



April 14, 2011

Kimberly J. Harris
President and Chief Executive Officer
Puget Sound Energy
10885 N E Fourth Street, Suite 1200
Bellevue, WA 98004

RE: Baker Hydroelectric Project: Temporary Reservoir Drawdown Prior to a Skagit River Flood

Dear Chief Executive Officer Harris,

As you know, on October 17, 2008, the Federal Energy Regulatory Commission issued a 50-year license to Puget Sound Energy to operate the Baker River Hydroelectric Project. License article 107(c) states:

Licensee shall consult with the ARG (Aquatics Resources Group), and specifically Skagit County and the Corps of Engineers, to develop means and operational methods to operate the Project reservoirs in a manner addressing imminent flood events and consistent with the requirements of the license. Appropriate means and methods may include, without limitation, additional reservoir drawdown below the maximum established flood pool. Licensee shall submit a report to the Commission within three years following license issuance describing any operational changes developed as a result of this consultation.

Puget Sound Energy is working on a report to address the requirements of license article 107(c) through its consultant, Tetra Tech. At a recent briefing to update the Aquatics Working Group, Tetra Tech provided preliminary results indicating virtually no benefit to drawing down the Baker Project reservoirs in advance of a flood. This conclusion was arrived at due to an analytical approach constrained artificially by provisions of an outdated water control manual, the perceived necessity to continually generate electricity through the critical flood peak time period (Puget Sound Energy has already indicated its willingness to shut down generation during the Skagit river flood peak), and additional project outflow constraints contained within the license.

We are concerned with this approach. What is needed in this critically important matter of public safety is a collaborative, responsible and responsive set of protocols that provide a straight-forward way to temporarily maximize the Project's ability to reduce flood damage. Consistent with Settlement Agreement paragraphs 4.1.1, 4.1.2, and License Article 107(c), the simple goal is to employ reasonable best efforts to draw down the Baker reservoirs to identified target levels in advance of a large Skagit river flood

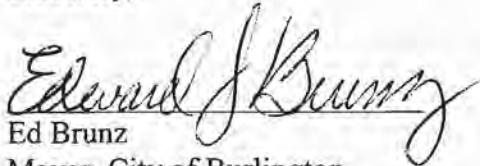
event, and then operate the Project in such a way as to minimize project outflow (to zero if possible), during the critical few hours of the Skagit river flood peak. This concept was developed from analysis of real-world Project operation preceding the October 2003 flood of record. The idea of drawing down the reservoirs in advance of a large flood event made sense to Puget Sound Energy and Skagit County, as this approach provided a pathway to achieve additional flood control only when it was actually needed, thereby increasing operational and environmental flexibility. We appreciate that Puget Sound Energy demonstrated the feasibility of this approach with outstanding results during the largest flood ever recorded on the Skagit River in October, 2003.

Can protocols be developed to address both environmental and public safety concerns, consistent with the new license? Yes. One protocol, for example, might be to set up a process to alert and convene the Aquatics Resources Group (or the Baker River Coordinating Committee) in advance of a Skagit flood for the purpose of determining a course of action. And, in most cases (such as the recent minor flood events in the fall of 2010) no action will be needed to draw down the reservoirs, because precedent reservoir levels will adequately handle the incoming flood within all of the license constraints. Advances in weather forecasting technology will help provide sound information upon which to base drawdown decisions. Our cities support this type of collaborative effort in order to ensure we are addressing the public safety and environmental issues related to flood control. We know Puget Sound Energy also shares this collaborative commitment, which is consistent with the intent of the license.

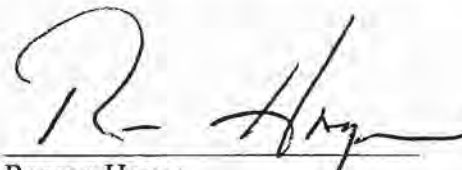
In summary, we are requesting the emphasis of the current study be redirected toward analyzing how to achieve the draw down as required under the settlement agreement, and zero project outflow during the critical few hours before and after a Skagit River flood peak, and developing specific protocols which contain provisions for an inclusive and collaborative decision-making process for imminent flood emergency reservoir drawdown.

We look forward to Puget Sound Energy's response at your earliest convenience.

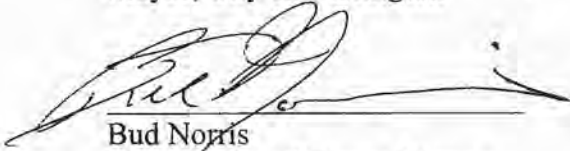
Sincerely,



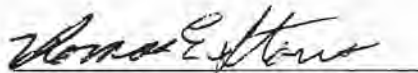
Ed Brunz
Mayor, City of Burlington



Ramon Hayes
Mayor, Town of La Conner



Bud Norris
Mayor, City of Mount Vernon

for 

Mike Anderson
Mayor, City of Sedro-Woolley

c: Skagit County Board of Commissioners