

FEDERAL ENERGY REGULATORY COMMISSION
Portland, OR 97204

OFFICE OF ENERGY PROJECTS

Project No. 637-045 -- Washington
Lake Chelan Hydroelectric Project
Chelan County PUD

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

NOV 27 2007

Subject: 2007 Annual Lake Level Report, Article 405(b)

Dear Ms. Smith:

This acknowledges receipt of your 2007 Annual Lake Level Report, filed November 6, 2007, pursuant to Article 405(b) of the November 6, 2006 Order Issuing New License for the Lake Chelan Hydroelectric Project (FERC No. 637).

License Article 405(b) requires you to file with the Commission within one year of the issuance date of the license, and annually thereafter, a report comparing monthly actual and target lake levels; and runoff volume forecasts and other factors influencing achievement of targeted lake levels. You state that during the 2006-2007 Operating Cycle, lake levels remained at or above the target minimum lake levels for recreation that are required under the new project license. You state that the lake level reached 1,099 msl on July 2 and was operated at or above 1,099.2 msl through August. Additionally, you state that there were no operations necessary during the period for fish protection in the Chelan River due to the fact that new fish habitat and the low level outlet structure necessary to release new minimum flows have not been constructed. Finally, you state that spill during the period was kept at or below 6,000 cubic feet per second (cfs) with the exception of some brief tests up to 10,000 cfs to measure water levels and erosion for design of the new fish habitat in Reach 4 of the Chelan River.

Your filing adequately fulfills the requirement of the order identified herein. As a reminder, your 2008 Annual Lake Level Report is due by February 28, 2009 as proposed in your Operations Compliance and Monitoring Plan under Article 405.

Thank you for your filing. If you have any questions, please contact me at (503) 552-2716.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Gaedeke", written in a cursive style.

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