

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON D.C. 20426
July 30, 2004

OFFICE OF ENERGY PROJECTS

Project No. 2150-033--Washington
Baker River Project
Puget Sound Energy

Edward R. Schild
Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734

Reference: Additional Information Request and Relicensing Schedule Changes

Dear Mr. Schild:

Your license application for the Baker River Project has been accepted by the Commission for filing as of July 1, 2004, but is not ready for environmental analysis at this time.

We need additional information before we can complete our evaluation of your application. Under section 4.32 (g) of the Commission's regulations, you have 30 days from the date of this letter to provide the information we request in the enclosed Schedule A. If the requested information causes any other part of the application to be inaccurate, that part must also be revised and refiled by the due date.

Please file your response (an original and eight copies) with Magalie R. Salas, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. Please put the docket number P-2150-033 on the first page of your response. When you file the requested information with us you must at the same time serve copies of the filing on each agency consulted under section 4.38 of the regulations.

By letter dated June 18, 2004, you requested modifications to the Commission's relicensing schedule so you can complete settlement negotiations with interested parties. In our reply dated June 24, 2004, we said we would forgo the due date for filing comments on the license application until later and would set September 30, 2004, as the due date for filing motions to intervene and protests. We also said we would address your remaining requests for a schedule change after issuing any notice accepting the license application and any additional information request. Our notice accepting the

license application was issued July 1, 2004 and our additional information request is enclosed with this letter. Consequently, we are addressing your remaining requests for a schedule change, contained in your June 18, 2004 letter, below:

REVISED HYDRO LICENSING SCHEDULE

<u>Milestone</u>	<u>Date</u>
Requests for Cooperating Agency Status Due	June 30, 2004
Issue Notice Accepting License Application and Requesting Motions to Intervene	July 1, 2004
Issue Additional Information Request	July 30, 2004
Additional Information Request due	August 30, 2004
Licensee Status Report on Settlement Agreement Due	August 31, 2004
Joint Explanatory Statement, Comprehensive Settlement Agreement, and Draft License Articles Due	September 30, 2004
Motions to Intervene and Protests Due	September 30, 2004
Issue Notice Requesting Final Terms and Conditions	October 15, 2004
Amended PDEA and Draft Biological Assessment Due	November 30, 2004
Final Terms and Conditions Due	December 14, 2004
Last Day to Request Water Quality Certificate	December 14, 2004
Issue Notice of Draft Environmental Assessment (EA)	March 2005
Issue Notice of Final EA	June 2005
Ready for Commission Decision on Application	October 2005

Please note that we have set a date of October 15, 2004, for requesting final terms and conditions to ensure we have enough time to incorporate terms and conditions, and reply comments, into our environmental analysis in the draft environmental assessment.

If you have any questions about our revised schedule or additional information request, please contact Steve Hocking at (202) 502-8753 or steve.hocking@ferc.gov.

Sincerely,

J. Mark Robinson
 Director
 Office of Energy Projects

cc: Mailing list
 Public files

Project No. 2150-033
Schedule A

ADDITIONAL INFORMATION

1. In Section 5.1 of the PDEA, you state that the Baker River contributes an average annual flow of about 16 percent to the Skagit River and that the Baker River is the second largest tributary to the Skagit River, with a drainage area of 297 square miles.

In its comments filed January 16, 2004, on the draft license application, Skagit County recommends additional storage in Baker Lake and Lake Shannon for enhanced flood control purposes. Skagit County provided a draft technical memorandum prepared by its consultant, Pacific International Engineering (PIE), in which it states that the flood peaks of the 1990 and 1995 flood events would have been within the hydraulic capacity of the existing levee system (in downstream urban areas) if an additional 35,500 acre-feet of storage were provided at the project.¹

Both Puget Sound Energy and Skagit County are studying the engineering, economic, and environmental effects of providing additional storage at the project for enhanced flood control. Puget Sound Energy has retained the services of Tetra Tech, Inc. while Skagit County has retained PIE. Both studies are being reviewed and conducted in cooperation with the U.S. Army Corps of Engineers.

Please provide the results of your study being prepared by Tetra Tech, Inc. and the results of Skagit County's study being prepared by PIE, to whatever extent those studies have been completed. Along with your submittal, provide a schedule for filing any uncompleted portions of these studies. Should you be unable to obtain the results of Skagit County's study being prepared by PIE, provide documentation that you requested the study from Skagit County in your filing.

2. In your discussion of flood control operations in Exhibit H of your license application, you refer to the U.S. Army Corps of Engineer's Water Control Manual for the Baker River. So we may better understand project operations with respect to this manual, please provide us the manual.

3. In the PDEA, Section 5.10 Recreational Resources, you identify various existing and proposed recreation facilities, including trails, associated with Baker Lake and Lake Shannon. In Section 5.12 Land Management and Use, you identify land ownership within the existing project boundary and discuss recreational measures. With

¹Draft Technical Memorandum, Assessment of Additional Flood Control Storage at Baker River Project, dated April 9, 2003; included as Attachment 5 to Skagit County's January 16, 2004, comments.

the information provided, including figures, we find it difficult to discern which recreation facilities, including trails, are located within or outside the project boundary. Please provide a map that clearly identifies the project boundary in relation to the project facilities.

As part of our environmental analysis, we must evaluate the environmental and economic effects of any proposed or recommended environmental protection, mitigation, and enhancement measures. For us to evaluate your proposal, please provide in a table format the following: (1) existing and proposed recreation facilities, including trails, located within the existing project boundary and on National Forest System lands; and (2) existing and proposed recreation facilities, including trails, located outside the existing project boundary and on National Forest System lands.

4. In the PDEA, Section 5.12 Land Management and Use, you state how you may acquire or establish conservation easements for deciduous forest bird habitat, elk foraging habitat, wetland habitat, and bald eagle habitat. These four types of habitat are generally discussed in Appendix B to the PDEA. Although you state that selection of such lands will be made by the Baker River Coordinating Committee/Terrestrial Resources Implementation Group, please provide a preliminary statement as to whether the habitat may be located inside or outside the existing project boundary.