

ADOPTION OF EXISTING ENVIRONMENTAL DOCUMENT

Adoption for (check appropriate box)  DNS  EIS

Description of current proposals: (1) Seattle City Light ("SCL") proposes the operation of the Boundary Hydroelectric Project pursuant to a new license to be issued by the Federal Energy Regulatory Commission ("FERC"), including the conditions and requirements described as the Staff Recommended Alternative with Mandatory Conditions in the Final FERC NEPA EIS below, and (2) Public Utility District No. 1 of Pend Oreille County (the "PUD") proposes the surrender of its license authorizing the hydroelectric operation of the Sullivan Creek Project pursuant to an order to be issued by the FERC, including the conditions and requirements described as the Staff Alternative in the Final FERC NEPA EIS below.

Proponents: SCL (proponent for Boundary Hydroelectric Project) and PUD (proponent for Sullivan Creek Project). SCL and the PUD shall each remain solely responsible for implementation of their respective proposals.

Location of current proposals: Pend Oreille County, Washington

Title of document being adopted: Environmental Impact Statement, Application for Hydropower License for the Boundary Hydroelectric Project, FERC Project No. 2144-038, Washington and Application for Surrender of Hydropower License for the Sullivan Creek project, FERC Project No. 2225-015, Washington (the "Final FERC NEPA EIS")

Agency that prepared document being adopted: FERC

Date adopted document was prepared: September 2011

Description of document (or portion) being adopted: SCL is adopting the Final FERC NEPA EIS as it relates to issuance of a new license for the Boundary project. The PUD is adopting the Final FERC NEPA EIS as it relates to surrender of the license for the Sullivan Creek project.

If the document being adopted has been challenged (WAC 197-11-630), please describe: N/A

The document is available to be read at the City of Seattle, Central Library, Business, Science and Technology Desk, 1000 Fourth Ave, Seattle WA during the following hours: Mon-Fri 10am-8pm, Fri-Sat 10 am-6pm, or Sun noon-6pm; the Seattle City Light (SCL) Environmental Affairs Division Library, at 700 Fifth Avenue, suite 3300 by calling 684-3270, between the hours of 8am-5pm, Mon-Fri; or at the Newport PUD office at 130 N. Washington Avenue, Newport WA, between the hours of 8am - 5pm; or [http://elibrary.FERC.gov/idmws/file\\_list.asp?accession\\_num=20110907-4001](http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20110907-4001)

To meet the requirements of RCW 43.21C.030(2)(c), SCL and the PUD are adopting the Final FERC NEPA EIS.

SCL and the PUD have each identified and adopted this document as being appropriate for their respective proposals after independent review. The document meets each entity's environmental review needs for the current proposals and will accompany each proposal to the decision makers.

Name of agencies adopting document: Seattle City Light and Public Utility District No. 1 of Pend Oreille County

Contact persons, if other than responsible officials . . . . . n/a Phone . . . . . n/a

Responsible officials:

Seattle City Light  
Position/title Jorge Carrasco, Superintendent  
Address 700 Fifth Avenue, suite 3300, Seattle  
Date 9/29/11  
Signature *Jorge Carrasco*

PUD No. 1 of Pend Oreille County  
Position/title *MARC CAULLEY, Director, Regulatory Affairs*  
Address *P.O. Box 190, Newport, WA 99156*  
Date 9/29/11  
Signature *Marc Caulley*

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September 22, 2011

Elizabeth Thomas  
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**Via Email and US Mail**

Ms. D. Marcie Mangold  
Washington State Department of Ecology  
4601 N. Monroe Street  
Spokane, WA 99205-1295

Re: Seattle City Light Boundary Hydroelectric Project No. 2144-038 and Pend Oreille  
PUD Sullivan Creek Hydroelectric Project No. 2225-013

Dear Marcie:

Enclosed is a copy of the signed SEPA Notice of Adoption. Please let me know if you have any questions. Thank you.

Very truly yours,



Elizabeth Thomas

Enclosure

Cc w/encl.: Joan Marchioro  
Grant Pfeiffer  
Annie Szvetics  
Dave Moore  
Lynn Best  
Barbara Greene  
Mark Cauchy  
Jerry Boyd

## COVER SHEET

- a. Title: Application for hydropower license for the Boundary Hydroelectric Project, FERC Project No. 2144-038; and Application for surrender of license for the Sullivan Creek Project, FERC Project No. 2225-015
- b. Subject: Final Environmental Impact Statement
- c. Lead Agency: Federal Energy Regulatory Commission (Commission)
- d. Abstract: On September 29, 2009, the City of Seattle, Washington (Seattle) filed application to relicense its 1,003-megawatt (MW) Boundary Hydroelectric Project, located on the Pend Oreille River in Pend Oreille County, Washington. The project produces an average of 3,572.8 gigawatt-hours (GWh) of energy annually. The project occupies 609.24 acres of federal lands managed by the U.S. Department of Agriculture, Forest Service (Forest Service) on the Colville National Forest, and 329.35 acres of federal lands managed by the U.S. Bureau of Land Management.

On March 29, 2010, Seattle and the Public Utility District No. 1 of Pend Oreille County (District) jointly filed an offer of settlement, consisting of two comprehensive settlement agreements, a joint explanatory statement and a request to consolidate the processing of Seattle's relicensing of the Boundary Project with the District's surrender of its license for the Sullivan Creek Project. Subsequently, on April 2, 2010, the District filed an application to surrender its license for the Sullivan Creek Project, located on Sullivan Lake and Sullivan and Outlet Creeks in Pend Oreille County, Washington. The District operates the Sullivan Creek Project as a storage facility for downstream generation; it does not generate electricity. The project occupies 522 acres of federal lands managed by the Forest Service.

The two separate, but interdependent settlement agreements detail the measures that Seattle would implement to address the effects of continued load-following operations of the Boundary Project and the District's orderly disposition of the Sullivan Creek Project. The Boundary settlement agreement includes obligations for addressing water quality issues, evaluating and providing fish passage for resident salmonids, reducing fish entrainment, improving aquatic habitat, stocking fish for recreational purposes, conserving native fish, groundwater well-decommissioning, acquiring and managing land for wildlife, and other measures for recreation and cultural resource enhancement and protection. Under the Sullivan Creek settlement agreement, the District would retain and operate under a Forest Service Special Use Authorization the Sullivan Lake dam and lake; install a

new cold-water release intake at Sullivan Lake dam; remove Mill Pond dam, restore the site and the stream channel, and conduct short-term monitoring and maintenance in accordance with its Mill Pond Decommissioning Plan to ensure the restored channel is functioning as designed. These settlement agreements, and the measures contained therein, are intended to provide significant benefits to resources within the Pend Oreille River and its tributaries, while retaining Seattle's operational flexibility and reducing costs of the Sullivan Lake Project surrender on Pend Oreille rate payers.

This final EIS assesses the effects of the approval and implementation of both settlement agreements and staff modifications to those agreements. The staff's recommendation is to relicense the Boundary Project as proposed, with certain modifications and additional measures to improve administration of the license. The staff also recommends approval of the surrender application as proposed, with certain modifications to mitigate adverse effects to cultural resources and improve Commission oversight and administration of the surrender.

e. Contact: David Turner  
Federal Energy Regulatory Commission  
Office of Energy Projects  
888 First Street, NE  
Washington, DC 20426  
(202) 502-6091

f. Transmittal: This final Environmental Impact Statement (EIS) on the relicense of the Boundary Project and the surrender of the Sullivan Creek Project is being made available to the public on or about September 15, 2011, as required by the National Environmental Policy Act of 1969.<sup>1</sup>

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<sup>1</sup> National Environmental Policy Act of 1969, as amended (Public Law [Pub. L.] 91-190, 42 United States Code [U.S.C.] 4321-4347, January 1, 1970.

142 FERC ¶ 62,231  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

City of Seattle, Washington

Project No. 2144-038

ORDER ISSUING NEW LICENSE

(March 20, 2013)

**INTRODUCTION**

1. On September 29, 2009, the City of Seattle, Washington (Seattle)<sup>1</sup> filed, pursuant to sections 4(e) and 15 of the Federal Power Act (FPA),<sup>2</sup> an application for a new license to continue operation and maintenance of its Boundary Hydroelectric Project (Boundary Project or project). The project's authorized capacity being licensed is 1,003.253 megawatts (MW). The project is located on the Pend Oreille River near the city of Metaline Falls, in Pend Oreille County, Washington.<sup>3</sup> The project occupies 609.24 acres of federal land managed by the U.S. Department of Agriculture, Forest Service (Forest Service) within the Colville National Forest, and 329.35 acres of federal lands managed by the U.S. Bureau of Land Management (BLM).<sup>4</sup>

2. As discussed below, this order issues a new license for the Boundary Project.<sup>5</sup>

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<sup>1</sup> The Boundary Project is operated and maintained by the City of Seattle's Seattle City Light Department, often referred to as SCL.

<sup>2</sup> 16 U.S.C. §§ 797(e) and 808 (2006), respectively.

<sup>3</sup> The Federal Power Commission (FPC), now the Federal Energy Regulatory Commission (Commission), found the Pend Oreille River from Pend Oreille Lake in Idaho downstream to the United States – Canada border to be a navigable waterway of the United States. *See Public Utility District No. 1 of Pend Oreille County, Washington*, 11 F.P.C. 786 (1952).

<sup>4</sup> The project is required to be licensed under section 23(b)(1) of the FPA, 16 U.S.C. § 817 (2006), because it is located on a navigable waterway of the United States and occupies federal lands.

<sup>5</sup> A separate order, issued concurrently with this one in a related proceeding,  
(continued)

## BACKGROUND

3. The Commission issued the original license for the Boundary Project on July 10, 1961,<sup>6</sup> and the license expired on September 30, 2011. Since then, Seattle has operated the project under an annual license pending the disposition of its new license application.

4. On October 28, 2009, the Commission issued a public notice that was published in the *Federal Register* accepting the application for filing and soliciting motions to intervene and protests.<sup>7</sup> The notice set December 28, 2009, as the deadline for filing motions to intervene and protests. The U.S. Department of the Interior (Interior) filed a notice of intervention.<sup>8</sup> The Forest Service, Washington Department of Fish and Wildlife (Washington DFW), Washington Department of Ecology (Ecology), and Pend Oreille County filed timely motions to intervene.<sup>9</sup> The Public Utility District No. 1 of Pend Oreille County, Washington (District) and Kalispel Tribe of Indians (Kalispel Tribe) filed untimely motions to intervene on January 20 and 22, 2010, respectively, which were granted on June 8, 2010. A late motion to intervene was also filed by J. Glenn Koehn on June 18, 2012. Mr. Koehn's intervention did not provide any explanation for the late filing as required by the Commission's regulations and was denied on September 17, 2012. The intervenors do not oppose relicensing the project.<sup>10</sup>

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accepts the license surrender of the Public Utility District No. 1 of Pend Oreille County, Washington, for the Sullivan Creek Project No. 2225, located on Sullivan Lake, and Sullivan and Outlet Creeks in Pend Oreille County, Washington. Sullivan Creek is the largest tributary to the Boundary reservoir.

<sup>6</sup> *City of Seattle, Washington*, 26 F.P.C. 54 (1961).

<sup>7</sup> 74 *Fed. Reg.* 57162-57163 (November 4, 2009).

<sup>8</sup> Interior filed the notice pursuant to Rule 214(a) of the Commission's Rules of Practice and Procedure, on behalf of Interior's Bureau of Indian Affairs (BIA), Fish and Wildlife Service (FWS), and National Park Service (Park Service). Under Rule 214(a)(2), Interior, BIA, FWS, and the Park Service became parties to the proceeding upon the timely filing of the notice of intervention.

<sup>9</sup> The motions were timely and unopposed, and therefore, automatically granted pursuant to Rule 214(c)(1) of the Commission's Rules of Practice and Procedure. 18 C.F.R. § 385.214 (c)(1) (2012).

<sup>10</sup> Pend Oreille County initially filed a protest to relicensing the Boundary Project on December 24, 2009, but withdrew its motion to intervene and protest on October 4,

(continued)

5. On March 29, 2010, Seattle and the District jointly filed comprehensive settlement agreements, resolving among the signatories, all issues related to the relicensing of the Boundary Project and the license surrender for the Sullivan Creek Project No. 2225. Signatories to the two settlement agreements are Seattle; the District; Forest Service; FWS; Park Service; BLM; BIA; Washington DFW; Ecology; Kalispel Tribe; Selkirk Conservation Alliance; The Lands Council; American Whitewater; Town of Cusack, Washington; Rick Larsen; and Al Six. The settlement agreements describe the measures Seattle and the District would implement to address the effects of continued operation of the Boundary Project and the orderly disposition of the Sullivan Creek Project. The settlement agreements include measures intended to improve aquatic and terrestrial habitat conditions in the Pend Oreille River and its tributaries, particularly Sullivan Creek, while retaining Seattle's operational flexibility and reducing costs of the Sullivan Creek Project surrender for Pend Oreille County rate payers.

6. On April 1, 2010, the Commission issued a public notice of the settlement agreements and requested comments by April 19, 2010.<sup>11</sup> No comments were filed.

7. On July 6, 2010, the Commission issued a public notice that was published in the *Federal Register* indicating the applications were ready for environmental analysis and soliciting comments, recommendations, terms and conditions, and prescriptions.<sup>12</sup> The notice set September 6, 2010, as the deadline for filing comments. Sweet Creek Ranch Residents,<sup>13</sup> Forest Service, Interior, and Washington DFW timely filed comments. On September 16, 2010, the Commission issued a public notice that was published in the *Federal Register* indicating its intent to prepare an environmental impact statement (EIS).<sup>14</sup>

8. On October 5, 2010, Interior filed amended recommendations and conditions to be

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2010. It now supports the relicensing of the Boundary Project.

<sup>11</sup> See *Notice of Settlement Agreement and Soliciting Public Comments* (April 1, 2010), 75 *Fed. Reg.* 18203 (April 9, 2010).

<sup>12</sup> 75 *Fed. Reg.* 40798-40799 (July 14, 2010).

<sup>13</sup> Sweet Creek Ranch Residents is composed of the following 11 individuals with interests in lands along and adjacent to Sweet Creek, a tributary to the Boundary Reservoir where stream habitat improvement measures are proposed: Joyce Launer, Sharron and Larry Gragg, Shirley and Wilhelm Botzheim, Patricia and Leon Zimmerman, Richard and Jody Zimmerman, and George and Morris Townsend.

<sup>14</sup> 75 *Fed. Reg.* 57759 (September 22, 2010).

Project No. 2144-038

- 4 -

consistent with the Boundary settlement agreement. On October 19, 2010, Seattle filed reply comments to Forest Service, Interior, Washington DFW, and Sweet Creek Ranch Residents' comments.

9. On April 8, 2011, Commission staff issued a draft EIS for the proposed relicensing of the Boundary Project and the proposed surrender of the license for the Sullivan Creek Project. The Environmental Protection Agency, Forest Service, Interior, National Marine Fisheries Service, Washington DFW, Ecology, Kalispel Tribe, Seattle, District, Sweet Creek Residents, and Ms. Carol Jean Merrill filed comments on the draft EIS. Additional comments were received during May 10 and 11, 2011 public meetings in Metaline Falls and Spokane, Washington, respectively, to discuss the draft EIS. On September 9, 2011, Commission staff issued a final EIS.<sup>15</sup>

10. The motions to intervene, comments, recommendations, and terms and conditions have been fully considered in determining whether, and under what conditions, to issue this license.

## PROJECT DESCRIPTION AND OPERATION

### A. Project Area

11. The Boundary Project is located at river mile 17 on the Pend Oreille River in a narrow canyon in the Selkirk Mountains in the northeast corner of Washington, about 10 miles north of the city of Metaline Falls and one mile south of the U.S.-Canada border. The Pend Oreille River is about 120 miles long from its origin at Lake Pend Oreille in Albeni Falls, Idaho to its confluence with the Columbia River in British Columbia, Canada. The Pend Oreille River system is highly regulated, with flows controlled by seven hydroelectric and storage projects upstream from Boundary dam, and two in Canada downstream from the project. The project's reservoir is located immediately downstream of the District's Box Canyon Project No. 2042. Lands surrounding the project include mostly forest managed by the Forest Service and BLM for multiple uses, as well as some private land used for commercial, recreation, mining, and agricultural production.

### B. Project Facilities

12. The Boundary Project includes: (1) a 340-foot-high, 740-foot-long concrete arch dam (2) a 1,794-acre reservoir at a normal full pool elevation of 1,994 feet;<sup>16</sup> (3) two 50-

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<sup>15</sup> EIS in this order refers to the final EIS unless otherwise indicated.

<sup>16</sup> All elevations in this order are referenced to the North American Vertical Datum 88 (NAVD 88) unless otherwise noted.