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May 10, 2005

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E-FILING

Hon. Magalie Roman Salas  
Secretary  
Federal Energy Regulatory Commission  
Room 1-A, East  
888 First St., N.E.  
Washington, DC 20426

**Re: Baker River Hydroelectric Project, FERC No. 2150; Settlement Errata  
for the Settlement Agreement Dated November 30, 2004**

Dear Ms. Salas:

Enclosed for electronic filing is Puget Sound Energy, Inc.'s Baker River Hydroelectric Project Comprehensive Settlement, Settlement Errata. This Settlement Errata provides minor clarifying edits as a result of the Technical Conference held by the Federal Energy Regulatory Commission, jointly with the Army Corps of Engineers, on March 16-17, 2005. The Settlement Errata is not intended to amend the Settlement, but merely corrects inadvertent mistakes in the filing and adds additional clarifying language to assist the Federal Energy Regulatory Commission (the "Commission") in its evaluation of the Settlement. The Settlement Errata has been circulated to all parties to the Settlement, and no party has objected to the filing of Settlement Errata with the Commission.

The clarifying revisions include the following:

- Proposed Article 105: Cross reference in sub-section 5) corrected to "505" instead of "405."
- Proposed Article 106: The revisions to Proposed Article 106, Aquatics Tables 1 and 2, have also been submitted to the Army Corps of Engineers ("ACOE"), who supports the clarifying changes being made in response to issues raised by the ACOE at the technical conference regarding the timing of drawdown for flood control. The revisions to Aquatics Tables 1 and 2 clarify the drawdown protocol establishing several points relating to dates by which pool storage evacuation volumes are to be achieved. The ACOE requested that the protocol be accomplished by the column modifications in the Tables and also in the addition of footnote 4.

[07772-1126/BA051300.003]

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Federal Energy Regulatory Commission  
March 4, 2005  
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- Proposed Article 301: Clarifying language on content of RMR submission, second paragraph of 301, plus corrected Reporting Schedule that includes all articles in 300 series.
- Proposed Article 501: Text correction deleting reference to non-existent article 518, plus corrected Reporting Schedule that includes all articles in 500 series.
- Proposed Article 504: Clarification adding "(b)" reference to cross referenced article (505) in first paragraph.
- Proposed Article 508: Deletion of last sentence, inadvertently included in final filing by mistake.
- Appendix A-5, Revised Recreation Implementation Schedule, corrected to revise inadvertent errors in Settlement filing.

It is expected that these minor clarifying edits will not affect the review and processing of the Settlement and PSE's Application for a New License. Please contact Connie Freeland, at (425) 462-3556 if you have any questions. Thank you.

Sincerely,



Pamela W. Krueger

Enclosures

cc: FERC Service List  
Baker Mailing List

**Baker River Hydroelectric Project Relicensing  
Comprehensive Settlement Agreement**

**Errata Pages Only**

**Article 105  
Downstream Fish Passage Implementation Plan**

Licensee shall provide safe and effective downstream passage at the Baker River Project by using attraction, guidance, trapping, sorting, holding and hauling facilities located on the Project reservoirs and other operations and facilities as appropriate for the Baker River Project, in accordance with the plan described in this article. Required facilities include new facilities and may include renovation of some existing facilities.

Licensee shall develop, submit to NOAA Fisheries and USFWS for approval, and file with the Commission for approval, a Downstream Fish Passage Implementation Plan (DFPIP). The licensee shall develop the DFPIP in consultation with the ARG and specifically with NOAA Fisheries, USFWS, WDFW, the Upper Skagit Indian Tribe, the Sauk-Suiattle Indian Tribe, and the Swinomish Indian Tribal Community.

The plan shall be implemented in phases, according to the schedule that follows, or on an alternative schedule to be submitted to the Commission for approval by licensee within six months of license issuance:

- DFPIP – Downstream Passage Construction & Design. No less than 60 days before initiation of construction and no later than 2 years after license issuance, the licensee shall file with the Commission its complete plans and specifications for construction of facilities for attraction, capture, and transport of downstream migrating fish at the Upper Baker and Lower Baker Developments.

The downstream passage construction and design actions shall include licensee's provision of safe and effective downstream passage at the Upper Baker and Lower Baker Developments, which may include the following features: a) a guide net; b) a floating surface collector (FSC); c) a transition structure between the guide net and FSC; d) a transportation conduit; e) a floating fish trap; f) transfer facilities; g) hauling vehicles, and h) stress-relief ponds, in accordance with the plan described in this article. The downstream passage facilities shall be developed and installed according to the following sequence:

- 1) Upper Baker phase one shall include a 500 cfs capacity floating surface collector (with 1,000 cfs pumping capacity) and ancillary facilities, to be scheduled to be operational by March 2008;
- 2) Lower Baker phase one shall include a 500 cfs capacity floating surface collector (with 1,000 cfs pumping capacity) and ancillary facilities, to be operational by March 2012;
- 3) Upper Baker phase two shall be provided if Upper Baker phase one fails to meet performance criteria described in the DFPIP and the Services'

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section 18 prescription, and shall include a 1,000 cfs capacity floating surface collector to be installed no later than five (5) years after completion of phase one, if needed; and

- 4) Lower Baker phase two shall be provided if Lower Baker phase one fails to meet performance criteria described in the DFPIP and the Services' section 18 prescription, and shall include expansion of the existing 500 cfs floating surface collector to 1,000 cfs capacity, if needed.
  - 5) If at any time before a phase two expansion segment is constructed for either the Upper Baker or Lower Baker FSC, NOAA Fisheries and the USFWS determine that phase two is not required as a prescriptive measure due to the success of phase one downstream passage, and both NOAA Fisheries and USFWS provide documentation to the licensee and to FERC that no further prescriptive measures are required, \$800,000 will be made available to fund projects identified pursuant to Article ~~405~~-505 for each unnecessary expansion.
- DFPIP – Downstream Passage Operation & Maintenance (O&M). No less than 60 days before initiation of operation, the licensee shall file with the Commission its complete plan and specifications for O&M of downstream passage facilities. The O&M plan shall include at least the following elements: a) the seasonal period of operation, b) special floating surface collector operations, c) fish sampling, d) fish handling protocols, e) holding and release protocols, f) transport loading rates, g) trap counts reported weekly, h) a schedule, and i) the method for providing annual updates.
  - DFPIP – Downstream Passage Quality Assurance/Quality Control. No less than 60 days before initiation of operation, licensee shall file with the Commission for approval a quality assurance/quality control plan for the downstream passage facilities to confirm the approved plans will be constructed as approved.
  - DFPIP – Downstream Passage Emergency Response Plan. No less than 120 days prior to the initiation of operation of any of the fish passage facilities required by this article, licensee shall file with the Commission a preliminary response plan addressing operational contingencies and emergencies, and shall file a final plan with the Commission within 120 days from startup testing.
  - DFPIP – Fish Passage Annual Reporting. Licensee shall file with the Commission an annual report describing the operation of the downstream fish passage facilities for the past year at the Upper Baker and Lower Baker Developments, pursuant to Article 102. The report shall include the number and species of fish captured in the trap and the associated disposition of those fish. The report shall include a description of problems and associated

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remedies for such problems, any modifications of the facilities implemented in the prior year, and audit and report operational compliance.

If there are any unexpected delays for the schedules set forth in this article, licensee shall convene a meeting of the ARG to identify an acceptable alternative to properly protect, mitigate and enhance downstream fish passage in the context of the schedule for all downstream passage facilities, which may include, without limitation, an accelerated schedule for fish passage at one reservoir if the schedule is delayed for fish passage at the other reservoir.

The licensee shall allow a minimum of 30 days for the consulted parties to comment and to make recommendations before filing the plan with the Commission. The licensee shall include with the plan, documentation of consultation and copies of comments and recommendations on the completed plan after it has been prepared and provided to the consulted parties, documentation of the approval of USFWS and NOAA Fisheries or documentation of the status of the review by the USFWS and NOAA Fisheries, and specific descriptions of how the consulted parties' comments are accommodated by the plan. If the licensee does not accept a recommendation, the filing shall include the licensee's reasons, based on Project-specific information.

If licensee needs to submit an alternative schedule to the Commission, licensee shall prepare the schedule in consultation with the ARG. Licensee shall provide a copy of the proposed alternative schedule to the Commission, and shall forward any comments on the alternative schedule to the Commission along with the proposed alternative schedule. Upon approval, the alternative schedule becomes a requirement under the license, and the licensee shall implement the alternative schedule, including any changes required by the Commission.

Licensee shall make funding available in an amount not to exceed \$20,000 annually during the term of the license for beneficial modifications beyond the scope of any modifications required to meet performance standards. The licensee may, in consultation with the ARG, modify facilities or operations as a result of performance reporting, changing needs and new technologies, provided that such modifications shall not proceed without the approval of the NOAA Fisheries and USFWS. Modifications shall be submitted to the Commission for approval.

**Aquatics Table 1. Flows and reservoir elevations proposed for the Baker River Project, FERC No. 2150.**

<b>Lower Baker Development</b> Engineering Module: Three turbines (one 4,100 cfs turbine, two 750-cfs turbines)							<b>Upper Baker Development</b> No changes to turbine configuration								
<b>Period</b>	<b>Min. Instream Flow (cfs)</b>	<b>Max. Instream Flow (cfs) <sup>(1)</sup></b>	<b>Downramping Rates <sup>(2)</sup></b>	<b>Flood Control Storage (AF)</b>	<b>Max Pool Level (ft) (NAVD 88)</b>	<b>Min Pool Level (ft) (NAVD 88)</b>	<b>Period</b>	<b>Flood Control Storage (AF)</b>	<b>Max Pool <sup>(3)</sup> Level (ft) (NAVD 88)</b>	<b>Min Pool Level (ft) (NAVD 88)</b>	<b>Max Daily Pool Level Change</b>				
Aug 1-31	1,000	3,600	1-inch per hour day and night	No flood control requirement	442.35	404.75	Aug 1-31	No flood control requirement prior to 10/1	727.77	724.8	Max pool fluctuation ≤ 0.5 ft per rolling 24-hr period				
Sep 1-3	1,000	3,600			442.35	404.75	Sept 3		727.77	724.8					
4-9	1,000	3,600			442.35	404.75	Sept 9		727.77	720.8					
10-30	1,000	3,200			442.35	404.75	Sept 30		727.77	718.8					
Oct 1-7	1,000	3,200 <sup>(1)</sup>			2-inches per hour day and night	No flood control requirement	442.35	389	Oct 7	Gradual drawdown to 74,000 AF by 11/15		726.36 <sup>(4)</sup>	713.8	No constraints on max daily pool level changes	
8-15	1,000	3,200 <sup>(1)</sup>					442.35	389	Oct 15			724.47 <sup>(4)</sup>	685		
16-20	1,000	3,200 <sup>(1)</sup>					442.35	389	Oct 20			722.39 <sup>(4)</sup>	685		
21-31	1,200	3,600 <sup>(1)</sup>					442.35	389	Oct 31			717.81 <sup>(4)</sup>	685		
Nov 1-15	1,200	3,600 <sup>(1)</sup>					0 inches per hour day and 2 inches per hour night	No flood control requirement	442.35			389	Nov 14		711.98 <sup>(4)</sup>
16-30	1,200	3,600 <sup>(1)</sup>	442.35						389	Nov 15-30	711.56	685			
Dec 1-31	1,200	3,600 <sup>(1)</sup>	442.35						389	Dec 1-31	711.56	685			
Jan 1-31	1,200	5,600	442.35						389	Jan 1-31	711.56	685			
Feb 1-15	1,200	5,600	442.35						389	Feb 1-15	711.56	685			
16-28	1,200	5,600	442.35						389	16-28	711.56	685			
Mar 1-31	1,200	5,600	1-inch /hour day and night				No flood control requirement	442.35	389	Mar 1-31	Gradual refill	718	685		Max pool fluctuation ≤ 0.5 ft per rolling 24-hr period
Apr 1-30	1,200	3,600						442.35	389	Apr 1-30	No flood control requirement after 04/01	718	685		
May 1-8	1,200	3,600			442.35	389		May 1-8	727.77	685					
9-14	1,200	3,600			442.35	389		9-14	727.77	713.8					
15-22	1,200	3,600			442.35	389		15-22	727.77	718.8					
23-31	1,200	3,600			442.35	389		23-31	727.77	724.8					
Jun 1-15	1,200	5,600			442.35	404.75		Jun 1-15	727.77	724.8					
16-30	1,200	5,600			442.35	404.75		16-30	727.77	724.8					
Jul 1-31	1,200	5,600			442.35	404.75		Jul 1-31	727.77	724.8					

<sup>(1)</sup> Maximum release constraints eliminated when Baker Lake inflow > 10 % monthly exceedance flow OR Skagit River above the Baker River confluence > 24,000 cfs October through December.

<sup>(2)</sup> Downramping rates measured at the Baker River at Concrete, but based on stage changes observed at Transect 1 on the mainstem Skagit River below the Baker River confluence (RM 56.5).

<sup>(3)</sup> Maximum elevation unless otherwise directed by the District Engineer (ACOE) during Flood Season.

No minimum flow requirements.  
 No maximum instream flow constraint.  
 No downramping limitations for environmental interests.

<sup>(4)</sup> Daily reservoir elevations between October 1, November 1, and November 15 shall be at or below straight lines drawn between 727.77 and 724.47 and between 724.47 and 711.56 for those respective dates with a gradual refill after March 1.

**Aquatics Table 2. Flows and reservoir elevations proposed for the Baker River Project, FERC No. 2150 if proposed Article 107 is adopted.**

<b>Lower Baker Development</b> Engineering Module: Three turbines (one 4,100 cfs turbine, two 750-cfs turbines)							<b>Upper Baker Development</b> No changes to turbine configuration					
Period	Min. Instream Flow (cfs)	Max. Instream Flow (cfs) <sup>(1)</sup>	Downramping Rates <sup>(2)</sup>	Flood Control Storage (AF)	Max Pool Level (ft) (NAVD 88) <sup>(3)</sup>	Min Pool Level (ft) (NAVD 88)	Period	Flood Control Storage (AF)	Max Pool Level (ft) (NAVD 88) <sup>(3)</sup>	Min Pool Level (ft) (NAVD 88)	Max Daily Pool Level Change	
Aug 1-31	1,000	3,600	1-inch per hour day and night	No flood control requirement prior to 10/1	442.35	404.75	Aug 1-31	No flood control requirement prior to 10/1	727.77	724.8	Max pool fluctuation ≤ 0.5 ft per rolling 24-hr period	
Sep 1-3	1,000	3,600			442.35	404.75	Sept 3		727.03 <sup>(4)</sup>	724.8		
4-9	1,000	3,600			442.35	404.75	Sept 9		724.82 <sup>(4)</sup>	720.8		
10-30	1,000	3,200			442.35	404.75	Sept 30		717.09 <sup>(4)</sup>	718.8		
Oct 1-7	1,000	3,200 <sup>(1)</sup>		2-inches per hour day and night	29,000 AF 10/01 to 03/01	428.55	389	Oct 7	Gradual drawdown to 74000 AF by 10/15 <sup>(4)</sup>	714.51 <sup>(4)</sup>	713.8	No constraints on max daily pool level changes
8-15	1,000	3,200 <sup>(1)</sup>				428.55	389	Oct 15		711.56 <sup>(4)</sup>	685	
16-20	1,000	3,200 <sup>(1)</sup>				428.55	389	16-20		711.56	685	
21-31	1,200	3,600 <sup>(1)</sup>				428.55	389	21-31		711.56	685	
Nov 1-15	1,200	3,600 <sup>(1)</sup>	74,000 AF 10/15 to 03/01			428.55	389	Nov 1-15		711.56	685	
16-30	1,200	3,600 <sup>(1)</sup>				428.55	389	16-30		711.56	685	
Dec 1-31	1,200	3,600 <sup>(1)</sup>				428.55	389	Dec 1-31		711.56	685	
Jan 1-31	1,200	5,600				428.55	389	Jan 1-31		711.56	685	
Feb 1-15	1,200	5,600	0 inches per hour day and 2 inches per hour night	No flood control requirement after 03/01	428.55	389	Feb 1-15	711.56	685			
16-28	1,200	5,600			428.55	389	16-28	711.56	685			
Mar 1-31	1,200	5,600			Gradual refill	442.35	389	Mar 1-31	718	685		
Apr 1-30	1,200	3,600				442.35	389	Apr 1-30	718	685		
May 1-8	1,200	3,600				No flood control requirement after 04/01	442.35	389	May 1-8	727.77	685	
9-14	1,200	3,600					442.35	389	9-14	727.77	713.8	
15-22	1,200	3,600			442.35		389	15-22	727.77	718.8		
23-31	1,200	3,600			442.35		389	23-31	727.77	724.8		
Jun 1-15	1,200	5,600	1-inch /hour day and night	442.35	404.75	Jun 1-15	727.77	724.8	Max pool fluctuation ≤ 0.5 ft per rolling 24-hr period			
16-30	1,200	5,600		442.35	404.75	16-30	727.77	724.8				
Jul 1-31	1,200	5,600		442.35	404.75	Jul 1-31	727.77	724.8				

<sup>(1)</sup> Maximum release constraints eliminated when Baker Lake inflow > 10 % monthly exceedance flow OR Skagit River above the Baker River confluence > 24,000 cfs October through December.  
<sup>(2)</sup> Downramping rates measured at the Baker River at Concrete, but based on stage changes observed at Transect 1 on the mainstem Skagit River below the Baker River confluence (RM 56.5).  
<sup>(3)</sup> Maximum elevation unless otherwise directed by the District Engineer (ACOE) during Flood Season.

No minimum flow requirements.  
 No maximum instream flow constraint.  
 No downramping limitations for environmental interests.  
<sup>(4)</sup> Daily reservoir elevations between October 1 and October 15, shall be at or below straight lines drawn between 727.77 and 711.56 for those respective dates with a gradual refill after March 1.



**Article 301  
Recreation Management Report**

Within three years following license issuance, and annually thereafter, the licensee shall prepare and file with the Commission a Recreation Management Report (“RMR”) regarding plans and other measures for protection, mitigation, and enhancement of recreation resources in the Project area.

The RMR, at a minimum, shall: (1) report on the status of development or implementation of plans or other measures required by: (a) Article 302 (Aesthetic Management), (b) Article 303 (Baker Lake Resort), (c) Article 304 (Water Recreation Safety), (d) Article 305 (Lake Shannon Access), (e) Article 311 (New Facilities) , and (f) Article 315 (Law Enforcement Planning); (2) report on the status and development of plans and other measures being undertaken by the USDA-FS with funding provided by licensee, based on any information provided to licensee by the USDA-FS, pursuant to (a) Article 306 (Visitor Information), (b) Article 307 (Visitor Interpretation), (c) Article 308 (Dispersed Recreation), (d) Article 309 (USDA-FS Bayview Campground), (e) Article 310 (USDA-FS New Trails and Trailheads), (f) Article 311 (USDA-FS New Campgrounds), (g) Article 312 (USDA-FS Campground Maintenance), (h) Article 313 (USDA-FS Trail and Trailhead Maintenance), and (i) Article 314 (USDA-FS Forest Roads, Road Maintenance); and (3) contain a list, summary, or compilation of previously approved ~~contain a list, summary, or compilation of previously approved~~ compilation of the plans required by (a) Article 302 (Aesthetic Management Plan for Project Facilities), (b) Article 303 (Baker Lake Resort Plan), (c) Article 304 (Water Recreation Water Safety Plan), (c) Article 305 (Lake Shannon Recreation Plan), (d) Article 311 (Developed Recreation Monitoring Plan), and (e) Article 315 (Law Enforcement Plan).

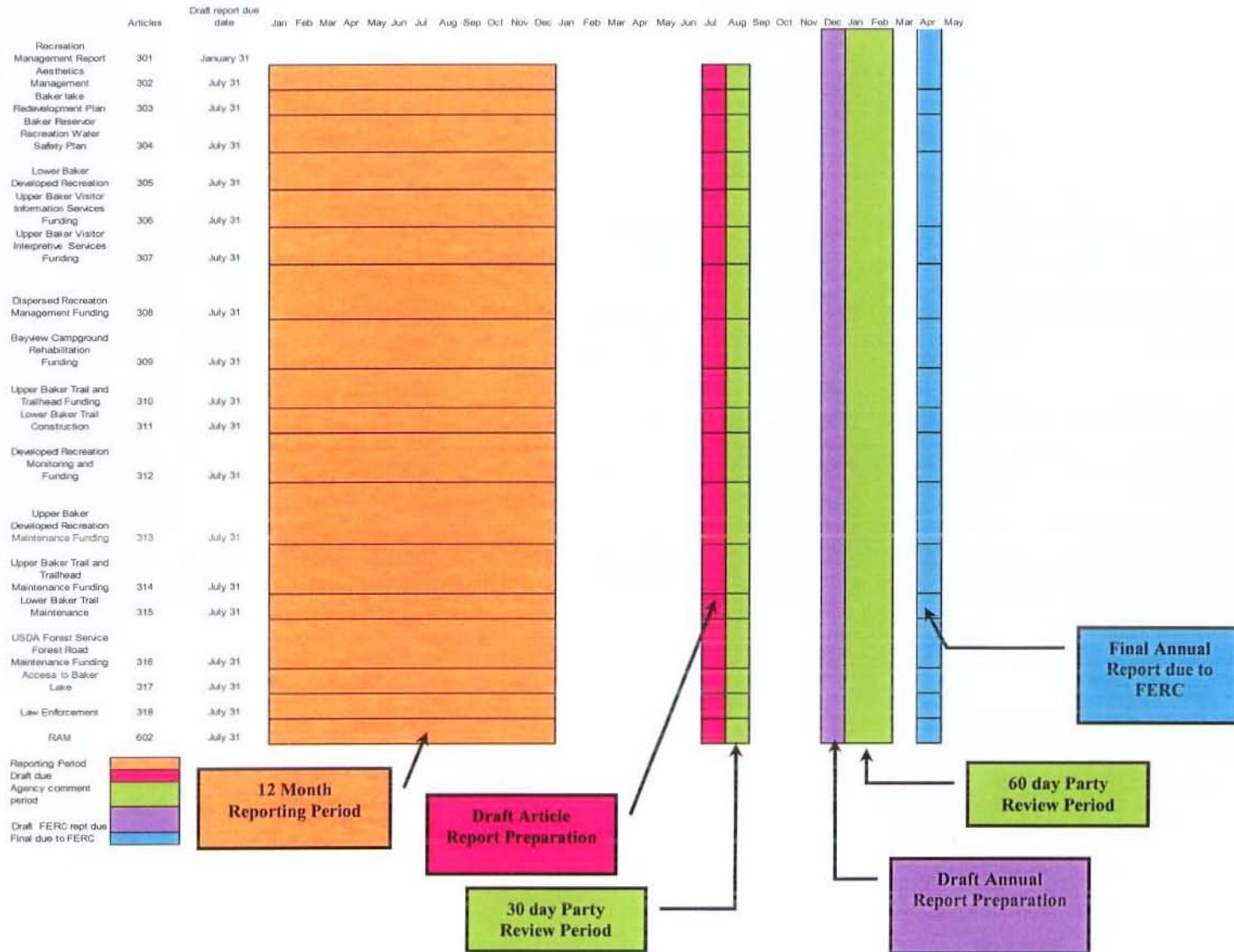
The RMR shall also include an implementation schedule, substantially in the form attached as Appendix A-5 entitled “Recreation Implementation Schedule.” The licensee shall review the Recreation Implementation Schedule annually in consultation with the Recreation Resources Group (“RRG”), and shall update it if there are: a) any changes in priorities for use of funding, b) acknowledgement of satisfaction of licensee’s funding obligation related to completion of any action required by a specific article, c) any new or modified USDA-FS management objectives that may change uses of funding, d) any change in USDA-FS priorities due to funding sources from third parties and the effect, if any, on the Recreation Implementation Schedule, and e) any reports accounting for funds expended by all parties under this article. Any Recreation Implementation Schedule update shall be submitted to the Commission for approval.

The licensee shall include documentation of consultation on the Recreation Implementation Schedule, copies of review comments by the USDA-FS and RRG on the completed RMR and updates to the RMR, and specific descriptions of how the comments of the USDA-FS and the RRG are accommodated in the RMR or update. The licensee shall allow a minimum of 60 days for the USDA-FS and RRG to comment before filing the RMR or update with the Commission.

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For license Articles 301-318 and 602, licensee shall provide an annual summary of expenditures made during the preceding year in conformance with the requirements of the license, as well as an accounting of funding expenditures, interest earned, disbursements made as required by any article, and a report indicating adjustments made for inflation in accordance with Article 602. The figure below depicts the annual reporting schedule.

# Reporting Schedule for Recreation Articles 301-318, and 602



**Article 501  
Terrestrial Resource Management Plan**

Within one year from license issuance, or on an alternative schedule to be submitted to the Commission for approval, the licensee shall file the Terrestrial Resource Management Plan (TRMP) with the Commission for approval.

If licensee needs to submit an alternative schedule to the Commission, licensee shall prepare the schedule in consultation with the Terrestrial Resources Implementation Group (TRIG). In the event the licensee elects to submit an alternative schedule, the licensee shall forward a copy of the proposed alternative schedule to the TRIG at least 30 days prior to submitting the alternative schedule to the Commission, and shall forward any comments on the alternative schedule to the Commission along with the proposed alternative schedule. Upon approval, the alternative schedule becomes a requirement under the license, and the licensee shall implement the alternative schedule, including any changes required by the Commission.

The licensee shall develop the TRMP in consultation with the TRIG, and shall review the TRMP annually thereafter during the first ten years of the license, and every fifth year for the remaining term of the license. Within six months from license issuance, the licensee shall submit a draft of the TRMP to the TRIG for review and comment. At least 30 days prior to submitting the TRMP (or any revisions to the TRMP) to the Commission for approval, the licensee shall provide a revised draft of the TRMP (or any revisions to the TRMP) to the TRIG for review and comment. The licensee shall include, with the TRMP (or any revisions to the TRMP) filed with the Commission, an implementation schedule, documentation of consultation, copies of consulting entity comments and recommendations on the completed plan and schedule, after they have been prepared and provided to consulting entities, and specific descriptions of how the entities' comments are accommodated by the plan and schedule. The licensee shall allow a minimum of 30 days for entities to comment and to make recommendations before filing the plan and schedule with the Commission. If the licensee does not adopt a recommendation, the filing shall include the licensee's reasons, based on Project-specific information.

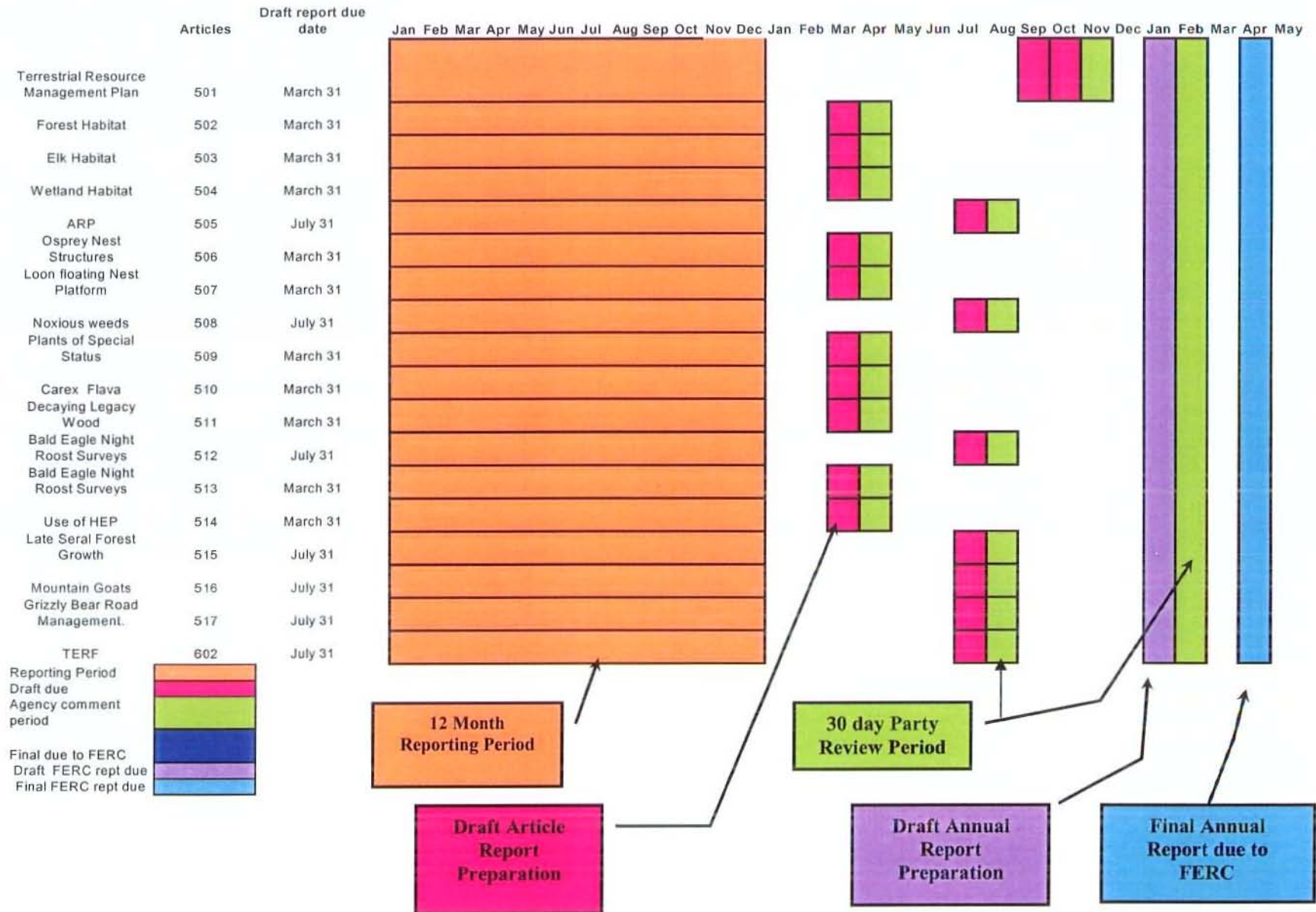
The TRMP shall include the planning and implementation requirements identified in the following Articles: Article 502 (Forest Habitat); Article 503 (Elk Habitat); Article 504 (Wetland Habitat); Article 506 (Osprey Nest Structures); Article 507 (Loon Floating Nest Platforms); Article 508 (Noxious Weeds); Article 509 (Plants of Special Status); Article 510 (*Carex flava*); Article 511 (Decaying and Legacy Wood); Article 512 (Bald Eagle Winter Roost Surveys); Article 513 (Bald Eagle Management Plans); and Article 514 (Use of Habitat Evaluation Procedures). The TRMP shall be consistent with Articles 502-517. Planning shall not be required for Articles 505, 515, 516, and 517. The TRMP shall include a schedule for monitoring only as required by Articles 506, 507, 508, 509, 510, and 514.

For license Articles 501-~~518~~517, licensee shall provide an annual summary of expenditures made during the preceding year in conformance with the requirements of the

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license, as well as an accounting of funding expenditures, interest earned, disbursements made as required by any article, and a report indicating adjustments made for inflation in accordance with Article 602. The figure below depicts the annual reporting schedule.

# Reporting Schedule for Terrestrial Articles 501-517, and 602



**Article 504  
Wetland Habitat**

The licensee shall acquire wetland habitat lands for conservation of wetlands and wetland-dependent species, placing a priority on acquiring high quality, functioning wetland breeding habitat for native amphibian and other native species, for the purpose of conserving wetlands and providing long-term protection for species using the wetland habitat. The licensee shall, in consultation with the TRIG, develop site acquisition and selection criteria in accordance with the general geographic preferences set forth in Article 505(b). Such criteria and procedures shall: (A) consider any potential to impair, diminish, or abrogate tribal treaty or cultural rights, by providing that the licensee shall identify suitable alternative sites or management activities if the designated representative of any affected tribe notifies the TRIG of its conclusion that a particular site or management activity will impair, diminish, or abrogate specific tribal treaty or cultural rights and describes the basis for its conclusion; (B) consider the potential for integration of the site acquisition and management required by this article and other articles to optimize the resulting ecosystem benefits; (C) consider appropriate land acquisition costs; (D) consider the potential to secure grant funds to supplement the funds otherwise for implementation of this article; (E) consider whether any sites so acquired are appropriately included in the Project boundary, and if so, provide for the filing of an appropriate request to the Commission; and (F) provide for continuing consultation with the TRIG in the implementation of the approved plan. Licensee shall, when considering land acquisition or management activities, evaluate the extent of required noxious weed management in accordance with criteria developed in Article 508. Following acquisition, the licensee shall undertake habitat enhancement and management (including noxious weed control) activities in accordance with a plan prepared after consultation with the TRIG and in accordance with Article 501.

Funding for acquisition is not to exceed \$340,000 (2006\$), and shall be made available within four years of license issuance. Funding for planning and for habitat enhancement, habitat management, and noxious weed management of existing or acquired parcels is not to exceed \$190,000 and shall be made available according to the following schedule: \$10,000 shall be made available within four years of license issuance, \$140,000 shall be made available in the fifth year following license issuance, and \$20,000 shall be made available in each of the sixth and seventh years following license issuance. If funds are available twenty-five years following license issuance, and licensee, in consultation with the TRIG, determines lands are not available and/or habitat enhancement or management actions are not feasible for any of the intended purposes of this article, the remaining funds required by this article may be made available to the TERF established pursuant to Article 602. Unless otherwise approved by the Commission in accordance with the requirements of Article 601, acquired lands shall remain in licensee's ownership during the term of the license.

For the purposes of this article, acquisition costs may include: transaction costs, such as completion of appropriate site assessments for hazardous materials and noxious weeds; land surveys, including timber cruise if needed; appraisals; habitat surveys; filing fees;

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excise taxes; title searches, reports, fees and insurance; closing costs; preparation of land acquisition agreements and any required governmental approvals. Acquisition costs may exclude: internal personnel and administrative costs of the parties associated with land acquisitions, such as staff salaries and benefits; attorney fees and other legal expenses incurred by the licensee or any other party not related to the preparation of land acquisition agreement and any required government approvals; and fees paid by the licensee to third parties for administrative costs associated with a third parties' acquisition of interests in land on behalf of the licensee. Prior to completing any transaction, the licensee will notify the TRIG, as appropriate, if it appears that transaction costs will be significantly higher than expected at the time of license issuance, and shall, in consultation with the TRIG, determine whether to proceed with a transaction with significant transaction costs.



**Article 508  
Noxious Weeds**

During the term of the license, the licensee shall manage noxious weeds on Project lands pursuant to the most restrictive applicable federal and state regulations, including, but not limited to: 1) Washington's State Noxious Weed Control regulations found at WAC 16-750, 2) Best Management Practices published by the USDA-FS (for weed control on USDA-FS lands) for the Mt. Baker-Snoqualmie National Forest, and 3) noxious weed control regulations adopted by Skagit or Whatcom Counties, in accordance with a plan developed in consultation with the TRIG as required by Article 501. The licensee shall file the plan with the Commission for approval, following consultation in accordance with Article 501. The plan shall address site-specific and species-specific management and monitoring programs, based on the guidelines and treatment options identified in the tables attached as Appendix A-1, which are based upon the results of pre-licensing Terrestrial Study T-6 and the Forest-Wide Environmental Assessment for Noxious Weed Management on the Mt. Baker-Snoqualmie National Forest, published by the USDA-FS in May 1999. The initial plan shall adjust treatment of all lands within the Project boundary, and those lands outside the Project boundary that were surveyed for noxious weeds during pre-licensing studies, as documented in the T-6 Final Study Report, December 23, 2003. The plan shall address how noxious weed management considerations will be addressed when evaluating land acquisition proposals or other activities pursuant to Articles 502, 503, 504, and 505.

The portion of the plan addressing the seven high quality wetland areas located on National Forest System (USDA-FS) lands, as identified in pre-licensing Terrestrial Study T-2/T-5 as WB 17, 20, 21, 25, 28, 29, and 30, shall place priority on the control of reed canarygrass (*Phalaris arundinacea*) for the protection and enhancement of these wetlands. Licensee shall provide funding for the portion of the plan addressing these seven identified wetlands in an amount not to exceed \$25,000 in each of years 1-5 following license issuance, and shall provide \$15,000 annually thereafter during the term of the license.

Funding for noxious weed surveys and management for lands acquired following license issuance pursuant to Articles 502, 503, 504, and 505 shall be drawn from the funds of these articles.

Licensee shall file related amendments to the plan with the Commission for approval by December 31 of any year in which land is acquired.

Appendix A-5 Revised Recreation Implementation Schedule

Fifty-year Recreation Implementation Schedule for articles specifying cost allocation for the Baker River Project License with funds designated to action agent

Year of License	Year	302		303*		304		305		306*		307		308		
		Aesthetics Management	PSE Actions	USFS Actions	Baker Lake Resort Re-development	USFS Actions	Baker Reservoir Recreation Water Safety Plan	PSE Actions	USFS Actions	Lower Baker Developed Recreation	Upper Baker Visitor Information Services	USFS Actions	Upper Baker Visitor Interpretive Services	USFS Actions	Dispersed Recreation Management	USFS Actions
		Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total	Action Total
1	2006	64357	34357	30000		41000	50453	41000	9463	851084	2500	52138	52138	47621	47621	
2	2007	24000	4000	20000		39000	128000	39000	89000	20000	2500	27200	27200	81000	81000	
3	2008	30500	4000	26500	91526	4000	4000	4000	2500	20000	2500	27200	27200	81400	81400	
4	2009	24000	4000	20000	680000	4000	4000	4000	2500	20000	2500	27200	27200	27400	27400	
5	2010	24000	4000	20000		4000	4000	4000	2500	20000	2500	27200	27200	27400	27400	
6	2011	1060000	106000			4000	4000	4000	323190	323190	323190	27200	27200	27400	27400	
7	2012	4000	4000	4000		8000	8000	8000	11680	11680	11680	27200	27200	27400	27400	
8	2013	4000	4000	4000		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
9	2014	4000	4000	4000		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
10	2015	10500	4000	6500		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
11	2016	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
12	2017	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
13	2018	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
14	2019	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
15	2020	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
16	2021	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
17	2022	10500	4000	6500		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
18	2023	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
19	2024	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
20	2025	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
21	2026	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
22	2027	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
23	2028	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
24	2029	10500	4000	6500		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
25	2030	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
26	2031	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
27	2032	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
28	2033	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
29	2034	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
30	2035	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
31	2036	10500	4000	6500		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
32	2037	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
33	2038	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
34	2039	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
35	2040	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
36	2041	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
37	2042	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
38	2043	10500	4000	6500		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
39	2044	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
40	2045	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
41	2046	24000	4000	20000		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
42	2047	24000	4000	20000		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
43	2048	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
44	2049	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
45	2050	10500	4000	6500		4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
46	2051	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
47	2052	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
48	2053	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
49	2054	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
50	2055	4000	4000			4000	4000	4000	11680	11680	11680	27200	27200	27400	27400	
Total		527,857	670,453	771,526	2,047,584	1,103,348	1,414,938	1,753,821								

\*After Year 30 of the new license PSE and the USFS will review specified campground and visitor information sites for appropriate refurbishment as necessary to restore to agreed standards identified in Articles 303, 306, 309 and 313. In years 30-36 the additional costs for such purposes are estimated at \$2,464,600, and in years 36-50 \$2,143,009.

Appendix A-5 Revised Recreation Implementation Schedule (Cont.)

Fifty-year Recreation Implementation Schedule for articles specifying cost allocation for the Baker River Project License with funds designated to action agent

Year of License	Year	309*		310		311		312		313*		314		315		316		318		
		Bayview Campground Rehabilitation Funding	USFS Actions	Upper Baker Trail and Trailhead Construction Funding	USFS Actions	Lower Baker Trail Construction Funding	PSE Actions	Developed Recreation Monitoring and Funding	USFS Actions	Upper Baker Recreation Maintenance Funding	Developed Recreation Maintenance Funding	USFS Actions	Upper Baker Trail and Trailhead Maintenance Funding	USFS Actions	Lower Baker Trail Maintenance	PSE Actions	Forest Road Maintenance	USFS Actions	Law Enforcement	PSE Actions
		Total Action		Total Action		Total Action		Total Action		Total Action		Total Action		Total Action		Total Action		Total Action		
1	2006									30000	30000	70808	81420			17500	17500	135000	62000	73000
2	2007	114710	114710							51874	51874	70808	81420			17500	17500	95000	22000	73000
3	2008	940000	940000							146000	146000	70808	81420			17500	17500	124383	51383	73000
4	2009			47134	47134					82000	82000	70808	81420			17500	17500	95000	22000	73000
5	2010			347140	347140					148000	148000	70808	81420			17500	17500	95000	22000	73000
6	2011			300000	300000					120300	120300	70808	81420			284417	284417	95000	22000	73000
7	2012									35000	35000	81420	80800			17500	17500	98000	25000	73000
8	2013							29000	29000	35000	35000	81420	80800			17500	17500	95000	22000	73000
9	2014							200000	200000	35000	35000	81420	80800			17500	17500	95000	22000	73000
10	2015									35000	35000	81420	80800			17500	17500	95000	22000	73000
11	2016									35000	35000	81420	80800			17500	17500	95000	22000	73000
12	2017					200000	200000			35000	35000	81420	80800			17500	17500	98000	25000	73000
13	2018									35000	35000	80800	80800	620	620	167500	167500	95000	22000	73000
14	2019	30000	30000							35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
15	2020									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
16	2021									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
17	2022							44488	44488	35000	35000	80800	80800	620	620	17500	17500	98000	25000	73000
18	2023							400000	400000	35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
19	2024	130000	130000							35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
20	2025									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
21	2026									40000	40000	80800	80800	620	620	167500	167500	95000	22000	73000
22	2027									40000	40000	80800	80800	620	620	17500	17500	98000	25000	73000
23	2028									43000	43000	80800	80800	620	620	17500	17500	95000	22000	73000
24	2029									50000	50000	80800	80800	620	620	17500	17500	95000	22000	73000
25	2030									55000	55000	80800	80800	620	620	17500	17500	95000	22000	73000
26	2031									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
27	2032	130000	130000							40000	40000	80800	80800	620	620	17500	17500	98000	25000	73000
28	2033									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
29	2034									40000	40000	80800	80800	620	620	167500	167500	95000	22000	73000
30	2035									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
31	2036									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
32	2037									35000	35000	80800	80800	620	620	17500	17500	98000	25000	73000
33	2038									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
34	2039									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
35	2040	130000	130000							35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
36	2041									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
37	2042									35000	35000	80800	80800	620	620	167500	167500	98000	25000	73000
38	2043									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
39	2044									35000	35000	80800	80800	620	620	17500	17500	95000	22000	73000
40	2045									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
41	2046									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
42	2047									40000	40000	80800	80800	620	620	17500	17500	98000	25000	73000
43	2048	130000	130000							43000	43000	80800	80800	620	620	17500	17500	95000	22000	73000
44	2049									50000	50000	80800	80800	620	620	17500	17500	95000	22000	73000
45	2050									55000	55000	80800	80800	620	620	167500	167500	95000	22000	73000
46	2051									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
47	2052									40000	40000	80800	80800	620	620	17500	17500	98000	25000	73000
48	2053									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
49	2054									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
50	2055									40000	40000	80800	80800	620	620	17500	17500	95000	22000	73000
<b>Totals</b>		<b>1,604,710</b>		<b>694,274</b>		<b>200000</b>		<b>673,488</b>		<b>2,284,174</b>		<b>3,983,768</b>		<b>23,560</b>		<b>1,891,917</b>		<b>4,846,383</b>		

\*After Year 30 of the new license PSE and the USFS will review specified campground and visitor information sites for appropriate refurbishment as necessary to restore to agreed standards identified in Articles 303, 306, 309 and 313. In years 30-36 the additional costs for such purposes are estimated at \$2,464,600, and in years 36-50 \$2,143,009.

D

CERTIFICATE OF SERVICE

I hereby certify that I have this 10th day of May, 2005, served the foregoing documents upon each person designated on the official service list compiled by the Secretary in this proceeding.

*KW Campbell*

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Karen Campbell  
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