July 8, 2010

OFFICE OF ENERGY PROJECTS

Ms. Michelle Smith
Licensing and Compliance Manager
Chelan County PUD
P.O. Box 1231
Wenatchee, WA 98807-1231

Subject: 2009 Annual Implementation and Monitoring Report, Article 408(g)

Dear Ms. Smith:

This acknowledges receipt of your 2009 Annual Implementation and Monitoring Report, filed January 25, 2010, pursuant to Article 408(g) of the November 6, 2006 Order Issuing New License for the Lake Chelan Hydroelectric Project (FERC No. 637).

License Article 408(g) requires you to file your report with the Commission by January 31 of each year to document all measures completed in the previous year in accordance with Article 14 of the Lake Chelan Settlement Agreement. You state that neither National Marine Fisheries Service nor Washington Department of Ecology proposed any measures or lease/purchases of water rights for action in 2009. As a result of no specific projects being funded during 2009, no monitoring occurred. Instead, the annual funding under Article 14 will be carried-over to 2010 as required.

Your filing adequately fulfills the requirement of Article 408(g). If you have any questions, please contact me at (503) 552-2716 or via email at erich.gaedeke@ferc.gov.

Sincerely,

Erich G. Gaedeke
Fishery Biologist
Division of Hydropower Administration
and Compliance