, Bureau of Indian Affairs
    Chuck James, Bureau of Indian Affairs
    Johnson Meninick, the Confederated Tribes and Bands of the Yakama Indian Nation
    Frank Winchell, Archaeologist, Federal Energy Regulatory Commission
    Henry Ecton, Historian, Federal Energy Regulatory Commission
* In order to protect sensitive cultural and historic sites, these documents are available only with specific permission. Contact Jennifer Burns at Chelan County PUD, (509) 661-4474 or jennifer.burns@chelanpud.org.