



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
SEATTLE DISTRICT, CORPS OF ENGINEERS
P.O. BOX 3755
SEATTLE, WASHINGTON 98124-2255

Planning Branch

JAN 3 2005

Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, North East
Washington DC, 20426

Dear Mr. Salas:

This is in response to comment letters submitted to the Federal Energy Regulatory Commission (FERC) concerning the Notice of Settlement Agreement for the Baker River Project (P-2150-033).

As noted in our comment letter of December 23, 2004, the Corps will evaluate the license conditions for the Baker River Project based on our existing flood control authority for 74,000 acre-feet of storage at Upper Baker Dam. We do not have the authority or the funding to evaluate a new flood-damage reduction operation at either Upper or Lower Baker Dams as part of the license review process. If FERC includes the addition of 29,000 acre-feet of storage at Lower Baker Dam as part of the license review for the Baker River Project, this would significantly complicate and delay the National Environmental Protection Act (NEPA) and Endangered Species Act (ESA) review for the license. As noted in our previous comment letter dated December 23, 2004, at this time the environmental effects of the 29,000 acre-feet have not yet been adequately addressed and the scope of any additional storage project is presently unknown. Our participation as a cooperating agency with FERC on the existing license would therefore necessarily be limited to the existing 74,000 acre-feet.

The Congress grants to the Secretary of the Army authority for flood-damage reduction projects. In order for the Corps to request the authority for additional flood control at either Upper or Lower Baker, we are required to determine the economic, social, and environmental impacts of additional storage. The Corps is further directed by Congress to insure that additional flood control at the Baker Dams is the most economically viable alternative within the basin to reduce flood damages. Congress has granted to the Corps the authority to evaluate flood damage reduction for the Skagit River Basin under the Skagit River General Investigation (GI) study. Under this study, the Corps has been directed to evaluate a wide range of flood-damage reduction measures and identify those that are most economical, implementable, and have the least environmental impact. This study has not yet identified whether there is a Federal interest in adding additional flood control at either Upper or Lower Baker Dams, but this will be considered as an option. NEPA and ESA compliance will be included in the GI study. License

Article 107(b) notes that the operation of Lower Baker Dam for flood control storage “shall be provided only in accordance with arrangements that are acceptable to the Corps of Engineers”. In order to be acceptable to the Corps, we must follow our designated planning process, which is the GI study.

Article 107(b) is a placeholder, allowing the addition of flood control at Lower Baker Dam if it is found by the Corps to be economically, socially, and environmentally justified, without requiring a reopening of the FERC license process. We consider this a significant benefit to the goal of providing flood protection to the Skagit Basin.

Sincerely,

A handwritten signature in black ink that reads "Debra M. Lewis". The signature is written in a cursive style with a long, sweeping underline.

Debra M. Lewis
Colonel, Corps of Engineers
District Engineer