February 27, 2009

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

Re: Lake Chelan Hydroelectric Project No. 637-040
Article 407, Settlement Agreement Article 11(j)
Reach 1 Access Trail Final Construction Report and As-built

Dear Secretary Bose and Deputy Secretary Davis:

In accordance with Article 301 and your letter of June 19, 2008, the Public Utility District No. 1 of Chelan, County, Washington (Chelan PUD) hereby files an original and five copies of the final construction report and as-built drawing in electronic format for the Reach 1 Access Trail. Additionally, one copy will be submitted to the Federal Energy Regulatory Commission’s (Commission) Division of Dam Safety and Inspections Portland Regional Engineer and one to the Director, Division of Hydropower Administration and Compliance by copy of this letter.

Construction of the Reach 1 Access Trail started in September and completed in November 2008. This construction project did not affect the Exhibit G Project Boundary.

Please do not hesitate to contact me or Kris Pomianek at (509) 661-4186 of my office regarding any questions or comments regarding this report.

Sincerely,

Michelle Smith
Licensing and Compliance Manager
michelle.smith@chelanpud.org
(509) 661-4180

Enclosure: Original and five copies of the Final Construction Report and As-built Drawing (.tiff on compact disk)

cc: Mr. Patrick Regan, Division of Dam Safety and Inspections Portland Regional Engineer, one copy of report and as-built (.tiff on compact disk)

Director, Division of Hydropower Administration and Compliance, one copy of report and as-built (.tiff on compact disk)
Public Utility District No. 1 of Chelan County (District) owns and operates the Lake Chelan Hydroelectric Project. Lake Chelan Dam is located at the lower end of Lake Chelan, in the city of Chelan, Washington. The Chelan powerhouse is located in the town of Chelan Falls, near the confluence of the Chelan and Columbia Rivers approximately 2.5 miles east of the city of Chelan and 40 miles north of Wenatchee, Washington.

1. General

In accordance with the FERC License Order dated November 6, 2006, the District designed and constructed a non-motorized, non-paved multi-use trail below the Lake Chelan Dam in Reach 1 of the Chelan River. The project, Reach 1 Access Trail (Trail), provides managed access to the Chelan River and will eventually connect to the existing Chelan Riverwalk Loop Trail. Construction of the trail did not impact or otherwise include any work at the dam or powerhouse.

The District began construction on September 2, 2009 and completed construction on November 14, 2008. Permanent and temporary erosion control devices were installed during construction. The total length of the finished 5-foot wide, crushed rock surface trail is 6,000 feet. The trail also includes a 20 space parking lot, 2 observation lookouts with benches and 280 feet of rail fence.

2. Foundations

Not applicable.

3. Embankments

Not applicable.

4. Concrete Work

Not applicable.

5. Anchors

Not applicable.

6. Instrumentation

Not applicable.

7. Drawings

Attached.