

Application for Class IV Certification

1. Name and address of the applicant:

Cocheco Falls Associates
P.O. Box 178
South Berwick, Me 03908

2. Name and location of the facility:

Cocheco Falls Hydro
Cocheco River
Central Avenue
Dover, N.H. 03820

3. The ISO-New England asset identification number:

#886

4. The GIS facility code:

#MSS886

5. A description of the facility, including fuel type, gross nameplate generation capacity, the initial commercial operation date, and the date it began operation, if different:

Cocheco Falls Hydro is a seven hundred and fifty kilowatt run-of-the-river hydroelectric facility, which uses water from the Cocheco River to generate electricity. This facility began operation and entered commercial operation on the same day, in December 1983.

6. If a biomass source, NOx and particulate matter emission rates and a description of pollution control equipment or proposed practices for compliance with such requirements:

Not Applicable

7. All other necessary regulatory approvals, including any reviews, approvals or permits required by the department:

Please find enclosed a copy of the Federal Energy Regulatory Commission (FERC) operating license. FERC Project No. 4718-NH

8. Proof that the applicant either has an approved interconnection study on file with the commission, is a party to a currently effective interconnection agreement, or is otherwise not required to undertake an interconnection study:

Please find enclosed a copy of the Public Service Company of New Hampshire (PSCoNH) Operating Agreement for the Purpose of Wheeling and Power Sales.

9. If a biomass facility, proof that a copy of the completed application has been filed with the department:

Not Applicable

10. A description of how the generation facility is connected to the distribution utility:

Cocheco Falls Hydro generates at 480 volts. The electricity is fed through a pad mount three phase transformer, where it is stepped up to 12,470 volts. The electricity travels underground for approximately 200 feet to Cocheco falls Hydro's utility pole, which is located on Main Street, Dover, N.H. through a utility disconnect switch, to the Public Service Company of New Hampshire utility line.

11. A statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard and proof thereof:

Cocheco Falls Hydro has not been certified under another non-federal jurisdiction's renewable portfolio standard. I have no proof of this.

12. A statement as to whether the facility's output had been verified by ISO-New England:

The Cocheco Falls Hydro Project's generation is verified by ISO-New England. This is done by way of a special 15 minute meter installed in the Cocheco Falls power house by PSCoNH, which tracks the generation on a 15 minute basis. This meter is monitored by PSCoNH, over a telephone line, and reported to ISO-New England.

13. A description of how the facility's output is reported to the GIS if not verified by ISO-New England:

Not Applicable.

14. An affidavit by the owner attesting to the accuracy of the contents of the application:

Please see attached affidavit.

15. The name and telephone number of the facility's operator, if different from the owner: and

Same as above

16. Such other information as the applicant wishes to provide to assist in classification of the generating facility.

It is my understanding that one of the requirements for qualification under this legislation, is that the hydroelectric facility have an operating upstream and down stream fish passage facility. The Cocheco Falls Hydro Project has both an upstream fish passage and down stream fish passage facility.

AFFIDAVIT

I John N. Webster, General Partner of Coheco Falls Associates, do swear and attest that the information contained in this application to the New Hampshire Public Utilities Commission is true and accurate to the best of my ability and belief.

Brenda L. Harvey
5/12/08
BRENDA L. HARVEY
NOTARY PUBLIC - MAINE
COMMISSION EXPIRES NOV. 17,

John N. Webster
John N. Webster, G.P.
Coheco Falls Associates 5/12/08

**OPERATING AGREEMENT
FOR
PURPOSES OF WHEELING AND POWER SALES**

AGREEMENT, dated December 30, 2003 by and between Cocheco Falls Associates (hereinafter referred to as the "Interconnector"), and Public Service Company of New Hampshire, a New Hampshire corporation having its principal place of business in Manchester, New Hampshire (hereinafter referred to as "PSNH").

WHEREAS, Interconnector's 708 KW Cocheco Falls hydroelectric generating facility (the "Facility"), (SESD # 008) located on the Cocheco River in Dover, New Hampshire, is interconnected with the electric system of PSNH in accordance with applicable New Hampshire Public Utilities Commission ("NHPUC") Orders and federal law; and

WHEREAS, Interconnector desires to, and PSNH agrees to, provide for the interconnection of the Facility with the electric system of PSNH, its successors and permitted assigns, and Interconnector may have the right to sell the electric output of the Facility to PSNH and/or to such other third party purchasers with which Interconnector may make sales arrangements; and

WHEREAS, to provide for the continued interconnection of the Facility, it is necessary that certain agreements be made to ensure the safety, reliability and integrity of PSNH's electric system and the operation of the Facility; and

WHEREAS, Interconnector and PSNH wish to provide for certain other matters pertaining to discretionary power sales from the Facility;

NOW, THEREFORE, the parties hereby agree as follows:

Article 1. Interconnection and Voltage Characteristics.

The interconnection point shall continue to be that point at which the Facility presently interconnects with the 34.5 KV electric system of PSNH. Under this Agreement, the Interconnector shall receive and pay for the services necessary for the purpose of connecting, and providing the continued connection of, the Facility with the PSNH electrical system, including Pool Transmission Facilities ("PTF") as defined by NEPOOL, and non-PTF.

Unless PSNH converts its interconnection circuit, all electric energy delivered to PSNH's system from the Facility shall be 34.5 KV, three-phase, sixty hertz.

Article 2. Metering.

The metering shall continue to be configured so as to represent the electric power output delivered to the PSNH electric system as specified in the Interconnection Report, dated August 26, 1983 (the "Report") attached as Attachment A. The metering may be installed on the generation side of the transformer provided that transformer losses are subtracted from the measured generation by a suitable method. Interconnector shall be responsible for all costs associated with the metering required for sales to PSNH and/or other third parties from the Facility.

Interconnector has installed and will own, and maintain all metering equipment as referenced in Article 5, to measure the physical flow of electrical energy from the Facility into the PSNH electric system. If at any time the meter is found to be in error by more than two percent fast or slow (+ or - 2%), Interconnector shall cause such meter to be corrected and the meter readings for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the same can be reasonably ascertained, but no adjustment prior to the beginning of the preceding month shall be made except by agreement of the parties. All tests and calibrations shall be made in accordance with Section V-14 of the NHPUC Rules and Regulations prescribing Standards for Electric Utilities in effect as of September 8, 1972, as amended, and any applicable Rules and Regulations of ISO-New England, Inc. ("ISO"). Interconnector is responsible for assuring that meter tests are performed as required at Interconnector's expense. PSNH's local Division Meter Engineer should be contacted in advance to arrange for said meter testing.

Interconnector shall cause the meter to be tested at any time upon request of either party and, at PSNH's option, in the presence of a representative of PSNH. If such equipment proves accurate within two percent fast or slow (+ or - 2%), the expense of the test shall be borne by the requesting party.

PSNH reserves the right to secure or seal the metering installation, but upon the written request of Interconnector will provide such information regarding, and access to, the metering installation as Interconnector requests. Interconnector is required to record electrical energy physically delivered to the PSNH electric system on an hour-by-hour basis, and to electronically

make available to PSNH, Interconnector's generation in kilowatt-hours for each hour during the prior 24 hours.

To the extent necessary for Interconnector to receive credit and compensation for power sales to entities other than PSNH of electric energy and/or other power products generated at the Facility, PSNH shall cooperate with and assist Interconnector to ensure that the metering installations applicable to the Facility meet the required specifications and operational characteristics as necessary to accomplish such sales.

Article 3. Wheeling Arrangements.

If requested by Interconnector in connection with any sales of energy or other electric products to entities other than PSNH, PSNH (or other Northeast Utilities system companies) shall transmit the electric output of the Facility, or such portion(s) thereof as are identified by Interconnector, to an appropriate PTF point or to such purchasers (as applicable to the transaction) under the terms and conditions and rates set forth in the NORTHEAST UTILITIES SYSTEM COMPANIES Open Access Transmission Service Tariff No. 9 (the "NU OATT") filed with the Federal Energy Regulatory Commission ("FERC"), or its successor tariff, as those tariffs may be amended or supplemented from time to time hereafter. The wheeling of generation shall also be subject to any regulatory approved and applicable local transmission and distribution wheeling tariffs.

Article 4. Power Sales, Billing and Payment.

(a) PURPA Sales

If the Facility meets the definition of a Qualifying Facility ("QF") as defined by the Public Utility Regulatory Policies Act (as the same may be amended from time to time) ("PURPA"), Interconnector may make sales to PSNH and PSNH shall purchase all or a portion of the electric energy and other electrical products generated at the Facility pursuant to the requirements of the PURPA, the New Hampshire Limited Electrical Energy Producers Act ("LEEPA"), and ISO.

Pursuant to PURPA, and as approved by the NHPUC in Docket No. DE 99-099, in accordance with the Settlement Agreement between PSNH and the State of New Hampshire, the rates paid to Interconnector for short-term, as available power sales to PSNH shall be the

applicable market clearing price for such energy and/or other electrical product(s) or such replacement pricing methods as determined by the ISO or any successor entity for each period during which Interconnector has delivered such energy and/or other electrical power products for sale to PSNH. The above short-term prices shall be adjusted for line losses, wheeling costs, and administrative costs as they may be determined by PSNH or the NHPUC and as modified from time to time. The parties agree to abide by the ISO rules for recognition and determination of energy and capacity credit.

Facilities delivering all of their output to the PSNH grid will be assigned a Line Loss Adjustment Factor (the "LLAF"). The initial LLAF for the Facility is 1.0. If a recalculation of the LLAF is required, PSNH shall calculate a new LLAF to represent the change in PSNH's electrical system losses attributable to the generator characteristics and physical location of the Facility. The LLAF shall be applied to that portion of the generation output from the Facility which is sold to PSNH during a billing month by multiplying the LLAF times the kilowatt output. PSNH shall not have the right to use a new or materially different methodology for conducting any such LLAF study except as ordered by the NHPUC. The LLAF may be less than one or greater than one.

Should PSNH no longer be the load holding entity for all of the retail load connected to its System, the LLAF shall be proportionally reduced to reflect the percentage of retail load supplied by PSNH. This adjustment shall become effective with the billing months of February and August based upon the percentage of retail load supplied by PSNH over the previous six (6) month period ending in December and June, respectively. The LLAF may be recalculated at the request of either party. The requesting party shall pay for the cost of performing the line loss study. Upon the completion of the updated LLAF study, the new LLAF shall be used at the start of the next billing month.

In addition, Interconnector shall have the right and option at any time to engage a third party consultant to validate and verify the methodology and results of any LLAF study performed by PSNH under this Agreement, at Interconnector's expense. If the review performed by such consultant concludes that the results of any study performed by PSNH are incorrect, then PSNH shall perform a new study, at its expense, to determine the correct LLAF. Any dispute between the parties related to such studies shall be resolved by the NHPUC.

PSNH shall read the meter, installed in accordance with Article 2, once each month and

shall promptly send Interconnector an invoice showing the billing month's net generation and amount owed for energy and other electrical products generated for any sales to PSNH hereunder. Interconnector shall then return to PSNH the approved invoice for payment. PSNH shall make payments to Interconnector electronically for the total amount due within 23 days of the meter reading date, provided that PSNH receives a timely return of the approved invoice.

(b) Bilateral and Power Exchange Sales

At all times during the term of this Agreement, Interconnector shall have the right to sell any or all of the Facility's electric power output, including electric energy, installed capacity, spinning reserves, other operating reserves and/or automatic generation control and other products, to entities other than PSNH, either through bilateral transactions or through the markets administered by the ISO. With respect to any such bilateral or market sales by Interconnector, Interconnector may request that PSNH function as "Lead Participant", and/or "Designated Entity" (as those terms are defined and amended or replaced from time to time by the ISO) and/or other similar role (or function necessary to process and implement such sales) on Interconnector's behalf and, subject to Interconnector's instructions, perform any and all functions in such roles as are necessary to implement and consummate such sales, and shall submit to ISO and/or other appropriate entities (on Interconnector's behalf) all information, including, without limitation, standard or non-standard contracts, self-schedules, unit characteristics, bid submissions and metering data, required to effect such transactions, provided that Interconnector provides PSNH with all information and direction reasonably required for the submission of such information by PSNH but no later than 9:30 am on the last business day prior to the commencement of such transaction or bid, unless PSNH can accommodate the transaction in less time.

As PSNH's full compensation when it acts as the "Lead Participant" for performing the administrative services described in this subsection, Interconnector shall pay to PSNH for each such month an amount equal to the greater of \$500 or 0.0126¢/kwhr of Interconnector's sales of generation for which PSNH is "Lead Participant" during such month made pursuant to this Article 4 (b). The foregoing shall only be due to PSNH when PSNH actually acts as "Lead Participant" in such sale.

(c) FERC Sales

If the Facility does not meet the definition of a QF, Interconnector may enter into contractual arrangements for the sale of electricity with PSNH or others in accordance with the requirements of the Federal Power Act and the rules of FERC. The price and products associated with such sale shall be identified in the contractual arrangements.

Article 5. Interconnection and Protection Requirements.

Interconnector has installed all interconnection, protection, metering, and control equipment as specified in the Report to ensure the continued safe and reliable operation of the Facility in parallel with the PSNH system. The Interconnector has assumed responsibility for all study costs associated with the development of the REPORT, and those costs associated with the equipment and its installation, required by the REPORT. No additional studies are required to be performed, and no additional or different interconnection facilities, system upgrades or protection systems are required to be constructed, installed or implemented, in order to maintain the interconnection of the Facility with the PSNH System.

Up to the interconnection point, all equipment shall remain the sole property of Interconnector.

Interconnector shall have sole responsibility for the operation, maintenance, replacement, and repair of the Facility, including the interconnection equipment owned by the Interconnector.

Prior to the interconnection to PSNH's system under this Agreement Interconnector tested, and every twelve months thereafter, Interconnector shall continue to test, or cause to be tested, all protection devices including verification of calibration and tripping functions; and Interconnector shall provide PSNH with a copy of the tests and results.

If either party reasonably determines that the operation or use of any portion of the protection system will or may not perform its protective function, Interconnector shall immediately open the interconnection between PSNH's system and the Facility. Interconnector shall promptly notify PSNH of this action and the reason for this action. The interconnection shall remain open until Interconnector has satisfactorily cured the defect. Any repair or replacement of Interconnector's equipment shall be at no cost to PSNH, except PSNH shall be responsible for any loss or damage requiring repair or replacement of all or a portion of the Interconnector's equipment as a result of the negligence or misconduct of PSNH, its agents or employees.

Article 6. Right of Access.

Upon prior written or oral notice to Interconnector, PSNH shall have the right to enter the property of Interconnector at mutually agreed upon reasonable times and shall be provided reasonable access to Interconnector's metering, protection, control, and interconnection equipment to review for compliance with this Agreement. PSNH shall provide Interconnector with a copy of any notes, reports or other documents made relating to any such inspection or review.

Article 7. Modification of Facility.

If Interconnector plans any modifications to its Facility as described in Attachment A, which modifications would reasonably be expected to affect its interconnection with the PSNH System, Interconnector shall give PSNH prior written notice of its intentions.

Article 8. Term of Agreement.

This Agreement shall become effective between the parties on the date of execution of this agreement and shall remain in full force and effect subject to the suspension and termination rights contained in this Article 8. PSNH acknowledges that it has received a certificate of insurance as required by Article 9, and that the interconnection equipment as set forth in Attachment A has been properly installed and tested.

Interconnector may terminate this Agreement by giving PSNH not less than sixty (60) days prior written notice of its intention to terminate. PSNH may terminate the interconnection under this Agreement by giving not less than sixty (60) days prior written notice should Interconnector fail to substantially perform with the interconnection, metering and other safety provisions of this Agreement, and such failure continues for more than sixty (60) days from date of notice without cure. The PSNH notice shall state with specificity the facts constituting the alleged failure to perform by Interconnector. If the parties are unable to reach agreement within 60 days on a cure for the Interconnector's failure to perform, either party may elect to submit the dispute to the NHPUC for resolution.

If changes in applicable federal or state statutes, regulations or orders; or changes in applicable ISO or NEPOOL requirements occur which materially affect this Agreement, the parties shall negotiate in good faith to modify this Agreement to accommodate such changes. If the parties

are unable to reach agreement within 60 days, either party may elect to submit the dispute to the NHPUC for resolution.

PSNH may also terminate its obligation contained in this Agreement if all laws, regulations and orders mandating interconnections or purchases from qualifying facilities are repealed, or declared invalid by a Court or Regulatory Agency, and no revised law is enacted providing for such interconnection or sales on a similar basis.

After termination of this Agreement, both parties shall be discharged from all further obligation under the terms of this Agreement, excepting any liability (including without limitation the obligation to pay for power delivered prior to any such termination which obligation shall survive the termination of this Agreement) which may have been incurred before the date of such termination. Any reasonable costs incurred by PSNH to physically disconnect the Facility as a result of the termination of this Agreement shall be paid by the Interconnector. Termination of this Agreement shall not effect the parties' obligation to pay for power delivered prior to termination of that purchase obligation.

Article 9. Indemnification and Insurance.

Each party will be responsible for its equipment and the operation thereof and will indemnify and save the other harmless from any and all loss by reason of property damage, bodily injury, including death resulting therefrom suffered by any person or persons including the parties hereto, employees thereof or members of the public, (and all expenses in connection therewith, including attorney's fees) whether arising in contract, warranty, tort (including negligence), strict liability or otherwise, caused by or sustained on, or alleged to be caused by or sustained on, equipment or property, or the operation or use thereof, owned or controlled by such party, except that each party shall be solely responsible for and shall bear all costs of its negligence, and willful misconduct, and claims by its own employees or contractors growing out of any workers' compensation law. The foregoing paragraph shall survive the termination of this Agreement and such termination will not extinguish any liabilities or obligations in respect of reimbursements under this paragraph, incurred up to the time of termination.

The Interconnector shall, at its own expense, continue to maintain throughout the term of this Agreement Comprehensive General Liability Insurance with a combined single limit of not less than \$3,000,000 for each occurrence.

The insurance policy specified above has named and shall continue to name PSNH, Northeast Utilities and its subsidiaries, officers, directors and employees, as additional insured with respect to any and all third party bodily injury and/or property damage claims arising from Interconnector's performance of this Agreement. It is further agreed that PSNH shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium for such insurance. The policy shall not be canceled, terminated, altered, reduced or materially changed without at least thirty (30) days prior written notice to PSNH.

Evidence of the required insurance has been provided to PSNH in the form of a Certificate of Insurance prior to the actual physical interconnection of the Facility, and annually thereafter. During the term of this Agreement, the Interconnector, upon PSNH's reasonable request, shall furnish PSNH with certified copies of the actual insurance policies described in this Article.

The insurance coverage is and shall continue to be primary and is not in excess to or contributing with any insurance or self-insurance maintained by PSNH or its affiliates and shall not be deemed to limit Interconnector's liability under this Agreement.

PSNH shall have the right to modify the limits of liability specified herein, at any time in the future, to remain consistent with those limits generally required by the NHPUC. PSNH must notify Interconnector in writing, at least ninety (90) days prior to any required change and these new liability limits will become effective upon renewal of the Insurance Policy.

In no event shall either party be liable, whether in contract, tort (including negligence), strict liability, warranty, or otherwise, for any special, indirect, incidental, punitive or consequential losses or damages, suffered by the other party or any person or entity and arising out of or related to this Agreement including but not limited to, cost of capital, cost of replacement power, loss of profits or revenues or the loss of the use thereof. This paragraph of Article 9 shall apply notwithstanding any other statement to the contrary, if any, in this Agreement and shall survive the termination of this Agreement.

Article 10. Force Majeure.

Neither party shall be considered to be in default hereunder and shall be excused from performance hereunder if and to the extent that it shall be prevented from doing so by storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or

the public enemy, action of a court or public authority, withdrawal of equipment from operation for necessary maintenance and repair, or any other cause beyond the reasonable control of either party and not due to the fault or negligence of the party claiming force majeure, provided that the party claiming excuse from performance uses its best efforts to remedy its inability to perform.

Article 11. Dispute Resolution and Voluntary Arbitration.

In the event of any dispute, disagreement, or claim arising out of or concerning this Agreement, the Party that believes there is such a dispute, disagreement, or claim will give written notice to the other Party of such dispute, disagreement, or claim. The affected Parties shall negotiate in good faith to resolve such dispute, disagreement, or claim. If such negotiations have not resulted in resolution of such dispute to the satisfaction of the affected Parties within ten (10) working days after notice of the dispute has been given, then, an affected Party may, upon mutual agreement of all of the affected Parties, submit such dispute, disagreement, or claim arising out of or concerning this Agreement, including whether such dispute, disagreement, or claim is arbitrable, to binding arbitration.

The arbitration proceeding shall be conducted by a single arbitrator, appointed by mutual agreement of the affected Parties, in Manchester, New Hampshire, under the Commercial Arbitration Rules of the American Arbitration Association in effect at the time a demand for arbitration under such rules was made. In the event that the affected Parties fail to agree upon a single arbitrator, each shall select one arbitrator, and the arbitrators so selected shall, within twenty (20) days of being selected, mutually select a single arbitrator to govern the arbitration. A decision and award of the arbitrator made under the Rules and within the scope of his or her jurisdiction shall be exclusive, final, and binding on all Parties, their successors, and assigns. The costs and expenses of the arbitration shall be allocated equitably amongst the affected Parties, as determined by the arbitrator(s). Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. Each Party hereby consents and submits to the jurisdiction of the federal and state courts in the State of New Hampshire for the purpose of confirming any such award and entering judgment thereon.

Article 12. Modification of Agreement.

In order for any modification to this Agreement to be binding upon the parties, said modification must be in writing and signed by both parties.

Article 13. Prior Agreements Superseded.

Once effective, this Agreement with Attachment A represents the entire agreement between the parties with respect to the interconnection of the Facility with the PSNH electric system and, as between Interconnector and PSNH, all previous agreements including previous Contracts, discussion, communications and correspondence related thereto are superseded by the execution of this Agreement.

Article 14. Waiver of Terms or Conditions.

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall remain at all times in full force and effect. Any waiver is only effective if given to the other party in writing.

Article 15. Binding Effect; Assignment

This Agreement shall be binding upon, and shall inure to the benefit of, the respective successors and permitted assigns of the parties hereto. PSNH shall not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of Interconnector except to a successor-in-interest. PSNH shall provide written notice to Interconnector of any such assignment to a successor-in-interest within fifteen (15) days following the effective date of the assignment. Interconnector shall have the right to assign this Agreement to any person or entity that is a successor-in-interest to the Facility without the consent of PSNH. In the event of any such assignment, Interconnector shall notify PSNH in writing within fifteen (15) days following the effective date of the assignment. Interconnector may make such other assignment of this Agreement as it determines, subject to the prior written consent of PSNH, which consent shall not be unreasonably withheld or delayed. Any assignment in violation of this Article shall be void at the option of the non-assigning party.

IN WITNESS WHEREOF, the parties, each by its duly authorized representative, have hereunto caused their names to be subscribed, as of the day and year first above written.

Cocheco Falls Associates

By: John N. Wilster

Title: General Partner
Duly Authorized

Public Service Company of New Hampshire

Paul E. Ramsey

By: Paul E. Ramsey
Title: Vice President, Customer Services
Duly Authorized

Study of a Proposed Hydro Facility
Cochecho Falls - #008
Dover, NH

I. General

A study has been made of a proposed hydro facility in Dover, NH. A number of assumptions have been made in order to complete the study.

Any anticipated deviation from the following description of the facilities will directly affect the results of this study. If changes are anticipated, PSNH should be informed immediately so that the requirements and recommendations contained in the study can be updated. This will keep the engineering, material and construction costs which are the responsibility of the owner of this facility, to a minimum.

Any additional generating units proposed at this location in the future, will require a completely new study of the interconnection.

II. Description of Facilities

The proposed facilities are located in Dover, N.H., at what is commonly known as the Central Avenue Dam on the Cochecho River. The data, as submitted, is as follows:

A) Turbines

3 - Flygt 7570 Axial Flow Propeller Type 316 HP, 720 RPM,
32 Ft. Head

B) Generators

3 - Flygt - Induction 236 KW, 720 RPM, 3 Phase, 60 Hz,
480 Volts, PF-0.95

PSNH Circuit #399X1B (34.5 kV)
Presently serves the area involved.

III. Requirements

A) General

- 1) The connection of the facility to the PSNH system must not compromise the safety of PSNH's customers, personnel or the owner's personnel.
- 2) The connection of the facility to the PSNH system must not reduce the quality of service currently existing on the PSNH system.

To eliminate voltage drop due to inrush current in starting relatively large induction generators, the generator must not be connected to the PSNH line until it has been brought up to near synchronous speed.

- 3) The generating facility shall not have the capability of energizing a de-energized PSNH circuit.
- 4) Automatic reclosing on the PSNH circuit after a tripping operation(s) will occur, and this operation should not be affected by the interconnection to the generating facility.
- 5) The generating revenue metering must be so arranged that PSNH pays for the energy output of the generator less the electrical losses inherent in delivering that output to the PSNH system.

B) Specific Requirements (Refer to Sketch #062883)

- 1) The protective scheme to be used at the interconnecting point must include the following devices.

*a) Over-Frequency (81/0)
Westinghouse CF-1, #291B995A09, or equivalent

*b) Under-Frequency (81/U)
Westinghouse CF-1, #291B995A10, or equivalent

*c) Over/Under Voltage (27/59)
G.E. Model 12IAV53K1A, or equivalent

d) Reverse Power Relay (32)
G.E. Model 12ICW51A2A, or equivalent

*The three relays can be replaced by one "Beckwith PRIDE Relay - Model #M-0290/M-0397."

All of the protective devices mentioned above must be connected to trip the generator breakers as indicated on sketch 062883. The owner is responsible for ensuring that the protective equipment is maintained in reliable operating condition.

- 2) The generator breakers must be equipped with reliable shunt tripping facilities for opening the breakers via protective devices. A DC battery with charging facilities is considered reliable.
- 3) The generator breakers must have sufficient interrupting capability to successfully interrupt any fault current available at its location. A calculated 3 phase fault based on existing system conditions and a 1000 kVA (5.8% Z) transformer at the facility is approximately 20,000 amperes at 480 volts.
- 4) The system configuration at the interconnection point must include the following devices: (Sketch 062883)

- a) Extension of existing 34.5 kV circuit.
- b) 3-Phase padmount transformer (by owner), 1000 kVA, Z = 5.8%, 19920/34500 - 277/480 volts. Primary winding connection - grounded wye. Secondary winding connection - floating wye. (No single phase -L-N-loading allowed on secondary winding).
- c) 6 - Lightning arresters 3 at each end of underground cable.
- d) 3 - Power fuses, rated 34.5 kV, S & C type SMD-20.
- e) 1 - Air break.
- f) An emergency shutdown pushbutton with facility status indicator lights, and a visible disconnecting device (airbreak in item e) shall be made available for unrestricted use by PSNH personnel. The operation of the pushbutton shall cause all of the facility's generation to be removed from service, and shall block all automatic start up of generation. The status lights shall be located local to the pushbutton. A red light shall indicate that generation is connected to the PSNH system. A green light shall indicate that no generators are connected to the PSNH system.
- g) Power factor correction capacitors should be installed in order to provide some of the excitation requirements of the induction generators when running. (Capacitors with no PCB should be used). It is recommended that one 50 kVAR 3 phase 480 volt unit be installed per machine. The location of these capacitors should be determined by the owner's consultant or the generator manufacturer.

5) System Metering (Refer to Sketch 062883).

The metering recommendations as outlined are based on the system configuration as shown on the enclosed sketch. The equipment with approximate costs is as follows:

a) 2 - G.E. Type JAK-0 Current Transformers, 800/5	\$ 129.00
b) 2 - G.E. Type JVP-1 Potential Transformers 480-120 Volts	306.00
c) 1 - Anchor #TSS-13-2-PS-HO, Meter Socket	100.00
d) 1 - Meter Device, 10 Pole Test Switch #A-1898C	36.00

e) 1 - G.E. Type VM65S Watthour Meter, with 60 minute M60 Register and Detent	300.00
f) 1 - Anchor #3624 Cabinet for (VTs & CTs)	100.00
g) Miscellaneous Material	75.00
h) Labor and Overheads	475.00
SUB-TOTAL	<u>\$1,521.00</u>

Any installation, service or maintenance required on this equipment and performed by PSNH will be billed to the owner.

IV. When the requirements specified in Item III. are fulfilled, the generating units are acceptable for interconnection to the PSNH circuit #399X1.

V. Recommendations

Protection of the customer's generating equipment and auxiliary equipment is not the responsibility of PSNH. However, the following equipment should be considered for application by the owner.

A) Phase Unbalance Protection

This form of protection should operate to prevent thermal damage to the generator during conditions of unbalance. Single phase operating conditions may exist as a result of fuse operations (single phase devices) on the PSNH system.

VI. Cost Estimates

A) 34.5 kV Interconnection

1) 4 - Crossarms 8 Pin @ \$80.00 per unit	\$ 320.00
2) 18 - Dead End Insulators @ \$18.00 per unit	324.00
3) 3 - Power Fuses, S & C type SMD-20 rated 34.5 kV, Cat. #92544 @ \$280.00 per unit	840.00
4) 480 Feet of 4/0 ACSR @ \$1.50 per foot	720.00
5) 6 - Dead End Clamps @ \$13.00 per unit	78.00
6) 9 - S & C Power Fuse 25E - Slow, TCC119-1 Cat. #711025 @ \$48.00 per unit	432.00

7) Miscellaneous Charges, Overtime for structure changes		600.00
	SUB-TOTAL	<u>\$3,314.00</u>

NOTES:

- 1) The equipment and installation costs estimated in Item A, 1 through 8, above will be provided by PSNH and billed to the owner as agreed upon.
- 2) The owner is responsible for furnishing and installing:
 - a) Pole
 - b) Air Break
 - c) Underground Cable
 - d) Conduit Riser on pole
 - e) Stress Cones outside and inside including connections.
 - f) Lightning Arresters at both ends of cable.
 - g) 3 Phase 200 A Meter Base, 120/208 Volts, and Load Conductors from pole to plant.

NOTE: Material for items a, c, e, f and g may be purchased from PSNH if the owner or his contractor wishes.

B) System Protection Devices (equipment only).

1) Overfrequency Relay (81/0) Westinghouse CF-1	\$ 676.25
2) Underfrequency Relay (81/U) Westinghouse CF-1	676.25
3) Over/Under Voltage Relay (27/59) G.E. Model 12IAV53K1A	426.25
4) Reverse Power Relay (32) G.E. Model 12ICW51A2A	600.00
5) 1 - G.E. Potential Transformer, Model JVP-1, 480-120 Volts	148.00
6) 1 - G.E. Current Transformer, Model JKM-0, 1200/5	<u>155.40</u>
	SUB-TOTAL
	<u>\$2,682.15</u>

Alternate to items 1, 2 and 3 above -

1 - Beckwith "PRIDE" Relay -- Model M-0290/M-0397	\$1,780.00
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ALTERNATE SUB-TOTAL	<u>\$2,683.40</u>
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NOTES:

- 1) The above list is for equipment only, mounting and installation is the responsibility of the owner.
- 2) A labor charge of \$400 for PSNH test personnel will be billed to the owner. This charge will cover the relay settings and testing and checking to verify the correct functioning of all safety systems required by PSNH.

C) System Metering

1) 2 - G.E. Type JAK, 800/5 Current Transformers	\$ 129.00
2) 2 - G.E. Type JVP-1 480-120 Volts, Voltage Transformers	306.00
3) 1 - G.E. Type VM-65-S Watthour Meter With 60 Minute M60 Demand Register and Detent	300.00
4) 1 - Anchor Cat. #TSS-13-2-PS-HO Meter Socket	100.00
5) 1 - Meter Devices Cat. #A-1898C, 10 Pole Test Switch	36.00
6) 1 - Anchor Cat. #3624 Cabinet For CT's and PT's	100.00
7) Misc. Material & Supplies	75.00
8) Labor & Overheads	<u>475.00</u>
METERING SUB-TOTAL	\$1521.00

NOTES:

- A) Metering costs includes vector analysis and initial meter tests.
- B) Developer to physically mount metering equipment and install necessary conduit.
- C) PSNH to wire meter secondaries and perform tests.
- D) Transformer losses (GSU) to be estimated and subtracted from gross generation by meter calibration.
- E) There is a 6-10 week delivery lead time required on metering equipment.

BY DATE

SUBJECT COCHECO FALLS

SHEET NO. OF

CHKD. BY DATE

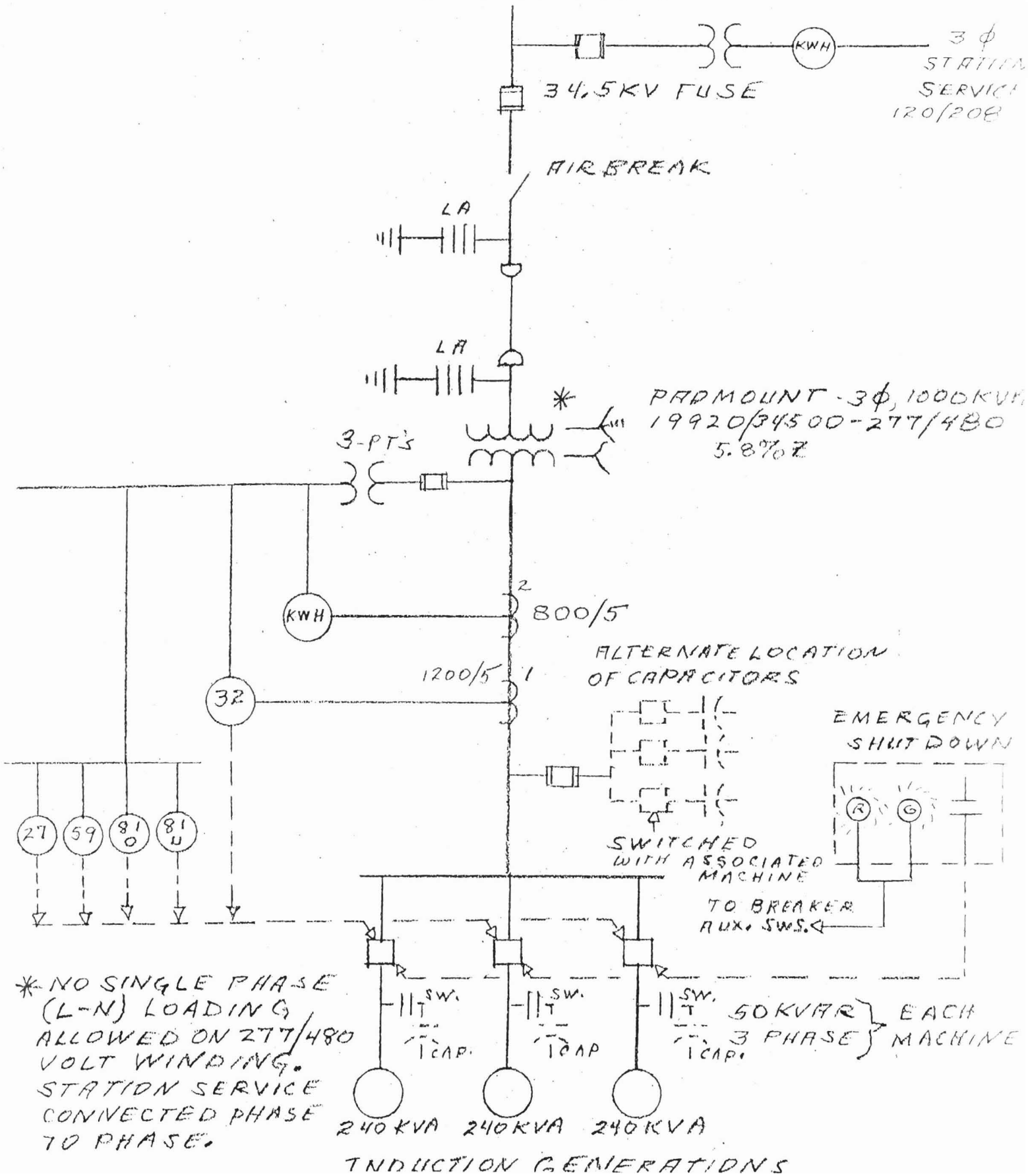
HYDRO-LEED # 008

JOB NO.

DOVER, NH

062883

TYPICAL ONE LINE
PSNH
CIRCUIT 399X1



* NO SINGLE PHASE (L-N) LOADING ALLOWED ON 277/480 VOLT WINDING. STATION SERVICE CONNECTED PHASE TO PHASE.

INDUCTION GENERATIONS

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

- 2 -

Safety and Adequacy

The dam is classified as a low hazard structure. Stability analyses show the dam is safe for normal pool, normal pool plus ice, normal pool plus earthquake and 100 year flood conditions. Failure of the dam for greater floods would not significantly increase downstream flow due to the low dam (8 feet) height and the small amount of storage which would be released. Furthermore, the spillway is considered adequate.

Economic Feasibility

Applicant estimates that the total project cost will be \$1,067,000. The project would generate an estimated 3,400,000 kWh per year. The hydroelectric energy produced by the project represents a fuel savings of 5,600 barrels of oil or 1,570 tons of coal annually. A staff analysis concluded that the project is economically feasible.

Environmental Considerations

The land adjacent to the project area is primarily used for residential purposes. A small park, named the Fish Ladder Park, is located immediately adjacent to the project. The riparian zone that exists along the periphery of the reservoir is comprised of white birch, alder, and poplar. Small shallow marshes exist at the mouths of tributaries that enter the reservoir. The water quality of the Cochecho River in the area of the Cochecho Falls Dam is designated by the state as Class B, which indicates that the water is capable of supporting recreational and industrial use, and domestic use after treatment.

Fishes common to the project waters include chain pickerel, yellow perch, and bullhead. In addition, the National Marine Fisheries Service indicated that anadromous fish, such as alewives, blueback herring, and American shad, are known to occur in the Cochecho River and currently use the existing fish passage facility. No threatened or endangered species are known to occur in the area.

The U.S. Fish and Wildlife Service (FWS) and New Hampshire Fish and Game Department (FGD) recommended that the trashrack and intake structures be constructed in such a manner that the spacing of the vertical bars would not exceed 1 inch and that the approach velocity would not exceed 1 foot per second so as to minimize adverse impacts to downstream migrating juvenile anadromous fish. In addition, these agencies recommended that the Applicant construct a downstream migrant sluiceway at the north end of the spillway to allow for downstream passage of juvenile anadromous fish during the summer and fall migration period. Article 23 requires the licensee to consult appropriate fishery agencies and to determine the need for such facilities to provide for the downstream movement of juvenile anadromous fish.

Mr. John N. Webster) Project No. 4718-000

ORDER ISSUING LICENSE (MINOR)

(Issued December 8, 1982)

Mr. John N. Webster (Applicant) filed on May 22, 1981, an application for license under Part I of the Federal Power Act (Act) to construct, operate, and maintain the Cochecho Falls Dam Project No. 4718. 1/ The project would be located on the Cochecho River in Strafford County, New Hampshire, and would affect the interests of interstate or foreign commerce.

Notice of the application has been published and comments have been received from interested Federal, State, and local agencies. No protests or petitions to intervene have been received, and none of the agencies objected to issuance of the license.

The Proposed Project

Applicant proposes to redevelop an existing hydroelectric project which presently consists of the Cochecho Falls Dam, owned by the City of Dover, New Hampshire, a penstock, and a powerhouse that was built in 1930. In addition, a fish passage facility was constructed along the south side of the spillway and is currently being operated by the New Hampshire Fish and Game Department.

The Applicant would install new headgates and trashracks, reconstruct the penstock, construct 1,000 feet of transmission line, and install a 700-kw generating unit. The hydraulic capacity of the generating unit would be approximately 300 cubic feet per second (cfs). The project would be operated as run-of-river.

1/ Authority to act on this matter is delegated to the Director, Office of Electric Power Regulation, under §375.308 of the Commission's regulations, 18 C.F.R. §375.308 (1981), FERC Statutes and Regulations §10,238. This order may be appealed to the Commission by any party within 30 days of its issuance pursuant to Rule 1902, 18 C.F.R. §385.1902, FERC Statutes and Regulations §19,052, 47 Fed. Reg. 19014 (1982). Filing an appeal and final Commission action on that appeal are prerequisites for filing an application for rehearing as provided in Section 311(a) of the Act. Filing an appeal does not operate as a stay of the effective date of this order or of any other date specified in this order, except as specifically directed by the Commission.

The FWS and FGD also indicated that the existing upstream fish passage facility should be maintained and operated and recommended that 20 cfs be discharged from the fishway and 20 cfs from the spillway gates during the upstream migration period (April 15 through June 30) of anadromous species. The proposed release of water from the spillway would be used to attract anadromous fish to the fishway entrance. In addition, the FWS and FGD recommended that 20 cfs be released from the proposed downstream migrant sluiceway to facilitate downstream passage of juvenile anadromous fish during the summer and fall migration period. The Applicant proposed in its application that a minimum flow of 7 cfs be released from the fishway. Article 24 requires Licensee to consult with appropriate fish and wildlife agencies in conducting studies to determine appropriate minimum flow releases from the project to facilitate upstream and downstream migration of anadromous fish. Article 25 requires the release of interim minimum flows, which are those recommended by the FGD and FWS.

The New Hampshire Historic Preservation Officer (SHPO) indicated that the Cocheco Falls Dam may be eligible for the National Register of Historic Places and recommended that any rehabilitation and new construction resulting from the project redevelopment be done in accordance with the guidelines outlined in the "Secretary of the Interior's Standard for Rehabilitation." Article 26 requires the Licensee to coordinate redevelopment of the project with the SHPO.

The Division of Forest and Lands (DFL) of the New Hampshire Department of Resources and Economic Development (DRED) indicated that the City of Dover is considering improving the Fish Ladder Park and incorporating it into the Cocheco River Trail System. As a result, the DFL recommended that improvements to the hydroelectric facility should be coordinated with the City of Dover so as to minimize potential adverse impacts to the park. Article 27 requires the Licensee to coordinate rehabilitation of the project facilities with the city planning office of the City of Dover.

Some minor environmental disturbance would be expected during the construction and repair of the project facilities; however, these impacts would be of short-term duration and minor in nature. For the above reasons, it is concluded that issuance of this license will not constitute a major Federal action significantly affecting the quality of the human environment.

Comprehensive Development

The project would have an installed capacity of 700 kW and would operate at an annual plant factor of 0.55 percent. The estimated flow of the Cocheco River equals or exceeds the hydraulic capacity of the plant approximately 27 percent of the time.

The project would make good use of the flow and fall of the Cocheco River and would be best adapted to the comprehensive development of the basin under present conditions upon compliance with the terms and conditions of this license.

License Term

The proposed development of this project using an existing dam is similar to relicensing an existing licensed project at which a moderate amount of new development is proposed; therefore, consistent with the Commission's policy, a 40-year license term is reasonable in this instance. 2/

It is ordered that:

(A) This license is issued to Mr. John N. Webster (Licensee) under Part I of the Federal Power Act (Act), for a period of 40 years, effective the first day of the month following the month in which this order is issued, for the construction, operation, and maintenance of the Cocheco Falls Dam Project No. 4718, located on the Cocheco River in Strafford County, New Hampshire and affecting the interests of interstate and foreign commerce. This license is subject to the terms and conditions of the Act, which is incorporated by reference as part of this license, and subject to the regulations the Commission issues under the provision of the Act.

(B) The Cocheco Falls Dam Project No. 4718 would consist of:

(1) All lands, to the extent of the Licensee's interests in those lands, constituting the project area and enclosed by the project boundary. The project area and boundary are shown and described by certain exhibits that form part of the application for license and that are designated and described as:

<u>Exhibit</u>	<u>FERC No. 4718-</u>	<u>Showing</u> f
K-1	1	Location Map
K-2	2	Schematic Details of Project

2/ Montana Power Company, Order Issuing License (Major) Project No. 2301 (October 5, 1976).

(2) Project works consisting of: (1) an existing 150-foot-long and 8.75-foot-high granite gravity dam; (2) new intake structures; (3) a new 150-foot-long penstock 8 feet in diameter; (4) an existing powerhouse with a new 700-kw generating unit; (5) a 1,000-foot long transmission line; and (6) other appurtenances.

The location, nature, and character of these project works are more specifically shown and described by the exhibits cited above and by certain other exhibits which also form part of the application for license and which are designated and described as:

<u>Exhibit</u>	<u>FERC No. 4718-</u>	<u>Showing</u>
L-1	3	Dam and Powerhouse
L-2	4	Dam and Powerhouse

(3) All of the structures, fixtures, equipment, or facilities used or useful in the operation or maintenance of the project and located within the project boundary, all portable property that may be employed in connection with the project, located within or outside the project boundary, as approved by the Commission, and all riparian or other rights necessary or appropriate in the operation or maintenance of the project.

(C) Exhibits K and L, designated in ordering paragraph (B) above are approved and made a part of the license.

(D) Pursuant to Section 10(i) of the Act, it is in the public interest to waive the following Sections of Part I of the Act, and they are excluded from the license:

Section 4(b), except the second sentence; 4(e), insofar as it relates to approval of plans by the Chief of Engineers and the Secretary of the Army; 6, insofar as it relates to public notice and to the acceptance and expression in the license of terms and conditions of the Act that are waived here; 10(c), insofar as it relates to depreciation reserves; 10(d); 10(f); 14, except insofar as the power of condemnation is reserved; 15; 16; 19; 20; and 22.

(E) This license is also subject to Articles 1 through 18 in Form L-15 (revised October 1975), entitled "Terms and Conditions for Unconstructed Minor Project Affecting the Interests of Interstate or Foreign Commerce," attached to and made a part of this license. This license is also subject to the following special conditions set forth as additional articles.

Article 19. The Licensee shall review and approve the design and construction procedures for contractor-designed cofferdams and deep excavations prior to the start of construction. The Licensee shall file with the Commission's Regional Engineer and Director, Office of Electric Power Regulation, one copy of the approved construction drawings and specifications, and a copy of the letter of approval.

Article 20. The Licensee shall file with the Commission's Regional Engineer and the Director, Office of Electric Power Regulations, one copy each of the contract drawings and specifications for pertinent features of the project such as water retention structures, powerhouse and water conveyance structures, at least 60 days prior to start of construction. The Director, Office of Electric Power Regulations may require changes in the plans and specifications to ensure a safe and adequate project.

Article 21. The Licensee shall within 90 days of completion of construction, file in accordance with the Commission's Rules and Regulations revised Exhibit L drawings showing the project as-built.

Article 22. The Licensee shall commence the construction of the project within 1 year of the date of issuance of the license, and shall complete the construction within 2 years from the start of construction.

Article 23. Licensee shall consult and cooperate with the New Hampshire Fish and Game Department (FGD) and the U.S. Fish and Wildlife Service (FWS) to assess the need for construction of new facilities and to determine the design of the intake works that would permit downstream passage of anadromous fish. Further, Licensee shall, within 6 months from the date of issuance of this license, file a report of its findings, and for Commission approval, recommendations for construction of new facilities and for the functional design of the intake works, to include letters from the FGD and FWS commenting thereon.

Article 24. Licensee shall consult and cooperate with the New Hampshire Fish and Game Department (FGD) and the U.S. Fish and Wildlife Service (FWS) in conducting studies to determine a minimum flow scheme to facilitate upstream and downstream migration of anadromous fish. Further, Licensee shall, within 6 months from the date of issuance of this license, file a report of its findings, and for Commission approval, recommendations for a minimum flow release, along with comments from the FGD and FWS.

Article 25. Licensee shall discharge interim minimum flows of 20 cubic feet per second (cfs) from the fish passage facility and 20 cfs from the spillway from April 15, through June 30 for the purpose of aiding the upstream passage of anadromous fish. In addition, Licensee shall release an interim flow of 20 cfs from the spillway from August 15 until ice forms on the river to facilitate downstream passage of anadromous fish. These flows may be temporarily modified if required by operating emergencies beyond the control of the Licensee, for minimum flow study required by Article 25, and for short periods for fishery management purposes upon mutual agreement between the Licensee and the New Hampshire Fish and Game Department.

Article 26. The Licensee shall, prior to the commencement of construction at the project, cooperate with the New Hampshire State Historic Preservation Officer (SHPO) to design and carry out a study to identify and describe the significance of Cocheco Falls Dam and associated historical properties within the project boundary in terms of eligibility for the National Register of Historic Places, and to assess the nature and extent of impacts to any identified eligible properties. This study shall be conducted in a manner satisfactory to the SHPO, and documented in a report to be filed with the Commission and the SHPO at least 60 days prior to the commencement of construction work at the project. Any proposed plan to avoid or mitigate impacts shall be implemented prior to the disturbance of a particular eligible property or properties, and only after Commission review of the plan. The Licensee shall make available funds in a reasonable amount for undertaking the study and implementation of the plan as required. If any previously unrecorded archeological or historical sites are discovered during the course of construction or development of any project works or other facilities at the project, construction activity in the vicinity shall be halted, a qualified archeologist shall be consulted to determine the significance of the sites, and the Licensee shall consult with the SHPO to develop a mitigation plan for the protection of significant archeological or historical sites. If the Licensee and the SHPO cannot agree on the amount of money to be expended on archeological or historical work related to the project, the Commission reserves the right to require the Licensee to conduct, at its own expense, any such work found necessary.

Article 27. Licensee shall coordinate redevelopment of the project with the City of Dover Planning Office so as to minimize any adverse impacts to existing and future development of Fish Ladder Park. Evidence of consultation with the City of Dover Planning Office shall be submitted to the Commission prior to commencement of any project construction activities that would affect the Fish Ladder Park.

Article 28. The Licensee shall pay the United States the following annual charges, effective the first day of the month in which this license is issued:

For the purpose of reimbursing the United States for the cost of administration of part I of the Act, a reasonable amount as determined in accordance with the provisions of the Commission's regulations in effect from time to time. The authorized installed capacity for that purpose is 900 horsepower.

Article 29. The Licensee shall continue to consult and cooperate with the U.S. Fish and Wildlife Service, the New Hampshire Fish and Game Department, and other appropriate agencies for the protection and development of the environmental resources and values of the project area. The Commission reserves the right to require changes in the project works or operations that may be necessary to protect and enhance those resources and values.

Article 30. (a) In accordance with the provisions of this article, the Licensee shall have the authority to grant permission for certain types of use and occupancy of project lands and waters and to convey certain interests in project lands and waters for certain other types of use and occupancy, without prior Commission approval. The Licensee may exercise the authority only if the proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational, and other environmental values of the project. For those purposes, the Licensee shall also have continuing responsibility to supervise and control the uses and occupancies for which it grants permission, and to monitor the use of, and ensure compliance with the covenants of the instrument of conveyance for, any interests that it has conveyed, under this article. If a permitted use and occupancy violates any condition of this article or any other condition imposed by the Licensee for protection and enhancement of the project's scenic, recreational, or other environmental values, or if a covenant of a conveyance made under the authority of this article is violated, the Licensee shall take any lawful action necessary to correct the violation. For a permitted use or occupancy, that action includes, if necessary, cancelling the permission to use and occupy the project lands and waters and requiring the removal of any non-complying structures and facilities

(b) The types of use and occupancy of project lands and waters for which the Licensee may grant permission without prior Commission approval are: (1) landscape plantings; (2) non-commercial piers, landings, boat docks, or similar structures and facilities; and (3) embankments, bulkheads, retaining walls, or similar structures for erosion control to protect the existing shoreline. To the extent feasible and desirable to protect and enhance the project's scenic, recreational, and other environmental values, the Licensee shall require multiple use and occupancy of facilities for access to project lands or waters. The Licensee shall also ensure, to the satisfaction of the Commission's authorized representative, that the uses and occupancies for which it grants permission are maintained in good repair and comply with applicable State and local health and safety requirements. Before granting permission for construction of bulkheads or retaining walls, the Licensee shall: (1) inspect the site of the proposed construction, determine whether the planting of vegetation or the use of riprap would be adequate to control erosion at the site, and (3) change the basic contour of the reservoir shoreline. To implement this paragraph (b), the Licensee may, among other things, establish a program for issuing permits for the specified types of use and occupancy of project lands and waters, which may be subject to the payment of a reasonable fee to cover the Licensee's costs of administering the permit program. The Commission reserves the right to require the Licensee to file a description of its standards, guidelines, and procedures for implementing this paragraph (b) and to require modification of those standards, guidelines, or procedures.

(c) The Licensee may convey easements or rights-of-way across, or leases of, project lands for: (1) replacement, expansion, realignment, or maintenance of bridges and roads for which all necessary State and Federal approvals have been obtained; (2) storm drains and water mains; (3) sewers that do not discharge into project waters; (4) minor access roads; (5) telephone, gas, and electric utility distribution lines; (6) non-project overhead electric transmission lines that do not require erection of support structures within the project boundary; (7) submarine, overhead, or underground major telephone distribution cables or major electric distribution lines (69-kv or less); and (8) water intake or pumping facilities that do not extract more than one million gallons per day from a project reservoir. No later than January 31 of each year, the Licensee shall file three copies of a report briefly describing for each conveyance made under this paragraph (c) during the prior calendar year, the type of interest conveyed, the location of the lands subject to the conveyance, and the nature of the use for which the interest was conveyed.

(d) The Licensee may convey fee title to, easements or rights-of-way across, or leases of project lands for: (1) construction of new bridges or roads for which all necessary State and Federal approvals have been obtained; (2) sewer or effluent lines that discharge into project waters, for which all necessary Federal and State water quality certificates or permits have been obtained; (3) other pipelines that cross project lands or waters but do not discharge into project waters; (4) non-project overhead electric transmission lines that require erection of support structures within the project boundary, for which all necessary Federal and State approvals have been obtained; (5) private or public marinas that can accommodate no more than 10 watercraft at a time and are located at least one-half mile from any other private or public marina; (6) recreational development consistent with an approved Exhibit R or approved report on recreational resources of an Exhibit E; and (7) other uses, if: (i) the amount of land conveyed for a particular use is five acres or less; (ii) all of the land conveyed is located at least 75 feet, measured horizontally, from the edge of the project reservoir at normal maximum surface elevation; and (iii) no more than 50 total acres of project lands for each project development are conveyed under this clause (d)(7) in any calendar year. At least 45 days before conveying any interest in project lands under this paragraph (d), the Licensee must file a letter to the Director, Office of Electric Power Regulation, stating its intent to convey the interest and briefly describing the type of interest and location of the lands to be conveyed (a marked Exhibit G or K map may be used), the nature of the proposed use, the identity of any Federal or State agency official consulted, and any Federal or State approvals required for the proposed use. Unless the Director, within 45 days from the filing date, requires the Licensee to file an application for prior approval, the Licensee may convey the intended interest at the end of that period.

(e) The following additional conditions apply to any intended conveyance under paragraphs (c) or (d) of this article:

(1) Before conveying the interest, the Licensee shall consult with Federal and State fish and wildlife or recreation agencies, as appropriate, and the State Historic Preservation Officer.

(2) Before conveying the interest, the Licensee shall determine that the proposed use of the lands to be conveyed is not inconsistent with any approved Exhibit R or approved report on recreational resources of an Exhibit E; or, if the project does not have an approved Exhibit R or approved report on recreational resources, that the lands to be conveyed do not have recreational value.

(3) The instrument of conveyance must include covenants running with the land adequate to ensure that: (i) the use of the lands conveyed shall not endanger health, create a nuisance, or otherwise be incompatible with overall project recreational use; and (ii) the grantee shall take all reasonable precautions to ensure that the construction, operation, and maintenance of structures or facilities on the conveyed lands will occur in a manner that will protect the scenic, recreational, and environmental values of the project.

(4) The Commission reserves the right to require the Licensee to take reasonable remedial action to correct any violation of the terms and conditions of this article, for the protection and enhancement of the project's scenic, recreational, and other environmental values.

(f) The conveyance of an interest in project lands under this article does not in itself change the project boundaries. The project boundaries may be changed to exclude land conveyed under this article only upon approval of revised Exhibit G or K drawings (project boundary maps) reflecting exclusion of that land. Lands conveyed under this article will be excluded from the project only upon a determination that the lands are not necessary for project purposes, such as operation and maintenance, flowage, recreation, public access, protection of environmental resources, and shoreline control, including shoreline aesthetic values. Absent extraordinary circumstances, proposals to exclude lands conveyed under this article from the project shall be consolidated for consideration when revised Exhibit G or K drawings would be filed for approval for other purposes.

(P) The Licensee's failure to file a petition appealing this order to the Commission shall constitute acceptance of this license. In acknowledgment of acceptance of this order and its terms and conditions, it shall be signed by the Licensee and returned to the Commission within 60 days from the date this order is issued.

Lawrence R. Anderson
Lawrence R. Anderson
Director, Office of Electric
Power Regulation

IN TESTIMONY of its acknowledgment of acceptance of all of the terms and conditions of this Order, John N. Webster this day of _____, 19____, has caused his name to be signed hereto.

By _____
John N. Webster

Attest:

(Executed in quadruplicate)

FEDERAL ENERGY REGULATORY COMMISSION
TERMS AND CONDITIONS OF LICENSE FOR UNCONSTRUCTED
MINOR PROJECT AFFECTING THE INTERESTS OF
INTERSTATE OR FOREIGN COMMERCE

made without the prior approval of the Commission, which in its judgment have produced or will produce any of such results, shall be subject to such alteration as the Commission may direct.

Upon the completion of the project, or at such other time as the Commission may direct, the Licensee shall submit to the Commission for approval revised exhibits insofar as necessary to show any divergence from or variations in the project area and project boundary as finally located or in the project works as actually constructed when compared with the area and boundary shown and the works described in the license or in the exhibits approved by the Commission, together with a statement in writing setting forth the reasons which in the opinion of the Licensee necessitated or justified variation in or divergence from the approved exhibits. Such revised exhibits shall, if and when approved by the Commission, be made a part of the license under the provisions of Article 2 hereof.

Article 1. The entire project, as described in this order of the Commission, shall be subject to all of the provisions, terms, and conditions of the license.

Article 2. No substantial change shall be made in the maps, plans, specifications, and statements described and designated as exhibits and approved by the Commission in its order as a part of the license until such change shall have been approved by the Commission; provided, however, that if the Licensee or the Commission deems it necessary or desirable that said approved exhibits, or any of them, be changed, there shall be submitted to the Commission for approval a revised, or additional, exhibit or exhibits covering the proposed changes which, upon approval by the Commission, shall become a part of the license and shall supersede, in whole or in part, such exhibit or exhibits theretofore made a part of the license as may be specified by the Commission.

Article 3. The project works shall be constructed in substantial conformity with the approved exhibits referred to in Article 2 herein or as changed in accordance with the provisions of said article. Except when emergency shall require for the protection of navigation, life, health, or property, there shall not be made without prior approval of the Commission any substantial alteration or addition not in conformity with the approved plans to any dam or other project works under the license or any substantial use of project lands and waters not authorized herein; and any emergency alteration, addition, or use so made shall thereafter be subject to such modification and change as the Commission may direct. Minor changes in project works, or in uses of project lands and waters, or divergence from such approved exhibits may be made if such changes will not result in a decrease in efficiency, in a material increase in cost, in an adverse environmental impact, or in impairment of the general scheme of development; but any of such minor changes

Article 4. The construction, operation, and maintenance of the project and any work incidental to alterations or alterations shall be subject to the inspection and supervision of the Regional Engineer, Federal Power Commission, in the region wherein the project is located, or of such other officer or agent as the Commission may designate, who shall be the authorized representative of the Commission for such purposes. The Licensee shall cooperate fully with said representative and shall furnish him a detailed program of inspection by the Licensee that will provide for an adequate and qualified inspection force for construction of the project and for any subsequent alterations to the project. Construction of the project works or any feature or alteration thereof shall not be initiated until the program of inspection for the project works or any such feature thereof has been approved by said representative. The Licensee shall also furnish to said representative such further information as he may require concerning the construction, operation, and maintenance of the project, and of any alteration thereof, and shall notify him of the date upon which work will begin, as far in advance thereof as said representative may reasonably specify, and shall notify him promptly in writing of any suspension of work for a period of more than one week, and of its resumption and completion. The Licensee shall allow said representative and other

officers or employees of the United States, showing proper credentials, free and unrestricted access to, through, and across the project lands and project works in the performance of their official duties. The Licensee shall comply with such rules and regulations of general or special applicability as the Commission may prescribe from time to time for the protection of life, health, or property.

Article 5. The Licensee, within five years from the date of issuance of the license, shall acquire title in fee or the right to use in perpetuity all lands, other than lands of the United States, necessary or appropriate for the construction, maintenance, and operation of the project. The Licensee or its successors and assigns shall, during the period of the license, retain the possession of all project property covered by the license as issued or as later amended, including the project area, the project works, and all franchises, easements, water rights, and rights of occupancy and use; and none of such properties shall be voluntarily sold, leased, transferred, abandoned, or otherwise disposed of without the prior written approval of the Commission, except that the Licensee may lease or otherwise dispose of interests in project lands or property without specific written approval of the Commission pursuant to the then current regulations of the Commission. The provisions of this article are not intended to prevent the abandonment or the retirement from service of structures, equipment, or other project works in connection with replacements thereof when they become obsolete, inadequate, or inefficient for further service due to wear and tear; and mortgage or trust deeds or judicial sales made thereunder, or tax sales, shall not be deemed voluntary transfers within the meaning of this article.

Article 6. The Licensee shall install and thereafter maintain gages and stream-gaging stations for the purpose of determining the stage and flow of the stream or streams on which the project is located, the amount of water held in and withdrawn from storage, and the effective head on the turbines; shall provide for the required reading of such gages and for the adequate rating of such stations; and shall install and maintain standard meters adequate for the determination of the amount of electric energy generated by the project works. The number, character, and location of gages, meters, or other measuring devices, and the method of operation thereof, shall at all times be satisfactory to the Commission or its authorized representative.

The Commission reserves the right, after notice and opportunity for hearing, to require such alterations in the number, character, and location of gages, meters, or other measuring devices, and the method of operation thereof, as are necessary to secure adequate determinations. The installation of gages, the rating of said stream or streams, and the determination of the flow thereof, shall be under the supervision of, or in cooperation with, the District Engineer of the United States Geological Survey having charge of stream-gaging operations in the region of the project, and the Licensee shall advance to the United States Geological Survey the amount of funds estimated to be necessary for such supervision, or cooperation for such periods as may be mutually agreed upon. The Licensee shall keep accurate and sufficient records of the foregoing determinations to the satisfaction of the Commission, and shall make return of such records annually at such time and in such form as the Commission may prescribe.

Article 7. The Licensee shall, after notice and opportunity for hearing, install additional capacity or make other changes in the project as directed by the Commission, to the extent that it is economically sound and in the public interest to do so.

Article 8. The Licensee shall, after notice and opportunity for hearing, coordinate the operation of the project, electrically and hydraulically, with such other projects or power systems and in such manner as the Commission may direct in the interest of power and other beneficial public uses of water resources, and on such conditions concerning the equitable sharing of benefits as by the Licensee as the Commission may order.

Article 9. The operations of the Licensee, so far as they affect the use, storage and discharge from storage of waters affected by the license, shall at all times be controlled by such reasonable rules and regulations as the Commission may prescribe for the protection of life, health, and property, and in the interest of the fullest practicable conservation and utilization of such waters for power purposes and for other beneficial public uses, including recreational purposes, and the Licensee shall release water from the project reservoir at such rate in cubic feet per second, or such volume in acre-feet per specified period of time, as the Commission may prescribe for the purposes hereinbefore mentioned.

Article 10. On the application of any person, association, corporation, Federal agency, State or municipality, the Licensee shall permit such reasonable use of its reservoir or other project properties, including works, lands and water rights, or parts thereof, as may be ordered by the Commission, after notice and opportunity for hearing, in the interests of comprehensive development of the waterway or waterways involved and the conservation and utilization of the water resources of the region for water supply or for the purposes of steam-electric, irrigation, industrial, municipal or similar uses. The Licensee shall receive reasonable compensation for use of its reservoir or other project properties or parts thereof for such purposes, to include at least full reimbursement for any damages or expenses which the joint use causes the Licensee to incur. Any such compensation shall be fixed by the Commission either by approval of an agreement between the Licensee and the party or parties benefiting or after notice and opportunity for hearing. Applications shall contain information in sufficient detail to afford a full understanding of the proposed use, including satisfactory evidence that the applicant possesses necessary water rights pursuant to applicable State law, or a showing of cause why such evidence cannot concurrently be submitted, and a statement as to the relationship of the proposed use to any State or municipal plans or orders which may have been adopted with respect to the use of such waters.

Article 11. The Licensee shall, for the conservation and development of fish and wildlife resources, construct, maintain, and operate; or arrange for the construction, maintenance, and operation of such reasonable facilities, and comply with such reasonable modifications of the project structures and operation, as may be ordered by the Commission upon its own motion or upon the recommendation of the Secretary of the Interior or the fish and wildlife agency or agencies of any State in which the project or a part thereof is located, after notice and opportunity for hearing.

Article 12. Whenever the United States shall desire, in connection with the project, to construct fish and wildlife facilities or to improve the existing fish and wildlife facilities at its own expense, the Licensee shall

permit the United States or its designated agency to use, free of cost, such of the Licensee's lands and interests in lands, reservoirs, waterways and project works as may be reasonably required to complete such facilities or such improvements thereof. In addition, after notice and opportunity for hearing, the Licensee shall modify the project operation as may be reasonably prescribed by the Commission in order to permit the maintenance and operation of the fish and wildlife facilities constructed or improved by the United States under the provisions of this article. This article shall not be interpreted to place any obligation on the United States to construct or improve fish and wildlife facilities or to relieve the Licensee of any obligation under this license.

Article 13. So far as is consistent with proper operation of the project, the Licensee shall allow the public free access, to a reasonable extent, to project waters and adjacent project lands owned by the Licensee for the purpose of full public utilization of such lands and waters for navigation and for outdoor recreational purposes, including fishing and hunting: Provided, That the Licensee may reserve from public access such portions of the project waters, adjacent lands, and project facilities as may be necessary for the protection of life, health, and property.

Article 14. In the construction, maintenance, or operation of the project, the Licensee shall be responsible for, and shall take reasonable measures to prevent, soil erosion on lands adjacent to streams or other waters, stream sedimentation, and any form of water or air pollution. The Commission, upon request or upon its own motion, may order the Licensee to take such measures as the Commission finds to be necessary for these purposes, after notice and opportunity for hearing.

Article 15. The Licensee shall consult with the appropriate State and Federal agencies and, within one year of the date of issuance of this license, shall submit for Commission approval a plan for clearing the reservoir area. Further, 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. Upon approval of the clearing plan 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.

Article 16. If the Licensee shall cause or suffer essential project property to be removed or destroyed or to become unfit for use, without adequate replacement, or shall abandon or discontinue good faith operation of the project or refuse or neglect to comply with the terms of the license and the lawful orders of the Commission mailed to the record address of the Licensee or its agent, the Commission will deem it to be the intent of the Licensee to surrender the license. The Commission, after notice and opportunity for hearing, may require the Licensee to remove any or all structures, equipment and power lines within the project boundary and to take any such other action necessary to restore the project waters, lands, and facilities remaining within the project boundary to a condition satisfactory to the United States agency having jurisdiction over its lands or the Commission's authorized representative, as appropriate, or to provide for the continued operation and maintenance of nonpower facilities and fulfill such other obligations under the license as the Commission may prescribe. In addition, the Commission in its discretion, after notice and opportunity for hearing, may also agree to the surrender of the license when the Commission, for the reasons recited herein, deems it to be the intent of the Licensee to surrender the license.

Article 17. The right of the Licensee and of its successors and assigns to use or occupy waters over which the United States has jurisdiction, or lands of the United States under the license, for the purpose of maintaining the project works or otherwise, shall absolutely cease at the end of the license period, unless the Licensee has obtained a new license pursuant to the then existing laws and regulations, or an annual license under the terms and conditions of this license.

Article 18. The terms and conditions expressly set forth in the license shall not be construed as impairing any terms and conditions of the Federal Power Act which are not expressly set forth herein.