



MAR 15 2000

STATE OF WASHINGTON

DEPARTMENT OF FISH AND WILDLIFE

48 Devonshire Road • Montesano, Washington 98563-9618 • (360) 246-4628 FAX (360) 664-0689

March 15, 2000

Linda Prendergast
PacifiCorp
920 S. W. Sixth Avenue
Portland, Oregon 97204-1256

Linda,

This letter is a follow up to our recent discussions regarding the disposition of adult steelhead returning to the Skookumchuck River collection facility. As you recall, we have been developing alternative approaches for managing the adult return excess to escapement needs. Based on recent return rate information we expect only about 610 adults to return to the Skookumchuck facility this year, about 215 wild and 395 hatchery. Our first priorities remain as they have always been, meeting the hatchery production goal (140 adults), and the upstream natural spawning escapement goal (450 adults). These two needs will essentially account for the entire expected return in 2000. Excepting for a few to be used for the hatchery broodstock program (10% of the hatchery broodstock need), our plan is to pass all wild adults upstream. The remaining upstream escapement (approximately 250 adults) will be Skookumchuck hatchery adults, metered out over the entire run timing. In the event that more hatchery adults return than expected we propose to transfer them to MacIntosh Lake, similar to last years' program. Because of the low return and lack of interest by the Chehalis tribe we do not anticipate donating to the Tribes' elders program this year. We also do not anticipate a recycling program in 2000.

In the event that implementing this plan results in not meeting the escapement requirements, WDF&W will accept responsibility.

The WDF&W appreciates PacifiCorps' commitment to the steelhead resource of the Skookumchuck River. We look forward to working closely together to meet needs of the resource as well as the public.

Sincerely,

Tim Flint
Region 6, Fish Program Manager

CC: Paul Seidel Dave Mudd
Rick Brix Randy Aho
John Long

CENTRALIA STEAM ELECTRIC GENERATING PROJECT FISH AND WILDLIFE AGREEMENT

THIS AGREEMENT ("Agreement"), dated as of the 29 day of May, 1998, is between the Washington Department of Fish and Wildlife ("Department") on the one hand and the owners of the Centralia Steam Electric Generating Project ("Project") on the other, to wit: PacifiCorp, an Oregon corporation and electric utility; Puget Sound Energy, a Washington corporation and electric utility; Portland General Electric Company, an Oregon corporation and electric utility that is a wholly owned subsidiary of Enron Corporation, a Texas corporation; The Washington Water Power Company, a Washington corporation and electric utility; the City of Seattle, Washington, a Washington municipal corporation; the City of Tacoma, Washington, a Washington municipal corporation; Public Utility District No. 1 of Grays Harbor County, a Washington municipal corporation; and Public Utility District No. 1 of Snohomish County, a Washington municipal corporation, all collectively referred to as "Owners," which Owners are collectively represented by PacifiCorp.

Recitals

Prior to 1993 Owners had made separate arrangements with the Washington Department of Fisheries ("Fisheries") and the Washington Department of Wildlife ("Wildlife") to address the impacts that the Skookumchuck Dam had upon salmon and steelhead trout in the vicinity of the Project, and

Owners' arrangement with Fisheries was through an agreement dated January 9, 1974, that provided for mitigation of the Project's impacts on salmon resources in the Skookumchuck River and other streams affected by the development and operation of the Project, and

Owners' arrangements with Wildlife was in the form of a letter from Owners dated August 31, 1967, which provided for mitigating the Project's impacts upon steelhead resources in the Skookumchuck River, and

Based on these mitigation agreements, Skookumchuck steelhead trout were incubated and reared at Department's South Tacoma facility and Skookumchuck coho salmon were incubated at Department's Bingham Creek (formerly Simpson) facility, but commencing in 1997 Skookumchuck coho salmon and steelhead trout have been incubated and reared at Department's Bingham Creek facility, and

In 1993, Fisheries and Wildlife were combined into the Department, and

To implement its mitigation efforts, Owners have installed, and Department has approved, multiple-level gates in the intake pipe at Skookumchuck Dam in order to permit the release of water from different levels of the reservoir and at different temperatures, and Owners have installed fish-handling facilities at the Skookumchuck dam, including (i) a fish ladder,

(ii) holding ponds, (iii) a flume, (iv) a fish hopper for collection and transportation, (v) fish protective facilities at the point of diversion at the pumping station, (vi) an acclimation pond, and (vii) an adult fish barrier at the outlet of the Hydro Project, and

The parties expect to operate the fish handling facilities to collect steelhead trout for artificial propagation and for redistribution for natural spawning or other purposes agreed to by Owners and Department, and

The purpose of this Agreement is to consolidate, combine, update, and supersede all prior fisheries arrangements between Department on the one hand and Owners on the other related to Owners' obligation to mitigate fish impacts resulting from the Skookumchuck dam and Skookumchuck Facilities. However; the terms and conditions for the Skookumchuck Hydroelectric Project are unaffected by this agreement.

NOW, THEREFORE, the parties hereto agree as follows:

Section 1: Definitions

As used in this Agreement, the following terms have the following meanings:

1.1 "Base Budget" means the amount of one hundred ten thousand dollars (\$110,000) as of July 1, 1998, which amount shall be escalated as set forth in section 4.1.

1.2 "Reimbursable Activities" means all activities and actions engaged in by Department or its designate for which Department seeks reimbursement from Owners under this Agreement including, but not limited to, Department's operating expenses incurred at the Bingham Creek facilities, including salaries, pathologist's time, personnel benefits, overheads, goods and services (including maintenance and repair of facilities used for Owner's Skookumchuck mitigation measures set forth in this Agreement), travel, and equipment.

1.3 "Skookumchuck Facilities" means Skookumchuck dam, reservoir, powerhouse, transmission line, holding ponds, flume, fish hopper, fish protection facilities, and all equipment related to the foregoing.

Section 2: Term and Termination

This Agreement shall be effective when executed by both parties and shall continue in effect until Skookumchuck Dam is removed and the impounded portion of the Skookumchuck River is restored approximately to its natural condition.

Section 3: Salmon and Steelhead Resources

In order to protect, mitigate, and enhance the salmon and steelhead resources in the Project vicinity, Owners and Department shall perform as follows:

3.1 Funding and Release of Coho Smolts. Subject to the limitation contained in section 4.1, Owners shall pay Department all reasonable costs Department incurs in producing and rearing up to 300,000 coho salmon smolts per year that shall have a collective weight of not to exceed 17,650 pounds, which smolts Department shall use its discretion in releasing into the Skookumchuck River and other tributaries of the Chehalis River upstream from the Chehalis Indian Reservation.

3.2 Water Releases. Until such time as Owners exercise their rights to unused water in the Skookumchuck Reservoir or perfect or exercise other surface water rights, Owners shall operate the Skookumchuck Dam control works in accordance with Exhibit A, attached hereto and incorporated herein by this reference, and in accord with the following criteria:

3.2.1 Reservoir Level. The Skookumchuck Reservoir shall be at elevation 477 by April 1 of each year.

3.2.2 Project Use of Water. Water for Project use shall be diverted at the pumping diversion point up to the full capacity of the pumping plant, which is estimated to be approximately 50 cfs.

3.2.3 Spring/Summer Flows. Beginning on April 1 and ending on September 1 each year the flows below the dam shall be maintained at the lesser of (i) 95 cfs, or (ii) the natural river flow determined by reservoir inflow plus 50 cfs from reservoir storage; provided, such amounts may at Department's request be adjusted in order to conserve water for use after September 1 in order to provide rearing flows for juvenile fish below the diversion.

3.2.4 Fall Flows. To provide spawning flows for chinook salmon, from September 1 through October 20 each year the target minimum flow below the dam shall be 140 cfs, with the actual flow being dependent upon the reservoir elevation on September 1 and the inflow into the reservoir. Fall flows shall also be subject to the following criteria:

3.2.4.1 Cooler Water during Restricted Flows. In the event of restrictions on the release of water, to the extent that Owners are able to release water from the dam from below the thermocline, Owners shall arrange release schedules in a manner that provides the greatest amount of cooler water (48 to 55 F) flows early in the spawning season (which is usually in September).

3.2.4.2 Reservoir Elevations. Owners may draw the reservoir to elevation 420 by October 20 in order to supplement the natural river flow determined by reservoir inflow during the spawning period. If flow or reservoir level is too low to meet the target flow (140 cfs), criteria based on a combination of reservoir level and inflow should be used on each series of dates

(September 1, 10, and 20, and October 1 and 10) to determine the target minimum flow for the following 10-day period (see Exhibit B).

3.2.4.3 Supplemental Flows from Storage. Supplemental flows from storage shall be consistent with the following table unless Owners are required to comply with the flows set forth in Exhibit B because of hydrologic conditions (dry year):

<u>September 1 Reservoir Elevation</u>	<u>Average Flow from Storage</u>
460	163 cfs
455	140 cfs
450	117 cfs
445	95 cfs
440	73 cfs

3.2.5 Non-Spawning Flows. Upon the parties' agreement that the spawning season has ended, the minimum flow each year from the dam shall be 95 cfs until April 1 in order to provide egg incubation; provided, the discharge from the dam may be reduced to 50 cfs during the incubation period if incoming flows are reduced to a level that will prevent refill to elevation 477 by the following April 1.

3.2.6 Flow Reductions and Ramping Rates. Flow reductions under this Agreement shall be accomplished in a manner that minimizes the stranding of juvenile fish.

3.3 Operation of Multi-Level Gates at Skookumchuck Dam. Owners shall operate, maintain, and repair the multi-level gates at Skookumchuck Dam that were installed to facilitate the release of water of suitable temperature, and shall consider all advice Department provides regarding the operation of such gates.

3.4 Owners' Increase in Use of Water. Prior to any date when the Owners' propose to ~~exercise~~ increase the use of water from the Skookumchuck Reservoir and from the surface water right filings, Owners and Department shall cooperate in reviewing the salmon resources downstream of the Dam in the light of the experience obtained from past operations. Owners shall take all steps reasonably available to provide suitable water temperatures downstream from Skookumchuck Dam and to minimize any adverse impacts upon the fisheries then in existence.

3.5 Operation of Fish Handling Facilities. Owners shall operate and maintain the fish handling and protective facilities, and shall in cooperation with Department develop procedures for the operation of such facilities. In the event of failure of the tank truck at a critical time, Owners shall inform Department and shall obtain a replacement within three (3) business days or as soon thereafter as practicable.

3.6 Operation of Fish Collection Facilities. Owners shall operate and maintain adult fish collection facilities at Skookumchuck Dam and temporarily hold adults under programs agreed to by Owners and Department.

3.7 Hatchery Facilities Operating Plan. Owners and Department shall develop and from time to time modify as appropriate an operating plan for the Skookumchuck mitigation hatchery facilities at Bingham Creek and at Skookumchuck.

3.8 Operation of Skookumchuck Facilities. Owners shall operate the Skookumchuck Facilities pursuant to procedures and instructions mutually agreed upon by Department and Owners. Department shall provide technical assistance to Owners relating to culturing fish at the Skookumchuck Facilities.

3.9 Security. Owners shall provide reasonable security at the Skookumchuck hatchery and fish-collection facilities.

3.10 Access to Information. All reports, records, and findings made and kept by either party relative to fisheries facilities and operations on the Skookumchuck River shall be made available to the other party.

Section 4: Expenditures, Budgets, and Payments

4.1 Calculation of and Responsibility for Department Expenditures. In order to discharge all of their financial obligations for all Reimbursable Activities and other activities related to this Agreement, Owners shall pay Department an amount annually not to exceed the Base Budget amount escalated from July 1, 1998 to the July 1 of the year preceding the year for which payment is made. The amount of the escalation shall be determined by multiplying one hundred ten thousand dollars (\$110,000) times the percentage change in the Consumer Price Index as published by the U.S. Bureau of Labor Statistics for the Seattle metropolitan area for the period from July 1, 1998, to the year for which payment is made.

4.2 Budgets, Review, and Dispute Resolution. Although Owners and Department have mutually developed procedures set forth in Exhibit C for the operation of the fish handling and protective facilities, Owners exclusively shall operate and maintain such facilities at no cost or expense to Department. All expenses anticipated to be incurred by Department and to be paid by Owners pursuant to the preceding subsection shall be budgeted in advance by Department and submitted in writing to Owners no later than the May 1 preceding the year in which recovery is sought. Owners shall by the following July 1 inform Department in writing whether the proposed budget is approved or rejected. In the event of a disagreement regarding the budget, either party may request that the dispute be submitted to dispute resolution pursuant to section 5.

4.3 Modification of Budget. Once the budget is approved, it shall not be modified except on account of unforeseen circumstances that are reviewed and approved by both parties.

4.4 Payments. Owners shall pay Department pursuant to the approved budget on a quarterly basis.

Section 5: Dispute Resolution

5.1 Management Consultation. In the event of a dispute arising under this Agreement, either party may notify the other party in writing of the existence of such dispute, whereupon each party shall notify its next higher level of management of such dispute and request that the two higher levels of management meet to discuss and attempt to resolve the dispute. Any meeting of respective managements shall occur within thirty (30) days of the written notice. In the event such higher level of management is unable to resolve the dispute, such dispute shall be referred to the next higher level of management in accordance with the provisions of this section. In the event the highest levels of management of both parties are unable to resolve the dispute, the dispute shall be subject to arbitration under section 5.2.

5.2 Arbitration. Upon failure of the management consultation procedures for dispute resolution set forth in section 5.1, either party may notify the other party in writing of the issue to be arbitrated and the name of the person it has selected as one of three arbitrators. Within thirty (30) days of receipt of such notice, the other party shall mail a notice to the other party identifying the second arbitrator. The two arbitrators so selected shall select the third arbitrator. In the absence of such an agreement after thirty (30) days following the appointment of the second arbitrator, either party may request the Dean of the College of Fisheries at the University of Washington to select the third arbitrator. If the Dean is not available or not willing to appoint the third arbitrator, either party may request the Presiding Judge of the Thurston County Superior Court to select the third arbitrator. The laws of the state of Washington shall govern such arbitration. Owners shall bear the costs of such arbitration.

Section 6: Department's Acknowledgment of Compliance; Additional Facilities and Activities

6.1 Salmon Resource Compliance; Additional Steps. Department acknowledges that the measures and activities set forth in sections 3.1 through 3.10 constitute Owners' full compliance with all salmon-protection requirements presently in place, including but not limited to the obligations contained in the letter agreement between the parties dated August 31, 1967. Department further acknowledges that Owners shall not be required to install additional facilities or take other steps to protect salmon resources in the absence of Department's establishing by clear and convincing evidence that such additional facilities or steps are necessary, that such necessity was caused by adverse impacts upon salmon habitat in the Skookumchuck River downstream from Skookumchuck Dam, and that such adverse impacts were directly caused by the Project. Upon Department's establishing the necessity for such additional facilities or activities in accordance with the requirements of the preceding sentence, Owners shall construct, install, or implement Department-approved measures to rehabilitate the affected habitat area or replace the lost salmon resources.

6.2 Steelhead Resource Compliance. Department acknowledges that Owners' facilities presently in place are capable of producing 90,000 steelhead trout smolts for release in

the Skookumchuck River, and that Owners' obligation to provide such facilities has been satisfied.

Section 7: Access to Skookumchuck Facilities

Owners shall at all reasonable times permit Department and its employees access to the Skookumchuck Reservoir and Owners' lands adjacent thereto, and to Owners' land at and about the facilities related to this Agreement for the proper supervision and conduct of the activities subject to this Agreement.

Section 8: Modifications

8.1. Modifications in Writing. This Agreement may be modified only by written instrument signed by both parties.

8.2. Proposed Modifications. Proposed modifications to this Agreement shall be submitted in writing to the other party, together with reasons justifying the modification. The receiving party shall respond to the proposal within thirty (30) days. Proposed modifications not agreed to and not withdrawn may be submitted to dispute resolution pursuant to section 5 of this Agreement.

Section 9: Notices

Unless otherwise specified in writing, notices under this Agreement shall be directed as follows:

To Owners:

PacifiCorp
Director, Environmental Services
920 SW Sixth Avenue
Portland, OR 97204

To Department:

Washington Department of Fish and Wildlife
Habitat Management Program
600 Capitol Way North
Olympia, WA 98501-1091

Section 10: Transfer of Ownership Interest

The successor of any Owner's interest in the Project shall assume all obligations of the transferor under this Agreement, and upon such transfer such transferor shall have no further obligations under this Agreement.

Section 11: Limitation of Liability; Force Majeure

11.1 Limitation of Liability. Owners shall not be liable to Department or any third party for any loss, claim, expense, or liability for injury to any person or damage to any property arising out of Department's operation of any of the facilities related to this Agreement or for any Department activities related to the operation of such facilities, including Department's operation of or on Owners' facilities, reservoirs, lands, or other properties unless Owners were negligent in constructing any facilities used by Department and such negligence caused such loss, claim, expense, or liability.

11.2 Force Majeure. Owners shall not be liable to Department, nor shall they be deemed in breach or default of this Agreement in the event that Owners are unable to perform their obligations hereunder on account of any unavoidable accident or casualty, act of God, governmental action, strike or labor arrest, act of war or civil insurrection, or any other cause beyond the reasonable control of Owners. Owners shall make all reasonable efforts to resume performance promptly once the Force Majeure is eliminated.

Section 12: Integration

This Agreement supersedes and replaces in their entirety the following prior arrangements between Owners on the one hand and the Washington Department of Fisheries, the Washington Department of Wildlife, and Department on the other including that certain agreement with the Washington Department of Fisheries dated January 9, 1974, regarding the salmon resources in the Skookumchuck River, that certain understanding in the form of a letter agreement with the Washington Department of Wildlife dated August 31, 1967, which provided for mitigating the Project's impacts upon steelhead resources in the Skookumchuck River, that certain draft proposed agreement with the Washington Department of Fisheries and Washington Department of Game relating to the operation of the Skookumchuck Facilities dated June 19, 1989, and all other agreements, understandings, and arrangements, whether written or oral, formal or informal, related in any way to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

WASHINGTON DEPARTMENT
OF FISH AND WILDLIFE



Jim Lux
Comptroller

10/8/98
Date

PACIFICORP, on behalf of
CENTRALIA OWNERS



Date

12-14-98

EXHIBIT A

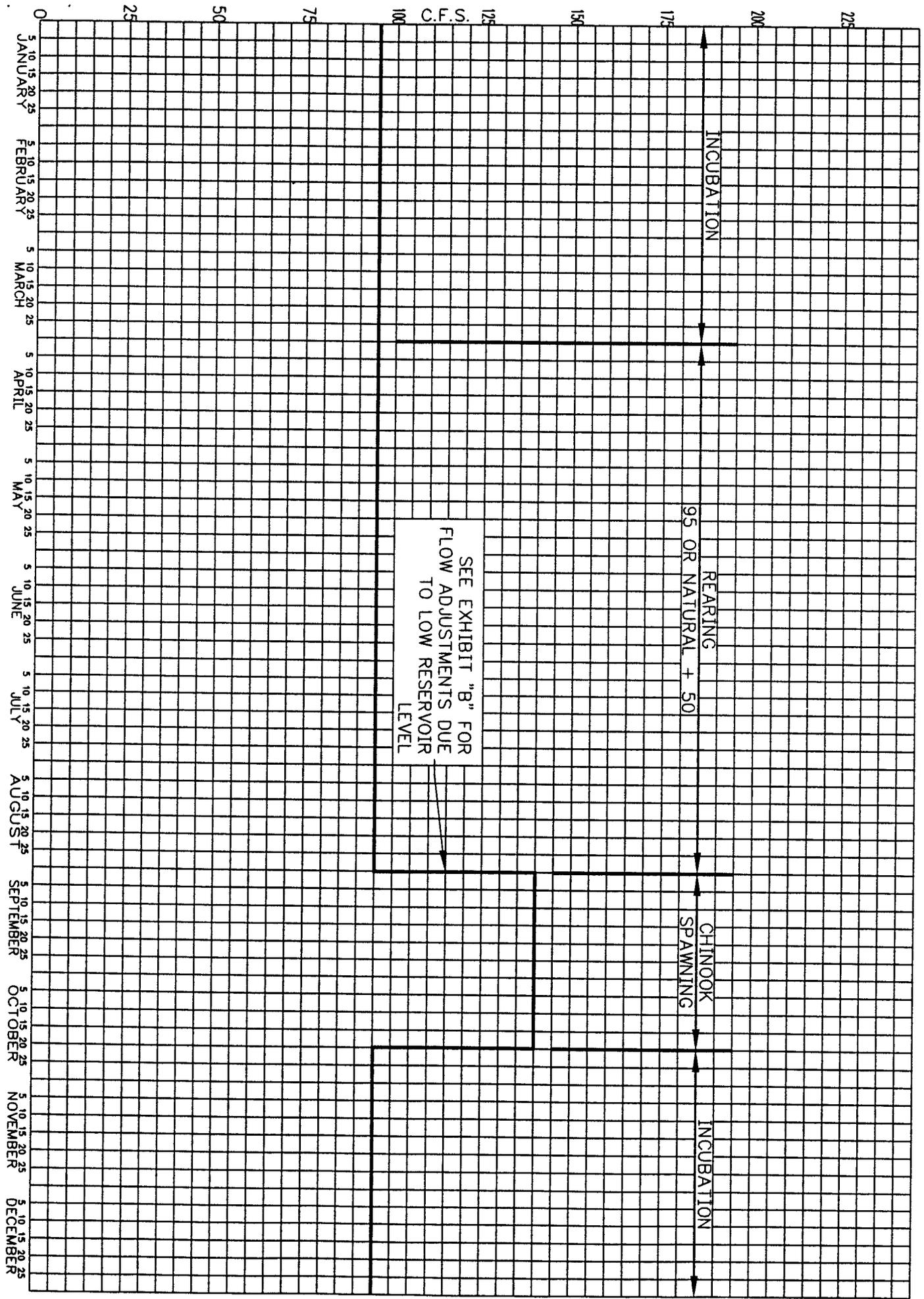


EXHIBIT A. MINIMUM RELEASE IN C.F.S. AT SKOOKUMCHUCK D... FOR PROTECTION OF FISHERIES RESOURCE DURING 50 C.F.S. DIVERSION AT STEA NT INTAKE.

EXHIBIT B

Flow reduction schedule for the Skookumchuck River if the reservoir is too low to meet the target spawning flow of 140 cfs.

Date	Reservoir level (ft)	Inflow (cfs)	Minimum flow release (cfs)
9/01	>455	>25	140
9/01	>455	<25	140
9/01	<455	<25	130
9/20	>450	>25	140
9/20	<450	>25	130
9/20	<450	<25	120
10/01	>440	>30	140
10/01	<440	>30	130
10/01	<440	<30	120
10/10	>430	>35	140
10/10	<430	>35	130
10/10	<430	<35	120
10/20	>420	>40	140
10/20	<420	>40	130
10/20	<420	<40	120

EXHIBIT C

Standard Operating Procedure for
The Skookumchuck Winter Steelhead Program

by

Washington Department of Fish and Wildlife
and PacifiCorp

May 1998

Introduction

A winter steelhead mitigation agreement between the Centralia Steam Owners (represented by PacifiCorp) and the Washington Department of Wildlife was signed in 1963 to compensate for the effects of construction and operation of the Skookumchuck Dam. As part of the agreement, PacifiCorp developed a Standard Operating Procedure (SOP) manual which outlined the steps to be taken to handle broodstock, incubate eggs, and rear fish at the state's South Tacoma Hatchery, and deliver fingerling steelhead to the Skookumchuck acclimation pond. Approximately 90,000 fish are reared to smolts at the acclimation pond and are volitionally released into the Skookumchuck River.

Since 1996 this program has undergone some changes in part by the merger of Washington Department of Wildlife and Washington Department of Fisheries (now called Washington Department of Fish and Wildlife (WDFW)), and the desire to consolidate the Skookumchuck steelhead mitigation program with the coho program (this program was developed between Washington Department of Fisheries and PacifiCorp). Changes to the program include: (1) spawning steelhead adults at the Skookumchuck facility, (2) incubating and rearing fish at Bingham Creek Hatchery (South Tacoma Hatchery will no longer be used), (3) delivering fish to the acclimation pond earlier, and (4) begin volitional release in April.

The new procedure for Skookumchuck winter steelhead is outlined in this report. This new SOP was developed jointly between WDFW and PacifiCorp and replaces the former SOP.

Standard Operating Procedures for Skookumchuck Winter Steelhead Program

Bingham Creek Hatchery's involvement with the steelhead enhancement program will typically begin in February or March with the first arrival of adults to the Skookumchuck trap. PacifiCorp personnel will notify WDFW personnel when the returning adults are present. Broodstock collection will occur through the entire run-timing; the selection of spawning adults mirroring the run-time curve with the peak of the run occurring in late March or early April. Coordination of spawning activity is determined by discussion between PacifiCorp and WDFW personnel as adult steelhead arrive back to the trap.

Early arriving adults may be held in circular tanks at the Skookumchuck facility until they are ready to be spawned. The majority of the spawning population will be taken directly from the trap while sorting fish for transfer upstream past the dam or possibly re-cycling downstream. It may be necessary to transfer adults to the Bingham Creek Hatchery, but the preferred method is to spawn fish from the trap; the number of fish held on site will be decided by WDFW personnel. Fish are crowded out of the trap area and counted into a trough, approximately 10 to 15 fish per load. Carbon dioxide bubbled into the trough is used as an anesthetic, all fish are sexed, measured for length and checked for an adipose fin. The adipose fin will indicate if the fish is a hatchery fish or a wild fish. Scale samples are taken from every fifth fish through the entire run time with a minimum of 200 fish sampled. Adults may be either live spawned or kill spawned; method will depend on condition of fish, if re-cycling is an option, or tissue sampling requirements. The number of spawn days is determined by run size, length and maturation of fish. In a normal year, five to six spawn days are required with one spawn day per week. Carcasses from kill spawned adults can be donated to food banks, the Olympic Wildlife Rescue Center in McCleary, or used for nutrient enhancement; distribution will depend on the quality of fish or demand for the carcasses.

Viral samples are taken as per instructions in WDFW's "Fish Health Manual" or additional directions from virology lab personnel. Typically 60 ovarian fluid, milt and 60 kidney/spleen samples are required to ensure accurate viral sampling of the subject population. Samples are sent to WDFW's virology lab in Olympia for processing and analysis. Results are typically available within 14 days.

At present, the egg take goal is 200,000 eggs, which may be adjusted in the future depending on overall survival rates during incubation and rearing at Bingham Creek Hatchery. To achieve the programmed egg take goal, a minimum of 60 pairs of adults are required, with a spawning ratio of one male to one female. Eggs and milt are transferred to Bingham Creek Hatchery in separate containers within different coolers. Upon arrival at Bingham Creek, the gametes will be mixed for fertilization and water hardened for one hour in a 100 ppm disinfecting solution of iodophor to eliminate pathogens.

Incubation occurs in vertical style incubators with 12,000 eggs to eye-up with a water flow rate of 2.5 gallons per minute (gpm) per each half stack of incubators. Incubation water is supplied from three wells; the number of wells used is determined by water demand in the incubation room. Incubation water temperatures range from 46 to 50 degrees Fahrenheit. Once eggs are eyed-up

and the dead eggs picked off, eggs are weighed down at 10,000 eggs per day. During incubation, all eggs are treated with 1:600 parts Parasite-S (formalin) every other day to control external fungus; formalin drip is turned off just prior to hatch.

Initial rearing is in shallow troughs inside the hatchery building with 20,000 fry per trough with a flow of 10 gpm of well water. Fry will be moved to ponds outside as they out grow the shallow troughs. The initial flows into ponds are set at 100 gpm and increased as fish grow, with a maximum flow of 450 gpm. The rearing water is surface water supplied by gravity fed water from Bingham Creek intake or water pumped from East Fork Satsop River. Surface water temperatures fluctuate with the seasons, with summer ranges of low to high 50's, spring and fall ranges of mid 40's to mid 50's, and winter temperature ranges of high 30's to high 40's. All fish are hand fed until they are large enough to train to demand feeders. Fish are fed to satiation to ensure maximum growth rates. Feed types depend on current contract requirements. Fish will be sampled on a regular basis (weekly or bi-weekly) to ensure proper feed size, type and fish growth are met.

A WDFW fish pathologist will test fish for pathogens on a regular schedule during the rearing cycle at Bingham Creek Hatchery, prior to transfer to Skookumchuck acclimation pond and pre-release of smolts. Prior to any testing, the pathologist will contact the Complex Manager who in turn will notify on-site staff.

Ninety thousand subyearling fish, at a size of approximately 30 fish per pound (fpp), are transferred in one group to the Skookumchuck acclimation pond in October or November. The water at the Skookumchuck acclimation pond is warmer than Bingham Creek water which will aid in necessary growth to achieve 6 fpp for out planting. Hatchery personnel will notify PacifiCorp personnel of scheduled fish transfer date a minimum of two weeks prior to planned transfer. All fish will be adipose fin clipped prior to transfer to Skookumchuck acclimation pond. Feed will be ordered by Bingham Creek personnel and transferred to Skookumchuck as needed. The amount of feed transferred will depend on storage space available.

Upon arrival, the subyearling are placed into the rearing ponds. Water supply to the pond is kept at 6 cfs and is first passed through 3 of the 5 packed column aerators inside the aeration building. Should dissolved oxygen (DO) concentrations in the pond fall out of acceptable levels (state criteria), the water supply shall be increased up to 10 cfs and/or use the surplus packed column aerators to increase DO levels.

Routine scanning for signs of disease is conducted daily and during sampling. Symptoms to be aware of include sudden changes in feeding or swimming behavior, a noticeable darkening of the skin color, or increasing numbers of mortalities. Any mortalities are discarded in the garbage. Routine technical assistance is available to PacifiCorp personnel from personnel within the Grays Harbor Complex.

Smoltification occurs during April, and the fish are released from the pond beginning around April 1 at a target size of 6 fpp. Prior to release, a WDFW fish pathologist will sample the fish for general fish health and approve the release of smolts. Release takes about 14 to 21 days. During the first 10 to 14 days the fish are allowed to volitionally out-migrate and afterwards the pond is

gradually lowered by removing stoplogs from the outlet structure; the fish are drawn to the pond discharge due to increased outflows. Once all the stoplogs are removed, a slide gate is opened, allowing both fish and water to be flushed out, dropping the water level to about 6 inches deep in the pond. On the final day a second slide gate is opened and the remaining fish are chased out by walking through the pond. The second slide gate also drains the remaining water in the pond, which remains empty until the next year's subyearlings are received.

Skookumchuck Winter Steelhead Program Phone List

Washington State Department of Fish and Wildlife

Randy Aho, Manager
Grays Harbor Complex
Oversees operations of all WDFW hatcheries within Chehalis Basin
Phone: 360-533-1663
Cell Phone: 360-561-4904
Pager: 360-923-6354

Bingham Creek Hatchery - George Britter, Hatchery Specialist-4
contact person for hatchery personnel
360-246-2369

Paul Sedell
Region 6 Hatchery Program Manager
360-902-2652

PacifiCorp

Tom Emrich
Centralia Plant Engineer
Manages the program for PacifiCorp
Phone: 360-330-2362
FAX: 360-330-2367
Email: tom.emrich@pacificorp.com

Linda Prendergast
Fish Biologist
Co-manages the program for PacifiCorp
Phone: 503-464-6490
FAX: 503-464-6424
Email: linda.prendergast@pacificorp.com

Richard Moses
Operator at the Skookumchuck facility
Phone: 360-264-2624

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

- 2 -

Pacific Hydro, Inc. and City of Tenino)	Project No. 3654-000
Pacific Power and Light Company, Agent)	Project No. 4441-000
City of Centralia, Washington)	Project No. 4702-000

ORDER GRANTING EXEMPTION FROM LICENSING OF A
SMALL HYDROELECTRIC PROJECT OF 5 MW OR LESS
AND DENYING COMPETING APPLICATIONS FOR PRELIMINARY PERMIT

(Issued July 20, 1982)

The Applicant 1/ filed an application for exemption from all or part of Part I of the Federal Power Act pursuant to 18 C.F.R. Part 4 SUBPART K (1980) implementing in part Section 408 of the Energy Security Act (Act) of 1980 for a project as described in the attached public notice. 2/ 3/

Notice of the application was published in accordance with Section 408 of the Act and the Commission's regulations and comments were requested from interested Federal and State agencies including the U. S. Fish and Wildlife Service and the State Fish and Wildlife Agency. All comments, protests and petitions to intervene that were filed have been considered. No agency has any objection relevant to issuance of this exemption.

Standard Article 2 included in this exemption, requires compliance with any terms and conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources. The terms and conditions referred to in Article 2 are contained in any letters of comment by these agencies which have been forwarded to the Applicant in conjunction with this exemption.

-
- 1/ Pacific Power and Light Company, Agent, Project No. 4441-000, filed on March 30, 1981.
- 2/ Pub. Law 96-294, 94 Stat. 611. Section 408 of the ESA amends inter alia, Sections 405 and 408 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. §§2705 and 2708).
- 3/ Authority to act on this matter is delegated to the Deputy Director, Office of Electric Power Regulation under §375.308 of the Commission's regulations 45 Fed. Reg. 21216 (1980), as amended by Order No. 112 in Docket No. RM81-5, issued November 21, 1980, (45 Fed. Reg. 79024).

Should the Applicant contest any terms or conditions that were proposed by Federal or State agencies in their letters of comment as being outside the scope of Article 2, the Commission shall determine whether the disputed terms or conditions are outside the scope of Article 2. In accordance with the Commission's decision on Victor Falls Project No. 5699, non-standard Article 7, included in this exemption, would require the project to be subject to the regional fish and wildlife plan to be completed on November 15, 1982.

The Skookumchuck Dam is classified as a high hazard dam. A failure of the dam could cause loss of life and appreciable economic loss downstream. Non-standard Article 6, included in this exemption, would require the project to be subject to annual FERC inspections and independent Part 12 inspections, and require the filing of an emergency action plan.

Competing Applications

Pacific Hydro, Inc. and City of Tenino filed on November 30, 1980, and City of Centralia (Centralia) filed on May 19, 1981, applications for preliminary permits for the Skookumchuck Project. Pursuant to Section 4.104(e)(1) of the Commission's regulations, the Commission will favor an application for exemption over an application for preliminary permit. Therefore, consistent with Section 4.104(e)(1) of the Commission's regulations, this order grants an exemption from licensing for Skookumchuck Dam Project and denies the applications for preliminary permits filed by the Pacific Hydro, Inc. and City of Tenino, and the City of Centralia, Washington.

It is ordered that:

(A) The Skookumchuck Dam Project No. 4441-000 as described and designated in Pacific Power and Light Company, Agent's application filed on March 30, 1981, is exempted from all of the requirements of Part I of the Federal Power Act, including licensing, subject to the standard articles in §4.106 of the Commission's regulations attached hereto as Form E-2, 18 C.F.R. §4.106 45 Fed. Reg. 76115 (November 18, 1980), and the following Special Articles.

Article 6. This exemption is subject to the following provisions of 18 C.F.R. Part 12:

- 1) Sections 12.4(b), (2)(i), (ii), (iii)(B), (iv), and (v), and 12.4(c);
- 2) Subpart C; and
- 3) Subpart D.

Article 7. The construction, operation, and maintenance of the exempt project may be reviewed by the Commission and subjected to further requirements for consistency with the terms and conditions of the regional fish and wildlife plan developed pursuant to the Pacific Northwest Electric Power Planning and Conservation Act. Inconsistencies between the regional plan and the mandatory conditions under Article 2 will be resolved by the Commission.

(B) The applications for preliminary permits for Project No. 3654 filed on November 3, 1980, by Pacific Hydro, Inc. and City of Tenino and Project No. 4702 filed on May 19, 1981, by the City of Centralia, are denied pursuant to Section 4.104(e)(1) of the Commission's regulations.

(C) This order is final unless a petition appealing it to the Commission is filed within 30 days from the date of its issuance, as provided in Section 1.7(d) of the Commission's regulations, 18 C.F.R. 1.7(d)(1981), as amended, 44 Fed. Reg. 46449 (1981). The filing of a petition appealing this order to the Commission or an application for rehearing as provided in Section 313(a) of the Act does not operate as a stay of the effective date of this order, except as specifically ordered by the Commission.

Ronald A. Corso

Acting Deputy Director, Office of
Electric Power Regulation

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Pacific Power and Light Company, Agent) Project No. 4441-000

NOTICE OF APPLICATION FOR EXEMPTION FOR SMALL
HYDROELECTRIC POWER PROJECT UNDER 5 MW CAPACITY

(May 20, 1981)

Take notice that on March 30, 1981, Pacific Power and Light Company, Agent (Applicant) filed an application, under Section 408 of the Energy Security Act of 1980 (Act) [Public Law 96-294, 94 Stat. 611] (16 U.S.C. §§2705, and 2708 as amended), for exemption of a proposed hydroelectric project from licensing under Part I of the Federal Power Act. The proposed Skookumchuck small hydroelectric project (FERC Project No. 4441) would be located at the existing Skookumchuck Dam on the Skookumchuck River in Thurston County, Washington. Correspondence with the Applicant should be directed to: Leighton and Sherline, 1701 K Street, N.W., Washington, D.C. 20006; and Mr. Dexter Martin, Esq., Stoel, Rives, Fraser and Wyse, 2200 Georgia-Pacific Building, 900 S.W. Fifth Avenue, Portland, Oregon 97204. Any person who wishes to file a response to this notice should read the entire notice and must comply with the requirements specified for the particular kind of response that person wishes to file.

Project Description - The proposed project would consist of: (1) the existing 160-foot high and 1,340-foot long earthfilled embankment Skookumchuck Dam with an ungated side channel spillway and fish trapping facilities, and impounding a reservoir with a storage capacity of 35,000 acre-feet; (2) a steel-lined concrete outlet conduit; (3) a powerhouse to be located at the foot of the dam containing one generating unit rated at 980 kW; and (4) a 1.9-mile long three-phase transmission line.

Purpose of Project - The energy generated by the project would be banked with the Puget Sound Power and Light Company.

Agency Comments - The U.S. Fish and Wildlife Service and the Washington Departments of Fisheries and Game are requested, for the purposes set forth in Section 408 of the Act, to submit appropriate terms and conditions to protect any fish and wildlife resources. Other Federal, State, and local agencies that receive this notice through direct mailing from the Commission are requested to provide any comments they may have in accordance with their duties and responsibilities. No other formal requests

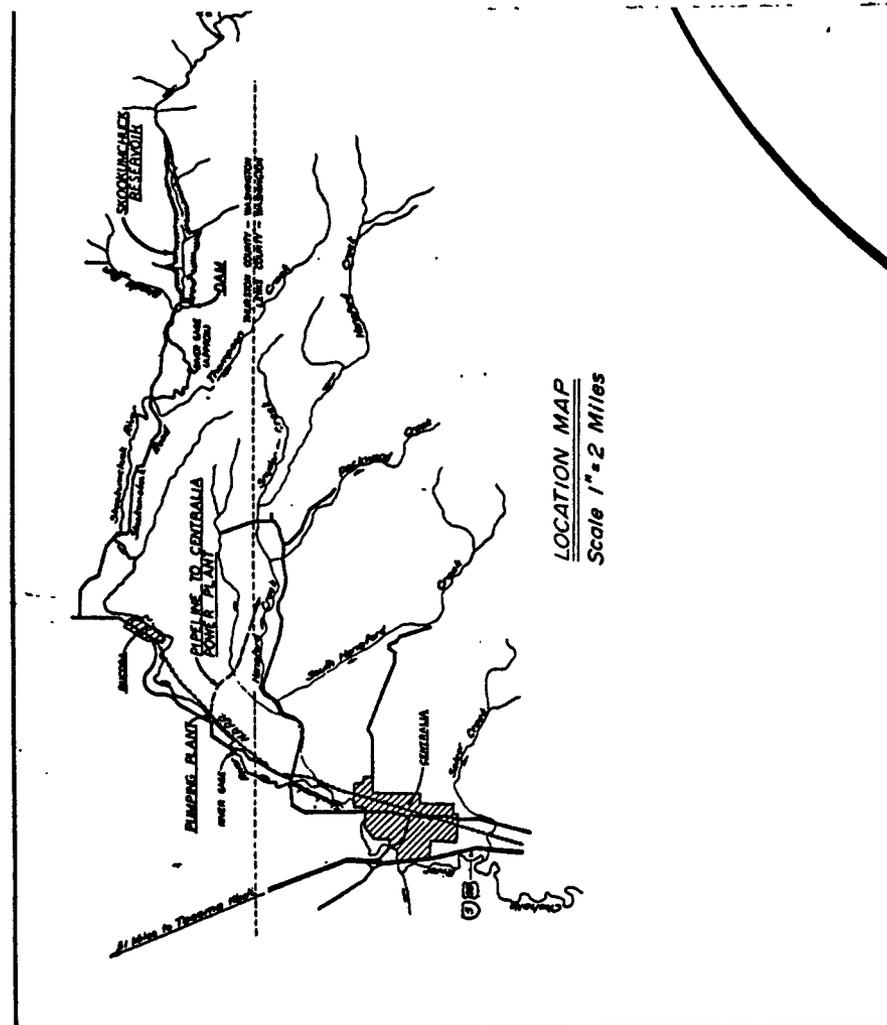
for comments will be made. Comments should be confined to substantive issues relevant to the granting of an exemption. If an agency does not file comments within the time set below, it will be presumed to have no comments.

Competing Applications - This application was filed as a competing application to Pacific Hydro, Inc. and the City of Tenino's preliminary permit application for Project No. 3654-000 filed on November 3, 1980, under 18 C.F.R. §4.33 (1980), and, therefore, no further competing applications or notices of intent to file a competing application will be accepted for filing.

Comments, Protests, or Petitions to Intervene - Anyone desiring to be heard or to make any protests about this application should file a petition to intervene or a protest with the Commission, in accordance with the requirements of its Rules of Practice and Procedure, 18 C.F.R. §1.8 or §1.10 (1980). Comments not in the nature of a protest may also be submitted by conforming to the procedures specified in §1.10 for protests. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but a person who merely files a protest or comments does not become a party to the proceeding. To become a party, or to participate in any hearing, a person must file a petition to intervene in accordance with the Commission's Rules. Any comments, protest, or petition to intervene must be received on or before June 24, 1981.

Filing and Service of Responsive Documents - Any comments, protests, or petitions to intervene must bear in all capital letters the title "COMMENTS", "PROTEST", or "PETITION TO INTERVENE", as applicable. Any of these filings must also state that it is made in response to this notice of application for exemption for Project No. 4441. Any comments, protests, or petitions to intervene must be filed by providing the original and those copies required by the Commission's regulations to: Kenneth F. Plumb, Secretary, Federal Energy Regulatory Commission, 825 North Capitol Street, N. E., Washington, D. C. 20426. An additional copy must be sent to: Fred E. Springer, Chief, Applications Branch, Division of Hydropower Licensing, Federal Energy Regulatory Commission, Room 208, 400 First Street, N. W., Washington, D. C. 20426. A copy of any petition to intervene must also be served upon each representative of the Applicant specified in the first paragraph of this notice.

Kenneth F. Plumb
Secretary



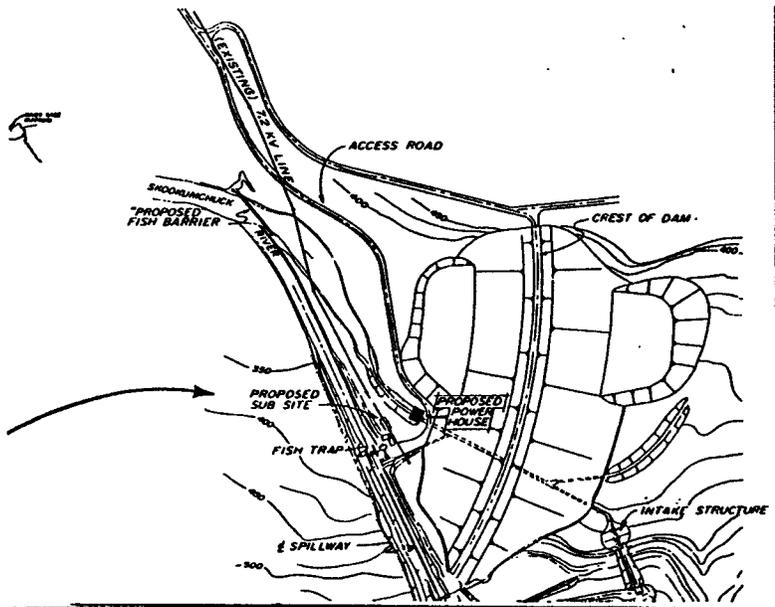
§ 4.106 Standard terms and conditions of exemption from licensing.

Any exemption from licensing granted under this subpart for a small hydroelectric power project is subject to the following standard terms and conditions:

(a) Article 1. The Commission reserves the right to conduct investigations under sections 4(g), 306, 307, and 311 of the Federal Power Act with respect to any acts, complaints, facts, conditions, practices, or other matters related to the construction, operation, or maintenance of the exempt project. If any term or condition of the exemption is violated, the Commission may revoke the exemption, issue a suitable order under section 4(g) of the Federal Power Act, or take appropriate action for enforcement, forfeiture, or penalties under Part III of the Federal Power Act.

(b) Article 2. The construction, operation, and maintenance of the exempt project must comply with any terms and conditions that any Federal or state fish and wildlife agencies have determined are appropriate to prevent loss of, or damage to, fish or wildlife resources or otherwise to carry out the purposes of the Fish and Wildlife Coordination Act, as specified in Exhibit E of the application for exemption from licensing or in the comments submitted in response to the notice of the exemption application.

(c) Article 3. The Commission may accept a license application by any qualified license applicant and revoke this exemption if actual construction or development of any proposed generating facilities has not begun within 18 months, or been completed within four years, from the date on which this exemption was granted. If an exemption is revoked, the Commission will not accept a subsequent application for exemption within two years of the revocation.



(d) Article 4. This exemption is subject to the navigation servitude of the United States if the project is located on navigable waters of the United States.

(e) Article 5. This exemption does not confer any right to use or occupy any Federal lands that may be necessary for the development or operation of the project. Any right to use or occupy any Federal lands for those purposes must be obtained from the administering Federal land agencies. The Commission may accept a license application by any qualified license applicant and revoke this exemption, if any necessary right to use or occupy Federal lands for those purposes has not been obtained within one year from the date on which this exemption was granted.

WACK S WAYLAND
Director



STATE OF WASHINGTON
DEPARTMENT OF GAME

600 North Capitol Way, GJ-11 • Olympia, Washington 98504-0091 • (206) 753-5700

file 18 CFR
Part 12.10
4

March 10, 1987

Bruce Eddy
Environmental Services
Pacific Power & Light Company
920 SW 6th Avenue
Portland, OR 97240

Dear Ed. Bruce

Recently the Federal Energy Regulatory Commission lifted the stay on the exemption for Project No. 4441 at Skookumchuck Dam. The original exemption issued July 20, 1982 had standard article 2 requiring "compliance with any terms and conditions that Federal and State agencies have determined appropriate to protect loss of, and damage to, fish and wildlife resource."

When reviewing our file, I could not find a letter Department of Game had sent to Pacific Power and Light stating specific terms and conditions required for this exempted project. I did find a letter I sent to Ed dated February 1, 1981 discussing our review of the "Environmental statement for a proposed Skookumchuck Dam Hydroelectric Unit."

To keep the record correct, this letter contains the terms and conditions Department of Game believes are necessary to protect the resources under our jurisdiction. I don't think any of these will be a surprise to you since most are discussed in your Environmental statement or are reported in my letter.

TERMS AND CONDITIONS - FERC 4441

1. The Department of Game (WDG) understands that a FERC exemption is granted in perpetuity and that WDG-prescribed terms and conditions that regulate the project are also perpetual. Conditions affecting game fish and wildlife and/or the hydroelectric project may change over time. WDG reserves the right to alter the terms and conditions, as appropriate to uphold the responsibilities of the agency during the life of the project.
2. Water temperatures must be managed to remain near temperatures of the last ten years.

3. The flow agreement between Department of Fisheries and Pacific Power and Light will be continued unless negotiations with the agencies lead to an agreement with different flows.
4. The reservoir must be maintained near levels of the last ten years. This is especially important from March 15 to May 31 when a full reservoir is needed to pass smolts downstream past the dam.
5. A tailrace rack with openings no wider than one inch must be provided where tailrace water enters the river channel to keep fish out of the tailrace.
6. The tailrace must be designed so the water entering the stream does not cause erosion of the stream bottom or bank. This may require a velocity dissipation structure in the tailrace.
7. Wildlife habitat altered by placing the pipeline, powerhouse, powerlines or any other project features must be revegetated
8. The intake and pipeline must be designed and operated to prevent atmospheric gases from entering the water.
9. The applicant must comply with the provisions, timing restrictions and construction techniques set forth in the Hydraulic Project Approval, issued by the Department of Fisheries and Game. This will include a review of the final project design.
10. Erosion potential, if any, of project features must be assessed. If any erosion problems are identified erosion control plans must be developed to minimize erosion during project construction. This will include a revegetation plan.
11. Authorized personnel from WDG will have the right to inspect, at any time, the project facilities and operations to ensure the project-related activities are not adversely affecting game fish and wildlife.
12. The applicant may be required to periodically provide to WDG a written record of streamflow, power generation, dissolved gas levels and other pertinent data.
13. No herbicides will be used to control vegetation on project features such as powerline routes.
14. Department of Game will be provided a letter stating construction start date.

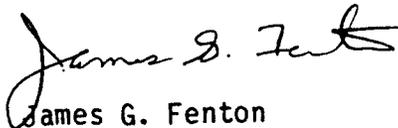
Page 3
March 10, 1987
Bruce Eddy

15. Project owners will make up to one thousand (1,000) dollars available annually for the Department of Game to monitor project construction and operation. Billing will be submitted quarterly and only for work performed.
16. A ramping rate will be developed for the area between the base of the spillway (of the existing dam) and the tailrace.
17. Transmission lines must be developed to meet standards to protect raptors.

Review these and we can discuss over the telephone.

Sincerely,

DEPARTMENT OF GAME



James G. Fenton
Regulatory Services
Habitat Management Division

JGF:clc

PACIFIC POWER & LIGHT COMPANY

1 S.W. SIXTH AVENUE • PORTLAND, OREGON 97204 • (503) 243-1122

December 28, 1982

Mr. Gary Fenton
Washington Dept. of Game
600 North Capitol Way
Olympia, WA 98504

JAN 3 1983

Dear Mr. Fenton:

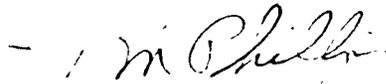
Enclosed is a copy of the finalized Wildlife Habitat Management Plan for the Skookumchuck project area. Note revisions on Pages 32, 45, 50, and 51. The plan incorporates comments received from you and Chris Merker at the August 3, 1982 meeting, and the owners during their review.

The 1979 "Agreement for Wildlife Habitat" between Washington Department of Game and owners of the Centralia Steam Electric Generating Project, required development of a management plan for the Skookumchuck Wildlife Enhancement Area. The enclosed plan fulfills that portion of the agreement. Implementation of the plan constitutes full and complete mitigation for wildlife losses from construction and operation of the Skookumchuck Dam. The owners of the Centralia Project have agreed to the management plan. Approval by Washington Department of Game will allow implementation of the management plan in compliance with the 1979 agreement.

Please return, with appropriate signatures, the enclosed copy of this letter to me by January 17, 1983 indicating your concurrence with the management plan. The original is for your file.

† If you have any questions, please contact Jerry Roppe at (503) 243-4222.

Yours truly,



T. M. Phillips
Manager, Environmental Services

TMP/ka

Enclosures

Washington Department of Game concurs with the Skookumchuck Wildlife Management Plan for the Skookumchuck Wildlife Enhancement area.


Date

PACIFIC POWER & LIGHT COMPANY

20 S.W. SIXTH AVENUE • PORTLAND, OREGON 97204 • (503) 243-1122

February 23, 1983

James G. Fenton
State of Washington
Department of Game
600 North Capitol Way, GJ-11
Olympia, WA 98504

FEB 25 RECD

Dear Mr. Fenton:

I have reviewed your January 31, 1983 response on the finalized Wildlife Habitat Management Plan for the Skookumchuck project area. I am glad we are about to get this one signed and approved so that the implementation plan can proceed.

First, you asked two questions. One regarding the Department of Game continuing to release game farm pheasants on our property. We feel this would be fine. Certainly with the understanding that this be at no cost to Pacific.

The second area that you requested information and clarification had to do with the Department of Game being provided funds by the owners for the implementation monitoring and problem solving. This has been discussed between you, Jerry Roppe and Ed Weiss for some time. We agree that problem solving should be funded by Pacific during the beginning of this implementation program. As such, we have suggested that during 1983 the assistance would be up to 30 man-days, as described in our previous correspondence. We also agree that there will be problem solving needs during the ensuing implementation stage, however, we feel that the time required should decline during each of the five years. The amount of decline would be determined on an annual basis. Therefore, we suggest that for 1983 we agree to the assistance which would not exceed 30 man-days and then in early 1984, we establish the number of man-days for 1984, etc. This would take care of the five year development phase. It is our feeling, however, that subsequent to the five years that additional funds should not come from Pacific. We will then be operating an agreed program and supervision or monitoring by the Department of Game is the Department of Game's responsibility and would no longer be funded by Pacific. I believe this approach, as has been discussed previously with you, is fair to both the Department of Game and Pacific, and is a means of getting the Wildlife Habitat Management Plan for the Skookumchuck underway.

If you have any further questions on this matter, please let me know.

Sincerely,



T. M. Phillips

TMP:ka

Howerton Tacoma
file copy

AGREEMENT FOR WILDLIFE HABITAT ~~_____~~
(Skookumchuck Reservoir)

THIS AGREEMENT is made and entered into as of this
1st day of MARCH, 1979, by and between THE
STATE OF WASHINGTON, acting by and through its Department of
Game, hereinafter referred to as "Game," and the following
owners of the CENTRALIA STREAM ELECTRIC GENERATING PROJECT
("the Project"), namely: Pacific Power & Light Company, a
Maine corporation; Puget Sound Power & Light Company, a
Washington corporation; The Washington Water Power Company,
a Washington corporation; Portland General Electric Company,
an Oregon corporation; City of Seattle, a municipal corporation
of the State of Washington; City of Tacoma, a municipal
corporation of the State of Washington; Public Utility
District No. 1 of Grays Harbor County, a municipal corporation
of the State of Washington; and Public Utility District No. 1
of Snohomish County, a municipal corporation of the State of
Washington; all hereinafter referred to as "Owners."

WITNESSETH

WHEREAS, by letter agreement dated August 31, 1967, and
accepted by the State of Washington, Department of Fisheries
and Game, on September 15, 1967, Pacific Power & Light Company
agreed, on behalf of the Owners, to pay said Departments for
certain studies to be conducted with respect to the impacts
of the Project upon fish and wildlife in the vicinity of the
Project, and particularly on wildlife inhabiting the area

inundated or affected by the Skookumchuck Reservoir on the Skookumchuck River, and to take such steps necessary to protect, replace or substitute for wildlife or wildlife habitat affected by the Project.

AND WHEREAS, studies contemplated by said letter of agreement have been completed for wildlife and the results thereof have been analyzed; and Game has determined the reasonable measures necessary to preserve, protect, and perpetuate the wildlife resources of the Skookumchuck Reservoir habitat.

NOW, THEREFORE, it is agreed that with respect to the measures necessary to protect resources under Game's jurisdiction in the Skookumchuck Reservoir habitat:

(1) The Owners shall provide habitat for wildlife in the area known as the "Skookumchuck Wildlife Enhancement Area" ("the Area"), which is an area consisting of 966 acres, in portions of Sections 12 and 13, T. 15 N., R. 1 W., and Sections 17 and 18, T. 15 N., R. 1 E., W.M., all located in Thurston County, Washington, as shown outlined in heavy black on the attached map marked Exhibit A. This area will be managed for wildlife, farming and forestry, with wildlife management as its principal use. Within the initial period of three (3) years from the date hereof, a Management Plan will be developed for the Area by Game and Owners, or their designees. Such Management Plan shall remain in effect for a period of twenty-five years from the date hereof; provided, however, that the term of this Agreement may be extended after analysis and recommendation by Game and upon mutual consent of the parties hereto. It is understood that the area is owned by the Owners, but that title

thereto is held by Washington Irrigation and Development Company on behalf of the Owners.

(2) Owners, or their designee, will provide on-site operational management of farm lands and forested lands as described in the Management Plan. Wildlife habitat will be provided and maintained, and crops will be grown upon suitable lands within the Area. Such crops will be harvested and marketed consistent with the Management Plan for a cash return to Owners.

(3) The Department of Game will make available, on a full-time basis, the services of an employee of Game, for an initial period of three years from the date hereof, with the option to extend the term of service as may be agreed to by the parties. The designated Game employee will be responsible for the development, evaluation and implementation of the Management Plan and management of the Area with respect to wildlife. Such employee shall at all times be an employee of Game and shall not, for any purpose, be deemed to be an employee of Owners. Owners shall reimburse Game for the services of the designated employee (including wages and expenses) and such other costs incurred by Game in the implementation of the Management Plan, including production of game birds for release in the Area. Such payment shall be based on an annual budget prepared in advance by Game and submitted to Owners for review. Game shall submit claims for payment to the Owners at the end of each calendar quarter. Owners shall pay Game within a reasonable time after receipt of such claims.

(4) The Owners and Game agree that establishment of the Area and implementation of the Management Plan will be sufficient to replace habitat lost as a result of inundation of previous habitat by the Skookumchuck Reservoir as it now exists. The Owners shall not be required to install any additional facilities or take any other steps to protect, replace, or substitute for such inundated or affected habitat in the absence of a showing by Game that changes in the Skookumchuck Reservoir made after the date hereof have significantly affected wildlife production in the Area. In the event of such showing, Owners and Game shall implement such measures as may be agreed upon between Owners and Game to assure rehabilitation and/or replacement of such additional habitat losses.

(5) The parties further agree that establishment of the Area and implementation of the Management Plan shall constitute the Owners' full and complete compliance with their obligations to Game with respect to wildlife (exclusive of fish), pursuant to said letter of agreement dated August 31, 1967. This Agreement does not apply to those areas in the Hanaford Valley being developed as a part of Washington Irrigation and Development Company's mining operations, nor to the wildlife habitat resource of other areas, including Hanaford Creek, in the event the proposed dam mentioned in the letter agreement of August 31, 1967, is constructed.

(6) The Owners shall not be liable to Game for injury to

any person (including employees of Game) or damage to any property (including property of Game) proximately caused by Game's operation or activities hereunder.

(7) The Owners agree to permit access by Game or its employee and agents at all reasonable times to the lands and waters of the Skookumchuck Reservoir and the Owners' land adjacent thereto, and to the Area, for the proper supervision and conduct of the Management Plan.

(8) Game agrees to conduct its activities and operations so as not to interfere with the proper and safe operation by the Owners of the Centralia Project, the Skookumchuck Reservoir, and their related facilities.

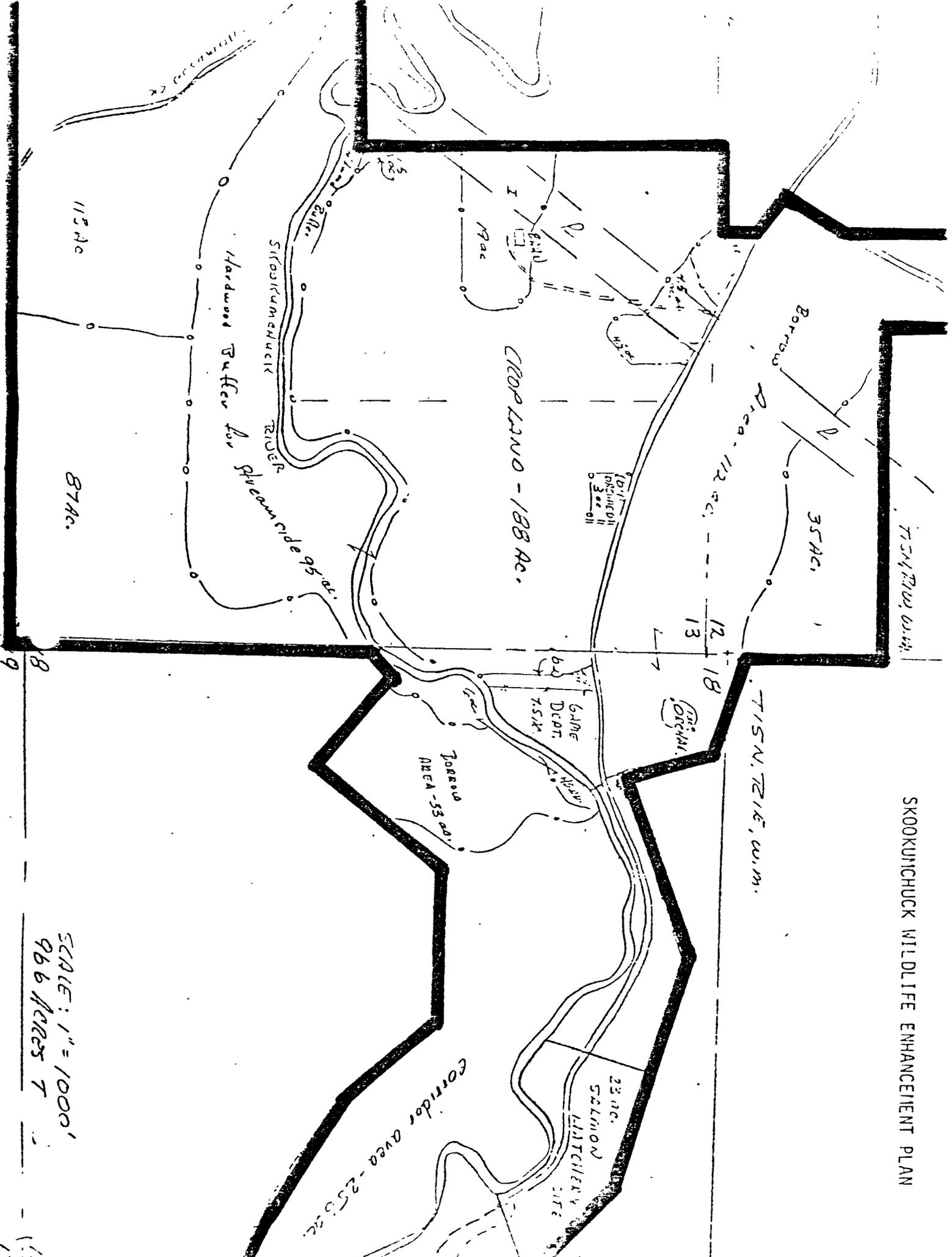
(9) All reports, records, information and findings developed or retained by or under the control of any party relative to wildlife habitat management and wildlife management and production in the Area, shall be made readily available to the parties.

(10) The parties agree to settle by arbitration any controversy arising between them out of or in relation to this Agreement in accordance with the provisions of RCW Chap. 7.04.

It is understood for convenience purposes, separate counterparts of this Agreement may be executed by each of the Owners. When such counterparts have been executed by each of the Owners and one of such counterparts has been executed on behalf of Game, this Agreement shall then be binding upon all the parties hereto.

IN WITNESS THEREOF, the parties hereto have caused this

SKOOKUNCHUCK WILDLIFE ENHANCEMENT PLAN



SCALE: 1" = 1000'
966 ACRES ±

10
11

Agreement to be executed as of the day and year first above written.

City of Seattle

Pacific Power & Light Company

By: _____

By: _____

City of Tacoma

The Washington Water Power Company

By: Paul J. Holan

By: _____

Public Utility District No. 1
of Grays Harbor County

Puget Sound Power & Light Company

By: _____

By: _____

Public Utility District No. 1
of Snohomish County

Portland Electric Company

By: _____

By: _____

State of Washington,
Department of Game

By: Raymond L. Lamm

Agreement to be executed as of the day and year first above written.

City of Seattle

By: *John R. Murray*

City of Tacoma

By: _____

Public Utility District No. 1
of Grays Harbor County

By: _____

Public Utility District No. 1
of Snohomish County

By: _____

Pacific Power & Light Company

By: _____

The Washington Water Power Company

By: _____

Fuget Sound Power & Light Company

By: _____

Portland Electric Company

By: _____

State of Washington,
Department of Game

By: *Ralph L. Linn*

Agreement to be executed as of the day and year first above written.

City of Seattle

Pacific Power & Light Company

By: _____

By: _____

City of Tacoma

The Washington Water Power Company

By: _____

By: _____

Public Utility District No. 1
of Grays Harbor County

Puget Sound Power & Light Company

By: _____

By: _____

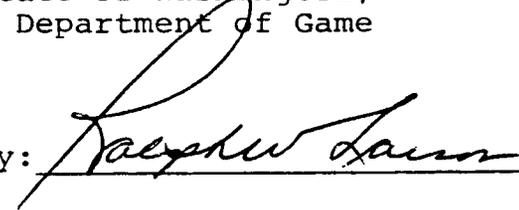
Public Utility District No. 1
of Snohomish County

Portland Electric Company

By:  _____

By: _____

State of Washington,
Department of Game

By:  _____

Agreement to be executed as of the day and year first above written.

City of Seattle

Pacific Power & Light Company

By: _____

By: _____

City of Tacoma

The Washington Water Power Company

By: _____

By: _____

Public Utility District No. 1
of Grays Harbor County

Puget Sound Power & Light Company

By John J. Welch
President

By: _____

By Arnold J. Holm
Secretary

Portland Electric Company

Public Utility District No. 1
of Snohomish County

By: _____

By: _____

State of Washington,
Department of Game

By: Raymond Larson

AT :

Agreement to be executed as of the day and year first above written.

City of Seattle

Pacific Power & Light Company

By: _____

By: _____

City of Tacoma

The Washington Water Power Company

By: _____

By: _____

Public Utility District No. 1
of Grays Harbor County

Puget Sound Power & Light Company

By: _____

By: D.H. Knight

Public Utility District No. 1
of Snohomish County

Portland Electric Company

By: _____

By: _____

State of Washington,
Department of Game

By: Ralph W. Lamm

Agreement to be executed as of the day and year first above written.

City of Seattle

Pacific Power & Light Company

By: _____

By: _____

City of Tacoma

The Washington Water Power Company

By: _____

By: _____

Public Utility District No. 1
of Grays Harbor County

Puget Sound Power & Light Company

E _____

By: _____

Public Utility District No. 1
of Snohomish County

General ^{G&B}
Portland/Electric Company

By: Glen E. Bredemeier

By: _____

State of Washington,
Department of Game

By: Joseph W. Lauer

Agreement to be executed as of the day and year first above written.

City of Seattle

Pacific Power & Light Company

By: _____

By: _____

City of Tacoma

The Washington Water Power Company

By: _____

By: *H W Harding* 180
Vice President

Public Utility District No. 1
of Grays Harbor County

Puget Sound Power & Light Company

By: _____

By: _____

Public Utility District No. 1
of Snohomish County

Portland Electric Company

By: _____

By: _____

State of Washington,
Department of Game

By: *Ralph W Lamm*

Agreement to be executed as of the day and year first above written.

City of Seattle

Pacific Power & Light Company

By: _____

By: *E. B. Hedberg*

EBH
4.2.26

City of Tacoma

The Washington Water Power Company

By: _____

By: _____

Public Utility District No. 1
of Grays Harbor County

Puget Sound Power & Light Company

By: _____

By: _____

Public Utility District No. 1
of Snohomish County

Portland Electric Company

By: _____

By: _____

State of Washington,
Department of Game

By: *Joseph Lamm*

Director / *Skookumchuck*
C. N. Crouse
Assistant Directors / Ralph W. Lasson
Ronald N. Andrews



Howert
Game Commission

File Copy
Arthur S. Coffey, Yakima, Chairman
James R. Allen, Tacoma
Elmer G. Gibson, Quincy
Claude Belms, Seattle
Glenn Galbraith, Wollpint
Frank L. Cassidy, Jr., Vancouver

DEPARTMENT OF GAME

600 North Capitol Way, Olympia, Washington 98504

November 29, 1973

Mr. John Biggs, Director
Department of Ecology
Olympia, Washington 98504

Dear Mr. Biggs:

We have recently been in contact with your Southwest Regional Office regarding the water-rights on the Skookumchuck River for Centralia Steam-Electric Project. The purpose of this letter is to outline the history of our involvement in, and to advise you of our present position on this project.

In March of 1967 we filed a protest with the Department of Water Resources to water-right applications of Pacific Power and Light Company, R-19988 and R-19990 for the Skookumchuck River, and R-19987 and R-19989 for Hanaford Creek.

Later after an agreement was signed by the Departments of Game and Fisheries, and, Pacific Power and Light Company regarding fish and wildlife interests, we withdrew our objections to the above-mentioned water rights with the stipulation that those water-rights be "approved only on the basis that adequate safeguards will be provided in the project plans to protect the fish and wildlife resources of the area, and that any losses that may occur to these fish and wildlife resources will be mitigated."

The agreement of August 31, 1967, established studies to determine the effect of that development on fish and wildlife resources, and to determine what measures should be taken to protect those resources. It also provides that upon completion of the study "the Department of Game shall determine such reasonable measures, if any, which are required to protect wildlife or wildlife environments affected by the project. Upon such determination being made, Pacific at its expense, shall take such steps as the parties shall agree are necessary to protect, replace or substitute for wildlife or wildlife environment affected by the project."

Letter to Biggs
Page Two
November 29, 1973

In permits under applications R-19988 and R-19990 granted to Pacific Power and Light Company the following was included:

- 1) "Approval of the Departments of Fisheries and Game is subject to provisions, deemed necessary for the protection of Fisheries and Game interests, imposed upon storage and release of waters as may be indicated by the results of the comprehensive study now being under taken by the applicant and the Departments of Fisheries and Game."

The study was completed in January of 1971 and submitted to representatives of Pacific Power and Light, and Washington Water Power Companies. In November of that year, at the request of the power companies we provided them Fisheries and Wildlife Management Plans and Proposals for Compensation. Since that time little has been accomplished, although we have met with them several times and engaged in communication by letter and telephone.

It is our opinion that Pacific Power and Light Company have not fulfilled the terms of the agreement or the provisions included in the permits. The permits for construction of the reservoir and appropriation of water have been issued. If a certificate of water-right is to be issued, we recommend that it be held pending satisfaction of permit provisions.

Please advise us on the usual procedure for dealing with this kind of problem.

Sincerely,

THE DEPARTMENT OF GAME

Ralph W. Larson
Assistant Director

RWL:frm

cc: Mr. William Miller, Department of Ecology
Mr. Roy Hamilton, Pacific Power and Light Company

