

APPLICATION FOR THE FORMATION OF AN OPERATING AGENCY

To the Director of Conservation
and Development
State of Washington
Olympia, Washington

Pursuant to Revised Code of Washington (Cum. Supp.) Chapter 43.52, application is hereby made for the formation of a joint operating agency and municipal corporation to be known as "Washington Public Power Supply System".

I

The name and address of each public utility district which will be an initial participant in said joint operating agency is set forth at the bottom of this application. Attached hereto, marked Exhibits I to XVII inclusive, is a certified copy of the enacting resolutions of each of these public utility districts authorizing its participation herein.

II

A general description of the project and the principal works, including dams, reservoirs, power houses and transmission lines, and a statement showing the general location of the project and the name of each stream upon which any hydro generating portions of the project are to be located, is as follows:

The project shall be the construction of a system of works, plants and facilities for the generation and transmission of electricity to provide a dependable source of power supply for the participants. The project shall consist of the principal project works, including dams, reservoirs, power houses and transmission lines which are set forth in sub-paragraphs 1-6 inclusive, below:

1. Steam Plant, Substation and Transmission Line. A steam plant having an initial capacity of about 200,000 Kw will be constructed at such point adjacent or near to the transmission facilities of the Bonneville Power Administration as may be found to be most feasible after completion of preliminary engineering studies. Boilers will be designed for operation with fuel oil, natural gas or pulverized coal, or combinations thereof as preliminary engineering studies to be undertaken may show to be practicable. A substation will be constructed adjacent to the power house to step up the voltage to about 230,000 volts. A transmission line of that approximate voltage will be constructed to inter-connect with the transmission facilities of the Bonneville Power Administration.

2. Hamma Hamma Dam, Generating Plant, Substation and Transmission Line.

A dam will be constructed on the Hamma Hamma River in Mason County, Washington, located about 3.5 miles upstream from the mouth of the river. A reservoir will be provided above the dam covering an area of about 400 acres. A hydro generating power house will be constructed on the Hamma Hamma river at or near its mouth on Hood Canal, having a capacity of about 10,000 Kw, with associated equipment. A tunnel and penstock will be constructed to interconnect the intake structure at the dam with the power house. A substation will be constructed adjacent to the power house to step up voltage for transmission purposes. A transmission line will be constructed of suitable voltage to interconnect the substation with the transmission facilities operated in the adjacent area by the Bonneville Power Administration or Public Utility District No. 3 of Mason County. The construction of these electric facilities shall be consistent with any water rights now or hereafter granted prior to the commencement of such construction to any public utility district, city, or other municipal corporation for the use of water in said river for domestic use.

3. Sunset Falls Dam, Generating Plant, Substation and Transmission Line.

A diversion dam will be constructed across the South Fork of the Skykomish River about two miles above its confluence with the North Fork of said river, near the town of Index, Snohomish County, Washington. A power house will be constructed at or near the foot of Sunset Falls containing generating units of about 16,000 Kw capacity and associated equipment. A tunnel will be constructed to interconnect the intake structure at the diversion dam with the power house. A substation will be constructed adjacent to the power house to step up the voltage for transmission purposes. A transmission line will be constructed to interconnect the substation with the transmission facilities operated in the adjacent area by the Bonneville Power Administration or Public Utility District No. 1 of Snohomish County.

4. Lake Isabel Dams; Generating Plant; Substation and Transmission Line.

A dam will be constructed across May Creek at each of the two points where this stream takes off as an outlet from Lake Isabel, in Snohomish County, Washington. A reservoir will be provided in the lake above these dams. A power house will be constructed on Hogarty Creek in the vicinity of Reiter in said county, having a capacity of about 5,000 Kw with associated equipment. A tunnel and penstock will be constructed to interconnect the intake structure at said dam to the power house. A substation will be constructed adjacent to the power house to step up voltage for transmission purposes. A transmission line will be constructed of suitable voltage to interconnect the substation with the transmission line to be constructed by the joint operating agency, mentioned in the preceding paragraph.

5. Packwood Dam, Generating Plant, Power House and Transmission Line.

A dam will be constructed at the outlet of Packwood Lake across Lake Creek in Lewis County, Washington, designed to stabilize and control the level of the lake at approximately its normal high water level, so that storage may be obtained through draw-down of the lake. A power house will be constructed near the town of Packwood, and a penstock about six miles long to interconnect the dam and power house. The power house will contain hydro generating units of about 12,000 Kw capacity and associated equipment. A substation will be constructed adjacent to the power house to step up the power for transmission purposes. A transmission line will be constructed to interconnect the substation with the transmission facilities operated in the adjoining area by Public Utility District No. 1 of Lewis County.

6. Works, Plants and Facilities to Assure Integrated Operation. The

operating agency will construct or install such related works, plants and facilities as may be necessary or advisable to accomplish the following purposes: To assure that all of the works, plants and facilities described in the preceding subparagraphs numbered 1 through 5 will be operated as a unified system; to integrate this system with the electrical facilities operated by agencies of the Federal government, participating public utility districts and other power suppliers; to allow the wheeling of the power output from the entire integrated system over the facilities of the Bonneville Power Administration and other power suppliers to the load centers of the participants and other customers.

The joint operating agency will acquire such properties of any nature, including land and land rights, as may be necessary or advisable to achieve maximum operating economy in the operation of the project above described.

The capacity of the several power plants has been stated above upon the basis of information and data available in advance of completion of preliminary engineering studies. The capacity of hydro plants will be altered to accomplish maximum utilization of the stream flow and the capacity of the steam plant may be increased by not to exceed 30,000 Kw if called for by such studies.

As an incidental feature of the foregoing project the joint operating agency will install such water transmission mains and associated facilities to make water available at or near the electric facilities above referred to on any of the streams mentioned, for sale wholesale to any public utility district, city, or other municipal corporation desiring the same.

III

The proposed use of market for the power to be developed will be to supply the participating public utility districts with any power required by them for resale and other uses and to supply power to other utility customers after the priority rights of the participants herein are satisfied.

IV

A general statement of the electric loads and resources of each of the participating public utility districts is attached hereto as Appendix A and made by this reference a part hereof.

V

The following is a statement of the proposed method of financing the preliminary studies and the participation therein by the participants: Each participant will advance monies to the joint operating agency pursuant to RCW (Cum. Supp.) Sec. 43.52.390 to cover the actual and reasonable costs to be incurred by the agency in connection with such studies. The amount advanced by each district, with interest at four percent per year from date of advance to date of repayment shall be repaid to it from the proceeds of the sale of revenue bonds to be issued by the joint operating agency to finance the project. The operating agency will issue and deliver to each participating district a note or other evidence of such obligation. Each participant will advance a fair portion of such costs based upon the estimated amount of power that the respective participant will purchase from or market through the joint operating agency and other pertinent factors.

VI

<u>Name of Public Utility District</u>	<u>Address</u>
Public Utility District No. 1 of Benton County	524 So. Auburn Street, Kennewick, Washington
Public Utility District No. 1 of Chelan County	327 No. Wenatchee Avenue, Wenatchee, Washington
Public Utility District No. 1 of Clallam County	Oak and Boulevard Streets, Port Angeles, Washington
Public Utility District No. 1 of Clark County	1200 Fort Vancouver Drive, Vancouver, Washington
Public Utility District No. 1 of Douglas County	20 North Main Street, East Wenatchee, Washington
Public Utility District No. 1 of Ferry County	47 Clark Street, Republic, Washington
Public Utility District No. 1 of Franklin County	208 South Fourth Street, Pasco, Washington

Public Utility District No. 2
of Grant County

30 "C" Street, S. W.,
Ephrata, Washington

Public Utility District No. 1
of Grays Harbor County

217 South B Street,
Aberdeen, Washington

Public Utility District No. 1
Kittitas County

301 Main Street North,
Ellensburg, Washington

Public Utility District No. 1
of Klickitat County

230 West Main Street,
Goldendale, Washington

Public Utility District No. 1
of Lewis County

981 Pacific Avenue,
Chehalis, Washington

Public Utility District No. 3
of Mason County

227 Coxa Street,
Shelton, Washington

Public Utility District No. 1
of Okanogan County

Okanogan, Washington

Public Utility District No. 2
of Pacific County

4th and Duryea Street,
Raymond, Washington

Public Utility District No. 1
of Skamania County

Stevenson, Washington

Public Utility District No. 1
of Snohomish County

3030 Colby Avenue,
Everett, Washington

Houghton Clark Gaudin & Han
Attorneys for participating districts.
535 Central Building,
Seattle, Washington

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

The undersigned, being the persons mentioned in Section 6 of each of the resolutions attached to this application as Exhibits I to XVII, inclusive, hereby CERTIFY, that each of the public utility districts above named operates an electric distribution system serving a substantial part of its area; that the districts named are the only ones operating such properties which enacted such resolutions prior to August 1, 1956; that the undersigned has been authorized by the Secretary and commissioners of each of the districts above named to file the foregoing application with the director of conservation and development, pursuant to the resolutions attached.

James E. Bremer
C. M. Driscoll
Don F. Sheldon
Harold H. Hays
L. W. Richardson

STATE OF WASHINGTON)
) ss.
COUNTY OF CLALLAM)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 12th day of September, 1956, personally appeared before me GROVER C. GREIMES, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Frank Peterson
Notary Public in and for the State
of Washington, residing at Sequim.

STATE OF WASHINGTON)
) ss.
COUNTY OF MASON)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 13th day of September, 1956, personally appeared before me C. M. DANIELSON, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

John P. Williams
Notary Public in and for the State
of Washington, residing at Shelton.

STATE OF WASHINGTON)
) ss.
COUNTY OF CHELAN)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 14th day of September, 1956, personally appeared before me Mr. Sheldon, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned. Mr. Sheldon signed in the presence of Mr. [unclear]
Notation and attestation were made accordingly.

Given under my hand and official seal the day and year last above written.

C. L. Shampes
Notary Public in and for the State
of Washington, residing at Wenatchee.

STATE OF WASHINGTON)
) ss.
COUNTY OF FRANKLIN)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 17th day of September, 1956, personally appeared before me HARRY H. HUDLOW, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

John B. Burdick
Notary Public in and for the State
of Washington, residing at Pasco.

STATE OF WASHINGTON)
) ss.
COUNTY OF Chelan ~~PACIFIC~~)

I, the undersigned, a notary public in and for the State of Washington, hereby certify that on this 19th day of September, 1956, personally appeared before me ~~ROY E. SHELDON~~, to me known to be the individual described in and who executed the foregoing instrument and acknowledged that he signed and sealed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

OR Mahler
Notary Public in and for the State
of Washington, residing at ~~Ilwaco~~.

Wenatchee