



PUBLIC UTILITY DISTRICT NO. 1 of CHELAN COUNTY

P.O. Box 1231, Wenatchee, WA 98807-1231 • 327 N. Wenatchee Ave., Wenatchee, WA 98801

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August 7, 2015

Commissioner Ann Congdon
702 Winesap Ave.
Manson, WA 98831

Commissioner Congdon,

In response to comments we have received from the public, we are taking action to terminate the purchase and sales agreement for the property at Crescent and Crest Streets. The contract, for which we did not provide compensation, contains contingencies including a requirement to exercise the option by the end of the year. As we have considered the timing necessary to conduct a thorough public review and comment we have decided we would be unable to exercise the option by year-end.

The decision to enter into this agreement was made with the best of intentions to keep the District's costs as low as possible, create an option for future substation development without making the decision as to whether that is the best location. Despite the intent, it has become apparent that the existence of the purchase and sales agreement is viewed by local residents as prejudicial to the ultimate decision. It is important to us to be viewed as trustworthy by our customer-owners. Taking this action makes it clear that we have not established a preconceived notion as to a preferred alternative for the substation siting.

We continue to believe that load growth in the north Chelan area will result in the need for a new substation within the next few years. We will engage all the affected communities in our discussions about the best possible site for a new substation. That process begins anew on August 27 with a meeting at the Chelan City Council beginning at 5:00.

Sincerely,

A handwritten signature in black ink that reads "Steve Wright".

Steve Wright

CC: Board of Commissioners
Erik Wahlquist
John Stoll