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NFSEN-PL-HP

18 July 1967

MEMO FOR FILE

SUBJECT: Baker River Storage (Skagit Basin)

1. Bob Sato asked whether use of existing Baker River storage for flood control rather than power would be more economically favorable in the future than now, i.e., will value of F.C. increase more than value of power?

2. The future value of power is speculative, but nuclear generation and other technological developments indicate that power values (costs) will not increase significantly, but may decrease. The need for power will continue to increase, however. On the other hand, higher land values will increase the value of flood control in the future. Therefore, if an exchange of power storage for flood control use is economically feasible now, it should be even more favorable in the future.

A. LEE WARBINGTON

cc: Sato, PS Sec
PS&AW - Formulation

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