



PUGET SOUND ENERGY
The Energy To Do Great Things

FOREST HABITAT PLAN

SETTLEMENT AGREEMENT ARTICLE 502

Appendix A to the SA 501 Terrestrial Resource Management Plan

BAKER RIVER PROJECT FERC No. 2150-033



Puget Sound Energy
Bellevue, Washington

September 30, 2009

CONTENTS

List of Tables iii

List of Figures iii

1.0 Executive Summary 1

2.0 Introduction 1

3.0 Basis for the Plan 2

 3.1 Settlement Agreement Article 502 2

 3.2 License Article 20 3

 3.3 License Article 410 3

 3.4 Settlement Agreement Article 508 3

 3.5 Settlement Agreement Article 511 4

4.0 Goals and Objectives 4

5.0 Regulatory Reference and Definitions 4

 5.1 Federal Authority and Reference 4

 5.2 Washington State Authority and Reference 4

6.0 Plan Implementation 5

 6.1 Plan Area 5

 6.2 Funding 5

 6.3 Development and Modification of the Forest Habitat Plan 5

 6.4 Implementation Schedule 5

 6.5 Procedures, Standards and Criteria 6

 6.6 Rationale 9

 6.7 Monitoring and Adaptive Management 9

7.0 Reporting 9

 7.1 Schedule 9

 7.2 Forest Habitat Plan Annual Report Format 9

8.0 Review Comments and Responses 10

 8.1 Distribution List 10

 8.2 Transmittal Letter 12

 8.3 Reviewer Comments and PSE Responses 13

 8.4 Comment Correspondence 16

List of Tables

Table 1. Forest Habitat Plan reviewers. 10

Table 2. Comments following formal review of the Forest Habitat Plan, August 14 – September 14, 2009 13

List of Figures

Figure 1. Sample transmittal letter from PSE,..... 12

Figure 2. Reply from Brock Applegate, Washington Department of Fish and Wildlife. 16



1.0 Executive Summary

This Forest Habitat Plan establishes standards and guidelines for the acquisition and management of forest habitat for the Baker River Project. It has been prepared as a means to facilitate the implementation of Settlement Agreement Article 502 (SA 502), “Forest Habitat,” of the *Order on Offer of Settlement, Issuing New License and Dismissing Amendment Application as Moot* for the Baker River Hydroelectric Project (FERC Project No. 2150). It is also designed to be consistent with License Article 20, License Article 410, and Settlement Agreement Article 511. This plan was prepared collaboratively by the Baker River Project Terrestrial Resource Implementation Group (TRIG), which is composed of representatives of the signatories to the settlement agreement and other interested parties.

2.0 Introduction

This Forest Habitat Plan has been prepared for the Baker River Hydroelectric Project, FERC Project No. 2150, pursuant to the *Order on Offer of Settlement, Issuing New License and Dismissing Amendment Application as Moot* dated October 17, 2008 (the “license”). Specifically, Settlement Agreement Article 502 (SA 502), “Forest Habitat,” sets forth the applicable guidance for this plan.

This plan describes the steps Puget Sound Energy will take to meet the requirements of SA 502. It establishes the goals and objectives for forest habitat management and the criteria and procedures for site selection, acquisition, management, and reporting that will occur over the term of the license. This plan was prepared collaboratively by the Baker River Project Terrestrial Resources Implementation Group (TRIG), which includes representatives from Puget Sound Energy and other signatories to the settlement agreement.

This plan includes:

- Reviews of the pertinent license articles and settlement agreement articles to ensure the plan meets the requirements of each.
- Statements of the purpose, goals, and objectives of the plan.
- Regulatory references and definitions to maintain consistency between the plan and other pertinent laws, regulations, policies, and articles of the license.
- General provisions to describe the process by which the plan has been developed and can be modified in the future.
- Plan implementation requirements describing the site-specific and project-specific criteria and actions that will be taken under the plan.
- Reporting procedures that describe the content and format for annual reports, as required by the license.

3.0 Basis for the Plan

The Forest Habitat Plan has been prepared in response to Settlement Agreement (SA) 502, which is provided in its entirety below. The plan also has been designed to comply with License Article (LA) 20, LA 410, SA 508, and SA 511. Relevant portions of these four articles are also provided below.

3.1 Settlement Agreement Article 502

Settlement Agreement Article 502, “Forest Habitat,” states:

The licensee shall acquire and manage deciduous forest bird habitat, such as: deciduous forest land, mixed forest land, and riparian forest land, for the purpose of increasing, protecting, and/or enhancing habitat for deciduous forest dwelling species, including, without limitation, populations of neotropical migratory bird species that are in decline in the Puget Sound region. Qualifying deciduous forest habitat land shall be comprised of land with 40% or greater deciduous tree composition. In the plan required by Article 501, the licensee shall include criteria and procedures for site selection, acquisition, and management, developed in consultation with the TRIG. 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 undertake habitat planning, acquisition, and enhancement activities consistent with the purposes of this article in consultation with the TRIG. 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.

Funding for the acquisition, planning, and habitat enhancement and management (including noxious weed management) required by this article is not to exceed \$450,000 (2006\$), and shall be made available according to the following schedule: 1) \$430,000 shall be made available within three years of license issuance, and 2) \$5,000 shall be made available in each of years 4-7 from 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 Terrestrial Enhancement and Research Fund (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 license Articles 501-517, 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.

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; 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 and ARG, 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 and ARG, determine whether to proceed with a transaction with significant transaction costs.

3.2 License Article 20

Article 20 in Form L-1 of the license states in part:

The Licensee shall clear and keep clear to an adequate width lands along open conduits and shall dispose of all temporary structures, unused timber, brush, refuse, or other material unnecessary for the purposes of the project which results from the clearing of lands or from the maintenance or alteration of the project works. In addition, all trees along the periphery of project reservoirs which may die during operations of the project shall be removed. All clearing of the lands and disposal of the unnecessary material shall be done with due diligence and to the satisfaction of the authorized representative of the Commission and in accordance with appropriate Federal, State, and local statutes and regulations.

3.3 License Article 410

License Article 410, "Threatened, Endangered and Sensitive Species Plan," states in part:

Wherever thinning of timber or vegetation management occurs, take all feasible measures to retain the largest available snags, trees, and down woody debris in order to accelerate the development of northern spotted owl habitat.

3.4 Settlement Agreement Article 508

Settlement Agreement Article 508, "Noxious Weeds," states in part::

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 T6 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.

3.5 Settlement Agreement Article 511

Settlement Agreement Article 511, “Decaying and Legacy Wood,” states in part:

Within three years following license issuance, and annually thereafter, the licensee shall manage snags, logs and residual live trees (“Decaying and Legacy Wood”) located on existing or acquired Project lands for the purpose of enhancing Decaying and Legacy Wood structure to increase its value to snag and log dependant species.

4.0 Goals and Objectives

The goal of the Forest Habitat Plan is to acquire and manage deciduous forest bird habitat (deciduous forest, mixed forest, and/or riparian forest with at least 40 percent deciduous trees) for the purpose of increasing, protecting, and/or enhancing habitat for deciduous forest dwelling species, including neotropical migratory birds that are in decline in the Puget Sound region.

5.0 Regulatory Reference and Definitions

The management of forest habitat under this plan will be in compliance with all applicable local, state, and federal laws and regulations. If conflicts exist between the objectives or management guidelines of this plan and any applicable law or regulation, the objectives and guidelines will be followed to the extent possible while still complying with the law or regulation.

5.1 Federal Authority and Reference

5.1.1 Endangered Species Act

The Federal Endangered Species Act of 1973 (ESA), as amended, prohibits the “take” of species listed as threatened or endangered. The definition of take includes activities that harm or harass individuals of a listed species. Modification of forest habitat (e.g., timber harvest or snag creation) that is occupied by a listed species can be considered take if it leads to the harm or harassment of individual animals. Management activities on forest habitat lands will be conducted in a manner that does not result in take of listed species. Forest habitat with the potential to support listed species will be checked for the presence of such species prior to any management activity, and the activity will be adjusted as needed to comply with the ESA.

5.2 Washington State Authority and Reference

5.2.1 Washington Forest Practices Act

Management activities on non-federal forestlands in Washington are generally subject to the Washington Forest Practices Act (RCW 76-09) and Forest Practices Rules (FPR). As such, certain forest management activities require prior approval through the Forest Practices Approval (FPA) process, and others simply require conformance to the FPR without prior approval. Timber harvesting and other management activities conducted under the Forest Habitat Plan may require approval under the FPR..

5.2.2 Shoreline Management Act

Activities conducted within “shores of the state” (non-federal lands within 200 feet of lakes of 20 acres or more and streams with an average annual flow of 20 cubic feet per second [cfs] or more) are subject to review and approval under the Washington State Shoreline Management Act and pertinent county and city Shoreline Management Master Programs. The shores of Lake Shannon, the Baker River, and several of the Baker River tributary streams fall under the jurisdiction of the Shoreline Management Act. However, forest management activities within shores of the state also come under the jurisdiction of the Forest Practices Act, and typically do not require separate approval under the Shoreline Management Act as long as they are consistent with it.

6.0 Plan Implementation

6.1 Plan Area

This Forest Habitat Plan applies to all non-federal lands acquired to satisfy SA 502. The plan area may be modified by amendment of the FERC project boundary to include new parcels.

6.2 Funding

Funding for the acquisition, planning, enhancement, and management of forest habitat will be provided as described in Terrestrial Resource Management Plan (TRMP) section 6.0, “Funding.” The use of funds will be reported annually as described in TRMP section 5.0, “Monitoring and Reporting.” If the forest habitat funds specified in SA 502 are still available in 2033, and if Puget Sound Energy, in consultation with the TRIG, determines that lands are not available and/or habitat enhancement or management actions are not feasible for any of the intended purposes of SA 502, the remaining funds required by this article may be made available to the Terrestrial Enhancement and Research Fund (TERF) established pursuant to SA 602.

6.3 Development and Modification of the Forest Habitat Plan

The Forest Habitat Plan was developed by consensus of the TRIG for approval by the FERC. The TRIG may propose modifications of the plan to the FERC according to the procedures described in TRMP section 3.2.1, “Process for TRMP Implementation and Modification.”

6.4 Implementation Schedule

Acquisition timing of acquisition will depend on the availability of suitable forestlands, but efforts to acquire appropriate parcels will be conducted coincident with fund availability. Once acquired, forest habitat parcels will be managed according to SA 502 and the Forest Habitat Plan for the term of the license.

6.5 Procedures, Standards and Criteria

6.5.1 Habitat Acquisition

The acquisition of forest habitat parcels by Puget Sound Energy and the other members of the TRIG will be guided by the criteria described in TRMP section 4.1.1, “General Acquisition Criteria” and TRMP section 4.1.2, “Criteria for Forest Habitat Acquisition.” The evaluation of potential acquisitions will be based on information collected in accordance with TRMP section 4.2, “Identification and Selection of Habitat Parcels.”

6.5.2 Post-acquisition Habitat Assessment

Within one year of acquisition of a forest habitat parcel, a post-acquisition habitat assessment will be prepared for the parcel according to the following procedures. The post-acquisition habitat assessment will consist of detailed and focused field surveys and reviews of best available science. It will be funded by the forest habitat management budget established in SA 502 except for stand-specific assessments of legacy wood, which will be funded by the budget for the Decaying and Legacy Wood Plan (SA 511). Based on the site-specific conditions and anticipated management objectives of the parcel, the post-acquisition habitat assessment may include:

- Topographic maps and aerial photos showing parcel boundaries, structures, roads, surface water features (streams, lakes, and wetlands), current forest cover (divided into stands based on tree species composition and size), non-forest habitats, and adjacent ownerships.
- Detailed descriptions of mapped forest stands (access, slope, soil stability, canopy cover, species, tree size – dbh and height, and age, and vertical diversity of trees).
- General descriptions of the current forest understory vegetation, including species composition, cover, and any presence of wetland indicator species.
- Stand-specific assessments of the number, size, and distribution of legacy wood features (snags, logs, and residual live trees), as determined in accordance with and funded under the Decaying and Legacy Wood Plan (SA 511).
- Final assessment of the long-term forest habitat potential based on site conditions, current forest stand conditions, and accepted principles of forest plant succession.
- The presence of any unique, sensitive, or otherwise important wildlife or their habitats, including Washington Department of Fish and Wildlife priority habitats and species, in areas that may be disturbed by proposed habitat management.
- The presence of any nests, dens, or important habitats for animals listed by the U.S. Fish and Wildlife Service (USFWS) or the National Marine Fisheries Service (NMFS) as threatened or endangered, or candidates for such listing, and the potential for their presence in areas that may be disturbed by proposed habitat management.
- The presence of any special-status plant species in areas that may be disturbed by proposed habitat management.

6.5.3 Habitat Management Procedures

Forestlands acquired to comply with SA 502 will be managed according to site-specific procedures developed by Puget Sound Energy in collaboration with the other members of the TRIG, as described in TRMP section 3.3, “Preparation of Site-specific and Resource-specific Procedures.” At the discretion of the TRIG, individual forest habitat parcels may have their own specialized management procedures, while multiple parcels with similar conditions and objectives may share a single set of management procedures.

Draft procedures will be prepared by Puget Sound Energy and submitted to the TRIG for review and comment. Prior to the preparation of draft procedures, the TRIG will provide Puget Sound Energy with direction as to the habitat parcels to be covered, the forest habitat objectives for the parcels, and any other management considerations specific to the parcels. Puget Sound Energy will implement forest habitat management procedures once they are approved by the TRIG.

Based on input from the TRIG specific to each parcel, the forest habitat management procedures may include:

- The maps and aerial photos of the parcel prepared for the post-acquisition habitat assessment, with any relevant modifications and updates.
- Habitat objectives for the parcel, describing the desired vegetative cover conditions for each delineated forest stand and non-forest habitat in the parcel.
- Stand-specific objectives for the number, size, and distribution of legacy wood features (snags, logs, and residual live trees), as determined in accordance with and funded under the Decaying and Legacy Wood Plan (SA 511).
- An action plan describing management activities recommended over the succeeding years to achieve the habitat objectives. The term of the action plan will be specified. The management activities in the plan may include construction, maintenance, and abandonment of roads according to the Washington Forest Practices Rules; erection of gates; replacement of stream-crossing structures; various levels of timber harvesting; planting of trees/shrubs and other vegetation; management of noxious weeds; retention and/or creation of residual live trees, snags, and logs; and other measures to manipulate the vegetation of the parcel.
- Site-specific measures to protect and enhance habitat features for nests, dens, and otherwise important habitats and species of plants and animals present in the parcel.
- Criteria for monitoring the effectiveness of the action plan and modifying it as needed.
- An implementation budget and schedule, including planning for potential long-term use of capped funding.
- Provisions for public access, with restrictions based on capacity, wildlife security, human safety, and protection of environmental and cultural resources. Public access should not interfere with other objectives of the Forest Habitat Plan or the protection and enhancement of wildlife habitat.

- Seasonal and spatial buffers to avoid or minimize impact on Federally-listed species, developed in collaboration with the USFWS and/or NMFS, as appropriate.
- Seasonal and spatial buffers to avoid or minimize impact on priority habitats and species, developed in collaboration with the WDFW.
- Contingency measures for complying with the ESA and dealing with new Federal listings of threatened or endangered species on or near the parcel.

6.5.4 Noxious Weed Management

The following text describes how noxious weed management will be approached with respect to acquired lands, per Article 508 of the Settlement Agreement, which specifies that, “The plan [TRMP] 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.”

Puget Sound Energy shall evaluate the extent of noxious weed management required for each parcel under consideration for acquisition or land management activities. The evaluation will include the steps described below. Each step will be developed in coordination with the TRIG, and will require TRIG approval prior to implementation.

Prior to acquisition:

- 1) Conduct reconnaissance level field surveys to determine occurrence of weeds listed by Washington State and/or the county. This will be a cursory look without extensive data gathering or analysis.
- 2) If weeds occur on the site, determine if any of the following three conditions exist:
 - a) The species is a Class A or Class B designate in the county/region where the parcel occurs; or
 - b) The weeds preclude or inhibit attaining the habitat value for the species for which the parcel was acquired; or
 - c) There is a comprehensive strategy on adjacent lands that applies to the weed species on the parcel (e.g., Skagit basin knotweed control strategy).
- 3) If any of the three conditions (2a, b, or c) exist, then complete more accurate surveys, develop site and species-specific treatment plans for the parcel, and estimate costs for management of the weeds, so the TRIG can evaluate the cost/benefits of acquiring the parcel.

After acquisition:

- 4) Management funds from the acquisition articles will only be used to manage weed sites if any of the three conditions (2a, b, or c) above are applicable.

6.5.5 Plants of Special Status

Plants of special status will be designated for management on a site-specific basis, consistent with SA 509, and as specified in the Plants of Special Status Plan.

6.5.6 Revegetation

Revegetation, restoration, and enhancement activities on forest habitat parcels will be consistent with *Noxious Weed Plan, Section 5.8, Weed Prevention*, and will reflect the overall goal of using native plant species whenever practicable.

6.6 Rationale

Deciduous forest habitat, particularly cottonwood and maple riparian habitat, has been affected by agricultural, residential, and hydroelectric development in the Skagit River Basin. Many native wildlife species, including several neotropical bird species, rely on these forests for habitat. Protection of deciduous forest habitat was identified by the TRIG as a resource objective for the basin. Puget Sound Energy and the other members of the TRIG will cooperatively identify and evaluate parcels of land for providing forest habitat. The evaluation will consider the potential habitat provided by a particular parcel against the cost of acquisition and management of the parcel to meet the goals of SA 502. This approach will promote the effective and efficient use of funds provided for forest habitat acquisition and management.

6.7 Monitoring and Adaptive Management

Monitoring and adaptive management provisions may be included in site-specific measures as needed to ensure the success of the Forest Habitat Plan.

7.0 Reporting

Reporting on implementation of the Forest Habitat Plan will be consistent with TRMP section 5.0, "Monitoring and Reporting." Puget Sound Energy will prepare an annual report that describes the forest management activities carried out during the previous January through December. Each report will include a list of all expenditures applicable to the forest habitat acquisition and management budgets during the year, including an accounting of funding expenditures, interest earned, disbursements made, and adjustments made for inflation. Reports will be provided to the TRIG for review and comment prior to being filed with the FERC.

7.1 Schedule

Puget Sound Energy will submit a draft Forest Habitat Plan Annual Report to the TRIG for a 30-day review and comment period no later than March 31 of each year. Puget Sound Energy will revise the draft Forest Habitat Plan Annual Report as appropriate and combine it with other license article reports into a draft Baker River Project Annual Report for review and comment prior to submittal to the FERC.

7.2 Forest Habitat Plan Annual Report Format

The Forest Habitat Plan Annual Report will:

- List the number of acres of deciduous and mixed deciduous/coniferous forest present.
- Summarize all acquisition and management activities conducted on forest habitat lands during the year.

- Include a copy of each set of habitat management procedures developed or updated during the year.
- List all expenditures applicable to the forest habitat acquisition and management budgets during the year, including an accounting of funding expenditures, interest earned, disbursements made, and adjustments made for inflation.
- Summarize any issues or concerns identified by Puget Sound Energy or other members of the TRIG during the year regarding implementation of the Forest Habitat Plan.
- List any changes to the Forest Habitat Plan proposed by consensus of the TRIG.
- List management activities and expenditures planned for the upcoming year.

8.0 Review Comments and Responses

Puget Sound Energy prepared a final draft of the plan and distributed it via certified US Mail to the TRIG for a 30-day review period on August 14, 2009. Comments on the final draft were due September 14, 2009.

8.1 Distribution List

Table 1. Forest Habitat Plan reviewers.

Name	Organization	Address
Brock Applegate	WA Dept of Fish & Wildlife	Post Office Box 1100 La Conner, WA 98257
Cathy Baker	The Nature Conservancy	1917 First Avenue Seattle, WA 98101
Len Barson	The Nature Conservancy	1917 First Avenue Seattle, WA 98101
Mignonne Bivin	National Park Service	7280 Ranger Station Road Marblemount, WA 98267
Bob Carey	The Nature Conservancy	410 N. 4th Street Mount Vernon, WA 98273
Chris Danilson	Sauk-Suiattle Indian Tribe	5318 Chief Brown Lane Darrington, WA 98273
Don Gay	USDA Forest Service	810 State Route 20 Sedro-Woolley, WA 98284
Patrick Goldsworthy	North Cascades Conservation Council	P.O. Box 95980 Seattle, WA 98145
Joann Gustafson	WA Dept of Natural Resources	919 North Township Sedro-Woolley, WA 98284
Mark Hunter	WA Dept of Fish & Wildlife	600 Capitol Way North Mail Stop 43143 Olympia, WA 98501
Lou Ellyn Jones	US Fish & Wildlife Service	510 Desmond Dr. SE, Suite 102 Lacey, WA 98503

Name	Organization	Address
Robert Kuntz	National Park Service	810 State Route 20 Sedro-Woolley, WA 98284
Chris Madsen	Northwest Indian Fisheries Commission	6730 Martin Way East Olympia, WA 98512
Laura Martin	USDA Forest Service	42404 SE North Bend Way North Bend, WA 98405
Greta Movassaghi	USDA Forest Service	810 State Route 20 Sedro-Woolley, WA 98284
Bob Nelson	Rocky Mountain Elk Foundation	45 Overmeyer Road Raymond, WA 98577
James Roberts	Sauk-Suiattle Indian Tribe	5318 Chief Brown Lane Darrington, WA 98241
Regina Rochefort	National Park Service	810 State Route 20 Sedro-Woolley, WA 98284
William Rogers	Skagit County Noxious Weed Control Board	302 South First Street Mount Vernon, WA 98233
Scott Schuyler	Upper Skagit Indian Tribe	25944 Community Plaza Sedro-Woolley, WA 98284
Jon-Paul Shannahan	Upper Skagit Indian Tribe	25944 Community Plaza Sedro-Woolley, WA 98284
Laurel Shiner	Whatcom County Noxious Weed Control Board	901 W. Smith Road Bellingham, WA 98226
Stan Walsh	Swinomish Indian Tribe	P.O. Box 368 La Conner, WA 98233
Brenda Werden	WA Dept of Natural Resources	919 North Township Sedro-Woolley, WA 98284
Todd Wilbur	Swinomish Indian Tribe	P.O. Box 368 La Conner, WA 98233

8.2 Transmittal Letter



 PUGET SOUND ENERGY <i>The Energy To Do Great Things</i> Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734 PSE.com	Project No. 2150 Forest Habitat Plan
August 14, 2009	
<p>Certified Mail Return Receipt Requested</p>	
Lou Ellyn Jones US Fish & Wildlife Service 510 Desmond Dr. SE, Ste. 102 Lacey, WA 98503	
<p>Re: Baker River Project, FERC No. 2150 – Final Draft Forest Habitat Plan, Settlement Agreement Article 502, Submittal for 30-Day Review</p>	
Dear Lou Ellyn:	
<p>On October 17, 2008, the Federal Energy Regulatory Commission (FERC) issued a new license for Puget Sound Energy, Inc.'s (PSE's) Baker River Project, FERC No. 2150. In the license FERC directed that PSE, after consultation with the parties to the Settlement, file a Forest Habitat Plan (FHP).</p>	
<p>In accordance with these directives PSE has conducted consultation with the Terrestrial Resource Implementation Group composed of representatives from the Settlement parties to develop a preliminary draft of the FHP and receive initial comments and suggestions. These suggestions were incorporated into a final draft FHP. PSE is required to allow a minimum of 30 days for the parties to review and comment on the final draft FHP prior to filing the final plan with FERC.</p>	
<p>Enclosed with this letter is the final draft FHP. Please review this plan and send your comments and/or recommendations to me. You may submit your comments using the enclosed reply form and self-addressed stamped envelop or by email. Please respond with your reply by September 14, 2009.</p>	
<p>Thank you for your efforts in supporting this process. If you have any questions, please call me at 425-462-3553 or email at Tony.Fuchs@pse.com.</p>	
Sincerely,	
	
Tony Fuchs Consulting Natural Resource Scientist P.O. Box 97034 PSE-09S Bellevue WA, 98009-9734 Or email at Tony.Fuchs@pse.com	
<p>Enclosures: Final Draft Forest Habitat Plan; reply form cc: TRIG members</p>	
Forest Habitat Plan Doc ID: BAK.20090813.0154.PSE.TRIG	Page 1 of 1 8/14/2009

Figure 1. Sample transmittal letter from PSE,.

8.3 Reviewer Comments and PSE Responses

Table 2. Comments following formal review of the Forest Habitat Plan, August 14 – September 14, 2009

Comment	Puget Sound Energy Response
WDNR – JoAnn Gustafson, received August 26, 2009	
I have no comments (checked on comment form)	Comment noted. No revisions to plan.
NCCC – Patrick Goldsworthy, received August 27, 2009	
I have no comments (checked on comment form)	Comment noted. No revisions to plan.
NPS – Robert Kuntz, received September 11, 2009	
[Comment 1.] In 4.0 “Goals and Objectives”: Our original intent in this settlement agreement was to give preference to the highest quality deciduous habitat for wildlife, not just making sure that 40% of the forest is deciduous. Preference should be given to trying to get the highest amount of cottonwoods and maples. If all we get is 40% Red Alder, I do not believe we meet the intent of this plan.	[Response 1.] PSE will continue to operate the Baker River Project in full compliance with the Settlement Agreement, License, and associated 4(e) Terms and Conditions. Where there is flexibility in interpretation of the Settlement Agreement, License, and 4(e) Terms and Conditions, PSE will continue to work collaboratively with NPS and the other members of the TRIG to meet their interests. SA 502 states, “Qualifying deciduous forest habitat land shall be comprised of land with 40% or greater deciduous tree composition.” It also directs PSE and the other members of the TRIG to develop specific site selection criteria. The NPS suggestion to give preference to forest with high amounts of cottonwoods and maples, both of which are deciduous species, appears to be consistent with SA 502, and within the authority of PSE and the TRIG. Compliance with the Settlement agreement prohibits PSE from free exercise of this constraint on the Plan. However, the selection criteria for hardwood forest could include these parameters and therefore Section 4.1.2 of the Terrestrial Resource Management Plan has been revised to reflect this suggestion.
NPS – Mignonne Bivin, received August 25, 2009	
I have no comments (checked on comment form)	Comment noted. No revisions to plan.
WDFW – Brock Applegate, received September 14, 2009 (via e-mail)	
[Comment 2.] The Washington Department of Fish and Wildlife (WDFW) has reviewed the Final Draft Forest Habitat Plan Settlement Agreement (SA) Article 502. We offer the following comments. As a member of the Terrestrial Resources Implementation Group (TRIG), WDFW has participated in continuous consultation and collaboration with Puget Sound Energy (PSE) and other TRIG members for many years before and after the issuance of the Baker River Project License. WDFW appreciates PSE’s collaborative process and willingness to work with all TRIG members and SA signatories on the implementation of their license articles.	[Response 2.] Comment noted.

Comment	Puget Sound Energy Response
<p>[Comment 3.] Overall, WDFW approves of the current Article 502 Forest Habitat Plan. We have listed one specific comment at the end of the letter. In general, WDFW would like to see more specifics in the plan. Although we recognize the TRIG should not start focusing on any one particular option at this time, PSE should record and list the ideas, thoughts, and possible management actions for future consideration.</p>	<p>[Response 3.] PSE agrees that ideas and thoughts of TRIG members for the management of forest habitats should be recorded for future reference during the development of site-specific management procedures. The TRIG notes will continue to document these ideas for future reference by the membership. Many of these ideas are already included in the Forest Habitat Plan. However, those that were inconsistent with the controlling documents (i.e., Settlement Agreement, License order, Section 4(e) terms and conditions or Biological Opinions); or those that did not receive consensus support for inclusion by the TRIG could not be included in this plan.</p> <p>We believe the management approach, that satisfies the interests of all TRIG members within the confines of controlling documents, can be best achieved after we have acquired specific habitat parcels for which site specific management objectives can be developed for implementation.</p>
<p>[Comment 4.] The Forest Habitat Plan Introduction says, "This plan includes: Plan implementation requirements describing the site-specific and project-specific criteria and actions that will be taken under this plan." WDFW has not found the site-specific and project specific criteria or actions in this plan or the Article 501 Plan. WDFW has sensed hesitancy to record possible management actions, specific buffer distances for wildlife, and management recommendations from the TRIG because of the fear of becoming committed to implementing them without any alternatives or flexibility. In the current plan, WDFW would like our recommendations and comments recorded as options to consider for the future writing of the site-specific Habitat Management Procedures.</p>	<p>[Response 4.] See response to Comment 3. Recommendations and comments provided by TRIG members, including WDFW, will be recorded in TRIG meeting notes or other summary documents available to all TRIG members.</p>
<p>[Comment 5.] WDFW welcomes the opportunity to work with PSE on future projects. We value our working relationship with PSE and encourages future dialog. If you have any questions or need more information or clarification to comments from the WDFW, please feel free to call me at (360) 466-4345 x254.</p>	<p>[Response 5.] Comment noted.</p>
<p>[Comment 6.] SPECIFIC COMMENTS CONCERNING THE FOREST HABITAT PLAN, ARTICLE 502: 6.5.1 Habitat Acquisition. WDFW has recommended some priorities in Forest Habitat Acquisition and we would like them recorded for possible future application.</p>	<p>[Response 6.] See response to Comment 3. Thoughts and ideas expressed by TRIG members, including WDFW, will continue to be recorded in TRIG meeting notes or other summary documents available to all TRIG members.</p>

Comment	Puget Sound Energy Response
<p>[Comment 7.] The TRIG should consider:</p> <p>1) Including a large component of cottonwood and maples in land acquisitions for Forest Habitat Plan as these tree species contain habitat for many of the “deciduous forest dwelling species, including, without limitation, populations of geotropically migratory bird species that are in decline in the Puget Sound region.” The TRIG should define and decide on what is a “large component.”</p>	<p>[Response 7.] As noted in Section 6.5.1 of the Forest Habitat Plan, the criteria for Forest Habitat acquisition are specified in Terrestrial Resource Management Plan (TRMP) Section 4.1.2. Reference to the importance of black cottonwood and bigleaf maple trees has been added to TRMP Section 4.1.2 at the request of WDFW and other members of the TRIG.</p> <p>SA 502 and TRMP Section 4.1.2 both state that qualifying deciduous forest habitat will be comprised of land with, “40 percent or greater deciduous tree composition.” The TRMP does not specify what proportion of those deciduous trees should be black cottonwood or bigleaf maple; it simply gives increasing priority to parcels with higher proportions of these two species. We believe it is prudent to remain flexible in the exercise of these criteria as it may be difficult to find habitat parcels with very specific requirements available for acquisition.</p> <p>PSE is confident the process already in place will result in the acquisition of forest habitat parcels that satisfy the interests of the TRIG.</p>
<p>[Comment 8.]</p> <p>2) Selecting property that includes more area than the riparian areas already protected by Forest Practices Rules or Growth Management Act. The TRIG may choose to purchase the above-protected areas with larger buffers, bigger management units, or larger parcels.</p>	<p>[Response 8.] The TRIG has the latitude within the Plan to select properties that reflect this recommendation. The TRIG may also find it beneficial and desirable to acquire lands that are already protected by State or County regulations, but in need of short-term habitat enhancement that would not otherwise occur.</p>
<p>[Comment 9.]</p> <p>3) Conservation easements to allow limited funds to affect more property.</p>	<p>[Response 9.] PSE and the TRIG are investigating all means to satisfy the conditions of this article including conservation easements insofar as they achieve compliance. Cost reduction from this specific acquisition vehicle is not always realized as the restrictions required for conservation easements, are sufficiently onerous that the cost of an easement is equivalent to acquisition in fee. However, the Plan as currently drafted permits flexibility.</p>
<p>[Comment 10.]</p> <p>4) Buying a very large percentage of deciduous trees in the acquisition to offset continuous conifer encroachment and loss of deciduous trees over the life of the license. The TRIG should define and decide on what is a “very large percentage.”</p>	<p>[Response 10.] See Response to Comment 6. The TRIG has extensive latitude in achieving the goals of this Plan and may utilize the WDFW recommendations during site specific implementation planning.</p>
<p>USDA-FS – Greta Movassaghi, received September 14, 2009 (via e-mail)</p>	
<p>I have no comments (checked on comment form).</p>	<p>Comment noted. No revisions to plan.</p>
<p>RMEF – Bob Nelson, received September 21, 2009</p>	
<p>I have no comments (checked on comment form).</p>	<p>Comment noted. No revisions to plan.</p>

8.4 Comment Correspondence

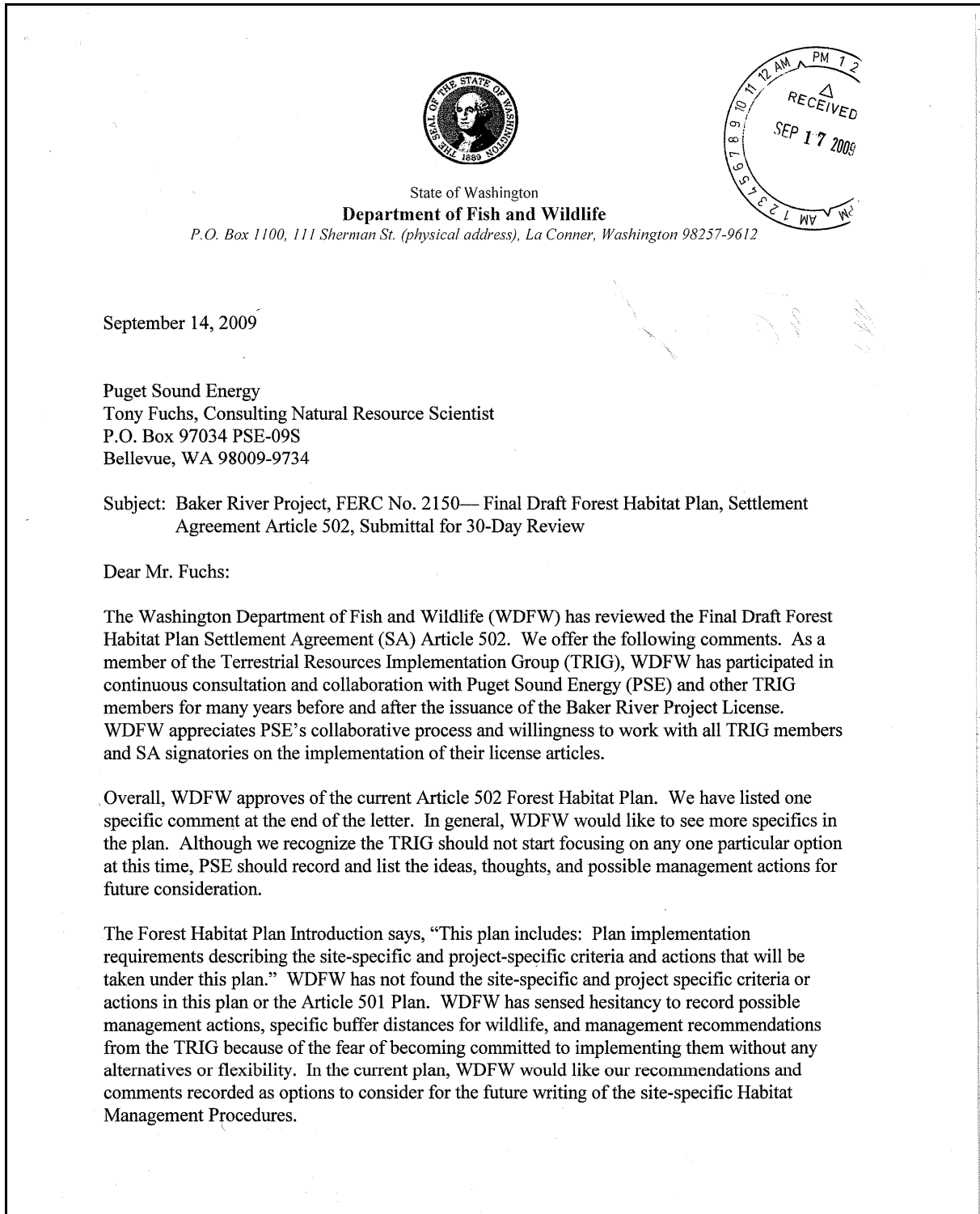
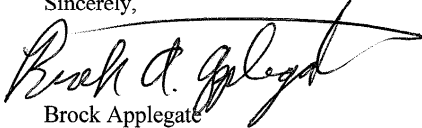


Figure 2. Reply from Brock Applegate, Washington Department of Fish and Wildlife.

Mr. Tony Fuchs
September 14, 2009
Page 2 of 3

WDFW welcomes the opportunity to work with PSE on future projects. We value our working relationship with PSE and encourages future dialog. If you have any questions or need more information or clarification to comments from the WDFW, please feel free to call me at (360) 466-4345 x254.

Sincerely,



Brock Applegate
Fish and Wildlife Biologist

Cc: David Brock, WDFW Mill Creek
Mike Davison, WDFW La Conner
Bob Everitt, WDFW Mill Creek
Mark Hunter, WDFW Olympia
Lora Leschner, WDFW Mill Creek

Figure 2, continued.

Mr. Tony Fuchs
September 14, 2009
Page 3 of 3

**SPECIFIC COMMENTS CONCERNING THE FOREST HABITAT PLAN, ARTICLE
502:**

6.5.1 Habitat Acquisition. WDFW has recommended some priorities in Forest Habitat Acquisition and we would like them recorded for possible future application.

The TRIG should consider:

- 1) Including a large component of cottonwood and maples in land acquisitions for Forest Habitat Plan as these tree species contain habitat for many of the “deciduous forest dwelling species, including, without limitation, populations of geotropically migratory bird species that are in decline in the Puget Sound region.” The TRIG should define and decide on what is a “large component.”
- 2) Selecting property that includes more area than the riparian areas already protected by Forest Practices Rules or Growth Management Act. The TRIG may choose to purchase the above-protected areas with larger buffers, bigger management units, or larger parcels.
- 3) Conservation easements to allow limited funds to affect more property.
- 4) Buying a very large percentage of deciduous trees in the acquisition to offset continuous conifer encroachment and loss of deciduous trees over the life of the license. The TRIG should define and decide on what is a “very large percentage.”

Figure 2, continued.