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October 22, 2015

Ms. Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

Via Express Mail and E-Mail

Re: SilverStreet Hydro, LLC Application for NH RPS Class I Qualification for Hosiery Mills Hydroelectric Facility

Dear Executive Director Howland:

Transmitted herewith for filing is one (1) original and two (2) copies of an application from SilverStreet Hydro, LLC, as owner of the Hosiery Mills hydroelectric facility in Hillsborough, NH, for qualification as a New Hampshire RPS Class I Resource pursuant to the Commission's regulations implementing the New Hampshire Electric Renewable Portfolio Standard, NH Puc 2500 et seq.

As demonstrated in the letter from Mr. Peter Howe, the Manager of SilverStreet Hydro, LLC and the company's accountants from Pignatare & Sagan LLC, the application and the attachments, this facility qualifies as a class I resource under Puc 2502.06(e) as it has been substantially rebuilt during the past few years such that 85.5% of the current tax basis in the facility is due to substantial investments directly relating to restoring generation and/or increasing capacity.

Finally, as required in the application forms, we wish to affirm that there are no prohibited relationships between the applicant and any other parties involved in this matter.

Thank you in advance for your review and acceptance of this filing and application. If you should have any questions or comments, please do not hesitate to contact me at (617) 694-5181 or via email at qvale@aqvlaw.com.

Sincerely,

A. Quincy Vale, Esq.
Director
Vale Law, PLLC
44 Whittier Street
Andover, MA 01810
T: (617) 694-5181

F: (978) 849-8791
E: qvale@aqvlaw.com

Cc: Mr. Peter Howe, via email
Ms. Barbara Bernstein, via email

Attachments

Letter from Mr. Peter Howe to A. Quincy Vale with Attachments
Application Form for Renewable Energy Source Eligibility with Attachments

SilverStreet Hydro, LLC

15 East Silver St.
Westfield, MA 01085

Phone: 413-562-1266
Fax: 413-562-0087
Cell : 413-262-1701
Email: phowe@silverstreethydro.com

Atty. Quincy Vale
Vale Law for Energy & the Environment
44 Whittier Street
Andover, MA 01810

Re: SilverStreet Hydro, LLC
Hosiery Mills Facility
Hillsborough, NH

Dear Atty Vale:

We are pleased to provide the following in response to your request for a brief history and description of the Hosiery Mills Generating Station.

SilverStreet Hydro (SSH) acquired the station in a direct purchase from ENEL in June of 2008. SSH acquired the station with the knowledge that the generating equipment was nearing the end of its useful life and that SSH would have to invest heavily in the overhaul and updating of all the generating and ancillary equipment present.

The station consists of two 713 Hp Obermeyer semi-Kaplan horizontal shaft turbines driving two 600 KW Allis Chalmers induction generators, an Atlas Polar trash rake system and Rodney Hunt hydraulic head gates. A complete inventory of the site equipment is attached for your information.

Subsequent to SSH's assuming control of the station the following changes and upgrades have been implemented:

- Both turbines have been removed, completely rebuilt to zero time condition, and reinstalled.
- The Atlas Polar rake has been equipped with a new, larger capacity rake head and reprogrammed for faster cycle operation.
- The head gate operators have been completely redesigned to allow operation without the pistons extending into the fore bay water, to eliminate hydraulic oil bypass leakage into the fore bay and to facilitate easier access for cylinder maintenance, removal and replacement.
- The head gate operator support structure has been completely redesigned and rebuilt to provide a substantially more robust foundation for the operating cylinders.
- The head gate operating system has been converted from an air-over-oil hydraulic system to a much simpler and more reliable 24 volt electrically operated hydraulic pump system.
- The old station controls have been removed and replaced with new state of the art digital controls allowing remote operation and monitoring of the station.
- The old, inoperative pond level system has removed and replaced by a new current technology system.

In addition to the above SSH has begun the permit process to enable dredging of the downstream confluence of the tail race and river. When the station was constructed, in the early 1980s, the down-stream dredging was not completed which resulted in a higher tailrace canal water level than the station design called for. The effect of this is to limit the generating capacity of the station to 1,040 KW instead of the 1,200 KW for which it was designed. SSH expects to complete the dredging in mid-2015.

At this point, according to our accounting records (please see the copy of financials enclosed as Attachment B), the Hosiery Mills facility improvements capital expense totals \$640,722 above and beyond the initial investment of \$156,200 to acquire the plant. The current tax basis of the site is \$521,957.00 which is 85.5% of the total book value of the site of \$640,722. So far, we have invested substantial sums as capital investments directly related to restoring generation and/or increasing capacity – an amount far in excess of the 80% level required by NH Puc 2502.06(e), so we are hopeful of being deemed an eligible Class I renewable energy resource.

I am enclosing a series of photographs evidencing some of the circumstances with which we have dealt and some of the changes and upgrades we've made to the facility to restore generation, increase capacity, improve plant availability and enhance its operating efficiencies. Please see Attachment A to this letter containing a narrative photograph album to enable a better visualization of the recent work and investments we have undertaken.

I trust this is all useful information. I appreciate your attention and assistance. If there are any unanswered questions please don't hesitate to call me.

Sincerely,

Peter A. Howe,
Manager

ATTACHMENT A



Refurbished head gates being delivered to the Hosiery Mills site



Rigging the head gates into position and readying for installation



Newly rebuilt trash rake being installed. This rake will keep the racks clear and help to break up ice and keep the station in operation as much as possible.



Difficult to see . . . but this shows a new, more efficient draft tube being rigged in and installed within the powerhouse structure



Before (on left) and after (on right) photographs showing the replacement and upgrade of the head gate pistons/lifters.



Before and after photographs showing the replacement and upgrade of the head gate operators. Air over oil hydraulic system (shown on left) to a much simpler and more reliable 24 volt electrically operated hydraulic pump system (shown on right).

ATTACHMENT B

Report of Pignatare & Sagan LLC
Certified Public Accountants

PIGNATARE & SAGAN LLC**Certified Public Accountants**

1089 Elm Street
West Springfield, MA 01089
Tel. (413) 746-9465
Fax (413) 746-3330

Andrew J. Pignatere, CPA, MST
Charles E. Sagan, CPA
Thomas S. Fil, CPA, MBA

6 Main Street
Westfield, MA 01085
Tel. (413) 562-9676
Fax (413) 562-9723

August 26, 2015

Peter Howe
Silver Street Hydro, LLC
5 Spruce Circle
Westfield, MA 01085

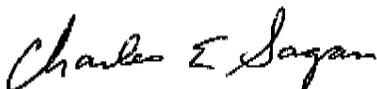
Dear Mr. Howe:

Pignatere & Sagan, LLC has been Silver Street Hydro, LLC's accountant since 2010. The company was formed in 2008. The first two years tax returns were prepared by another CPA. In 2008 the company purchased Hosiery Mills located in Hillsborough, NH for a purchase price of \$156,200. The accumulated depreciation on the original purchase is \$67,715 leaving a tax basis of \$88,485. After purchasing the facility substantial capital improvements were incurred. The facility has two turbines and both needed to be rebuilt. Per the companies cash disbursement journals and cancelled checks, the following is a list of capital improvements per year:

<u>Year</u>	<u>Description</u>	<u>Amount</u>
2008	Trash raking system	35,882
2010	Turbine rebuild	135,678
2011	Turbine rebuild	92,808
2012	Turbine rebuild	78,895
2012	Drivers	1,227
2013	Turbine rebuild	194,664
2014	Turbine & equipment rebuild	84,868
2014	System controls	<u>16,700</u>
Total		640,722

The accumulated depreciation on the additional capital expenditures is \$118,765 leaving a tax basis of \$521,957.

Sincerely,



Charles E Sagan, CPA

3) Facility Information

Facility Name: Hosiery Mills
Mailing Address: n/a
Physical Address: 1 River Street
Town/City: Hillsborough State: NH Zip Code: 03342
If the facility does not have a physical address, provide the Latitude _____ & Longitude _____

Facility Owner: SilverStreet Hydro, LLC
Telephone: (413) 562-1266 Cell: (413) 262-1701
Email address: phowe@silverstreethydro.com

If different from the owner:

Facility Operator: _____
Telephone: _____ Cell: _____
Email address: _____

4) Provide a general description of the renewable energy facility including size, a general summary of equipment and operation. *(The box provided will expand to accommodate the description.)*

2 Obermeyer horizontal shaft 700 hp turbines
2 600 kW 900 RPM generators – 480v

Fuel Type: Hydro Gross Nameplate Capacity*: 1200 kW

Initial Date of Commercial Operation: 1984

If different, the Original Date of Operation: _____

**The nameplate capacity should match the interconnection agreement and the GIS database. If it does not, please provide an explanation in the box below. (The box provided will expand to accommodate the explanation.)*

*Provide the pertinent pages of the interconnection agreement as **Attachment 4** of the Application. If the interconnection agreement is a confidential document, there is no need to send more than the first few pages, the page that verifies the nameplate capacity of the facility and the signature pages. This will ensure that the applicant is not required to submit both original and redacted versions of the application.*

*If the facility is not required to have an interconnection agreement, provide explanation as to why an interconnection agreement is not required as **Attachment 4**.*

5) NEPOOL/GIS Asset ID and Facility Code

In order to qualify your facility's electrical production for RECs, you must register with the NEPOOL – GIS. Contact information for the GIS administrator follows:

James Webb

Registry Administrator, APX Environmental Markets

224 Airport Parkway, Suite 600, San Jose, CA 95110

Office: 408.517.2174

jwebb@apx.com

Mr. Webb will assist you in obtaining a GIS facility code and an ISO-New England asset ID number.

GIS Facility Code # MSS902 Asset ID # MSS902

If your facility is seeking Class I certification for the incremental new production of hydroelectric technologies to produce energy, proceed to question 6. Otherwise proceed to question 7.

6)

- 6.i) Demonstrate that the facility has had capital investments after January 1, 2006 resulting in an improvement of the facility's efficiency or an increase in the output of renewable energy pursuant to [RSA 362-F:4\(i\)](#).
- 6.ii) Include the Historical Generation Baseline as defined by [RSA 362-F:2, X \(a\)](#).

If your facility is seeking Class I certification for repowered Class III or IV sources, proceed to question 7. Otherwise proceed to question 8.

7)

- 7.i) Demonstrate that the facility has had new capital investments for the purpose of restoring unusable generation or adding to the existing capacity, including NHDES environmental permitting requirements for new plants pursuant to [RSA 362-F:4, I \(i\)](#).

Please see the included narrative letter from Peter Howe, Manager of SilverStreet Hydro, LLC and the owner of the Hosiery Mills hydroelectric generating facility.
- 7.ii) Provide documentation that 80 percent of the facility's tax basis in the resulting plant and equipment of the eligible generation capacity, including the NHDES permitting requirements for new plants, but exclusive of any tax basis in real property and intangible assets, is derived from the new capital investments pursuant to [RSA 362-F:4, I \(j\)](#).

Please see the included letter from the firm of Pignatara & Sagan LLC, the Certified Public Accountants for SilverStreet Hydro and the subject hydro project.

If your facility is seeking Class I certification for formerly nonrenewable energy electric generation facilities, proceed to question 8. Otherwise, proceed to question 9.

8) Complete the following as Attachment 8:

- 8.i) Provide documentation that 80 percent of its tax basis in the resulting generation unit, including NHDES permitting requirements for new plants, but exclusive of any tax basis in real property and intangible assets,

interconnection is on PSNH circuit #3198. Hosiery Mills utilizes a 1500 kVA transformer to step up its generator output from 480v to 34.5 kV and deliver the power through fuse cut out and a visible bladed air-break switch.

14) Provide a statement as to whether the facility has been certified under another non-federal jurisdiction's renewable portfolio standard. *(The box provided will expand to accommodate the statement.)*

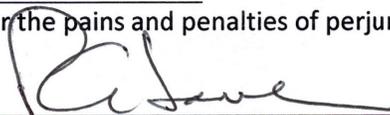
Hosiery Mills is qualified as Connecticut Class II, Maine Class II, and Rhode Island existing
If applicable, provide verification of any certifications that have been received for this facility as **Attachment 14.**

15) Provide any other pertinent information that you wish to include to assist in classification of the facility as **Attachment 15.**

16) **The following affidavit** must be completed by the owner attesting to the accuracy of the contents of the application pursuant to Puc 2505.02 (b) (14).

AFFIDAVIT

I, Peter Howe have reviewed the contents of this application and attest that it is accurate and is signed under the pains and penalties of perjury.

Applicant's Signature  Date 10-13-2015

Applicant's Printed Name Peter Howe

Subscribed and sworn before me this 13 Day of October (month) in the year 2015

County of Hampden State of Massachusetts


Notary Public/Justice of the Peace

My Commission Expires 07/04/19



Dawn M. Lam
NOTARY PUBLIC
COMMONWEALTH OF MASSACHUSETTS
MY COMMISSION EXPIRES 07/04/2019
5



Application Checklist:		check
1-3	All general and facility information has been provided in numbers 1), 2) and 3).	Yes
4	The nameplate capacity matches the interconnection agreement and the GIS database.	Yes
4	Pertinent pages of the interconnection agreement have been provided as Attachment 4 .	Yes
5	A GIS Asset ID and facility code has been obtained and provided on the application.	Yes
6	If your facility is seeking Class I certification for the incremental new production of hydroelectric technologies to produce energy, Attachment 6	n/a
7	If your facility is seeking Class I certification for repowered Class III or IV sources, Attachment 7 .	Yes
8	If your facility is seeking Class I certification for formerly nonrenewable energy electric generation facilities, Attachment 8 .	n/a
9	If your facility is seeking Class IV certification for the electric production of hydroelectric technologies with a nameplate capacity of one megawatt or greater, Attachment 9 .	n/a
10	If your facility is located in a control area <u>adjacent</u> to the New England control area, Attachment 10 .	n/a
11	If the facility is a customer-sited source you have retained the services of an independent monitor and noted the independent monitor on the application.	n/a
12	All necessary regulatory approvals, including any reviews, approvals or permits required by NHDES or the environmental protection agency in the facility's state have been provided as Attachment 12 .	
13	A <u>general</u> description of how the generation facility is connected to the regional power pool via the local electric distribution utility has been provided.	Yes
14	If applicable, verification of all renewable portfolio standard program certifications that have been received for this facility in other states, provided as Attachment 14 .	
15	If necessary, other pertinent information that will assist in classification of the facility provided as Attachment 15 .	
16	A statement that there are no prohibited relationships between the Applicant and other involved parties has been provided.	
17	The affidavit by the owner attesting to the accuracy of the contents of the application has been completed. (A separate Attachment 17 may be substituted for the affidavit provided in the application.)	

Note: Attachment numbers are matched with the number on the application. There are no attachments numbered 1, 2, 3, 5, 11, 13, 16, or 17. A separate attachment for the affidavit will be accepted.

ATTACHMENTS

Attachment 1 – None Required nor Included

Attachment 2 – None Required nor Included

Attachment 3 – None Required nor Included

Attachment 4

Copy of Interconnection Agreement between

Hillsborough Hydroelectric, L.P. and Public Service Company of New Hampshire

Dated July 12, 2004

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

AGREEMENT, dated July 12, 2004 by and between Hillsborough Hydroelectric, L. P. (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 Hosiery Mill 1,200 kw hydroelectric generating facility (the "Facility"), (SESD # 037) located on the Contoocook River in Hillsborough 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 I. 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 the New England Power Pool ("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 ("Report"), amended June 25, 2004 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 and so designated by the Interconnector, 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, through bilateral transactions, through the markets administered by the ISO or any other means. 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. A cure shall mean an agreed upon fix to be done within an agreed upon timeframe. 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.

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 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 (except for disputes referred to the NHPUC under Article 8 of this Agreement) 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.

Article 16. Applicable Law.

This Agreement is made under the laws of the State of New Hampshire and, to the extent applicable, the Federal Power Act, and the interpretation and performance hereof shall be in accordance with and controlled by such laws, excluding any conflicts of law provisions of the State of New Hampshire that could require application of the laws of any other jurisdiction.

Article 17. Headings.

Captions and headings in the Agreement are for ease of reference and shall not be used to and do not affect the meaning of this Agreement.

Article 18. Notices and Service.

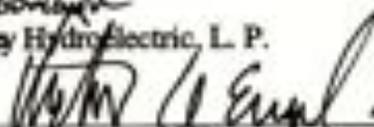
All notices, including communications and statements which are required or permitted under the terms of this Agreement, shall be in writing, except as otherwise provided or as reasonable under the circumstances. Service of a notice may be accomplished and will be deemed to have been received by the recipient party on the day of delivery if delivered by personal service, on the day of confirmed receipt if delivered by telegram, registered or certified commercial overnight courier, or registered or certified mail or on the day of transmission if sent by telecopy with evidence of receipt obtained, and in each case addressed as follows:

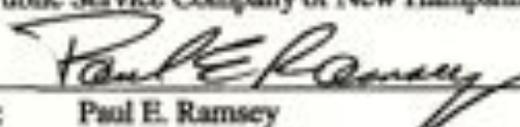
Interconnector: Hillsborough Hydroelectric L. P.
c/o Enel North America, Inc.
One Tech Drive, Suite 220
Andover, MA 01810
Attn: Victor A. Engel

Telephone No. (978) 681-1900
Fax No. (978) 681-7727
email: victor.engel@northamerica.enel.it

PSNH: Public Service Company of New Hampshire
780 North Commercial Street
P. O. Box 330
Manchester, NH 03105-0330
Attn: Manager, Supplemental Energy Sources Department
Telephone No. (603) 634-2312
Fax No. (603) 634-2449
email: psnhsesd@psnh.com

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.

BR Hillsborough
~~Hillsborough~~ Hydroelectric, L. P.
By: 
Title: Vice President
Duly Authorized

Public Service Company of New Hampshire

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

Hosiery Mill Hydro
LEEP #037
Hillsboro, N.H.

I. Introduction

A study has been performed to determine the impact of this proposed facility on the PSNH electrical system. It utilized "typical" machine reactances and time constants since actual data was not readily available from the developer. Any deviation from this data may affect the results of this study. Therefore, if any changes are anticipated now, or should they take place in the near future, PSNH should be informed immediately so that the requirements and recommendations contained within this study can be updated, if necessary. This procedure will keep the engineering, material, and construction costs, which are the responsibility of the owner of this facility, to a minimum.

II. Description of Facilities

The proposed facilities are located on the Contoocook River in Hillsborough, N.H., at what is commonly called the Hosiery Mill Dam site.

The data submitted, includes the following:

- A) 2 - Obermeyer Hydraulic turbines, semi-kaplan bulb, 60" runners, 713 horsepower, 19 ft. head, 230 RPM
- 1 - Obermeyer Hydraulic turbine, 23 1/4" runner, 76 horsepower, 550 RPM
- B) Obermeyer Pond level controller
- C) 2 - Siemens-Allis induction generators, 600 KW, 920 RPM, 3 phase, 60 Hz, 480 volts
- D) 1 - Marathon Electric induction generator, 50 KW, 920 RPM, 3 phase, 60 Hz, 480 volts
- E) 1 - Power transformer, Padmount, 3 phase, 1500 kVA, 34,500 - 480 volts
- F) 2 - Square D circuit breakers with thermal overloads
- G) 1 - Square D contactor

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 the relatively large induction generators, the generators must not be connected to the PSNH system 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 the 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 generators less the electrical losses inherent in delivering that output to the PSNH system.

B) Specific Requirements (Refer to Sketch #082583, Rev. 3)

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

- a) One "PRIDE" relay (Beckwith) model M-0296. (Provided by owner). The factory settings should be:

81/U - 59 Hz, 1 second delay
81/O - 61 Hz, 1 second delay
*59 - 130 volts, (109%), 2 second delay
*27 - 108 volts (90%), 2 second delay
**60 - ± 6%, 5 second delay

Reconnect time - 240 seconds

*Settings based on nominal 120 volts, 60 Hz

**Three Phase PRIDE

- b) 3 - Reverse Power Relay, Basler Model BE1-32, Style ALE-E1C-A2NO, or equivalent (to be provided by the owner).

- c) 2 - Current transformers, 800/5, G.E. Type JKM-0
- d) 1 - Current transformers, 75/5, G.E. Type JKM-0
- e) 1 - Voltage Transformer, 480-120 Volts, G.E. Type JVP-1
(for use with protective relays)

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

- 2) The generator breaker(s) must have sufficient interrupting capability to successfully interrupt any fault current available at its location.
- 3) The generator breaker(s) must be equipped with reliable shunt tripping facilities for opening the device via protective relays. A D.C. battery with charging facilities is considered reliable.
- 4) The system configuration at the interconnection point must include the following devices: (refer to Sketch #082583, Rev. 3)
 - a) Air break switch, 34,5 kV (by owner)
 - b) 3 - Fuse cutouts
 - c) 6 - Lightning arresters
 - d) 6 - Terminators
 - e) 34.5 kV cable
 - f) Transformer, 1500 kVA, 19920/34500 - 277/480. Primary and secondary windings connected wye grounded. (transformer provided by owner).
 - g) An emergency shutdown pushbutton with facility status indicator lights, and a visible disconnecting device (airbreak switch indicated in item a) above) 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 startup 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.
 - h) Power factor correction capacitors should be installed in order to provide some of the excitation requirements of the induction generators when running. (Non-PCB capacitors should be used). The size of these capacitors and their location should be determined by the owner's consultant or the generator manufacturer. These units should have suitable interrupting and switching devices and should be switched in-service as the machines are switched in service.

5) System Metering (Refer to Sketch 082583, Rev. 3)

The metering recommendations as outlined are based on the system configuration as shown on the enclosed one-line diagram. The equipment with approximate costs is listed below.

a) 1 - G.E. Type VM-65-S Watthour meter with 60 minute M-60 demand register and detent	\$ 302.00
b) 3 - Astra Type AB, 1200/5 amp, bar type current transformers	453.03
c) 3 - Astra Type DA, 300/120 volt voltage transformers	422.34
d) 1 - Anchor Cat. TSS-13-2-PSHO Meter Socket	100.00
e) 1 - Anchor Cat. #3624 cabinet (for CT's & VT's)	125.00
f) 1 - Meter Devices Cat. #A1898-C, 10 pole test switch	36.00
g) Misc. Materials & Supplies	100.00
f) Labor and Overheads	<u>500.00</u>
SUBTOTAL ESTIMATED COST	
	\$2038.37

Optional Equipment

a) G.E. Type VW65-S watthour meter with pulse initiator (R/P = 25/27) additional cost	\$ 42.50
b) 1 - Precision Digital Data Logger	2600.00
c) Additional Labor and Overheads	<u>400.00</u>
SUBTOTAL OPTIONAL COST	
	<u>\$3042.50</u>
TOTAL - (including optional)	
	<u>\$5080.87</u>

NOTES:

- 1) Metering includes vector analysis and initial meter test.
- 2) Transformer losses (GSU) to be estimated and subtracted from gross generation by meter calibration.
- 3) Developer to physically mount metering equipment and install necessary conduit.
- 4) PSNH to wire meter secondaries and perform tests.

- 5) There is an 8-12 week delivery lead time required for the metering equipment.
- 6) If the actual generation does not exceed 1000 KW, the optional equipment as shown on the metering price list is not necessary.
- 7) If the actual generation exceeds 1000 KW, then some means must be provided to accomplish the following:
 - a) Hourly generation reports must be supplied to PSNH system dispatchers for previous 24 hours.
 - b) Hourly generation reports must be supplied to the N.H. PUC monthly.

The data logger, as shown as optional equipment on the metering price list, is a printing data accumulator which will accomplish this requirement. The option is left to the developer to implement, as he may have other means to comply with A and B above.

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

V. Recommendations

Protection of the customer's generating 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) 60 Foot Pole	\$ 803.
2) 10 Foot Crossarm	630.
3) Insulators, Hardware	200.
4) 34.5 kV Cable	2100.
5) Conduit	180.
6) Terminators (6)	1050.
7) Lightning Arresters(6)	525.

- | | | |
|--------------------------|--|-------|
| 8) Cutouts, (3), 34.5 kV | | 5222. |
| 9) Vertical Airbreak | | |

Estimated Total \$10,710.*

*includes labor & overheads

NOTE: An additon charge of \$125. will be assessed for a portion of the underground station service supply.

B. Protection Devices

- | | |
|---|---------------|
| 1) 1 - "PRIDE" relay - (to be furnished by owner) | |
| 2) 3 - Reverse power relays Basler #A1E-E1C-A2NO, type BE1-32, or equivalent (to be furnished by owner) | |
| *3) 2 - Current transformers, 800/5, G.E. type JKM-0, or equivalent | \$321. |
| *4) 1 - Current transformer, 75/5, G.E. type JKM-0 or equivalent | <u>\$120.</u> |

TOTAL ESTIMATED	<u>\$441.</u>
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Note: These devices can be obtained from PSNH (at our cost plus handling and storage), if available in our stock, or may be obtained directly from the manufacturer.

C. System Metering

Refer to Item III, B, 5

Estimated	\$2038.37
Estimated (with options)	\$5080.87

A. L. Spaulding
December 19, 1983

VII. AMENDMENTS (JUNE 25, 2004)

A. Description of Changes

A Beckwith M-3520 Relay with three phase sensing has been installed in place of the original Pride single phase protective relay. Test devices and two additional VTs were also added to support the M-3520.

PSNH takes credit for the following protective functions included in the Beckwith M-3520 Relay:

81/U – Underfrequency protection

81/O – Overfrequency protection

59 – Overvoltage protection

27 – Undervoltage protection

Pickup of any of the named protective functions relays will trip lockouts 86E, 86G1, and 86G2 which in turn open generator breakers to Gen #1 and Gen #2.

B. Revised One-Line Diagram

See attached Drawing HMDE-1

Attachment 5 – Not Required nor Included

Attachment 6 – Not Applicable and, Accordingly, Omitted

Attachment 7 – See Application Form Submitted

Attachment 8 - Not Applicable and, Accordingly, Omitted

Attachment 9 - Not Applicable and, Accordingly, Omitted

Attachment 10 - Not Applicable and, Accordingly, Omitted

Attachment 11 – Not Required nor Included

Attachment 12

Copy of FERC Order Granting Exemption from Licensing to Town of Hillsborough, NH Hosiery Mills Project 6116, issued June 25, 1982, 19 FERC ¶62,539

Copy of FERC Order Amending Exemption to Town of Hillsborough, NH Hosiery Mills Project 6116, issued January 22, 1988, 82 FERC ¶62,039

Copy of FERC Notice of Sale of Hillsborough Hydroelectric, L.P. Hosiery Mills Project to SilverStreet Hydro, LLC, filed on July 9, 2008

Copy of FERC Division of Dam Safety and Inspections – New York Regional Office, Dam Safety Inspection Follow Up Report, dated June 30, 2015

Copy of FERC Dam Safety Inspection Report for the Period of May 28, 2009 to July 25, 2012, dated March 6, 2013

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

- 2 -

Town of Hillsborough, New Hampshire) Project No. 6116-000

ORDER GRANTING EXEMPTION FROM LICENSING OF A
SMALL HYDROELECTRIC PROJECT OF 5 MEGAWATTS OR LESS

(Issued June 25, 1982)

The Applicant 1/ filed an application for exemption from all or part of Part I of the Federal Power Act pursuant to 18 C.F.R. Part 4 SUBPART K (1980) implementing in part Section 408 of the Energy Security Act (Act) of 1980 for a project as described in the attached public notice. 2/ 3/

Notice of the application was published in accordance with Section 408 of the Act and the Commission's regulations and comments were requested from interested Federal and State agencies including the U. S. Fish and Wildlife Service and the State Fish and Wildlife Agency. All comments, protests and petitions to intervene that were filed have been considered. No agency has any objection relevant to issuance of this exemption.

Standard Article 2 included in this exemption, requires compliance with any terms and conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources. The terms and conditions referred to in Article 2 are contained in any letters of comment by these agencies which have been forwarded to the Applicant in conjunction with this exemption.

-
- 1/ Town of Hillsborough, New Hampshire, Project No. 6116, filed on March 22, 1982.
- 2/ Pub. Law 96-294, 94 Stat. 611. Section 408 of the ESA amends ~~inter alia~~, Sections 405 and 408 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. §§2705 and 2708).
- 2/ Authority to act on this matter is delegated to the Deputy Director, Office of Electric Power Regulation under §375.308 of the Commission's regulations 45 Fed. Reg. 21216 (1980), as amended by Order No. 112 in Docket No. RM81-5, issued November 21, 1980, (45 Fed. Reg. 79024).

Should the Applicant contest any terms or conditions that were proposed by Federal or State agencies in their letters of comment as being outside the scope of Article 2, the Commission shall determine whether the disputed terms or conditions are outside the scope of Article 2.

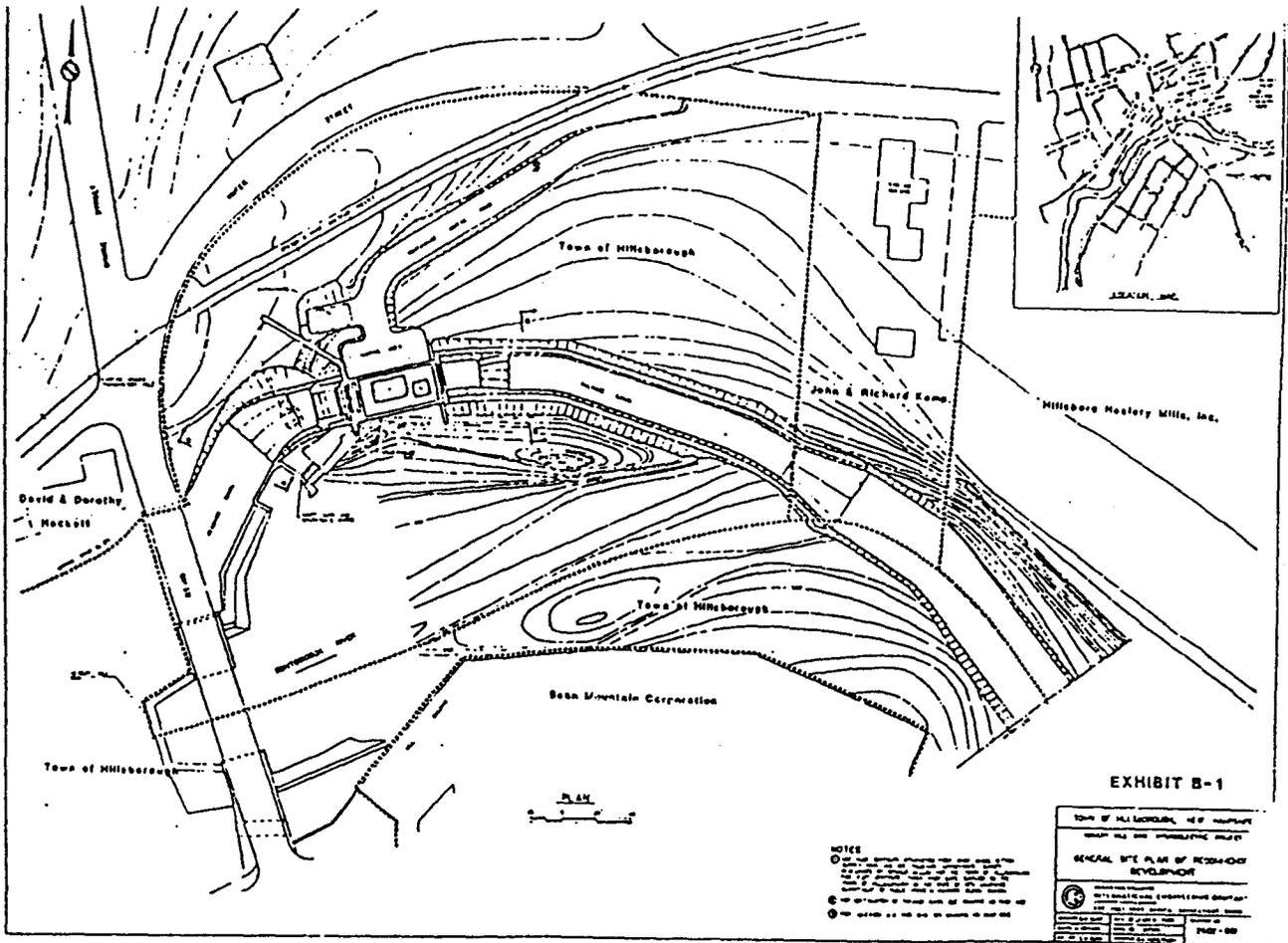
It is ordered that:

(A) The Hosiery Mill Project No. 6116 as described and designated in the Town of Hillsborough, New Hampshire's application filed on March 22, 1982, is exempted from all of the requirements of Part I of the Federal Power Act, including licensing, subject to the standard articles in §4.106 of the Commission's regulations attached hereto as Form E-2, 18 C.F.R. §4.106 45 Fed. Reg. 76115 (November 18, 1980).

(B) This order is final unless a petition appealing it to the Commission is filed within 30 days from the date of its issuance, as provided in Section 1.7(d) of the Commission's regulations, 18 C.F.R. 1.7(d)(1981). The filing of a petition appealing this order to the Commission or an application for rehearing as provided in Section 313(a) of the Act does not operate as a stay of the effective date of this order, except as specifically ordered by the Commission.



Acting Deputy Director, Office
of Electric Power Regulation



UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Town of Hillborough, New Hampshire) Project No. 6116-000

NOTICE OF APPLICATION FOR EXEMPTION FOR SMALL HYDROELECTRIC
POWER PROJECT UNDER 5 MW CAPACITY
(April 21, 1962)

Take notice that on March 22, 1962, Town of Hillborough, New Hampshire (Applicant) filed an application under Section 408 of the Energy Security Act of 1958 (Act) (16 U.S.C. §3705 and 2704 as amended), for exemption of a proposed hydroelectric project from licensing under Part 1 of the Federal Power Act. The proposed small hydroelectric project (Project No. 6116) would be located on the Connecticut River in Hillborough County, New Hampshire. Correspondence with the Applicant should be directed to Mr. Robert J. Johnson, Chairman, Hydro-power Study Committee, Hillborough, New Hampshire 03244.

Project Description - The proposed run-of-the-river project would consist of: (1) an existing concrete dam with a maximum height of 15 feet, a total length of 394 feet, a spillway crest length of 239 feet and equipped with 3-foot flashboards; (2) an impoundment covering 3.8 acres with a usable storage of 6.0 acre-feet at a surface elevation of 371.8 feet msl; (3) a new reinforced concrete powerhouse measuring 25 by 78 feet, having an integral intake structure with a 10 by 10-foot hydraulically-operated gate and containing one 1.8-MW turbine/generator unit operating under a head of 19 feet; (4) a newly-excavated tailrace canal 216 feet long and 22 feet wide; (5) a new switchyard; (6) a new 110-foot long, 34.5-kV transmission line; and (7) appurtenant facilities. The average annual generation of 4.01 million kWh would be used for municipal purposes.

Purpose of Exemption - An exemption, if issued, gives the Exemptee priority of control, development, and operation of the project under the terms of the exemption from licensing, and protects the Exemptee from permit or license applicants that would seek to take or develop the project.

Agency Comments - The U.S. Fish and Wildlife Service, The National Marine Fisheries Service, and the New Hampshire Fish and Game Department are requested, for the purposes set forth in Section 408 of the Act, to submit within 60 days from the date of issuance of this notice appropriate terms and conditions to protect any fish and wildlife resources or to otherwise carry out the provisions of the fish and Wildlife Coordination Act. General comments concerning the project and its resources are requested; however, specific terms and conditions to be included as a condition of exemption must be clearly identified in the

Project No. 6116-000

-2-

agency letter. If an agency does not file terms and conditions within this time period, that agency will be presumed to have none. Other Federal, State, and local agencies are requested to provide any comments they may have in accordance with their duties and responsibilities. No other formal requests for comments will be made. Comments should be confined to substantive issues relevant to the granting of an exemption. If an agency does not file comments within 60 days from the date of issuance of this notice, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

Competing Application - Any qualified license applicant desiring to file a competing application must submit to the Commission, on or before July 9, 1962, either the competing license application that proposes to develop at least 7.5 megawatts in that project, or notice of intent to file such a license application. Submission of a timely notice of intent allows an interested person to file the competing license application no later than 120 days from the date that comments, protests, etc. are due. Applications for preliminary permit will not be accepted.

A notice of intent must conform with the requirements of 18 C.F.R. §4.33(b) and (c) (1960). A competing license application must conform with the requirements of 18 C.F.R. §4.33(a) and (d) (1960).

Comments, Protests, or Petitions to Intervene - Anyone may submit comments, a protest, or a petition to intervene in accordance with the requirements of the Rules of Practice and Procedure, 18 C.F.R. §§ 8 or 11-16 (1960). In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a petition to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or petitions to intervene must be received on or before July 9, 1962.

Filing and Service of Responsive Documents - Any filings must bear in all capital letters the title "COMMENTS", "NOTICE OF INTENT TO FILE COMPETING APPLICATION", "COMPETING APPLICATION", "PROTEST", or "PETITION TO INTERVENE", as applicable, and the project number of this notice. Any of the above named documents must be filed by providing the original and three copies required by the Commission's regulations to Kenneth F. Plumb, Secretary, Federal Energy Regulatory Commission, 425 North Capitol Street, N.E., Washington, D.C. 20542. An additional copy must be sent to: Fred E. Springer, Chief, Applications Branch, Division of Hydro-power Licensing, Federal Energy Regulatory Commission, Room 208 BB at the above address. A copy of any notice of intent, competing application, or petition to intervene must also be served upon each representative of the Applicant specified in the first paragraph of this notice.

Kenneth F. Plumb
Secretary

§ 4.106 Standard terms and conditions of exemption from licensing.

Any exemption from licensing granted under this subpart for a small hydroelectric power project is subject to the following standard terms and conditions:

(a) Article 1. The Commission reserves the right to conduct investigations under sections 4(g), 306, 307, and 311 of the Federal Power Act with respect to any acts, complaints, facts, conditions, practices, or other matters related to the construction, operation, or maintenance of the exempt project. If any term or condition of the exemption is violated, the Commission may revoke the exemption, issue a suitable order under section 4(g) of the Federal Power Act, or take appropriate action for enforcement, forfeiture, or penalties under Part III of the Federal Power Act.

(b) Article 2. The construction, operation, and maintenance of the exempt project must comply with any terms and conditions that any Federal or state fish and wildlife agencies have determined are appropriate to prevent loss of, or damage to, fish or wildlife resources or otherwise to carry out the purposes of the Fish and Wildlife Coordination Act, as specified in Exhibit E of the application for exemption from licensing or in the comments submitted in response to the notice of the exemption application.

(c) Article 3. The Commission may accept a license application by any qualified license applicant and revoke this exemption if actual construction or development of any proposed generating facilities has not begun within 18 months, or been completed within four years, from the date on which this exemption was granted. If an exemption is revoked, the Commission will not accept a subsequent application for exemption within two years of the revocation.

(d) Article 4. This exemption is subject to the navigation servitude of the United States if the project is located on navigable waters of the United States.

(e) Article 5. This exemption does not confer any right to use or occupy any Federal lands that may be necessary for the development or operation of the project. Any right to use or occupy any Federal lands for those purposes must be obtained from the administering Federal land agencies. The Commission may accept a license application by any qualified license applicant and revoke this exemption, if any necessary right to use or occupy Federal lands for those purposes has not been obtained within one year from the date on which this exemption was granted.

**APPLICATION FOR EXEMPTION
PROJECT NO. 6116**

File : **HOSIERY MILL DAM
HYDROELECTRIC PROJECT**

March 1982

**Town of Hillsborough
New Hampshire**

Table A-1
PROJECT STATISTICS

SPILLWAY DAM

Construction date	Rebuilt 1919
Condition	Fair
Construction	Concrete
Foundation	Bedrock
Spillway length, ft.	239
Crest elevation, MSLD	568.6
Height, ft.	4-15 feet
Flashboards, ft.	3.0

<u>IMPOUNDMENT</u>	<u>WITHOUT FLASHBOARDS</u>	<u>WITH FLASHBOARDS</u>
Surface elevation, MSLD	568.6	571.6
Surface area, acres	2	2
Maximum drawdown, ft.	14	17
Usable storage, acre-ft.	0	6
Length, miles	0.2	0.2

POWER PLANT (PROPOSED)

Plant capacity, kW	1,000
Plant discharge, cfs	810
Average annual energy, MWh	4,013
Turbine type	Horizontal tube
Generator type	Synchronous
Number of units	1
Mode of operation	Run-of-river
Turbine	
Rated head, ft.	19
Rated output, kW	1,000
Rated discharge, cfs	810
Runner diameter, mm	2,000

Hosiery Mill Dam powerhouse to the Public Service Company of New Hampshire's grid.

A.3 TYPE OF TURBINE

For application purposes, the turbine would be a horizontal, tube-type turbine equipped with an adjustable, four-blade, 2,000-mm runner driving a speed increaser, which drives a 1,000-kW synchronous generator at 900 rpm. The turbine would be rated at 19 feet net head. The generator would be rated for 3-phase, 60-hertz, 4,160-volt operation. Final selection of the turbine-generator will be made during the bidding phase of the project.

A.4 MODE OF OPERATION

The proposed facility will operate in the run-of-river mode.

A.5 FLOW DURATION CURVE

The nearest stream gage is Station Number 01085000 on the Contoocook River near Henniker, New Hampshire, located at latitude N43°09'10", longitude W71°51'24". The gage is owned and maintained by the U.S. Geological Survey (USGS). The gage is a water stage recorder, and its accuracy is considered to be good, although records may be only fair in the winter. The drainage area above the gage is 368 square miles. Flows at the project site were determined by multiplying the recorded flows by the ratio of the drainage area at the site (348 square miles) to the drainage area at the gage (368 square miles), or 0.946. The available period of record extends from October 1939 through the present.

Figure A-1 is the flow duration curve for the site. The average annual flow at the site is 582 cfs.

A.6 ENERGY ESTIMATED AND HYDRAULIC CHARACTERISTICS OF THE PLANT

The average annual energy production of the proposed facility is 4,013 megawatt-hours. The plant factor of the proposed facility is 46 percent.

Hillsborough Hydroelectric L.P.
An Affiliate of CHI Energy, Inc.

November 30, 2002

Mr. Anton Sidoti, Regional Director
Federal Energy Regulatory Commission
New York Regional Office
19 West 34th Street - Suite 400
New York, NY 10001

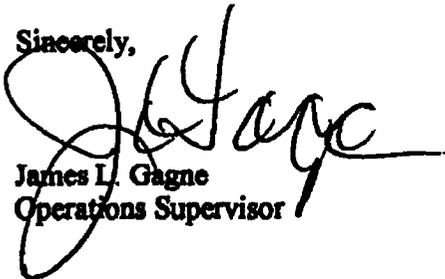
Re: L.P. No. 6116-NH, Hosiery Mills Hydroelectric Project
Statement of Compliance with Minimum Flow Requirements

Dear Mr. Sidoti:

Our records verify that the Hosiery Mills Hydroelectric Project passed the required minimum flow or inflow to the project during 2002.

If you have any questions or require additional information, please feel free to call me at (603) 746-5796 or (207) 490-1980, ext. 102.

Sincerely,


James L. Gagne
Operations Supervisor

FERC - NYRO
RECEIVED
NOV - 7 2002
NEW YORK, NY

cc: J. Bogert
V. Engel

FEDERAL ENERGY REGULATORY COMMISSION
OFFICE OF HYDROPOWER LICENSING
HYDROPOWER LICENSE COMPLIANCE TRACKING SYSTEM

PROJECT COMPLIANCE SUMMARY

PROJECT NO: 06116 PROJECT NAME: HOSIERY MILL PROJECT TYPE: ORDER TYPE: 3 RO: NY ENGINEER:

PROJECT IDENTIFICATION INFORMATION

RECIPIENT (1): Hillsborough Town of	(NH)	RIVER BASIN CODE: 0124452000MA0	CAPACITY (KW): 1,200
(2):		WATERWAY NAME(1): CONTOOCOOK RIVER	
(3):		WATERWAY NAME(2):	
(4):		WATERWAY NAME(3): ATLAS	
(5):		CITY(1):	
MANAGER: WAYNE NELSON	TELEPHONE: (207)490-1980	COUNTY(1): HILLSBOROUGH	
ADDRESS: CHI OPERATIONS, INC.	ADDRESS: RR #2, BOX 690H, INDUSTRIAL AVE	STATE(1): NH	
CITY: SANFORD	STATE: ME ZIP: 04043	CITY(2):	
		COUNTY(2):	
		STATE(2):	

PROJECT DATES

<u>ISSUANCE DATE</u>	<u>EFFECTIVE DATE</u>	<u>CONSTRUCTION START DATE</u>	<u>CONSTRUCTION FINISH DATE</u>	<u>OPERATION DATE</u>	<u>EXPIRATION DATE</u>
06/25/1982		08/15/1983	07/14/1984		

TRACKABLE ITEMS

ACTS NO.	ART NO.	DESCRIPTION OF REQUIREMENT	REVIEW CODE	ORGANIZATION REVIEWER	DUE DATE	EXT REQ DATE	EXT GRANT DATE	EXT DUE DATE	DEFICY LETTER SENT	DEFICY REPLY DUE	NONCOMP LETTER SENT	NONCOMP REPLY DUE	DATE FILED	DEFICY REPLY FILED	D/ API
C01	002	MINIMUM FLOW REQUIREMENT			020687				060487	083187			042887		091
C02	003	CONSTRUCTION FINISH DATE			062586								071484		072
C03	REG	PUBLIC SAFETY DEVICE INST			110990	111390	111490	112390							
C04	001	OPERATIONAL FOLLOW-UP ITE			080387	073187	073187	090387					091187		091
C05	002	MINIMUM FLOW REQUIREMENT			123190										

82 FERC ¶ 62,039

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Town of Hillsborough)

Project No. 6116-004

ORDER AMENDING EXEMPTION

JAN 22 1998

On October 3, 1997, the Commission informed the Town of Hillsborough, exemptee for the Hosiery Mill Project, FERC No. 6116, of the need to amend its exemption to reflect as-built generating capacity. The project is located on the Contoocook River in Hillsborough County, New Hampshire.

BACKGROUND

On June 25, 1982, the Commission granted an exemption for the Hosiery Mill Project. 1/ The exemption authorizes a new powerhouse containing one 1.0-MW turbine/generator unit operating under a head of 19 feet.

On July 24, 1997, Commission staff made a site visit to the Hosiery Mill Project and found the project to contain two turbine/generator units with a rated capacity of 600 kW each, for a total capacity of 1.2 MW. The exemptee was advised we would amend the exemption to reflect the as-built condition.

REVIEW

We reviewed our files and records of the project and found that the capacity issue was previously addressed on March 6, 1989. 2/ In a letter dated August 28, 1989, the exemptee filed a report discussing the installed capacity as well as other issues. At that time we found the exemptee in compliance with Section 4.104 of the Commission's regulations but did not amend the exemption.

In our current review of the Hosiery Mill Project, we are merely amending the exemption to reflect the as-built capacity of the generating units. This order amends the project description to reflect the project having two generating units with a rated capacity of 600 kW each, for a total capacity of 1.2 MW.

The Director orders:

(A) The exemption for the Hosiery Mill Project, FERC No. 6116, is amended as provided by this order, effective the first day of the month in which this order is issued.

1/ 19 FERC ¶62,539.

2/ 46 FERC ¶62,243.

FERC DOCKETED

JAN 22 1998

980127-0443-3

Project No. 6116-004

-2-

(B) Project Description (3) of the exemption for Project No. 6116 is amended to read as follows:

(3) "a new reinforced concrete powerhouse ... containing two 600 kW turbine/generator units with a total installed capacity of 1.2 MW, operating under a head of 19 ft;"

Under the regulations currently in effect, projects with authorized installed capacities of less than or equal to 1.5 MW will not be assessed annual charges.

(C) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.



Kevin P. Madden
Acting Director
Office of Hydropower Licensing



Hillsborough Hydroelectric, L.P.
An Affiliate of Enel North America, Inc.

July 9, 2008

VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Notice of Sale of Hosiery Mills Project (FERC No. 6116-NH)

In accordance with 18 CFR § 4.106(i), Hillsborough Hydroelectric, L. P. is hereby notifying you that it has sold its interest in the Hosiery Mill Hydroelectric Project to a successor-in-interest, effective June 19, 2008. The successor-in-interest is Silver Street Hydro, LLC, a New Hampshire limited liability company with a principal place of business at 5 Spruce Circle, Westfield, Massachusetts 01085. The contact person at Silver Street Hydro, LLC is Peter Howe and he can be reached at 860-844-0320.

Please feel free to contact me with any questions at 978.681.1900 ext. 803.

Sincerely,

/S/

Katie Nicolosi
Legal Assistant

Cc:

Peter Valeri
Regional Engineer
Federal Energy Regulatory Commission
19 West 34th Street, Suite 400
New York, NY 10001

Paul Piszczek
NH Dept. of Environmental Services
6 Hazen Drive
P.O. Box 95
Concord, NH 03302-0095

Scott Decker
NH Fish and Game Department
2 Hazen Drive
Concord, NH 03301

John Warner
U.S. Fish and Wildlife Service
New England Field Office
70 Commercial Street, Suite 300
Concord, NH 03301

Steve Champagne, Enel North America, Inc.
Vic Engel, Enel North America, Inc.
Jim Fulmer, Enel North America, Inc.

FEDERAL ENERGY REGULATORY COMMISSION
Office of Energy Projects
Division of Dam Safety and Inspections – New York Regional Office
19 West 34th Street, Suite 400
New York, NY 10001

Telephone No. (212) 273-5900

Fax No. (212) 631-8124

In reply refer to:

P-6116-NH Hosiery Mills
NATDAM #- NH83021

Dam Safety Inspection
Follow-up

June 30, 2015

Mr. Peter A. Howe
SilverStreet Hydro LLC
15 East Silver St
Westfield, MA 01085

Dear Mr. Howe:

A dam safety inspection of the Hosiery Mills project was conducted by Mr. Mike Thiagaram of this office on May 14, 2015. As a result of the inspection, the structures at this project were found to be in satisfactory overall condition, and no dam safety deficiencies were observed that require immediate remedial action.

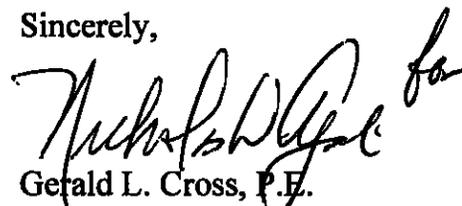
However, the following items were noted during the inspection that require follow-up, monitoring and/or maintenance measures:

1. There was concrete deterioration noted on the spillway. A plan should be developed to evaluate the condition of all concrete sections and to identify, prioritize and repair deteriorated sections as necessary. Special attention should be made to inspect and repair, as necessary, the concrete/ledge interface with significant deterioration.
2. The flashboards had failed in most locations and you indicated that they were scheduled to be replaced this summer. Please keep us informed as to when this work would be completed.
3. There was minor seepage noted at some locations on the spillway. These seepage locations should be monitored and appropriate remedial measures undertaken should the conditions worsen.

4. There was vegetation growth noted along the left upstream wall at the intake, on the left abutment area downstream of the dam and to the right of the powerhouse. It is recommended that vegetation be cleared to a minimum of 15 feet from all project structures to facilitate inspection of the structures.

Please submit your plan and schedule to address the aforementioned items within 30 days from the date of this letter. Additionally, please note that we may send additional comments that arise as a result of the preparation of the inspection report. Should you have any questions, please contact Mr. Mike Thiagaram, Project Engineer, at (212) 273-5920.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald L. Cross". The signature is written in a cursive style and is positioned above the printed name.

Gerald L. Cross, P.E.
Regional Engineer

cc: Mr. James Gallagher, P.E., Chief, NHDES Dam Bureau,
29 Hazen Drive, P.O. Box 95, Concord, NH 03302-0095

**FEDERAL ENERGY REGULATORY COMMISSION
OFFICE OF ENERGY PROJECTS
DIVISION OF DAM SAFETY AND INSPECTION
NEW YORK REGIONAL OFFICE
19 West 34th Street – Suite 400
New York, New York 10001**

For the period May 28, 2009 to July 25, 2012

Exemptee SilverStreet Hydro LLC Project No. 6116-NH

Project Name Hosiery Mill NATDAM # - NH83021

Location Contoocook Hillsborough NH
(Waterway and/or reservation) (County) (State)

Exemption issued June 25, 1982 Expires -- Type Case-Specific

Date of last amendment Order Permitting Resumption of Operation
Issued May 17, 1989

Inspected by Mike Thiagaram Date July 25, 2012

Parts of Project Inspected Dam and appertenances, powerhouse, tailrace

Weather Sunny, 75°F

Accompanied by: Messrs. Peter Howe & Kevin Howe, representing the Exemptee;
Jim Weber, NHDES – Dam Bureau; Walid Abdulla – FERC –NYRO.

Attachment 13 – Not Required nor Included

Attachment 14

Not Required – but included for information purposes

Copy of Connecticut Department of Public Utility Control Decision Qualifying Hillsborough Hydroelectric,
L.P.'s Hosiery Mills Project as a Class II Resource



STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051

**DOCKET NO. 03-12-85 APPLICATION OF HILLSBOROUGH HYDROELECTRIC
L.P. FOR QUALIFICATION OF HOSIERY MILL DAM AS A
CLASS II RENEWABLE ENERGY SOURCE**

February 17, 2005

By the following Commissioners:

Anne C. George
Donald W. Downes
John W. Betkoski, III

DECISION

I. INTRODUCTION

A. SUMMARY

In this Decision, the Department of Public Utility Control (Department) determines that the Hosiery Mill Dam generating facility qualifies as a Class II renewable energy source as a run-of-the-river hydroelectric facility and assigns it Connecticut Renewable Portfolio Standard (RPS) Registration Number CT00075-03.

B. BACKGROUND OF THE PROCEEDING

By application dated December 30, 2003, Hillsborough Hydroelectric L.P. (Hillsborough or Applicant) requested that the Department determine that the Hosiery Mill Dam generation facility qualifies as a Class II renewable energy source. The Hosiery Mill Dam is a run-of-the-river hydroelectric facility located at Water Street, Hillsborough, NH that began commercial operation on July 14, 1984 with a nameplate

capacity of 1 MW. The Facility is operated by CHI Power Marketing, Inc. (CHIPM). Application, pp. 1 and 2; October 4, 2004 Letter, Attachment 2.

C. CONDUCT OF THE PROCEEDING

There is no statutory requirement for a hearing, no person requested a hearing, and none was held.

D. PARTICIPANTS IN THE PROCEEDING

The Department recognized Hillsborough Hydroelectric L.P., c/o Enel North America, One Tech Drive, Suite 220, Andover, MA 01810; CHI Power Marketing, Inc., c/o Enel North America, One Tech Drive, Suite 220, Andover, MA 01810; and the Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051, as participants in this proceeding.

II. DEPARTMENT ANALYSIS

Pursuant to § 16-1(a)(27) of the General Statutes of Connecticut (C.G.S.), as amended by Public Act 03-135 (P.A. 03-135), An Act Concerning Revisions to the Electric Restructuring Legislation, “Class II renewable energy source” includes energy derived from a run-of-the-river hydropower facility provided such facility has a generating capacity of not more than five megawatts, does not cause an appreciable change in river flow, and began operation prior to July 1, 2003.

In interpreting C.G.S. §16-1(a)(27), the Department determined that:

(1) “Facility” refers to an entire hydroelectric plant at a single site rather than a turbine generating unit within a hydroelectric plant;

(2) The “generating capacity of not more than five megawatts” refers to a hydroelectric facility’s nameplate capacity, not its actual or average generation output;

(3) In order to qualify as “run-of-the-river,” a hydroelectric facility must show a current Federal Energy Regulatory Commission (FERC) license or exemption that requires the facility to operate in run-of-the-river mode. In addition, a facility can qualify as a Class I or Class II renewable energy facility only to the extent that its FERC license or exemption requires run-of-river operation. Hydroelectric facilities that are not regulated by FERC will be required to show a FERC order or a court decision stating that FERC has no jurisdiction, or has declined to exercise jurisdiction, over such facility. In such cases, the hydroelectric facility must show that its operation allows the river inflow to equal outflow instantaneously and therefore, does not cause an appreciable change in the river flow; and

(4) “Began operations” means (A) the date an existing facility with generation began commercial operation as shown in documentation from FERC; (B) the new date given to an abandoned or destroyed facility that comes back into operation as shown in its documentation from FERC or as determined by the Department; (C) the date upon which a facility changes operation from store and release to run-of-the-river as shown in

documentation from FERC; or (D) the new date that incremental generation is in operation at an existing facility as shown in its documentation from FERC.

See Docket No. 04-02-07, DPUC Declaratory Ruling Concerning “Run-of-the-River Hydropower” as That Term is Used in the Definitions of Class I and Class II Renewable Energy Source in C.G.S. §16-1(a)(26) &(27).

As provided in the Application, the Hosiery Mill Dam is located at Water Street, Hillsboro, NH and has one turbine generator with a nameplate capacity of 1 MW. The Hosiery Mill Dam is owned by Hillsborough Hydroelectric L.P. and is operated by CHI Power Marketing, Inc. The Hosiery Mill Dam began commercial operation on July 14, 1984. Application, pp. 1 and 2; October 4, 2004 Letter, Attachment 2. In the application for an exemption from FERC, the Hosiery Mill Dam is described as a run-of-river operation. October 4, 2004 Letter, Attachment 2.

The FERC, in its Order Granting Exemption from Licensing of a Small Hydroelectric Project of 5 Megawatts or Less issued June 25, 1992, granted an exemption to the Hosiery Mill Dam “from all of the requirements of Part I of the Federal Power Act, including licensing.” FERC Order, p. 2. FERC issued the exemption based on the information described in the Exemption Application. For purposes of C.G.S. § 16-1(27), the Department determines that the Hosiery Mill Dam Exemption and Application, taken together, sufficiently establish that the facility is required to operate in run-of-river mode.

Based on the foregoing, the Department determines that the Hosiery Mill Dam qualifies as a Class II renewable energy facility.

III. FINDINGS OF FACT

1. Hosiery Mill Dam is a hydroelectric facility located at Water Street, Hillsborough, NH.
2. Hosiery Mill Dam is owned by Hillsborough Hydroelectric L.P. and is operated by CHI Power Marketing, Inc.
3. The FERC granted an exemption to the Hosiery Mill Dam “from all of the requirements of Part I of the Federal Power Act, including licensing.”
4. In the application for exemption, Hosiery Mill Dam is described as operating in a run-of-river mode.
5. Hosiery Mill Dam has a nameplate capacity of 1 MW.
6. Hosiery Mill Dam began commercial operation on July 14, 1984.

IV. CONCLUSION

Based on the evidence submitted, the Department finds that Hosiery Mill Dam qualifies as a Class II renewable generation source pursuant to Conn. Gen. Stat. § 16-1(a)(27).

The Department assigns each renewable generation source a unique Connecticut RPS registration number. Hosiery Mill Dam's Connecticut RPS registration number is CT00075-03.

The Department's determination in this docket is based on the information submitted by Hillsborough. The Department may reverse its ruling or revoke the Applicant's registration if any material information provided by Applicant proves to be false or misleading. The Department reminds Hillsborough that it is obligated to notify the Department within 10 days of any changes to any of the information it has provided to the Department.

**DOCKET NO. 03-12-85 APPLICATION OF HILLSBOROUGH HYDROELECTRIC
L.P. FOR QUALIFICATION OF HOSIERY MILL DAM AS A
CLASS II RENEWABLE ENERGY SOURCE**

This Decision is adopted by the following Commissioners:

Anne C. George

Donald W. Downes

John W. Betkoski, III

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Department of Public Utility Control, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.

Louise E. Rickard

Louise E. Rickard
Acting Executive Secretary
Department of Public Utility Control

February 22, 2005

Date

Attachment 15

Copy of letter from Mr. Chuck Sagan, CPA of Pignatare & Sagan LLC to Mr. Peter Howe, Manager of SilverStreet Hydro, LLC dated August 26, 2015

PIGNATARE & SAGAN LLC**Certified Public Accountants**

1089 Elm Street
West Springfield, MA 01089
Tel. (413) 746-9465
Fax (413) 746-3330

Andrew J. Pignatere, CPA, MST
Charles E. Sagan, CPA
Thomas S. Fil, CPA, MBA

6 Main Street
Westfield, MA 01085
Tel. (413) 562-9676
Fax (413) 562-9723

August 26, 2015

Peter Howe
Silver Street Hydro, LLC
5 Spruce Circle
Westfield, MA 01085

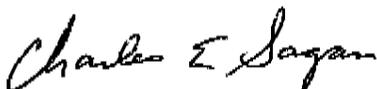
Dear Mr. Howe:

Pignatere & Sagan, LLC has been Silver Street Hydro, LLC's accountant since 2010. The company was formed in 2008. The first two years tax returns were prepared by another CPA. In 2008 the company purchased Hosiery Mills located in Hillsborough, NH for a purchase price of \$156,200. The accumulated depreciation on the original purchase is \$67,715 leaving a tax basis of \$88,485. After purchasing the facility substantial capital improvements were incurred. The facility has two turbines and both needed to be rebuilt. Per the companies cash disbursement journals and cancelled checks, the following is a list of capital improvements per year:

<u>Year</u>	<u>Description</u>	<u>Amount</u>
2008	Trash raking system	35,882
2010	Turbine rebuild	135,678
2011	Turbine rebuild	92,808
2012	Turbine rebuild	78,895
2012	Drivers	1,227
2013	Turbine rebuild	194,664
2014	Turbine & equipment rebuild	84,868
2014	System controls	<u>16,700</u>
Total		640,722

The accumulated depreciation on the additional capital expenditures is \$118,765 leaving a tax basis of \$521,957.

Sincerely,



Charles E Sagan, CPA

Attachment 16 – Not Required nor Included

Attachment 17 – Included with Application