

KEI (USA) POWER MANAGEMENT INC.

Friday, February 17, 2012

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



**RE: Damariscotta Mills Hydroelectric Project (FERC No. P-11566) / (QF 06-321-001)
Request for Certification as a Class IV Renewable Energy Source**

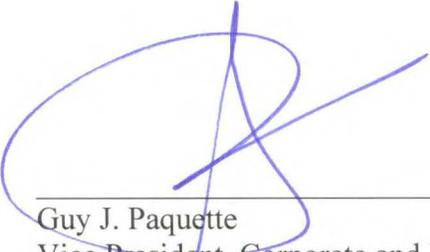
Dear Ms. Howland:

KEI (Maine) Power Management (IV) LLC ("KEI") hereby requests that the New Hampshire Public Utilities Commission certify KEI's Damariscotta Mills Hydroelectric Project (FERC No. P-11566) as an eligible Class IV renewable energy source pursuant to New Hampshire R.S.A 362-F: 4(IV) and F: 13 and Admin. Code Puc 2502.10 Electric Renewable Portfolio Standard.

In Support of the request for Class IV eligibility for the Damariscotta Mills Hydroelectric Project, KEI submits an original and seven copies of the completed application, required documentation and supplemental supporting information.

Thank you for your consideration of KEI's request. If you have any questions or need additional information, please contact

Stéphane Cohen
KEI (USA) Power Management Inc.
c/o Kruger Energy Inc.
3285 chemin Bedford
Montreal, Québec
H3S 1G5
E-mail: stephane.cohen@kruger.com
Tel: 514-343-3100 ext. 2109



Guy J. Paquette
Vice President, Corporate and Legal Affairs

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
SAMPLE APPLICATION FORM
FOR RENEWABLE ENERGY SOURCE ELIGIBILITY
Pursuant To New Hampshire Admin. Code Puc 2500 Rules**

1. ELIGIBILITY CLASS APPLIED FOR: I II III IV

2. Applicant's legal name: KEI (Maine) Power Management (IV) LLC
c/o KEI (USA) Power Management Inc.

3. Address: 3285 chemin Bedford, Montreal, Quebec, Canada, H3S 1G5

4. Telephone number: (514) 343-3100 ext. 2109

5. Facsimile number: (514) 343-3124

6. Email address: stephane.cohen@kruger.com

7. Facility name: Damariscotta Mills Hydroelectric Project (FERC No. P-11566) / (QF 06-321-001)

8. Facility location: 1364 Maine Street, Newcastle, ME, 04553

9. Latitude: 44.060499 **Longitudes:** -69.527096

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

Lewis C. Loon
KEI (USA) Power Management Inc.
Manager, Operations and Maintenance – Maine
37 Alfred Plourde Parkway, Suite 2, Lewiston, ME 04240
(207) 786-8834

11. The ISO-New England asset identification number, if applicable: Asset ID. 2282

12. The GIS facility code, if applicable: MSS2282

13. 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.

The Damariscotta Mills Hydroelectric Project ("the Project") is located on the Damariscotta river at the outlet of Damariscotta Lake, in the city of Newcastle and Nobleboro, Lincoln County, Maine. Dams have existed at this site since the early 1800's and the actual powerhouse was constructed in 1923. The project consist of: (1) a concrete dam of a 5-foot high and 124-foot long with 3 stoplog bays (known as "Fishway Dam"); (2) a 5-foot high 40-foot long dike; (3) a 9.5-foot high, 57-foot long concrete dam with 2 waste gates and 1 stoplog bay (known as "Waste-Gate Dam"); (4) a 15-foot high intake structure with 2 stone masonry wing walls; (5) steel trashracks and a wooden gatehouse (known as "Intake Dam"); (6) a 5.6 foot diameter, 350-foot long steel penstock with a surge tank; (7) a masonry powerhouse with 1 generating unit and (8) a 100-foot-long transmission line. The three dams form the reservoir of the project which is called Damariscotta Lake (Upper section), the Lower portion of the reservoir is called Mill pond. First, The Intake Dam takes the water from the Mill Pond to the penstock that goes in the powerhouse. The powerhouse flows to a downstream estuary. Then, the Fishway Dam diverts water to the fishway passage which leads to the same downstream estuary than the powerhouse. Finally, The Waste Gate Dam diverts water from Pond Mill to the bypassed reach.

The Project is an electrical generating facility that is operated in a run-of-river mode, respective to the established Lake Level Rule Curve. The facility began commercial operation on December 1, 1984 and has a nameplate capacity of 462 kW as per FERC license. Please see attachment 8 for project photographs showing appurtenant structures.

14. If Class I certification is sought for a generation facility that uses biomass, the applicant shall submit:

(f) N/A: Class I certification is NOT being sought for a generation facility that uses biomass.

15. If Class I certification is sought for the incremental new production of electricity by a generation facility that uses biomass, methane or hydroelectric technologies to produce energy, the applicant shall:

(c) N/A: Class I certification is NOT being sought for the incremental new production of electricity by a generation facility that uses biomass, methane or hydroelectric technologies.

16. If Class I certification is sought for repowered Class III or Class IV sources, the applicant shall:

(c) N/A: Class I certification is NOT being sought for repowered Class III or Class IV sources.

17. If Class I certification is sought for formerly nonrenewable energy electric generation facilities, the applicant shall:

(c) N/A: Class I certification is NOT being sought for formerly nonrenewable energy electric generation facilities

18. If Class IV certification is sought for an existing small hydroelectric facility, the applicant shall submit proof that:

(a) it has installed upstream and downstream diadromous fish passages that have been required and approved under the terms of its license or exemption from the Federal Energy Regulatory Commission, and

(b) when required, has documented applicable state water quality certification pursuant to section 401 of the Clean Water Act for hydroelectric projects.

Stone pools and weir fishways were constructed in 1809 as fish passage facilities. The fish ladder has been determined to be eligible for listing in the National Register of Historic Places by the Maine Historic Preservation Commission (see attachment 1 for details). Since then, the fish passage is operated in compliance with the Federal Energy Regulatory Commission (FERC) license (issued on December 4, 2003) and the Water Quality Certification (WQC) (issued on September 19, 2003) which can be found respectively in attachment 2 & 3. Pursuant to the License and the WQC the project operates in conjunction with the final revised Fishway Standard Operating Procedure and Netting Plan found in attachment 4.

19. If the source is located in a control area adjacent to the New England control area, the applicant shall submit proof that the energy is delivered within the New England control area and such delivery is verified using the documentation required in PUC 2504.01(a) (2) a. to e.

Not applicable since the project is in the New England control area.

20. All other necessary regulatory approvals, including any reviews, approvals or permits required by the NHDES or the environmental protection agency in the facility's state.

Please see the FERC license for the Project (issued December 4, 2003) in attachment 2 which also contains the provisions of the WQC (issued by the State of Maine on September 19, 2003) for the Project presented in attachment 3.

21. 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.

The Project currently has an interconnection agreement with Central Maine Power Company (agreement No. IA-CMP-18). This agreement was signed on December 31st, 2008 and made effective as of January 1, 2009 and will remain effective for a period of 20 years since the date of

emission. Due to confidentiality reasons we have not attached the interconnection agreement to this application.

22. A description of how the generation facility is connected to the regional power pool of the local electric distribution utility.

Electric power is delivered from the interconnection of the Project's 12 kV cable to CMP's 12 kV distribution circuit tap 219D1 located on the CMP's distribution circuit Tap 219D1 extending to CMP's 12 kV distribution circuit 219D1.

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

The Project currently qualifies as a Class II renewable energy source in the state of Maine. Please see attachment 5 for the GIS certificate information sheets.

24. A statement as to whether the facility's output has been verified by ISO-New England.

The Project's output is a settlement only generator (asset number 2282) and its output is verified by ISO-New England.

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

Not applicable since the output is verified by ISO-New England.

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

Please see attachment 6 for affidavit of Guy J. Paquette, Vice President, Corporate and Legal Affairs of KEI (Maine) Power Management (IV) LLC, attesting to the accuracy of the contents of this application.

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

The Project's license transfer from Ridgewood Maine Hydro Partners, L.P. to KEI (Maine) Power Management (IV) LLC, a wholly owned subsidiary of KEI (USA) Power Management Inc. was approved per FERC order dated September 23, 2009 (128 FERC ¶62,226). Please see attachment 7 for a copy of the approval.

29. Preparer's information:

Name: Stéphane Cohen

Title: Junior Mechanical Engineer, Hydro Sector of Kruger Energy Inc.

Address: 3285 chemin Bedford, Montreal, Quebec, Canada, H3S 1G5

30. Preparer's signature: Stéphane Cohen

ATTACHMENTS

ATTACHMENT 1
MAINE HISTORIC PRESERVATION COMMISSION LETTER



JOHN ELIAS BALDACC
GOVERNOR

MAINE HISTORIC PRESERVATION COMMISSION
55 CAPITOL STREET
65 STATE HOUSE STATION
AUGUSTA, MAINE
04333

287-1453

EAGLE G. SHETTLEWORTH, JR.
COMMISSIONER

January 31, 2005

Charles C. Wemyss
Ridgewood Renewable Power, LLC
947 Linwood Ave
Ridgewood, NH 07450

Dear Mr. Wemyss:

At the request of the Damariscotta River Association, the Maine Historic Preservation Commission has considered if the Damariscotta Alewife Harvesting Shed and Fish Ladder in Nobleboro and Newcastle, Maine are eligible for listing in the National Register of Historic Places. The National Register Information Request Form and other submitted materials and photographs have been carefully examined by our staff.

I am pleased to say that in our judgement, this property is eligible for nomination to the National Register of Historic Places as an Historic District.

All nominations, before being sent to Washington for final approval, must first be presented to our Commission for preliminary clearance at one of their quarterly meetings. We would like to schedule the presentation of this nomination at our October 2005 meeting, pending notification and approval of a majority of the property owners in the proposed district.

In the meantime, the property will be included in the Maine Historic Resources Inventory which will provide the same protection as if it were already listed in the National Register.

Sincerely,

Christi A. Mitchell

Christi A. Mitchell
Architectural Historian



ATTACHMENT 2
FERC LICENSE

UNITED STATES OF AMERICA 105 FERC ¶ 62,137
FEDERAL ENERGY REGULATORY COMMISSION
December 4, 2003

Ridgewood Maine Hydro Partners, L.P.

Project No. 11566-000

ORDER ISSUING ORIGINAL LICENSE
(Minor Project)

1. On December 12, 1995, Consolidated Hydro Maine, Inc. (Consolidated) filed an application for an original license under Part I of the Federal Power Act (FPA)¹ for the continued operation and maintenance of the existing and operating, but unlicensed, 460-kilowatt (kW) Damariscotta Mills Project, located on the Damariscotta River, in Lincoln County, Maine.² Consolidated subsequently amended the application to reflect a change of applicant to Ridgewood Maine Hydro Partners, L.P. (Ridgewood). The project does not occupy federal land.

BACKGROUND

2. Public notice of the application was issued on August 19, 1996. Motions to intervene were timely filed by the Town of Nobleboro,³ and late filed by the U.S. Department of the Interior (Interior), Damariscotta Lake Watershed Association, Friends of Damariscotta Mills (Friends), Damariscotta River Association, and Maine State Planning Office. The late intervention motions have been granted.⁴ Russell W. Williams, Damariscotta Lake Watershed Association, Maine Department of Marine Resources (Maine DMR), and the U.S. Fish and wildlife Service (FWS) each filed comments.

¹ 16 U.S.C. ' 797(f) *et. seq.*

² Section 23(b)(1) of the FPA, 16 U.S.C § 817(1), requires the project to be licensed because the Damariscotta River is a navigable waterway. See Consolidated Hydro, Inc., 48 FERC ¶ 62, 212 (1989).

³ New Castle and Jefferson, Maine, joined in the motion, which was timely, unopposed, and therefore automatically granted under 18 C.F.R. § 385.214(c)(1).

⁴ See the unpublished notices granting intervention issued July 1, 2002, for Interior, and November 25, 2003, for the others.

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3. The Commission issued a second public notice on April 13, 2000, indicating the project was ready for environmental analysis and soliciting comments, recommendations, terms and conditions, and prescriptions. In response, the Commission received comments from the Department of the Interior, Town of Nobleboro, Damariscotta Lake Watershed Association, and the Maine DMR.

4. On January 30, 2002, Commission staff issued for public comment a draft environmental assessment (draft EA). Comments on the draft EA were filed by the Towns of Nobleboro, FWS, CHI Energy, Inc., and the Maine DMR. On July 24, 2002, Commission staff issued a final EA, in which staff recommended that the project be licensed with additional environmental measures, and found that licensing the project would not constitute a major federal action significantly affecting the quality of the human environment.

5. The motions to intervene and comments filed by the agencies and interested parties throughout the proceeding, have been considered in determining whether, and under what conditions, to issue this license.

PROJECT DESCRIPTION

6. The existing Damariscotta Mills project consists of: (1) a 5-foot-high, 124-foot-long concrete dam with three stoplog bays referred to as the "Fishway Dam"; (2) a 5-foot-high, 40-foot-long dike, (3) a 9.5-foot-high, 57-foot-long concrete dam with two waste gates and a stoplog bay referred to as the "Waste-Gate Dam"; (4) a 15-foot-high intake structure with two stone masonry wing walls; (5) steel trashracks and a wooden gatehouse containing a wooden gatehouse referred to as the "Intake Dam"; (6) a 5.6-foot diameter, 350 foot-long steel penstock with a surge tank; (7) a masonry powerhouse with a single generating unit; and (8) a 100-foot-long transmission line.

7. The three dams form the outlet of the 4,625-acre project reservoir which is called Damariscotta Lake (upper portion) and Mill Pond (lower portion). The Intake Dam releases water from Mill Pond into the penstock that leads to the powerhouse. The Waste Gate Dam diverts water from Mill Pond into the bypassed reach; and the Fishway Dam diverts water into a stone fishway, which joins the bypassed flows and enters a downstream non-project estuary reservoir. Flows from the powerhouse also enter the estuary reservoir, but at a different location. The project is described in greater detail in ordering paragraph (B)(2).

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8. The project operates according to a rule curve that maintains the project reservoir surface elevations during the year between 52.85 feet and 55.35 feet National Geodetic Vertical Datum. The average annual generation is 1,250 megawatt-hours (MWh). Ridgewood does not propose any new construction or capacity at the project.

WATER QUALITY CERTIFICATION

9. Under Section 401(a)(1) of the Clean Water Act (CWA),⁵ the Commission may not issue a license for a hydroelectric project unless the state water quality certifying agency either has issued a water quality certification (WQC) for the project or has waived certification. Section 401(d) of the CWA provides that the state certification shall become a condition on any federal license or permit that is issued.⁶ Only a reviewing court can revise or delete these conditions.⁷

10. Consolidated first applied for a Section 401 WQC for the project with the Maine Department of Environmental Protection (Maine DEP) on December 12, 1995. Each year since that date, Ridgewood has withdrawn and refiled its application. On September 19, 2003, the Maine DEP issued a WQC with seven conditions which are set forth in Appendix A of this order and incorporated into the license (see ordering paragraph E). Article 401 of this license requires the licensee to file for Commission approval a lake level/minimal flow plan, a water quality monitoring report, and the fishway operating procedures required under the WQC. The provisions of Article 401 are included for the purpose of adding basic requirements that enable the Commission to enforce the WQC requirements as license requirements. They do not and indeed cannot alter or override the mandatory conditions that comprise the WQC, but rather are meant to be complementary to them.⁸

⁵ 33 U.S.C. § 1341(a)(1).

⁶ 33 U.S.C. § 1341(d).

⁷ See American Rivers v. FERC, 129 F. 3d 99 (D.C. Cir. 1997).

⁸ See Avista Corporation, 93 FERC ¶ 61,116 n. 13 (2000).

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COASTAL ZONE MANAGEMENT PROGRAM

11. Under Section 307(c)(3)(A) of the Coastal Zone Management Act (CZMA),⁹ the Commission cannot issue a license for a hydropower project within or affecting a state's coastal zone, unless the CZMA agency concurs with the license applicant's certification of consistency with the state's Coastal Zone Management Program. Within the State of Maine, for those projects falling within the coastal zone, as the Damariscotta Mills Hydroelectric Project does, the WQC serves as Maine's CZMA certification. Therefore, the WQC issued by Maine DEP on September 19, 2003, is the State of Maine's determination that the project is consistent with the CZMA.

FISHWAY PRESCRIPTIONS

12. Section 18 of the FPA¹⁰ provides that the Commission shall require a licensee, to construct, operate, and maintain such fishways as may be prescribed by the Secretary of the Interior or the Secretary of Commerce, as appropriate. By letter dated June 9, 2000, Interior requested reservation of its authority to prescribe fishways at the project. Consistent with the Commission's policy, Article 402 reserves the Commission's authority to require fishways that may be prescribed by Interior for the project.

THREATENED AND ENDANGERED SPECIES

13. Section 7(a)(2) of the Endangered Species Act of 1973 (ESA)¹¹ requires federal agencies to ensure that their actions are not likely to jeopardize the continued existence of federally listed threatened and endangered species, or result in the destruction or adverse modification of their designated critical habitat. The federally-listed bald eagle (*Haliaeetus leucocephalus*) is known to inhabit areas within the boundary of the project. By letter filed June 3, 2002, FWS concurred with the staff's finding in the EA that operation and maintenance of the Damariscotta Mills Project, pursuant to the rule curve, is not likely to adversely affect the bald eagle.

⁹ 16 U.S.C. ' 1456(c)(3)(A).

¹⁰ 16 U.S.C. § 811.

¹¹ 16 U.S.C. §1536(a).

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RECOMMENDATIONS OF FEDERAL AND STATE FISH AND WILDLIFE AGENCIES

14. Section 10(j)(1) of the FPA¹² requires the Commission, when issuing a license, to include conditions based on recommendations of federal and state fish and wildlife agencies submitted pursuant to the Fish and Wildlife Coordination Act,¹³ to “adequately and equitably protect, mitigate damages to, and enhance, fish and wildlife (including related spawning grounds and habitat) affected” by the project. If the Commission believes that any such recommendation may be inconsistent with the purpose and requirements of Part I of the FPA, or other applicable law, Section 10(j)(2) of the FPA¹⁴ requires the Commission and the agencies to attempt to resolve such inconsistencies, giving due weight to the recommendations, expertise, and statutory responsibilities of such agencies. If the Commission does not adopt a recommendation, it must explain how the recommendation is inconsistent with Part I of the FPA or other applicable law and how the conditions imposed by the Commission adequately and equitably protect, mitigate damages to, and enhance, fish and wildlife resources.

15. This license includes conditions consistent with Interior and Maine DMR recommendations pursuant to section 10(j). These include: (1) minimum flows (Article 401); (2) monitoring of flows and lake levels (Article 401); and Maine’s recommendations for: (3) seasonal turbine operation (Article 401); and (4) a tailrace barrier net and fish barrier screen (Article 403).

16. Staff determined that Interior’s recommendation to monitor recreational use of the project area to determine whether access needs are being met was not within the scope of section 10(j) because the recommendation was not a specific measure to protect fish and wildlife. The measure was, however, considered and adopted under the comprehensive planning requirement of Section 10(a)(1) of the FPA. Article 405 requires recreational use monitoring.

OTHER ISSUES

A. Charges and Project Drawings

¹² 16 U.S.C. ' 803(j)(1).

¹³ 16 U.S.C. ' 661 et seq.

¹⁴ 16 U.S.C. ' 803(j)(2).

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17. The Commission collects annual charges from licensees for the administration of the FPA. Article 201 provides for the collection of such funds. Projects with authorized installed capacity of less than or equal to 1,500 kW will not be assessed an annual charge, such is the case for Damariscotta Mills which has a capacity of 460 kW.

18. The Commission requires licensees to file sets of approved project drawings on microfilm. Article 202 provides for the filing of these drawings.

B. Conservation Easements

19. In their filing of June 26, 2002, the Damariscotta River Association and the Damariscotta Lake Watershed Association (Associations) request that the licensee: (1) grant a conservation easement for lands below and above the dam where traditional access has been established; and (2) establish a fund for managing this area, maintaining the fish ladder, and providing public education signs.

20. The record fails to show a need for the broad conservation easement the Associations request. They base their request on the project's location at the head of the Great Salt bay, which Maine residents value for its aquatic and archeological resources and which the Maine Legislature recognized in recent legislation as Maine's first shellfish preserve. However, the record fails to show that the small Damariscotta Mills Project has any effect on the environmental resources of the Great Salt bay that warrants the broad conservation easement the Associations propose. Moreover, the part of the Associations' proposed easement concerning maintenance of the fish ladder and public education are taken into account in the Programmatic Agreement.

21. The Programmatic Agreement, executed July 15, 2002, requires the licensee to develop and implement a Historic Properties Management Plan that will address continued use and maintenance of Historic Properties, including the fish ladder, and public interpretation of the historic and archaeological values of the project. Article 406 requires Ridgewood to implement the Programmatic Agreement.

22. The Towns of Nobleboro, Newcastle, and Jefferson (Towns) ask that the licensee convey a conservation easement to an appropriate party to be determined in conjunction with the Towns for recreation and open space on project property and adjacent applicant-owned land.

23. In the EA (pp. 27-28), staff recognized that the Towns did not provide any evidence to support this recommendation. I agree that the Towns have not shown the need for their proposed recreation and open-space easement. Existing recreational

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amenities at the project appear to be adequate at this time (see the EA at p. 26), especially in light of the project's small size. The record fails to support requiring a broad recreation and open-space easement for project and non-project lands. Moreover Article 405 requires the licensee to monitor recreation at the project to determine whether additional recreation resources at the project are needed in the future.

C. Public Access

24. In their intervention filed July 3, 2002, Friends comments that public access to the island just below the project dam, is restricted by the licensee. As noted in the EA, the island is between the project powerhouse and fish ladder, and is used for viewing the fish ladder and fish harvesting activities. Friends states that a fence and gate was constructed to prevent public access to the island; however, Friends further states that the licensee has agreed to allow public access to the island except for approximately six weeks when additional flows are released from the project. Public safety requires preventing public access near the dams during high flows.

25. The EA at pages 23-24 evaluates public access and recognizes site constraints at the Town of Nobleboro's Vannah Road boat launch. Therefore, Articles 401 and 404 require the licensee to consider the feasibility of enhancing parking and providing portable toilets in order to address public access.

26. The Towns ask that the licensee fund snow plowing at the Maine Department of Inland Fisheries and Wildlife's boat launch site to provide off-road parking for snowmobile and ice-fishing access to Damariscotta Lake. In the EA (on page 25), staff concluded that requiring such funding is not warranted, I agree.

D. Use and Occupancy of Project Lands and Waters

27. Requiring a licensee to obtain prior Commission approval for every use or occupancy of project land would be unduly burdensome. Therefore, Article 407 allows Ridgewood to grant permission, without prior Commission approval, for the use and occupancy of project lands for such minor activities as landscape planting. Such uses must be consistent with the purpose of protecting and enhancing the scenic, recreational, and environmental values of the project.

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COMPREHENSIVE PLANS

28. Section 10(a)(2)(A) of the FPA¹⁵ requires the Commission to consider the extent to which a hydroelectric project is consistent with federal and state comprehensive plans for improving, developing, or conserving waterways affected by the project.¹⁶ Under Section 10(a)(2)(A), federal and state agencies filed 15 comprehensive plans that address various resources in Maine. Of these, the Commission staff identified and reviewed eight plans relevant to this project.¹⁷ No inconsistencies were found.

COMPREHENSIVE DEVELOPMENT

29. Sections 4(e) and 10(a)(1) of the FPA,¹⁸ respectively, require the Commission to give equal consideration to the power development purposes and to the purposes of energy conservation, the protection, mitigation of damage to, and enhancement of fish and wildlife, the protection of recreational opportunities, and the preservation of other

¹⁵ 16 U.S.C. ' 803(a)(2)(A).

¹⁶ Comprehensive plans for this purpose are defined at 18 C.F.R. ' 2.19 (2003).

¹⁷ (1) Maine state Planning Office. 1987. State of Maine comprehensive rivers management plan. Augusta, Maine. May 1987. Three volumes; (2) Maine State Planning Office. 1992. State of Maine comprehensive rivers management plan. Augusta, Maine. December 1992. volume 4; (3) Maine Department of Conservation. 1982. Maine rivers study-final report. Augusta, Maine. May 1982; (4) Maine Department of Conservation. 1993. Maine State comprehensive outdoor recreation plan. Augusta, Maine. December 1993; (5) U.S. Fish and Wildlife Service. Undated, Fisheries USA: the recreation fisheries policy of the U.S. Fish and Wildlife Service. Washington, DC; (6) U.S. Fish and Wildlife Service and Canadian Wildlife Service. 1986. North American waterfowl management plan. May 1986; (7) National Marine Fisheries Service. 2000. Fishery management report No. 36 of the Atlantic States Marine Fisheries Commission: Interstate fishery management plan for American eel (*Anguilla rostrata*). April 2000; and (8) National Marine Fisheries Service. 1998. Final amendment #11 to the Northeast Multi-species fishery management plan; amendment #9 to the Atlantic sea scallop fishery management plan; amendment #1 to the monkfish fishery management plan; and components of the proposed Atlantic herring fishery management plan for essential fish habitat. Vol 1. October 7, 1998.

¹⁸ 16 U.S.C. ' ' 797(e) and 803(a)(1).

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aspects of environmental quality. Any license issued shall be such that in the Commission's judgment will be best adapted to a comprehensive plan for improving or developing a waterway or waterways for beneficial public uses. The decision to license this project, and the terms and conditions included herein, reflect such consideration.

30. Under the Commission's approach to evaluating the economics of hydropower projects, as articulated in Mead Corp.,¹⁹ the Commission employs an analysis that uses current costs to compare the costs of the project and likely alternative power, with no forecasts concerning potential future inflation, escalation, or deflation beyond the license issuance date. The basic purpose of the Commission's economic analysis is to provide a general estimate of the potential power benefits and the costs of a project, and of reasonable alternatives to project power. The estimate helps to support an informed decision concerning what is in the public interest with respect to a proposed license. In making its decision, the Commission considers the project power benefits both with the applicant's proposed measures and with the Commission's modifications and additions to the applicant's proposal.

31. As proposed by Ridgewood, the Damariscotta Mills Project would produce an average of 1,270 MWh of energy annually at a cost of about \$112,000 or 88.55 mills per kilowatt-hour (mills/kWh). The annual value of the project's power would be \$73,000 or 57.8 mills/kWh.²⁰ To determine whether the proposed project is currently economically beneficial, staff subtracts the project's cost from the value of the power it produces. Thus, the project as proposed by Ridgewood, would have an annual net economic benefit of -\$39,000 or -30.76 mills/kWh.

32. As licensed with additional staff-recommended measures the project would produce an average of 1,250 MWh of energy annually at a cost of about \$114,000 or

¹⁹ 72 FERC & 61,027 (1995).

²⁰ Staff's estimate of the cost of alternative power is based on the current cost of energy generation in natural gas-fueled combined cycle combustion turbine generating plants in the NPCC region, plus the value of \$99 per kilowatt year for the project's dependable capacity. The regional energy value was computed to be 34.33 mills/kWh and the capacity value to be 23.47 mills/kWh, for a total power value of 57.8 mills/kWh. The estimate of the energy value is based on the cost of fuel that would be displaced by the hydroelectric generation in a natural gas-fueled Combined Cycle Combustion Turbine generating plant, operating at a heat rate of 6,200 Btu/kWh.

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91.35 mills/kWh. The annual value of the project's power would be \$72,000 or 57.8 mills/kWh and the resulting net annual benefit would be -\$42,000 or -33.57 mills/kWh.²¹

33. Our evaluation of the economics of the proposed action and the proposed action with additional staff-recommended measures shows in each analysis that project energy would cost more than alternative energy. However, project economics is only one of the many public interest factors that are considered in determining whether or not to issue a license, and operation may be desirable for other than economic reasons. For example, other public interest factors are to: (a) diversify the mix of energy sources in the area; (b) promote local employment; and (c) provide a fixed-cost source of power and reduce contract needs. Ultimately, the applicant must decide if it is in their best interest to operate the project.

34. In analyzing public interest factors, the Commission takes into account that hydropower projects offer unique operational benefits to the electric utility system (ancillary benefits). These benefits include their value as almost instantaneous load-following response to dampen voltage and frequency instability on the transmission system, system-power-factor-correction through condensing operations, and a source of power available to help in quickly putting fossil-fuel based generating stations back on line following a major utility system or regional blackout.

35. Ancillary benefits are now mostly priced at rates that recover only the cost of providing the electric service at issue, which do not resemble the prices that would occur in competitive markets. As competitive markets for ancillary benefits begin to develop, the ability of hydropower projects to provide ancillary services to the system will increase the benefits of the projects.

36. Based on our independent review and evaluation of the Damariscotta Mills Project and recommendations from the resource agencies and other stakeholders, and the no-action alternative, as documented in the EA, I have selected licensing of the Damariscotta Mills Project, as Ridgewood proposes, with additional staff-recommended measures, as the preferred alternative.

37. This alternative was selected because: (1) issuance of an original license would serve to maintain a beneficial, dependable source of electric energy; (2) the required

²¹Staff reevaluated project economics because the costs of measures proposed by Ridgewood (see its comments on the draft EA, filed March 18, 2002) were stated in the EA but not factored into the economic analysis.

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environmental measures would protect and enhance fish and wildlife resources, water quality, and recreational resources; and (3) the 1,250 MWh of electric energy generated from a renewable resource would offset the use of fossil-fueled, steam-electric generating plants, thereby conserving nonrenewable resources and reducing atmospheric pollution.

LICENSE TERM

38. Section 6 of the FPA²² provides that original licenses for hydropower projects shall be issued for a term not exceeding 50 years. The Commission's license term policy when issuing original licenses for existing projects that should have been licensed earlier is set forth in City of Danville.²³ A 30-year license is issued for projects with little or no redevelopment, new construction, or new environmental mitigation and enhancement measures; a 40-year license is issued for projects with a moderate amount of such activities; and a 50-year license is issued for projects with extensive measures.

39. This license authorizes a minor amount of environmental mitigation measures. Consequently a 30-year license term for the Damariscotta Mills Project is appropriate.

SUMMARY OF FINDINGS

40. The EA contains background information, analysis of effects, support for related license articles, and the basis for a finding that the project would not constitute a major federal action significantly affecting the quality of the human environment. The design of this project is consistent with the engineering standards governing dam safety. The project would be safe if operated and maintained in accordance with the requirements of this license.

41. Based on the review and evaluation of the project, as proposed by Ridgewood, and with the additional staff-recommended environmental measures, I conclude that the operation and maintenance of the project in the manner required by the license will protect and enhance fish and wildlife resources, water quality, recreational, and cultural resources. The electricity generated from this renewable water power resource will be beneficial because it will continue to offset the use of fossil-fueled, steam-electric generating plants, thereby conserving nonrenewable resources and reducing atmospheric pollution. I conclude that the Damariscotta Mills Project, with the conditions and other

²² 16 U.S.C. § 799.

²³ 58 FERC ¶ 61,318 at pp. 62,020-21 (1992).

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special license articles set forth below, will be best adapted to the comprehensive development of the Damariscotta River for beneficial public uses.

The Director orders:

(A) This license is issued to Ridgewood Maine Hydro Partners, L.P. (licensee) for a period of 30 years, effective the first day of the month in which this order is issued, to operate and maintain the Damariscotta Mills Hydroelectric Project. This license is subject to the terms and conditions of the Federal Power Act (FPA), which is incorporated by reference as part of this license, and subject to the regulations the Commission issues under the provisions of the FPA.

(B) The project consists of:

(1) All lands, to the extent of the licensee's interests in those lands, enclosed by the project boundary, or the limits of which shall otherwise be defined, as described and shown by Exhibit G filed December 12, 1995:

<u>Exhibit G</u>	<u>FERC No. 11566-</u>	<u>Showing</u>
1 of 1	5	Project Boundary and Location Map

(2) The Damariscotta Mills Project consists of the following facilities: (1) a 5-foot-high, 124-foot-long concrete dam with three stoplog bays referred to as the "Fishway Dam" with stone lined fishway; (2) a 5-foot-high, 40-foot-long dike; (3) a 9.5-foot-high, 57-foot-long concrete dam with two waste gates and a stoplog bay referred to as the "Waste Gate Dam"; (4) a 15-foot-high intake structure, referred to as the "Intake Dam" consisting of: (a) two stone masonry wing walls, extending 125 feet along the east bank and 50 feet along the west bank of the impoundment; (b) steel trashracks; and (c) a wooden gatehouse containing a manually operated wooden headgate; (5) a 4,625-acre reservoir with 6,875 acre-feet storage volume at the normal surface elevation of 54.35 feet, National Geodetic Vertical Datum (NGVD); (6) a 5.6-foot-diameter, 350-foot-long steel penstock; (7) a surge tank at the end of the penstock; (8) a 30x35 foot masonry powerhouse containing a single generating unit having an installed capacity of 460 kW; (9) a 100-foot-long, 12.47-kilovolt underground transmission line; and (10) appurtenant facilities.

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The project works generally described above are more specifically shown and described by those portions of Exhibits A and F filed December 12, 1995 and revised on July 25, 1996:

Exhibit A:

Pages A-1 through A-6 describing the existing mechanical, electrical and transmission equipment.

Exhibit F:

<u>Drawing</u>	<u>FERC No. 11566-</u>	<u>Showing</u>
F-1	1	Dam Plan
F-2	2	Dam Elevations and Dam Section
F-3	3	Penstock Plan & Profile
F-4	4	Powerhouse Plan, Section, & Elevation

(1) All of the structures, fixtures, equipment, or facilities used to operate or maintain the project and located within the project boundary, all portable property that may be employed in connection with the project and located within or outside the project boundary, and all riparian or other rights that are necessary or appropriate in the operation or maintenance of the project.

(C) The Exhibits A, F, and G described above are approved and made part of this license.

(D) The following sections of the FPA are waived and excluded from the license for this minor project:

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 subject to the water quality certification conditions submitted by the Maine Department of the Environmental Protection pursuant to Section 401(a) of the Clean Water Act, as those conditions are set forth in Appendix A to this order.

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(F) This license is subject to the articles set forth in Form L-9 (October 1975), entitled "Terms and Conditions of License for Constructed Minor Project Affecting Navigable Waters of the United States," and the following additional articles:

Article 201. 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 purposes of reimbursing the United States for the Commission's administrative costs, pursuant to Part I of the Federal Power 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 460 kilowatts (kW). Under the regulations currently in effect, projects with authorized installed capacity of less than or equal to 1,500 kW will not be assessed an annual charge.

Article 202. Within 45 days of the date of issuance of this license, the licensee shall file the approved exhibit drawings in aperture card and electronic file formats.

a) Three sets of the approved exhibit drawings shall be reproduced on silver or gelatin 35mm microfilm. All microfilm shall be mounted on type D (3-1/4" X 7-3/8") aperture cards. Prior to microfilming, the FERC Drawing Number (e.g., P-1234-### through P-1234-###) shall be shown in the margin below the title block of the approved drawing. After mounting, the FERC Drawing Number shall be typed on the upper right corner of each aperture card. Additionally, the Project Number, FERC Exhibit (e.g., F-1, G-1, etc.), Drawing Title, and date of this license shall be typed on the upper left corner of each aperture card.

Two of the sets of aperture cards shall be filed with the Secretary of the Commission, ATTN: OEP/DHAC. The third set shall be filed with the Commission's Division of Dam Safety and Inspections New York Regional Office.

b) The licensee shall file two separate sets of exhibit drawings in electronic format with the Secretary of the Commission, ATTN: OEP/DHAC. A third set shall be filed with the Commission's Division of Dam Safety and Inspections New York Regional Office. Each drawing must be a separate electronic file, and the file name shall include: FERC Drawing Number, FERC Exhibit, Drawing Title, date of this license, and file extension [e.g., P-1234-1001, G-1, Project Boundary, 11-04-2003.TIF]. Electronic drawings shall meet the following format specification:

IMAGERY - black & white raster file
FILE TYPE – Tagged Image File Format, (TIFF) CCITT Group 4

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RESOLUTION – 300 dpi
 DRAWING SIZE FORMAT – 24” X 36” (min), 28” X 40” (max)
 FILE SIZE – less than 1 MB

c) The licensee shall file three separate sets of the project boundary data in a geo-referenced electronic file format (such as ArcView shape files, GeoMedia files, MapInfo files, or any similar format) with the Secretary of the Commission, ATTN: OEP/DHAC. The file name shall include: FERC Project Number, data description, date of this license, and file extension [e.g., P-1234, boundary vector data, 11-04-2003.SHP]. The geo-referenced electronic boundary data file must be positionally accurate to ± 40 feet in order to comply with National Map Accuracy Standards for maps at a 1:24,000 scale, and contain all reference points shown on the individual project boundary drawings. The latitude and longitude coordinates, or state plane coordinates of each reference point must be shown. The data must include a separate text file describing the map projection used (i.e., UTM, State Plane, Decimal Degrees, etc), the map datum (i.e., North American 27, North American 83, etc.), and the units of measurement (i.e., feet, meters, miles, etc.). The text file name shall include: FERC Project Number, data description, date of this license, and file extension [e.g., P-1234, boundary metadata, 11-04-2003.TXT].

Article 401. *Requirement to file plans and reports for Commission approval.*

The Maine Department of Environmental Protection (Maine DEP) water quality certification (Appendix A) requires the licensee to develop plans and implement programs and report the results of monitoring studies. Each such plan and report shall also be submitted to the Commission for approval. These plans and reports are listed below.

Maine DEP Condition No. (Appendix A)	Plan/Report Name	Due Date from License Issuance
1.E	Plan for providing and monitoring required flows and lake levels	Within 6 months of license issuance
2.A and B	Water Quality monitoring plan and report	Within one year of license issuance
4.B	Fishway Standard Operating Procedures Plan	Within 6 months of license issuance
5.B	Plan for providing portable toilets	Within one year of license issuance

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Maine DEP Condition No. (Appendix A)	Plan/Report Name	Due Date from License Issuance
5.C	Parking and Sanitary Facility Feasibility Study Report	Within one year of license issuance

The licensee shall submit to the Commission documentation of its consultation with the Maine DEP, copies of comments and recommendations made in connection with the plan or report, and a description of how the plan or report accommodates the comments or recommendations. If the licensee does not adopt a recommendation, the filing shall include the licensee's reasons, based on project-specific information. The Commission reserves the right to make changes to the plan or report. Upon Commission approval, the plan or report becomes a requirement of the license, and the licensee shall implement the plans or report or changes in project operations or facilities, including any changes required by the Commission.

Article 402. Authority is reserved to the Commission to require the licensee to construct, operate, and maintain, or to provide for the construction, operation, and maintenance of, such fishways as may be prescribed by the Secretary of the Interior pursuant to Section 18 of the Federal Power Act.

Article 403. Within 6 months of license issuance, and in conjunction with the filing of the Final Fishway Standard Operating Procedures required by article 401 and condition 4.B of the water quality certificate (Appendix A), the licensee shall file, for Commission approval, a plan to operate and maintain screening and/or netting in the powerhouse tailrace and middle channel of the Damariscotta River. The purpose of the plan is to prevent fish from entering the project tailrace or middle channel of the Damariscotta River and to guide upstream migrating fish to the entrance of the pool and weir fishway.

The licensee shall prepare the plan after consultation with the U.S. Fish and Wildlife Service, Maine Department of Inland Fisheries and Wildlife, Maine DMR, and the Maine Department of Environmental Protection, and the Towns of Nobleboro, Newcastle, and Jefferson Maine.

The licensee shall include with the plan documentation of consultation, copies of comments and recommendations on the completed plan after it has been prepared and provided to the agencies, and specific descriptions of how the agencies' comments are accommodated by the plan. The licensee shall allow a minimum of 30 days for the agencies to comment and to make recommendations before filing the plan with the

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Commission. If the licensee does not adopt a recommendation, the filing shall include the licensee's reasons, based on project-specific information.

The Commission reserves the right to require changes to the plan. Upon Commission approval, the licensee shall implement the plan, including any changes required by the Commission.

Article 404. Within 1 year of the issuance date of the license and in conjunction with condition 5 of the water quality certificate (Appendix A), the licensee shall file for Commission approval, after consultation with the Maine Department of Inland Fisheries & Wildlife (MDIF&W), Maine Department of Conservation, Maine Department of Environmental Protection, and the Towns of Nobleboro, Newcastle, and Jefferson, a Recreation Report for managing recreational facilities and public access at the Damariscotta Mills Hydroelectric Project. The report shall include an assessment of the feasibility for enhancing parking and providing portable toilet(s) at a site located within the project boundary or in close proximity to the project, in lieu of the Vannah Road boat launch. The assessment shall: (a) identify the acre(s) and vegetative community at the site assessed, (b) include a map that clearly depicts the site in relation to the existing project boundary, and (c) include any associated cost(s) to acquire the site if the site is not licensee-owned.

The report shall include the costs for providing and maintenance of portable toilet(s); documentation of agency consultation; copies of comments and recommendations on the report after it has been prepared and provided to the agencies; and specific descriptions of how the agencies' comments and recommendations are accommodated by the report. The licensee shall allow a minimum of 30 days for the agencies to comment before filing the report with the Commission. If the licensee does not adopt a recommendation, the filing shall include the licensee's reasons, based on project-specific information.

The Commission reserves the right to require changes to the plan. Upon Commission approval, the licensee shall implement the report.

Article 405. The licensee shall, after consultation with the Maine Department of Inland Fisheries & Wildlife, Maine Department of Conservation, Maine DMR, and the Towns of Nobleboro, Newcastle, and Jefferson, Maine, monitor recreation use of the Damariscotta Mills Hydroelectric Project area to determine whether existing recreation facilities meet recreation needs through the license term. Concurrent with the filing of FERC Form 80, required by Section 8 of the Commission's Regulations (18 CFR 8.11), the licensee shall file a report with the Commission on the monitoring results. The report

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shall include: (1) annual recreational use figures; (2) a discussion of the adequacy of the licensee's recreation facilities at the project site to meet recreation demand; (3) a description of the methodology used to collect all study data; (4) if there is a need for additional facilities, a recreation plan proposed by the licensee to accommodate recreation needs in the project area; (5) documentation of agency consultation and agency comments on the report after it has been prepared and provided to the agencies; and (6) specific descriptions of how the agencies' comments are accommodated by the report.

The licensee shall allow a minimum of 30 days for the agencies to comment and to make recommendations prior to filing the report with the Commission. If the licensee does not adopt a recommendation, the filing shall include the licensee's reasons, based on project-specific information. The Commission reserves the right to require changes to the report.

Article 406. The licensee shall implement the "Programmatic Agreement Among the Federal Energy Regulatory Commission, the Advisory Council on Historic Preservation, and the State of Maine, State Historic Preservation Officer, for Managing Historic Properties that may be Affected by a License Issuing to Ridgewood Maine Hydro Partners, L.P. for the Continued Operation and Maintenance of the Damariscotta Mills Hydroelectric Project in Maine", executed on July 15, 2002, including but not limited to the Historic Property Management Plan (HPMP) for the project. In the event that the Programmatic Agreement (PA) is terminated, the licensee shall implement the provisions of its approved HPMP. The Commission reserves the authority to require changes to the HPMP at any time during the term of the license. If the PA is terminated prior to the Commission approval of the HPMP, the licensee shall obtain Commission approval before engaging in any ground disturbing activities or taking any other action that may affect any Historic Properties within the project's Area of Potential Effect.

Article 407. (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 types of use and occupancy, without prior Commission approval. The licensee may exercise the authority only if the proposed use and occupancy are 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 use and occupancy, 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.

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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, canceling 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 plants; (2) non-commercial piers, landings, boat docks, or similar structures and facilities that can accommodate no more than 10 watercraft at a time and where said facility is intended to serve single-family type dwellings; (3) embankments, bulkheads, retaining walls, or similar structures for erosion control to protect the existing shoreline; and (4) food plots and other wildlife enhancement.

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 use 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; (2) consider whether the planting of vegetation or the use of riprap would be adequate to control erosion at the site; and (3) determine that the proposed construction is needed and would not change the basic contour of the impoundment 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 or roads where 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

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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 impoundment. 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 state and Federal water quality certification 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 state and Federal 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 (measured over project waters) 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 5 acres or less; (ii) all of the land conveyed is located at least 75 feet, measured horizontally, from project waters at normal 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 60 days before conveying any interest in project lands under this paragraph (d), the licensee must submit a letter to the Director, Office of Energy Projects, 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 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 paragraph (c) or (d) of this article:

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(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 the following covenants running with the land: (i) the use of the lands conveyed shall not endanger health, create a nuisance, or otherwise be incompatible with overall project recreational use; (ii) the grantee shall take all reasonable precautions to ensure that the construction, operation, and maintenance of structures or facilities on the conveyed lands shall occur in a manner that shall protect the scenic, recreational, and environmental values of the project; and (iii) the grantee shall not unduly restrict public access to project waters.

(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 boundary may be changed to exclude land conveyed under this article only upon approval of revised exhibit G drawings (project boundary maps) reflecting exclusion of that land. Lands conveyed under this article shall 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 drawings would be filed for approval for other purposes.

(g) The authority granted to the licensee under this article shall not apply to any part of the public lands and reservations of the United States included within the project boundary.

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(G) The licensee shall serve copies of any Commission filing required by this order on any entity specified in this order to be consulted on matters related to the filing. Proof of service on these entities must accompany the filing with the Commission.

(H) This order is issued under authority delegated to the Director and is final unless a request for rehearing is filed within 30 days from the date of its issuance, as provided in Section 313(a) of the FPA. The filing of a request for rehearing does not operate as a stay of the effective date of this license or of any other date specified in this order, except as specifically ordered by the Commission. The licensee's failure to file a request for rehearing of this order shall constitute acceptance of this license.

J. Mark Robinson
Director
Office of Energy Projects

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APPENDIX A

Water Quality Certification Conditions for the Damariscotta Mills Hydroelectric Project No. 11566 issued by State of Maine Department of Environmental Protection under Section 401 of the Clean Water Act.

1. WATER LEVELS AND MINIMUM FLOWS

A. Except as temporarily modified by (1) approved maintenance activities, (2) extreme hydrologic conditions, as defined below, or (3) emergency electrical system conditions, as defined below, or (4) agreement between the applicant and appropriate state and/or federal agencies, beginning within 60 days of issuance of a FERC license for the project or upon such other schedule as established by FERC, water levels in Damariscotta Lake shall be managed in accordance with the provisions of the Lake Level Rule Curve, a copy of which is attached hereto as attachment C. The Rule curve shall be amended to reflect the commencement of the fishway operating season as early as May 1. Water levels shall be maintained between elevations 6.5 and 8.6 on the Mill Pond staff gage to the maximum extent possible in accordance with the rule curve.

B. Except as temporarily modified by (1) approved maintenance activities, (2) extreme hydrologic conditions, as defined below, or (3) emergency electrical system conditions, as defined below, or (4) agreement between the applicant and appropriate state and/or federal agencies, beginning within 60 days of issuance of a FERC license for the project or upon such other schedule as established by FERC, minimum flows shall be released from the Damariscotta Mills Project in accordance with the provisions of the Minimum Flows chart contained in Exhibit A, Section (1)(iii) of the application, amended to commence the upstream fish passage flows on May 1 or such later date as may be agreed to by the applicant, the towns and Maine DMR. Specifically, Licensee shall release the following minimum flows:

- From December 1 through March 31, a minimum flow of 13 cfs through the Middle Outlet Channel;
- From April 1 through the commencement of upstream fish passage flows, a minimum flow of 10 cfs through the Middle Outlet Channel and 3 cfs through the fishway;
- From May 1, or such later date as agreed to by MDMR and the Towns of Nobleboro and Newcastle and upon notice to the DEP, through June 15, a minimum flow of 35 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway;
- From June 16 through September 30, a variable minimum flow of leakage to 10 cfs

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- through the Middle Outlet Channel and 3 to 6 cfs through the fishway; and
- From October 1 through November 30, a minimum flow of 10 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway.

C. "Extreme Hydrologic Conditions" means the occurrence of events beyond the Licensee's control, such as, but not limited to, abnormal precipitation, extreme runoff, flood conditions, ice conditions or other hydrologic conditions such that the operational restrictions and requirements contained herein are impossible to achieve or are inconsistent with the safe operation of the Project.

D. "Emergency Electrical System Conditions" means operating emergencies beyond Licensee's control which require changes in flow regimes to eliminate such emergencies which may in some circumstances include but are not limited to equipment failure or other abnormal temporary operating condition, generating unit operation or third-party mandated interruptions under power supply emergencies; and orders from local, state or federal law enforcement or public safety authorities.

E. The applicant shall, within 6 months of issuance of an Original License for the project by FERC or upon such other schedule as established by FERC, submit plans for providing and monitoring the water levels and flows required by this condition, including a final rule curve amended to reflect a fishway operating season commencing as early as May 1. These plans shall be developed in consultation with the Towns of Nobleboro and Newcastle, U.S. Fish and Wildlife Service (USFWS), Maine Department of Inland Fisheries and Wildlife (MDIFW), Maine Department of Marine Resources (MDMR), Damariscotta River Association, Damariscotta Lake Watershed Association and DEP.

These plans shall be reviewed by and must receive the approval of the DEP Bureau of Land and Water Quality.

2. DISSOLVED OXYGEN MONITORING

A. The applicant shall conduct monitoring for DO in the estuary below the project after issuance of an original license. This monitoring shall be conducted in accordance with a plan developed in consultation with the Department and approved by the Department prior to implementation. This study shall investigate the effect of the minimum flows required by Condition I of this approval and determine the extent of any remaining nonattainment in terms of area and volume.

B. Within one year after issuance of an original license or upon such other schedule as established by FERC, the applicant shall submit the results of the monitoring

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required by Condition 2.A. above to the Department.

3. TURBINE OPERATIONS

Except as approved by the Fish Committee of the Towns of Nobleboro and Newcastle and the Maine Department of Marine Resources, the applicant shall cease turbine operations from July 1 through November 30. Turbine operations shall also be suspended as necessary to maintain lake levels within the ranges established on the Lake Level Rule Curve.

4. FISHWAY OPERATIONS

A. The applicant shall operate the fishway in accordance with final fishway standard operating procedures to be adopted by the applicant. This plan shall be based on the August, 1999 "Standard Operating Procedures for the Fish Ladder at the Damariscotta Mills Hydroelectric Project" contained in the applicant's Response to Request for Additional Information.

B. The applicant shall, within 6 months of issuance of an Original License for the project by FERC or upon such other schedule as established by FERC, submit final fishway standard operating procedures (SOP), amended to reflect a fishway operating season commencing as early as May 1. These procedures shall be developed in consultation with the Towns of Nobleboro and Newcastle, U.S. Fish and Wildlife Service (USFWS), Maine Department of Inland Fisheries and Wildlife (MDIFW) Maine Department of Marine Resources (MDMR) and DEP. These procedures shall be reviewed by and must receive the approval of the DEP Bureau of Land and Water Quality.

5. RECREATIONAL ACCESS AND USE FACILITIES

A. The applicant shall, within 12 months of issuance of an Original License for the project by FERC or upon such other schedule as established by FERC, and with the approval of the Maine Department of Inland Fisheries and Wildlife, begin providing portable toilets at the MDIF&W boat ramp in Jefferson.

B. The applicant shall, in accordance with the schedule established in the new FERC license for the project, submit final plans for providing the toilet facilities required by Part A of this condition. These plans shall be developed in consultation with MDIF&W. These plans shall be reviewed by and must receive the approval of the DEP Bureau of Land and Water Quality.

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C. The applicant shall conduct a study, in accordance with standard FERC procedures, assessing the feasibility for enhancing parking and providing additional sanitary facilities in the vicinity of the project. This study shall be conducted in consultation with the Towns, MDIF&W, and Maine Department of Conservation.

D. Within one year after issuance of an original license, or upon such other schedule as established by FERC, the applicant shall submit the results of the study required by condition 5.C. above to the Department. Based on the results of the study, the DEP reserves the right, after notice to the applicant and opportunity for public hearing, to require such enhanced parking and additional sanitary facilities as may be deemed necessary to provide for recreational access and use in the project area.

6. LIMITS OF APPROVAL

This approval is limited to and includes the proposals and plans contained in the application and supporting documents submitted and affirmed to by the applicant. All variances from the plans and proposals contained in said documents are subject to review and approval of the DEP prior to implementation.

7. COMPLIANCE WITH ALL APPLICABLE LAWS

The applicant shall secure and appropriately comply with all applicable federal, state and local licenses, permits, authorizations, conditions, agreements and orders required for the operation of the project in accordance with the terms of this certification.

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Attachment C

Proposed Rule Curve

All lake level elevations in the following rule curve are as measured at the existing Mill Pond staff gage, which is mounted on the masonry wing wall adjacent to the project's intake. Lake elevation 8.0 feet on the Mill Pond staff gage equals 54.35 feet NGVD.

I. No Turbine Operations

The turbine shall not be operated whenever the lake level falls below the following levels as measured at the Mill Pond staff gage:

January 1 to March 31	6.5 feet
April 1 to April 30	No operation below a linear rise from 6.5 feet on March 31 to 8.5 feet on May 1
July 1 to November 30	No turbine operations at any lake level, except by mutual agreement among the licensee, the Fish Committee of the Towns of Nobleboro and Newcastle, and the Maine Department of Marine Resources.
December 1 to December 31	No operation below a linear decline from 7.0 feet on December 1 to 6.5 feet on December 31

Minimum flows shall be maintained as provided in Exhibit A(1)(iii).

II. Maximize Discharge

To the extent possible, the licensee shall maximize discharge from the project whenever the lake level rises above the following levels, as measured at the Mill Pond staff gage:

April 16 to December 15	8.6 feet
December 16 to April 15	8.0 feet

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Discharge from the project shall be maximized by removing the stoplogs and opening the two waste gates at the release gate dam, and if possible, operating the turbine at its maximum capacity. If the lake level rises above a level of 8.5 feet during the period July 1 to November 30, the project's turbine may also be operated by mutual agreement among the licensee, the Fish Committee of the Towns of Nobleboro and Newcastle, and the Maine Department of Marine Resources.

III. Normal Operations

The licensee may operate the project's turbine without restriction at any time or lake level not defined above. Minimum flows shall be maintained as provided in Exhibit A(1)(iii).

ATTACHMENT 3
MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION
WATER QUALITY CERTIFICATION

IN THE MATTER OF

RIDGEWOOD MAINE.)	MAINE WATER QUALITY PROGRAM;
HYDRO PARTNERS, L.P.)	FEDERAL CLEAN WATER ACT
Nobleboro, Newcastle, Jefferson)	
Lincoln County)	
DAMARISCOTTA MILLS)	
HYDRO PROJECT)	
#L-18423-33-H-N (Approval))	WATER QUALITY CERTIFICATION

Pursuant to the provisions of 38 MRSA Section 464 *et seq.* and Section 401 of the Federal Water Pollution Control Act (a.k.a. Clean Water Act), the Department of Environmental Protection has considered the application of RIDGEWOOD MAINE HYDRO PARTNERS, L.P. with its supportive data, agency comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

1. APPLICATION SUMMARY

- a. Application. Ridgewood Maine Hydro Partners, L.P. (RMHP) proposes the continued operation of the Damariscotta Mills Project located on the Damariscotta River, in the Towns of Nobleboro, Newcastle, and Jefferson, Lincoln County, Maine (see Attachment A).
- b. Existing Project Features. The existing project includes three dams and a dike, separated by ledge outcroppings: a concrete dam, referred to as the “Fishway Dam” about 124 feet long, containing three stoplog bays which control flows into a pool and weir fish ladder; a concrete dike about 40 feet long; a concrete dam referred to as the “Waste Gate Dam”, about 57 feet long, containing two waste gates and a stoplog bay; a concrete intake structure referred to as the “Intake Dam”, consisting of (a) two stone masonry wing walls, extending 125 feet along the east bank and 50 feet along the west bank of the impoundment, (b) steel trashracks, and (c) a wooden gatehouse containing a manually operated wooden headgate. The Project also includes a 5.6 foot-diameter, 350 foot long steel penstock, extending from the intake dam to the powerhouse; a 2-foot-diameter surge tank, extending vertically from the penstock about 20 feet upstream of the powerhouse; a brick and concrete powerhouse, 30 feet by 35 feet, containing a generating unit with a capacity of 460 kW; and appurtenant facilities (see Attachment B). Dams have existed at this site since the early 1800’s and the existing powerhouse was constructed in 1923.

The Damariscotta Mills Project forms the outlet of Damariscotta Lake, an 11 mile long natural lake which has a surface area of approximately 4,625 acres at a normal water

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surface elevation of 54.35 feet NGVD. The Project is located at the southern and eastern sides of the "Mill Pond," a small embayment at the southern end of Damariscotta Lake.

- c. Existing Project Operation. The project is currently operated manually in a store and release mode, in accordance with an informal rule curve and with flows released seasonally through the fish ladder and waste gates to provide fish passage. The current informal rule curve was established in cooperation with the Damariscotta Lake Watershed Association (DLWA). The project is owned by Ridgewood Maine Hydro Partners, L.P., and operated by CHI Operations, Inc.
- d. Proposed Facilities/Operation Modifications. RMHP proposes no modifications to the project, except those proposed in association with resource protection, enhancement and mitigation measures. The project will continue to be operated in a store and release mode, in accordance with a proposed lake level rule curve and with seasonally adjusted minimum flows.
- e. Proposed Protection, Mitigation and Enhancement Measures. The applicant proposes the following project operational and non-operational measures for the protection, mitigation and enhancement of public resources:
- (1) Operate the Damariscotta Mills Project in accordance with a proposed lake level rule curve designed to balance requirements for:
 - maintaining stable water levels throughout the summer for the protection of fish, wildlife, wetlands and recreational resources;
 - providing for a winter drawdown for the storage of spring runoff and to avoid spring flooding and shoreline damage;
 - providing appropriate lake levels necessary for the operation of the project's fish ladder; and,
 - hydropower production;
 - (2) Release minimum flows at the project in accordance with a proposed schedule designed to:
 - Maintain freshwater inflow to the downstream estuary to protect water quality;
 - Provide appropriate flows through the fish ladder for upstream and downstream passage of alewives; and,
 - To the extent possible, provide a constant flow through the middle outlet channel for the protection of aquatic habitat and to meet Class B aquatic life standards;
 - (3) Cease turbine operation between July 1 and November 30, to allow safe downstream migration of alewives and American eels (with possible night operation when approved by the Towns and MDMR for lake level management);
 - (4) Implement the proposed Fishway Standard Operating Procedures, and convene a Fishway Advisory Committee to oversee operation and maintenance of the existing fish ladder;

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- (5) Provide Portable toilets at the MDIF&W boat launch in Jefferson; and,
- (6) Complete Phase III mitigation as requested by the Maine Historic Preservation Commission at the two archaeological sites adjacent to the impoundment shoreline identified in the Phase II archaeological survey as potentially eligible for listing in the National Register of Historic Places.

2. JURISDICTION

- a. Water Quality Certification. The proposed continued operation of the project qualifies as an “activity...which may result in (a) discharge into the navigable water (of the United States)” pursuant to the Clean Water Act (CWA), 33 USC 1251 et seq. Section 401 of the CWA requires that any applicant for a federal license or permit to conduct such an activity obtain a certification that the activity will comply with applicable State water quality standards.

This project is currently unlicensed by the Federal Energy Regulatory Commission (FERC). On September 21, 1989, FERC issued an order finding the project to be subject to the Commission’s jurisdiction under the Federal Power Act and directing the project owner to file an application to license the project. Consolidated Hydro Maine, Inc. filed a license application for the project with FERC on December 12, 1995. The project was subsequently transferred to RMHP by merger with Consolidated Hydro Maine, Inc.

The Department of Environmental Protection has been designated by the Governor of the State as the certifying agency for issuance of Section 401 water quality certification for all activities in the state not subject to Land Use Regulation Commission permitting and review. The Damariscotta Mills Project is located in organized municipalities that are not subject to LURC’s regulatory jurisdiction. Therefore, the DEP is the certifying agency for the project.

- b. Terms and Conditions. Section 401(d) of the CWA provides that a water quality certification shall set forth any limitations necessary to assure that an applicant for a federal license or permit will comply with any appropriate requirement of state law, and that such limitations shall become a condition on the federal license or permit issued for the activity.

3. APPLICABLE WATER QUALITY STANDARDS

- a. Classification. The waters affected by the Project are currently classified as follows:
- Damariscotta Lake – Class GPA. 38 MRSA § 465-A.
 - Damariscotta River, outlet streams to confluence with tidal waters - Class B. 38 MRSA § 468(4).

- Damariscotta River, estuarine portion below the outlet streams – Class SB.
38 MRSA § 469.

- b. Designated Uses. Class GPA and Class B waters shall be of such quality that they are suitable for the designated uses of drinking water after disinfection; recreation in and on the water; fishing; industrial process and cooling water supply; hydroelectric power generation; navigation; and as habitat for fish and other aquatic life. The habitat of Class GPA waters shall be characterized as natural. The habitat of Class B waters shall be characterized as unimpaired. 38 MRSA Section 465-A(1)(A) and 38 MRSA Section 465(3)(A).

Class SB waters shall be of such quality that they are suitable for the designated uses of recreation in and on the water, fishing, aquaculture, propagation and harvesting of shellfish, industrial process and cooling water supply, hydroelectric power generation and navigation and as habitat for fish and other estuarine and marine life. The habitat of Class SB waters shall be characterized as unimpaired. 38 MRSA Section 465-B(2)(A).

- c. Numeric Standards. The numeric standards for the project waters are as follows.

Class GPA waters shall be described by their trophic state based on measures of the chlorophyll "a" content, Secchi disk transparency, total phosphorus content and other appropriate criteria. Class GPA waters shall have a stable or decreasing trophic state, subject only to natural fluctuations and shall be free of culturally induced algal blooms which impair their use and enjoyment. The number of Escherichia coli bacteria of human origin in these waters may not exceed a geometric mean of 29 per 100 milliliters or an instantaneous level of 194 per 100 milliliters. 38 MRSA Section 465-A(1)(B).

The dissolved oxygen content of Class B waters shall be not less than 7 parts per million or 75% of saturation, whichever is higher, except that for the period from October 1st to May 14th, in order to ensure spawning and egg incubation of indigenous fish species, the 7-day mean dissolved oxygen concentration shall not be less than 9.5 parts per million and the 1-day minimum dissolved oxygen concentration shall not be less than 8.0 parts per million in identified fish spawning areas. 38 MRSA Section 465(3)(B).

The dissolved oxygen content of Class SB waters shall be not less than 85% of saturation. Between May 15th and September 30th, the numbers of enterococcus bacteria of human origin in these waters may not exceed a geometric mean of 8 per 100 milliliters or an instantaneous level of 54 per 100 milliliters. The numbers of total coliform bacteria or other specified indicator organisms in samples representative of the waters in shellfish harvesting areas may not exceed the criteria recommended under the National Shellfish Sanitation Program Manual of Operations, Part I. Sanitation of Shellfish Growing Areas, United State Department of Food and Drug Administration. 38 MRSA Section 465-B(2)(B).

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- d. Narrative Standards. The narrative standards for the project waters are as follows.

There may be no new direct discharge of pollutants into Class GPA waters. Discharges into these waters licensed prior to January 1, 1986 are allowed to continue only until practical alternatives exist. 38 MRSA Section 465-A (1)(C).

The habitat and aquatic life criteria of Class GPA are deemed to be met in an existing impoundment classified as GPA if the impounded waters, at a minimum, satisfy Class C aquatic life criteria (the receiving waters shall be of sufficient quality to support all species of fish indigenous to the receiving waters and maintain the structure and function of the resident biological community), provided that, where the actual quality of the impounded waters attains any more stringent characteristic or criteria, that existing water quality must be maintained and protected. 38 MRSA Section 464(9).

Discharges to Class B waters shall not cause adverse impact to aquatic life in that the receiving waters shall be of sufficient quality to support all aquatic species indigenous to the receiving water without detrimental changes in the resident biological community. 38 MRSA Section 465(3)(C).

Discharges to Class SB waters shall not cause adverse impact to estuarine and marine life in that the receiving waters shall be of sufficient quality to support all estuarine and marine species indigenous to the receiving water without detrimental changes in the resident biological community. There shall be no new discharge to Class SB waters which would cause closure of open shellfish areas by the DMR. 38 M.R.S.A. § 465-B(2)(C).

- e. Antidegradation. The Department may only approve water quality certification if the standards of classification of the waterbody and the requirements of the State's antidegradation policy will be met. The Department may approve water quality certification for a project affecting a waterbody in which the standards of classification are not met if the project does not cause or contribute to the failure of the waterbody to meet the standards of classification. 38 MRSA § 464(4)(F).

4. DAMARISCOTTA LAKE WATER QUALITY AND TROPHIC STATE

- a. Existing Conditions. The Damariscotta Mills Project is located at the outlet of Damariscotta Lake. There are no municipal or industrial wastewater discharges to project waters.
- b. Water Quality Data. The applicant conducted ambient water quality sampling in the project waters during the summer of 1993, in accordance with a work plan approved by the DEP. The Department has also conducted its own sampling of Damariscotta Lake over the past several years. Analysis of the data collected indicates that Damariscotta Lake meets applicable Class GPA narrative and numeric water quality standards.

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- c. Applicant's Proposals. The applicant proposes to manage water levels in Damariscotta Lake in accordance with a proposed lake level rule curve (See Attachment C).
- d. Discussion. The Department finds that Damariscotta Lake has stable water quality and is moderately productive. The applicant's proposals are not expected to affect the water quality or trophic state of the lake.

5. DISSOLVED OXYGEN

- a. Existing Conditions. The project tailrace and the outlet channels from the lake discharge to a tidal segment of the Damariscotta River, which is constricted a short distance downstream by two bridges. There are no municipal or industrial wastewater discharges to project waters. There are currently no required minimum flows from the project.
- b. Water Quality Data. The applicant conducted ambient water quality sampling in the project waters during the summer of 1993, in accordance with a work plan approved by the DEP. Temperature, dissolved oxygen, and salinity were monitored in the Mill Pond and at four locations in the Damariscotta River estuary. The results of water quality sampling indicated that DO standards are generally met at all locations. Some incidents of non-attainment were recorded in the estuary below the project. Non-attainment at the deep hole downstream of the project between the Route 215 bridge and the Boston and Maine Railroad bridge generally occurred at low tide regardless of station operation. Non-attainment at the Route 215 bridge was during low tide, low flow conditions while the station was shut-down, and generally at depth.
- c. Applicant's Proposals. The applicant proposes to maintain minimum flows in the middle outlet channel as discussed in section 6 below by passing flows through the release gate, based on lake water levels measured at the Mill Pond staff gage. The applicant also proposes to maintain flow through the fish ladder regardless of lake level, based on fish passage needs as discussed in section 7 below.
- d. Discussion. While station operation can provide sufficient flow below the project to relieve low-DO conditions at the Route 215 bridge, it does not resolve the DO problem at the deep hole between the 215 bridge and the railroad crossing. However, with station operation requiring 65 to 175 cfs, normal summer conditions do not generally provide sufficient flow to operate the station without causing an unacceptable draw-down of Damariscotta Lake. The shut-down of the station from July 1 to November 30 is necessary both to protect migrating fisheries and to allocate available water during low-flow periods to address other environmental concerns. Specifically, the proposed lake level rule curve and minimum flows allocate what flow is available during this period to maintaining Damariscotta Lake levels for the protection of wildlife and recreational uses, and providing flows to the fishway and the middle outlet channel.

The Department finds that the proposed minimum flows should improve flushing in the estuary below the project and thereby improve DO conditions. The applicant should conduct monitoring for DO below the project at the new minimum flow, to confirm this.

A study plan should be developed by the applicant and approved by the Department. This study should investigate the effect of the minimum flows and determine the extent of any remaining non-attainment in terms of area and volume.

6. AQUATIC HABITAT

- a. Existing Conditions. Aquatic habitat impacted by project operations includes Damariscotta Lake and the outlet channels below the dam. The project is currently operated manually in a store and release mode, in accordance with an informal rule curve and with seasonally adjusted flows through the middle outlet channel and the fishway. Water levels in Damariscotta Lake have been managed with the goal of avoiding significant fluctuations during critical fish reproductive periods, with up to a 1.5 foot drawdown over the course of the winter to provide storage volume for spring runoff. There have been with some divergences from these goals, notably a lake flooding event in November of 2002.

There are three outlet channels from the lake at the project, each of which is dammed to form the project impoundment. The western most channel is the historic main outlet, and is the location of the project's intake structure and penstock, but no longer conveys a natural flow. The middle channel receives flows from the waste gate structure and provides freshwater habitat from the dam to the tailrace. The easternmost channel is a fieldstone pool and weir fishway originally constructed in the early 1800's. The middle channel also provides attraction flows for the fishway.

Great Salt Bay below the project has been designated a Marine Shellfish Preserve (12 M.R.S.A. Section 6961 et seq.). This designation prohibits the harvesting of any shellfish species and other harvesting activities involving bottom disturbance.

- b. Studies. The applicant conducted a flow demonstration in the middle outlet channel to assess the impact of flow on habitat values in this channel. This demonstration was observed by Department staff. Flow conditions in the fishway were also observed. The applicant has also calculated an August median flow of 13 cfs for the project site, based on comparisons with the neighboring Sheepscot River.
- c. Applicant's Proposals. Based on the studies conducted and consultation with various agencies, the applicant proposes to operate the Damariscotta Mills Project in accordance with a lake level rule curve (Attachment C) designed to balance requirements for:
- maintaining stable water levels throughout the summer for the protection of fish, wildlife, wetlands and recreational resources;
 - providing for a winter drawdown for the storage of spring runoff and to avoid spring flooding and shoreline damage;
 - providing appropriate lake levels necessary for the operation of the project's fish ladder; and,
 - hydropower production.

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The applicant also proposes to provide a variable instream flow regime at the project that is dependent upon time of year and lake level. The plan calls for a specified set of minimum flows to the Damariscotta River below the project through the middle outlet and the fish ladder for the benefit of aquatic resources and water quality downstream of the Project, in accordance with the lake level rule curve. The proposal establishes a minimum flow of 13 cfs below the Mill Pond. 10 cfs of this flow would be released to the middle outlet via the Waste Gate Dam and the remainder (3-6 cfs) via the fish ladder when it is operating. Between June 16 and September 30, the applicant proposes to incrementally reduce the flow through the waste gates as the lake level falls, in accordance with the following schedule:

<u>Lake Level*</u>	<u>Flow</u>
>= 8.0	10 cfs
8.0 to 7.7	6 cfs
7.7 to 7.5	3 cfs
below 7.5	0 cfs

*Elevation 8.0 feet on the Mill Pond staff gage equals 54.35 feet NGVD.

Below 7.5 feet, leakage flows would be continue to be passed into the middle channel. In the 1993 survey leakage was observed to be 2-3 cfs. Flow through the fish ladder would be maintained regardless of lake level.

- d. Discussion. There must be both sufficient quality and quantity of habitat for aquatic organisms to meet aquatic life standards. The Department finds that the middle outlet channel provides the best opportunity to provide habitat between the Mill Pond and the estuarine portion of Damariscotta River. The Department further finds that applicant's proposals will be adequate to ensure that project waters are suitable for the designated uses of habitat for aquatic life and fishing.

Public concern has been expressed about the importance of managing water levels in Damariscotta Lake, particularly in relation to flooding events such as occurred in November of 2002. The applicant has agreed with local Selectmen to place a lake level staff gage in the Mill Pond in a location readily visible to the public. This and other monitoring measures will be necessary to insure that such events do not occur in the future.

The applicant must develop a monitoring plan, in consultation with U.S. Fish and Wildlife Service, Maine Department of Inland Fisheries and Wildlife, Maine Department of Marine Resources, local river and watershed organizations and the Department, to monitor and maintain lake levels and stream flows in accordance with the final lake level rule curve and the proposed minimum flows at the project.

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7. FISHERY RESOURCES

- a. Existing Resources. The Maine Department of Inland Fisheries and Wildlife (MDIF&W) currently manages Damariscotta lake for both coldwater fisheries, primarily brown trout and lake trout, and warm water fisheries, primarily largemouth and smallmouth bass.

The Maine Department of Marine Resources (MDMR) has commented that the Damariscotta River drainage has historically supported the largest commercial alewife fishery in the State of Maine. MDMR has reviewed the project to assure that adequate provisions are made for the safe and efficient upstream and downstream passage of alewives and American eels.

The project includes a pool and weir fishway which has been in operation since the early 1800's. The fishway has historically been used to provide both upstream and downstream fish passage at the project. In order to avoid entrainment of downstream migrating alewives, the applicant has since 1992 voluntarily suspended generation between July 1 and November 30.

- b. Fisheries Studies. The applicant has reviewed fish passage alternatives in consultation with the resource agencies and prepared a "Standard Operating Procedures for the Fish Ladder at the Damariscotta Mills Hydroelectric Project" (SOP) to address fish passage and protection issues in association with the licensing of the Damariscotta Mills Project. This Plan was prepared in consultation with the towns, MDMR and the U.S. Fish and Wildlife Service (USFWS). The Plan addressed the following fish passage and protection issues:

- Upstream and downstream passage for river herring (alewife and blueback herring), rainbow smelt; and,
- Upstream and downstream passage for American eel.

In preparing the SOP, the applicant reviewed engineering alternatives and provided conceptual designs and opinions of probable costs for various alternatives determined to be potentially suitable for the project, including a drop-box fish bypass facility, and block and guide net.

- c. Applicant's Proposals. The applicant has made the following proposals to protect fishery resources and provide upstream and downstream fish passage in the Project area:
- Provide for downstream fish passage at the Project by shutting down the project turbines from July 1 to November 30 and maintaining minimum flows through the middle channel and fishway as described in section 6 above. The turbines would only be operated during this period if necessary to manage lake levels with the consent of the Towns and MDMR.
 - Provide upstream fish passage at the Project by operating and maintaining the existing fish ladder in accordance with the proposed Fishway Standard Operating Procedures, providing flows through the fishway and attraction flows through the

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middle channel as proposed in the lake level rule curve. The applicant proposes to commence the operating season for the upstream fishway on May 8, or earlier based on the arrival of alewives in the project tailwater.

- d. Discussion. MDMR and USF&WS have both commented that the operating season for the upstream fish ladder should commence on May 1 instead of May 8 in order to provide adequate passage for migrating alewives. Since 1987, alewives have been observed to arrive in the project area as early as May 1 and as late as May 22.

The Department, in consultation with DMR, finds that applicant's proposal to cease turbine operation during the downstream migration season will adequately address downstream mortality.

The applicant's proposals will be adequate to ensure that project waters are suitable for the designated use of habitat for fish, provided that the fishway operating season commences May 1 or on such later date as may be approved by MDMR and the Towns.

8. RECREATIONAL ACCESS AND USE

- a. Existing Conditions. The Project area is used for a mix of recreational activities, including picnicking, canoeing, power boating, fishing, snowmobiling and ice boating. There are currently four public access facilities on Damariscotta Lake: Damariscotta Lake State Park at the north end of the lake, an IF&W boat launch on the west shore, a Town of Nobleboro boat launch at the south end of Muscongus Bay, and a Town of Nobleboro park at the outlet from the lake to the Mill Pond.

The applicant also currently provides public access for viewing the historic fishway at both the top and the bottom of the fishway.

- b. Studies. The applicant has prepared a "Damariscotta Lake Recreation Use Survey" summarizing recreational use patterns at the existing public access points to Damariscotta Lake. This report is based on a survey conducted by the applicant during the summer of 1998 and into the following winter.
- c. Applicant's Proposals. Based on the survey and discussions with interested parties, the applicant has proposed the following recreational improvements:

- Provide portable toilets at the MDIFW boat launch on Damariscotta Lake in Jefferson.

The applicant also proposes to operate the project in accordance with a lake level rule curve which includes a target lake level of 8.0 feet on the Mill Pond staff gage, which has been identified as a desirable lake level for recreational boating (See Attachment C).

- d. Discussion. MDIF&W and the Maine Department of Conservation have expressed concern that public access facilities around the lake may be reaching capacity in the very

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near future. The Department finds that the applicant's proposals will be adequate to ensure that project waters are suitable for the designated use of recreation in and on the water, provided that a follow-up study assessing the feasibility for enhancing parking and providing additional sanitary facilities in the vicinity of the project is conducted. Under FERC licensing requirements the applicant is required to conduct periodic recreational use surveys of the project waters and future needs may be addressed through that process.

A number of public comments have expressed an interest in continuing pedestrian access to the project property which has historically been allowed. This access has recently been reduced by the construction of fencing at the middle channel spillway. This fencing was installed by the applicant to address safety and liability concerns. The applicant has agreed with local parties to leave this gate unlocked so long as the flood gates are closed and there is no flow passing over the stoplog spillway. Specific comments have also addressed the storage of private boats on the project property.

Under Maine's Water Classification Laws, the Department must find that the applicant has made adequate provision to protect recreation "in and on the water." The Department finds that greater public access to the project property is not necessary to protect recreation "in and on the water." The public can currently access the water resources in the Mill Pond area by way of a small public park in Nobleboro, adjacent to the Route 215 bridge over the outlet between the lake and the Mill Pond. Additional public access to Damariscotta Lake is provided at three other points around the lake. The applicant has also proposed to continue to allow public viewing of the fishway to the extent that access is under the control of the applicant.

9. WETLANDS AND WILDLIFE RESOURCES

- a. Existing Resources. Damariscotta Lake contains extensive wetlands. These habitats are used by a variety of wildlife, including waterfowl, furbearers, and raptors. The Damariscotta River estuary below the project, including Salt Bay, is also important for waterfowl, wading birds and shorebirds. Bald eagles, a federally listed threatened species, also nest in the project area.
- b. Studies. The applicant has submitted an assessment of wetlands and wildlife resources in the project area. Primary concerns related to the fluctuation of lake levels and the potential impacts to wetlands and various wildlife, particularly loons.
- c. Applicant's Proposals. The applicant proposes to operate the project in accordance with the proposed lake level rule curve described in section 6 above. Among the goals of this rule curve are maintaining reasonably stable water levels during the loon nesting season.
- d. Discussion. Operation of the project in accordance with the proposed lake level rule curve will be adequate to ensure that project waters contained in wetlands are suitable for the designated use of habitat for aquatic life and is not expected to have any impact on rare, threatened or endangered species in the project areas. USF&WS has commented

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that operation and maintenance of the project as proposed is not likely to adversely affect the bald eagle and its habitat.

10. HYDROELECTRIC POWER GENERATION

- a. Existing Generation. The Damariscotta Mills Project currently generates an average of 1,830 Megawatt-hours of electricity annually. This is equivalent to the energy that would be produced by burning about 3,025 barrels of oil or about 840 tons of coal each year.
- b. Energy Utilization. The power generated by the Damariscotta Mills Project is currently sold to Central Maine Power. All power produced by the project is fed into CMP's transmission and distribution system.
- c. Existing Energy Policies/Plans. The State of Maine has developed a comprehensive energy plan (Final Report of the Commission on Comprehensive Energy Planning, May 1992) with the goal of meeting the State's energy needs with reliable energy supplies at the lowest possible cost, while assuring that energy production and use are consistent with a healthy environment and vibrant economy. Specifically, the Plan establishes the following targets for Maine's energy future:
 - Reduce the State's level of dependence on oil from 50% to at least the national average of 43% by the year 2000, with further reductions to at least the 30% level by 2010;
 - Increase the percentage of renewable energy resources in the State's primary energy mix from 30% to 40% by the year 2000, and to at least 50% by 2010;
 - Increase statewide energy efficiency relative to 1990 levels by 25% by the year 2000 and by at least 50% by 2010; and
 - Work to stabilize long-term energy prices, in balance with Maine's other energy-related goals, with a special emphasis on enhancing Maine's competitive position relative to New England and the United States.

With respect to renewable energy, the Plan recommends that Maine actively encourage the development of wind and solar energy resources and support the continued utilization and further development, where appropriate, of the State's renewable, indigenous hydro and biomass energy resources.

- d. Applicant's Proposals. The applicant proposes to operate the project in accordance with a lake level rule curve. The applicant's proposals to provide minimum flows and to shutdown the project to facilitate anadromous fish passage will result in a decrease in power generation, to a projected annual average of 1,250 Megawatt-hours of electricity annually.

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- e. Discussion. The Department finds that the applicant's proposals will be adequate to ensure that project waters are suitable for the designated use of hydroelectric power generation. The Department further finds that the losses in power generation due to minimum flows and shutdowns related to fish passage are reasonable and necessary to mitigate project impacts.

BASED on the above FINDINGS OF FACT, the evidence contained in the application, and subject to the conditions listed below, the Department CONCLUDES that the continued operation of the Damariscotta Mills Project will result in all waters affected by the project being suitable for all designated uses and meeting all other applicable water quality standards, provided that:

1. Lake levels are maintained as proposed;
2. Minimum flows are provided to the middle outlet channel and fishway as proposed;
3. Dissolved Oxygen monitoring is conducted in the estuary below the project;
4. Fish passage facilities are provided as proposed;
5. Other measures to enhance fish passage are implemented as proposed;
6. Public recreational access and use facilities are provided and maintained as proposed; and
7. A follow-up recreational access study is conducted.

THEREFORE, The Department APPROVES the application of RIDGEWOOD MAINE HYDRO PARTNERS, L.P. and GRANTS CERTIFICATION that there is a reasonable assurance that the continued operation of the DAMARISCOTTA MILLS PROJECT, as described above, will not violate applicable water quality standards, SUBJECT TO THE FOLLOWING CONDITIONS:

1. WATER LEVELS AND MINIMUM FLOWS

- A. Except as temporarily modified by (1) approved maintenance activities, (2) extreme hydrologic conditions, as defined below, or (3) emergency electrical system conditions, as defined below, or (4) agreement between the applicant and appropriate state and/or federal agencies, beginning within 60 days of issuance of a FERC license for the project or upon such other schedule as established by FERC, water levels in Damariscotta Lake shall be managed in accordance with the provisions of the Lake Level Rule Curve, a copy of which is attached hereto as Attachment C. The Rule curve shall be amended to reflect the commencement of the fishway operating season as early as May 1. Water levels shall be maintained between elevations 6.5 and 8.6 on the Mill Pond staff gage to the maximum extent possible in accordance with the rule curve.

RIDGEWOOD MAINE HYDRO PARTNERS, L.P.)
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WATER QUALITY CERTIFICATION
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- B. Except as temporarily modified by (1) approved maintenance activities, (2) extreme hydrologic conditions, as defined below, or (3) emergency electrical system conditions, as defined below, or (4) agreement between the applicant and appropriate state and/or federal agencies, beginning within 60 days of issuance of a FERC license for the project or upon such other schedule as established by FERC, minimum flows shall be released from the Damariscotta Mills Project in accordance with the provisions of the Minimum Flows chart contained in Exhibit A, Section (1)(iii) of the application, amended to commence the upstream fish passage flows on May 1 or such later date as may be agreed to by the applicant, the towns and MDMR. Specifically, Licensee shall release the following minimum flows:
- From December 1 through March 31, a minimum flow of 13 cfs through the Middle Outlet Channel;
 - From April 1 through the commencement of upstream fish passage flows, a minimum flow of 10 cfs through the Middle Outlet Channel and 3 cfs through the fishway;
 - From May 1, or such later date as agreed to by MDMR and the Towns of Nobleboro and Newcastle and upon notice to the DEP, through June 15, a minimum flow of 35 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway;
 - From June 16 through September 30, a variable minimum flow of leakage to 10 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway; and
 - From October 1 through November 30, a minimum flow of 10 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway.
- C. "Extreme Hydrologic Conditions" means the occurrence of events beyond the Licensee's control, such as, but not limited to, abnormal precipitation, extreme runoff, flood conditions, ice conditions or other hydrologic conditions such that the operational restrictions and requirements contained herein are impossible to achieve or are inconsistent with the safe operation of the Project.
- D. "Emergency Electrical System Conditions" means operating emergencies beyond Licensee's control which require changes in flow regimes to eliminate such emergencies which may in some circumstances include but are not limited to equipment failure or other abnormal temporary operating condition, generating unit operation or third-party mandated interruptions under power supply emergencies; and orders from local, state or federal law enforcement or public safety authorities.
- E. The applicant shall, within 6 months of issuance of an Original License for the project by FERC or upon such other schedule as established by FERC, submit plans for providing and monitoring the water levels and flows required by this condition, including a final rule curve amended to reflect a fishway operating season commencing as early as May 1. These plans shall be developed in consultation with the Towns of Nobleboro and Newcastle, U.S. Fish and Wildlife Service (USFWS), Maine Department of Inland Fisheries and Wildlife (MDIFW), Maine Department of Marine Resources (MDMR), Damariscotta River Association, Damariscotta Lake Watershed Association and DEP.

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WATER QUALITY CERTIFICATION
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These plans shall be reviewed by and must receive the approval of the DEP Bureau of Land and Water Quality.

2. DISSOLVED OXYGEN MONITORING

- A. The applicant shall conduct monitoring for DO in the estuary below the project after issuance of an original license. This monitoring shall be conducted in accordance with a plan developed in consultation with the Department and approved by the Department prior to implementation. This study shall investigate the effect of the minimum flows required by Condition 1 of this approval and determine the extent of any remaining non-attainment in terms of area and volume.
- B. Within one year after issuance of an original license or upon such other schedule as established by FERC, the applicant shall submit the results of the monitoring required by Condition 2.A. above to the Department.

3. TURBINE OPERATIONS

Except as approved by the Fish Committee of the Towns of Nobleboro and Newcastle and the Maine Department of Marine Resources, the applicant shall cease turbine operations from July 1 through November 30. Turbine operations shall also be suspended as necessary to maintain lake levels within the ranges established on the Lake Level Rule Curve.

4. FISHWAY OPERATIONS

- A. The applicant shall operate the fishway in accordance with final fishway standard operating procedures to be adopted by the applicant. This plan shall be based on the August, 1999 "Standard Operating Procedures for the Fish Ladder at the Damariscotta Mills Hydroelectric Project" contained in the applicant's Response to Request for Additional Information.
- B. The applicant shall, within 6 months of issuance of an Original License for the project by FERC or upon such other schedule as established by FERC, submit final fishway standard operating procedures (SOP), amended to reflect a fishway operating season commencing as early as May 1. These procedures shall be developed in consultation with the Towns of Nobleboro and Newcastle, U.S. Fish and Wildlife Service (USFWS), Maine Department of Inland Fisheries and Wildlife (MDIFW) Maine Department of Marine Resources (MDMR) and DEP. These procedures shall be reviewed by and must receive the approval of the DEP Bureau of Land and Water Quality.

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5. RECREATIONAL ACCESS AND USE FACILITIES

- A. The applicant shall, within 12 months of issuance of an Original License for the project by FERC or upon such other schedule as established by FERC, and with the approval of the Maine Department of Inland Fisheries and Wildlife, begin providing portable toilets at the MDIF&W boat ramp in Jefferson.
- B. The applicant shall, in accordance with the schedule established in the new FERC license for the project, submit final plans for providing the toilet facilities required by Part A of this condition. These plans shall be developed in consultation with MDIF&W. These plans shall be reviewed by and must receive the approval of the DEP Bureau of Land and Water Quality.
- C. The applicant shall conduct a study, in accordance with standard FERC procedures, assessing the feasibility for enhancing parking and providing additional sanitary facilities in the vicinity of the project. This study shall be conducted in consultation with the Towns, MDIF&W, and MDOC.
- D. Within one year after issuance of an original license, or upon such other schedule as established by FERC, the applicant shall submit the results of the study required by condition 5.C. above to the Department. Based on the results of the study, the DEP reserves the right, after notice to the applicant and opportunity for public hearing, to require such enhanced parking and additional sanitary facilities as may be deemed necessary to provide for recreational access and use in the project area.

6. LIMITS OF APPROVAL

This approval is limited to and includes the proposals and plans contained in the application and supporting documents submitted and affirmed to by the applicant. All variances from the plans and proposals contained in said documents are subject to review and approval of the DEP prior to implementation.

7. COMPLIANCE WITH ALL APPLICABLE LAWS

The applicant shall secure and appropriately comply with all applicable federal, state and local licenses, permits, authorizations, conditions, agreements and orders required for the operation of the project in accordance with the terms of this certification.

RIDGEWOOD MAINE HYDRO PARTNERS, L.P.)
#L-18423-33-H-N (Approval))

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8. EFFECTIVE DATE

This water quality certification shall be effective concurrent with the effective date of the original license issued for the project by the Federal Energy Regulatory Commission.

DONE AND DATED AT AUGUSTA, MAINE, THIS 19th DAY OF September, 2003.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

BY: /s/ Andrew C. Fisk, for
Dawn R. Gallagher, Commissioner

PLEASE NOTE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES.

Date of receipt of application: 11/13/2002
Date application accepted for processing: 11/18/2002

(Initial application received 12/12/95 and subsequently withdrawn and refiled 12/12/96, 12/12/97, 12/3/98, 11/24/99, 11/21/00, 11/16/01 and 11/13/02)

Date filed with Board of Environmental Protection: _____

This Order prepared by Mark Margerum, Bureau of Land and Water Quality.

\L-18423-33-H-N

ATTACHMENT 4
STANDARD OPERATING PROCEDURES FOR THE FISH LADDER
AND NETTING PLAN

DAMARISCOTTA MILLS PROJECT (FERC NO. 11566)

FINAL REVISED SOP AND NETTING PLAN

April 27, 2006

1.0 INTRODUCTION

The Damariscotta Mills Hydroelectric Project is located at the outlet of Damariscotta Lake in the Towns of Nobleboro and Newcastle (The Towns), Lincoln County, Maine. The facility, owned by Ridgewood Maine Hydro Partners, L.P. (Ridgewood), was issued an Original License by the Federal Energy Regulatory Commission (FERC) on December 4, 2003. Prior to that date, the hydro operations at Damariscotta Mills had never been regulated by Federal license. A plan showing the facilities FERC project boundary is attached hereto as Figure 1 and is part of this document.

One condition of the License was for Ridgewood to submit a draft Standard Operating Procedures for the Fishway (SOP) and a Netting Plan within six months of license issuance. A draft plan was issued for comment by Ridgewood on May 5, 2004 and filed with the Commission on July 2, 2004. On March 9, 2005, the Commission reopened the comment period for the SOP because at that time, the Fish Advisory Committee (FAC), consisting of Ridgewood, The Towns, and resource agencies, was in the process of refining the SOP with the intent of issuing a revised version after the 2005 upstream migration season. The current SOP and Netting Plan have been revised to reflect the comments of the Towns and various state agencies. Additional components have been instituted by Ridgewood and the Towns during 2005 with regard to maintenance of the fishway and periodic meetings of the FAC.

2.0 PURPOSE OF SOP

As required by Articles 401 and 403 of the FERC license and Condition 4.B. of the Water Quality Certification issued by the Maine Department of Environmental protection, this document provides guidelines and procedures for the operation and maintenance of the fish ladder and associated netting at the Damariscotta Mills Hydroelectric Project.

3.0 BACKGROUND

The falls between Damariscotta Lake and the head of the Damariscotta River were utilized to operate mills by early settlers in the region. The mills and associated dams blocked the passage of fish into and out of Damariscotta Lake and, as early as 1794, fish passage into the lake was under consideration. The current stone fishway was created jointly by the Towns of Nobleboro and Newcastle in 1809 so that alewives could pass up into the lake to spawn. The importance of the downstream passage of juvenile alewives, also a matter of concern since the eighteenth century, is highlighted in the Acts and Resolves of the Fifty-Seventh Legislature of the State of Maine (1878, Chap 28, pp 24-25), when the Fish Committee of the Towns was authorized to establish nets or channels to funnel fish into the ladder. The fish ladder has been in constant operation since it was established.

4.0 FACILITIES/OUTLET STRUCTURE

At the south end of Damariscotta Lake, lake waters funnel through a 32' wide channel formed by bridge abutments into the Mill Pond before making a vertical descent of some 40 to 46 feet via three outlet streams into tidal Salt Bay. The westernmost stream, the historic main outlet of the lake, is currently the location of the intake structure and penstock. A bedrock-controlled island separates the western stream from the middle and eastern streams, which both have higher natural outlets than the western stream and, prior to dam construction, served as overflow channels. Today, the waste gate structure is located at the head of the middle stream and the fish ladder occupies the easternmost stream. The project discharges directly into Salt Bay. A concrete dam spans the entire outlet area and gates are located at the head of each outlet.

5.0 GENERAL RIGHTS AND RESPONSIBILITIES

5.1 Article 402 of the Project license (105 FERC ¶ 62,137) license provides as follows:

“Authority is reserved to the Commission to require the licensee to construct, operate, and maintain, or to provide for the construction, operation, and maintenance of, such fishways as may be prescribed by the

Secretary of the Interior pursuant to Section 18 of the Federal Power Act.”

- 5.2 The Towns have harvested alewives entering the middle and western streams dating back to the eighteenth century. The Towns, via the FAC, are jointly responsible for filing an annual fish harvesting plan with MDMR; for maintaining the fish harvesting equipment; and for collaborating with Ridgewood vis-à-vis fishway maintenance and water level management.

The Fish Committee has three elected members: the Fish Agent, one selectman from Nobleboro, and one selectman from Newcastle. The Fish Agent is responsible for managing all aspects of the fishery; while the Fish Committee will confer on water level management issues and one selectman will serve as the primary contact person to Ridgewood. The second selectman will serve as the back up contact person.

- 5.3 The Towns of Newcastle and Nobleboro are jointly responsible for repairs and maintenance of the packing and check houses, parking area, dippers, and walkway, located north of Route 215.

- 5.4 The following State and Federal agencies also have rights/responsibilities in management of the fishway:

- a. Maine Department of Environmental Protection (MDEP)
- b. Maine Department of Marine Resources (MDMR)
- c. Maine Department of Inland Fish and Wildlife (MDIFW)
- d. U.S. Fish and Wildlife Service (USFWS)
- e. Maine Historic Preservation Commission (MHPC)/State Historic Preservation Officer (SHPO)
- f. Federal Energy Regulatory Commission (FERC)
- g. NOAA Fisheries

5.5 Under the FERC license, a Fishway Advisory Committee (FAC) has been established to provide oversight and guidance for fishway operations and maintenance. The FAC includes representatives from Ridgewood, the Towns of Nobleboro and Newcastle, MDMR, MDEP, the Maine Department of Inland Fisheries and Wildlife, the U.S. Fish and Wildlife Service, and the Maine Historic Preservation Commission.

6.0 FISH MANAGEMENT OVERVIEW

6.1 The fish ladder was constructed to facilitate the upstream passage of spawning adult alewives and the downstream passage of out-migrating juvenile alewives. Today, the fish ladder serves the expanded purpose of providing passage for spawning smelts and for eels. The following chart shows the managed species and timing of upstream and downstream passage.

	Upstream-Day	Upstream-Night	Downstream-Day	Downstream-Night
Smelt		April 1-30		
Adult Alewife	May 1 – June 15		June 1 – Sept 15	
Juvenile Alewife			July 3 – Nov 15	
American Eel		March 15 – May 15		Aug/Sept/Oct/Nov

Notes

- a. Smelt spawn in the lower sections of the fish ladder at night, typically at high tide.
- b. Alewife movements, both upstream and downstream, are restricted to daylight hours.
- c. Upstream migrating elvers ascend the fish ladder on dark nights between March 15 -May 15. Downstream migrating silver eels descend from the lake at night during late summer through early fall, namely September/October/November.

6.2 Management and Water Flows

When fish move upstream or downstream, they generally follow the current. Turbine generation typically produces a stronger current than the passage of water through the fish ladder, which may attract upstream migrants toward the tailrace. Therefore the management of flows in combination with block nets is intended to minimize the potential for fish to be drawn to the project intake during the downstream migration or toward the tailrace during the upstream migration. Management includes a) upstream protection through the use of the block net to channel fish into the fish ladder from May 1 to June 15, if necessary; and b)

downstream protection through the cessation of generation from July 1 to November 30. Ridgewood, in collaboration with the Towns and applicable state agencies, will explore the feasibility of downstream fish passage in addition to the existing fish ladder.

Ridgewood and the Towns agree to discourage public access at the headworks of the mill pond and at the head of the fish ladder. The Towns shall have the responsibility of installing educational signage.

7.0 GENERAL OPERATING PROTOCOLS

7.1 Rule Curve

The Rule Curve setting forth operating protocols and lake level provisions appear as Attachment C to the FERC license and provide as follows:

Proposed Rule Curve

All lake level elevations in the following rule curve are as measured at the existing Mill Pond staff gage, which is mounted on the masonry wing wall adjacent to the project's intake. Lake elevation 8.0 feet on the Mill Pond staff gage equals 54.35 feet NGVD.

I. No Turbine Operations

The turbine shall not be operated whenever the lake level falls below the following levels as measured at the Mill Pond staff gage:

- January 1 to March 31 6.5 feet*
- April 1 to April 30 No operation below a linear rise from 6.5 feet on March 31 to 8.5 feet on May 1*
- July 1 to November 30 No turbine operations at any lake level, except by mutual agreement among the licensee, the Fish Committee of the Towns of Nobleboro and Newcastle, and the Maine Department of Marine Resources.*
- December 1 to December 31 No operation below a linear decline from 7.0 feet on December 1 to 6.5 feet on December 31*

Minimum flows shall be maintained as provided in Exhibit A(1)(iii).

II. Maximize Discharge

To the extent possible, the licensee shall maximize discharge from the project whenever the lake level rises above the following levels, as measured at the Mill Pond staff gage:

- *April 16 to December 15 8.6 feet*
- *December 16 to April 15 8.0 feet*

7.2 Minimum Flows

Minimum Flows setting forth the operational schedule and quantities appear in the Water Quality Certification (Appendix A of the FERC license) as follows:

- From December 1 through March 31, a minimum flow of 13 cfs through the Middle Outlet Channel;
- From April 1 through the commencement of upstream fish passage flows, a minimum flow of 10 cfs through the Middle Outlet Channel and 3 cfs through the fishway;
- From May 1, or such later date as agreed to by MDMR and the Towns of Nobleboro and Newcastle and upon notice to the DEP, through June 15, a minimum flow of 35 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway;
- From June 16 through September 30, a variable minimum flow of leakage to 10 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway; and
- From October 1 through November 30, a minimum flow of 10 cfs through the Middle Outlet Channel and 3 to 6 cfs through the fishway.

7.3 Fishery Enhancement Operations

Installation of the blocking net will take place no later than May 1. Ridgewood staff will check and clean the net of debris (as needed) on a daily basis.

Ridgewood staff will also maintain written and photo documentation of the barrier net throughout the migration season as well as maintain a record of the number of fish found behind the net (identified as dead or alive) during daily net cleaning and a record of events when the net is overtopped by high tide levels.

An evaluation procedure for determining the effectiveness of the block net will be developed in consultation with the Towns, Ridgewood, and MDMR, utilizing data collected, at a post-run meeting to be schedule in late June or early July. If improvements are needed, provisions for new installations will be carried out well in advance of the next season's fish run.

Ridgewood is currently investigating alternatives for improving downstream passage and protection measures in addition to the 1" intake racks currently in place. Any proposed alternatives will be provided to the FAC for review and discussion.

Because the timing of the downstream alewife migration is dependent on environmental conditions, cessation of the migration varies year to year. Therefore, the FAC will meet in October of each year to determine, in consultation with DMR, when the migration is considered complete and if Ridgewood can resume operations prior to November 30th.

7.4 Protocol for Extreme Weather Events

In the event that extreme weather conditions resulting in flood conditions occur, the Project will be operated as described within the Lake Level and Minimum Flow Compliance Monitoring Plan.

7.5 Modification of Operating Protocols

The operating dates and flows may be modified only if modifications are first agreed upon by a majority of FAC members and thereafter approved by FERC and MDEP.

8.0 UPSTREAM ALEWIFE PASSAGE PROTOCOLS

8.1 Netting Plan

Since 1987, the Licensee has installed a block net across the powerhouse tailrace prior to the upstream alewife run to guide fish away from the tailrace and into the fish ladder. Starting in 1993, the Towns installed metal screens across the base of the Middle Stream upstream from the dippers to keep fish from attempting to ascend that stream. In addition, the Towns annually install screens below the dippers including a sliding screen that allow fish into the dipper area for harvesting. The Towns will continue to maintain and install the screens above the dippers on the Middle Stream during the latter half of April each year.

The Licensee will remove the tailrace net following the termination of the alewife run. The screening will be inspected upon removal and will be repaired or replaced as necessary. The Towns will do the same for the screens above and below the dippers.

8.2 On-Going Maintenance of the Fishway and Related Structures

a. Before the Upstream Alewife Run (early April)

The Licensee, working together with the Towns, will clean stones and debris from the fish ladder each spring. Minor repairs to the ladder to adjust the flow and pool configuration will be made at this time.

b. During the Run

The Towns, in collaboration with the Licensee, will be responsible for moving stones, adjusting boards, etc. to keep the fish moving upstream. The Licensee will clean the Tailrace screens once or twice daily, as needed to keep dead fish and debris from blocking the screens, and the Towns will do the same for the screens above the dippers.

c. After the Run

The Towns and Ridgewood personnel will work together to remove any temporary structures installed to aid fish in their ascent to the lake and return the fishway to its year-round configuration.

8.3 Monitoring water levels in the fish ladder

The Licensee and the Towns will work collaboratively to monitor and adjust water levels in the fish ladder as needed during the upstream alewife run.

8.4 Coordination Meetings

Weekly meetings will be held by Ridgewood representative(s), Fish Committee Members, and/or Deputy Fish Agents to facilitate optimal oversight and operations of the fishway. Further, in the event that emergency action related to fishway operations is required, the Fish Agent and a Ridgewood representative will coordinate so that immediate corrective action can be taken.

8.5 Record Keeping

Licensee staff will count fish ascending the fish ladder using sub-sampling methods. Specifically, fish will be counted at the top of the ladder where fish enter the Mill Pond, for ten minutes of every daylight hour. The count will be multiplied by six to obtain the per-hour count and the hourly counts will be added to obtain daily counts. The start and end dates of the annual count as well as the start and end times of the daily count will be determined by the Fishway Advisory Committee (FAC) based on the relative abundance of alewives in the area.

The Towns of Nobleboro and Newcastle, in cooperation with MDMR, will continue to maintain records of alewives harvested at the dippers at the base of the fish ladder or by any other means.

The data collected by the Licensee and the Towns will be combined into an annual report on the number of fish attempting an ascent into the lake each year. The report will be prepared by the Licensee and the Towns and submitted to the

FAC prior to the Annual FAC Meeting. Raw data will be provided to MDMR for tracking purposes.

9.0 MAJOR STRUCTURAL REPAIRS

- 9.1 Any major maintenance which may be required on the fish ladder, including retaining wall and pool rebuilding, will be undertaken by the Licensee in consultation with the Towns, MDMR and subject to approval from MHPC/SHPO. Maintenance of the fish harvesting equipment and associated structures will be the sole responsibility of the Towns of Nobleboro and Newcastle. The cost of repair and maintenance of the fish ladder, exclusive of the fish harvesting equipment, will be funded by the Licensee. The Towns may provide personnel and funding as deemed appropriate.
- 9.2 All major repairs or upgrades to the fish ladder will be carried out in consultation with the Maine State Historic Preservation Officer (SHPO) to ensure that the work is conducted in accordance with the fish ladder's historic character and National Register of Historic Places eligibility status. No work will be undertaken until plans are approved in writing by the SHPO.
- 9.3 The identification and scheduling of major structural repairs to the fish ladder will be discussed at the annual FAC meeting.
- 9.4 During the next five years, a survey of the fish ladder will be carried out which will form the basis for major structural repairs. An accompanying specification sheet will be created with input from the Maine Historic Preservation Commission (historically-based specifications on the structure); DMR and Inland Fish and Wildlife (specifications for resting pool depth, gradient, etc.); and the Towns (traditional knowledge of structure and operations).

10.0 FISHWAY MANAGEMENT

- 10.1 Fishway Advisory Committee

As noted earlier, a Fishway Advisory Committee (FAC) has been established to provide oversight and guidance for fishway operations and maintenance. The FAC includes representatives from Ridgewood, the Towns of Nobleboro and Newcastle, MDMR, MDEP, the Maine Department of Inland Fisheries and Wildlife, the U.S. Fish and Wildlife Service, and the Maine Historic Preservation Commission.

An annual meeting of the FAC will be convened no later than February 1 each year unless an alternate schedule is agreed upon by FAC members. The Licensee will be responsible for meeting arrangements.

In addition to the annual FAC meeting, more frequent meetings will be held as deemed necessary by a majority of FAC members. Additional meetings may include, but are not limited to, pre- and post-season upstream alewife migration meetings to discuss any necessary repairs or operational changes as well as weekly coordination meetings during the migration period.

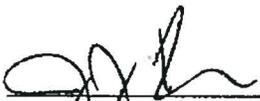
11.0 REVISIONS TO THE SOP

At each annual meeting of the FAC, members will review the contents of the SOP and will advise the Licensee as to whether any revisions are necessary to ensure the plan remains up-to-date. The Licensee will revise the plan as necessary and file the updated plan with the FERC and each FAC member no later than sixty days following the annual meeting.

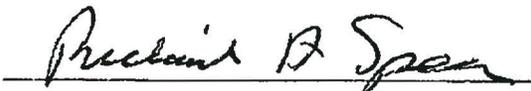
12.0 SOP APPROVAL

This SOP is considered a final document based on the below signatures of concurrence by the Towns and Ridgewood. Should any modifications be required by FERC or the Resource Agencies, the FAC will reconvene to address changes, as needed, in addition to the update process identified in Section 11.0, above. This SOP shall insure to the benefit of, and shall be binding upon the representative successors and assigns of the Towns and Ridgewood. Two signed copies of the SOP will be maintained, one by the Towns and one by Ridgewood.

IN WITNESS WHEREOF, the Parties have caused this Standard Operating Procedures for the Damariscotta Project Fishway to be executed as of April 27, 2006.



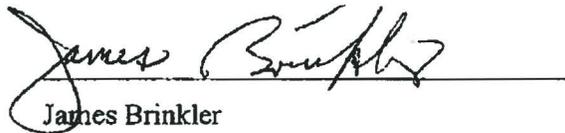
John J. Bahrs
Senior Vice President - Operations
Ridgewood Maine Hydro, LLC



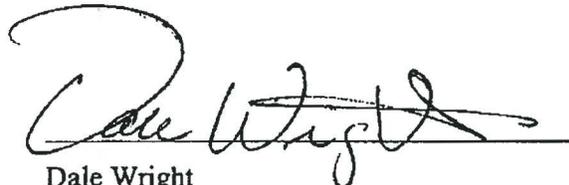
Richard A. Spear
Selectman
Town of Nobleboro



Allan Jones
Selectman
Town of Nobleboro



James Brinkler
Selectman
Town of Newcastle



Dale Wright
Fish Agent on Behalf of
Towns of Nobleboro and Newcastle

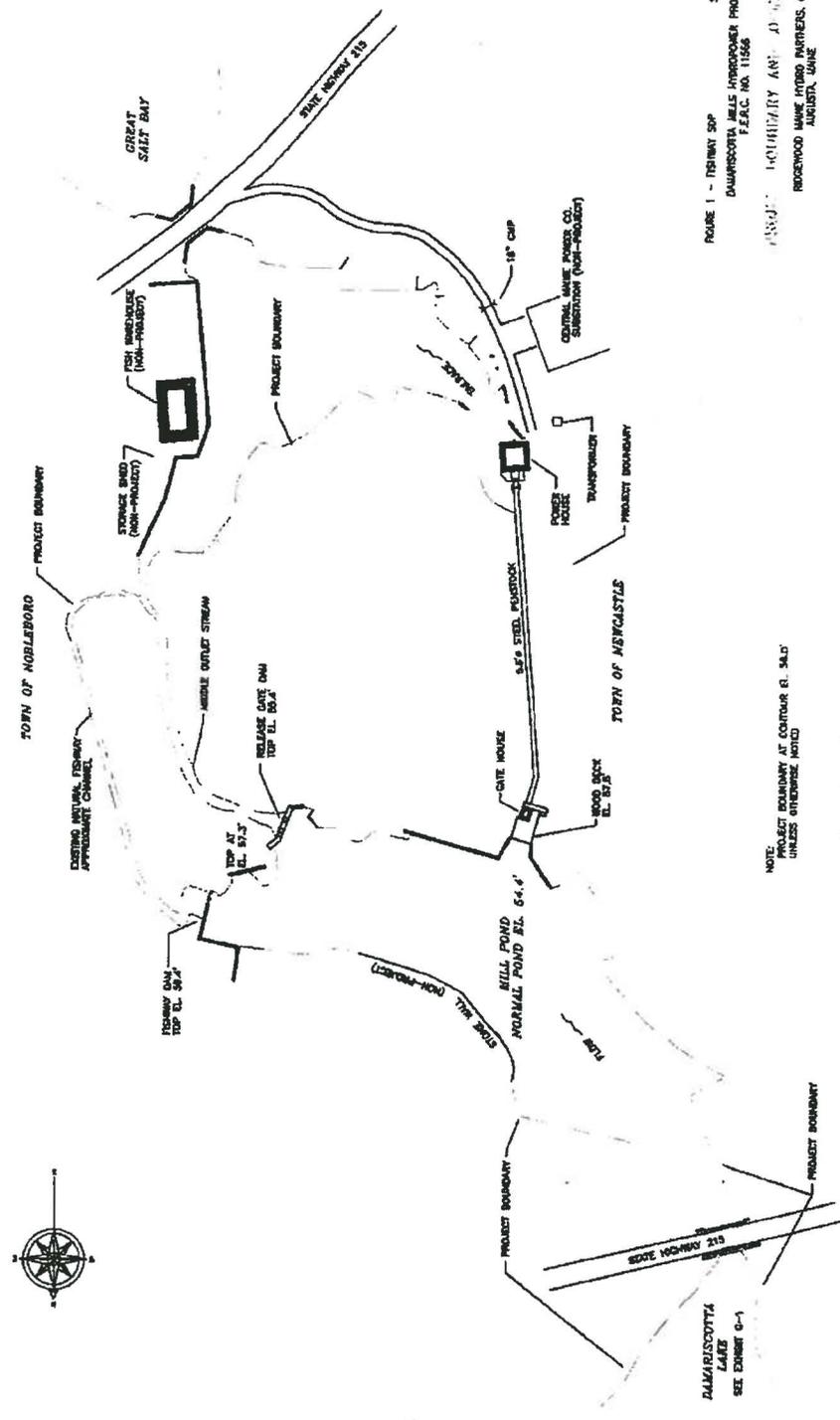


FIGURE 1 - TERNARY SVP
 WISCONSINA WELLS HYDROPONIC PROJECT
 F.E.C. NO. 11566
 PROJECT: COUNTRY AND DIVERSITY
 ROOSEVELT MARINE INDUSTRIES, L.P.
 AUGUSTA, WIS.

NOTE:
 PROJECT BOUNDARY AT OUTLINE IS SVP
 UNLESS OTHERWISE NOTED



ALL ELEVATIONS ARE U.S.G.S. DATA



WISCONSINA
 WELLS
 SEE EXHIBIT 0-1

NO.	DATE	BY	REVISION



ATTACHMENT 5
CERTIFICATE INFORMATION FROM NEPOOL GIS



My Account

Help

Certificate InformationPlant - Unit Name: **UNDER5MW - DAMARISCOTTA HYDRO**Month and year of generation : **4/2011**Certificate Serial Numbers: Total Certificates: **Part 1 - Fuel Sources****100% - Hydroelectric/Hydropower**Short Description - **Hydroelectric/Hydropower**Description - **Hydroelectric/Hydropower**

Fuel Type Attributes -

- **Hydro-small (30 MW or less) - Automatically qualifies as Connecticut CEO-eligible**
- **Hydro-daily cycle**
- **Hydro - run-of-the-river hydropower facility that has a nameplate generating capacity of not more than five megawatts, does not cause an appreciable change in the river flow, and began operation prior to July 1, 2003**

Part 2 - Renewable Portfolio Standard ("RPS") Eligibility**Connecticut**Class I Renewable Energy Source: **No**Class II Renewable Energy Source: **No**

State Certification Number:

Date of Eligibility: **NA**Class III Portfolio Standard: **No**Eligible under Clean Energy Options ("CEO"): **Yes**R-O-R Hydro: Percentage Qualifying as Class I: **NA****Massachusetts**RPS Class I Renewable Generation Unit: **No**Solar Carve-Out Unit: **No**Auction Solar Carve-Out Unit: **No**RPS Class II Renewable Generation Unit: **No**RPS Class II Waste Energy Generation Unit: **No**APS Alternative Generation Unit: **No**Generation level per year or Energy imported per year above which qualifies as RPS New Renewable Resource: **NA**

RPS Statement Of Qualification Number:

Eligible MA Renewable for NOx allowances claims from Public Benefit set-a-side: **No**

MA Renewable NOx State Certification Number:

MaineClass I New Renewable Energy Resource Qualification: **No**Class II Eligible Resource: **Yes**Community Based Renewable Energy: **No**Eligible for CO2 Netting: **No**

State Certification Number:

Date of Eligibility: **NA****Rhode Island**New Renewable Energy Resource: **No**

State Certification Number:

Date of Eligibility: **NA**

Existing Renewable Energy Resource: **No**

State Certification Number:

Date of Eligibility: **NA**

New Hampshire

Class I Source: **No**

Average annual electric production (in MWh) from a facility other than hydroelectric from 2004 through 2006, or for the first 36 months after commercial operation if that date is after December 31, 2001: **NA**

Average annual production (in MWh) of a hydroelectric facility from the later of January 1, 1986 or the date of first commercial operation through December 31, 2005 (if such a facility was upgraded or expanded during this baseline period, actual generation should be adjusted to estimate the average annual production that would have occurred had the upgrade or expansion been in place for this entire period): **NA**

Class II Source: **No**

Class III Source: **No**

Class IV Source: **No**

State Certification Number:

Date of Eligibility: **NA**

Part 3 - Emissions

CEM Reporting: **No**

ORIS PL:

Emissions Unit ID(s):

Peer unit name and address (if not reporting actual generator emissions): **NA**

Normalized emission per MWh (pounds)

- Carbon dioxide: **0.00000**

- Carbon monoxide: **0.00000**

- Mercury: **0.00000**

- Nitrogen oxides: **0.00000**

- Particulate matter: **0.00000**

- Particulate Matter 10 Microns: **0.00000**

- Sulfur dioxides: **0.00000**

- Volatile organic compounds: **0.00000**

Emissions Free Energy Certificate: **Yes**

Part 4 - Labor Characteristics

Majority of employees operating at generation plant are employed under collective bargaining agreement: **No**

If generating plant experienced a labor dispute in the most recent calendar year, replacement workers were used: **No**

Part 5 - Vintage

Vintage (month and year of commercial operation): **12/1984**

Repowering/derate date: **NA**

Refurbishment date: **NA** (Relevant to Maine RPS)

Date Operation Recommended after at Least Two Years of Not Operating: **NA** (Relevant to Maine RPS)

Date recognized by System Operators as capacity resource after not being recognized as a capacity resource for at least two years: **NA** (Relevant to Maine RPS)

Capacity addition/subtraction: **NA**

FERC hydroelectric license relicensing date: **NA**

Part 6 - Asset identification

Asset identification: **2282**

Asset owner: **NA**
Status: **ACT**
Capacity: **0.464**
Ability to Cogenerate Electricity and Steam: **No**
Steam was generated with Electricity for the Vintage : **No**

Part 7 - Total MWh generated during the reporting period
Total MWh generated: 

Part 8 - Location of GIS Generator
Location of generating unit: **New England (ISO New England Control Area)**
State: **MAINE**

Part 9 - Green-E Eligibility
Green-E eligible: **No**
Green-E fuel type: **Hydroelectric/Hydropower-Hydroelectric/Hydropower2-Less than 30MW**

Part 10 - Third Party Reporting Entity
Third Party Reporting Entity: **ISO-NE**

Part 11 - Status under Regional Greenhouse Gas Initiative
Generating Unit in Control Area that is subject to RGGI requirements ("RGGI-Affected"): **No**
Generating Unit in Control Area that is not RGGI-Affected solely because it has a generating capacity under 25 MW: **No**
Generating Unit in Control Area that is not RGGI-Affected because of its fuel source, regardless of its generating capacity: **Yes**
Generating Unit not in Control Area: **No**

Part 12 - Low Impact Hydro Institute Certification
Low Impact Hydro Institute eligible: **0**

ATTACHMENT 6
AFFIDAVIT

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

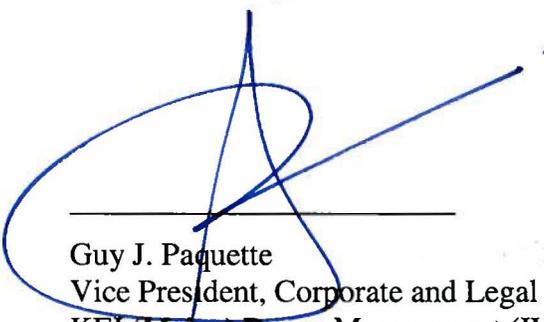
APPLICATION OF KEI (MAINE) POWER MANAGEMENT
(IV) LLC FOR CLASS IV RENEWABLE ENERGY SOURCE
ELIGIBILITY OF DAMARISCOTTA HYDROELECTRIC
PROJECT (FERC No. 11566)

Affidavit of Guy J. Paquette

I, Guy J. Paquette, of the City of Westmount, in the Province of Quebec, hereby TAKE OATH AND SAY as follows:

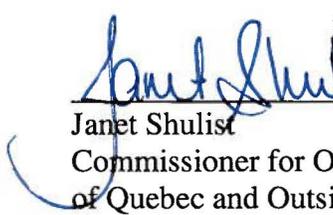
1. I am Vice President, Corporate and Legal Affairs of KEI (Maine) Power Management (IV) LLC (“KEI”). As such, I have direct knowledge of the matters referenced herein or access to the relevant corporate records.
2. KEI is submitting an application for qualification as a Class IV renewable energy source for the Damariscotta Hydroelectric Project pursuant to New Hampshire Admin. Code Puc 2500 Rules, (the “Application”);
3. I certify that the information submitted with the Application and all attachments thereto are to the best of my knowledge true and accurate.

DATED THIS 17TH DAY OF FEBRUARY 2012



Guy J. Paquette
Vice President, Corporate and Legal Affairs
KEI (Maine) Power Management (IV) LLC

SOLEMNLY AFFIRMED TO BEFORE ME THIS 17th DAY OF FEBRUARY 2012.



Janet Shulist
Commissioner for Oaths
of Quebec and Outside Quebec
Seal No: 130 003



ATTACHMENT 7
APPROVAL OF THE TRANSFER OF LICENSE

128 FERC ¶ 62,226
 UNITED STATES OF AMERICA
 FEDERAL ENERGY REGULATORY COMMISSION

Ridgewood Maine Hydro Partners, L.P.

Projects Nos. 2808-011,
 2809-026,
 3562-020,
 4202-020,
 11132-025,
 11472-057,
 11482-027,
 and 11566-
 017

KEI (Maine) Power Management (I) LLC
 KEI (Maine) Power Management (II) LLC
 KEI (Maine) Power Management (III) LLC
 KEI (Maine) Power Management (IV) LLC

ORDER APPROVING TRANSFER OF LICENSE

(Issued September 23, 2009)

1. By application filed July 30, 2009, Ridgewood Maine Hydro Partners, L.P. (Transferor) seeks Commission approval to transfer 8 licenses to KEI (Maine) Power Management (I) LLC, KEI (Maine) Power Management (II) LLC, KEI (Maine) Power Management (III) LLC, and KEI (Maine) Power Management (IV) LLC, all wholly owned subsidiaries of KEI (USA) Power Management Inc. (Transferees).

Project Number	Current Licensee	Proposed Transferors	Names and Locations
P-11132-025	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (I) LLC	Eustis Project, North Branch Dead River, Franklin County, ME
P-11472-057	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (II) LLC	Burnham Project, Sebasticook River, Somerset and Waldo Counties, ME
P-4202-020	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (II) LLC	Lowell Tannery Project, Passadumkeag River, Penobscot County, ME

Project No. 2808-011, *et al.*

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Project Number	Current Licensee (Transferor)	Proposed Transferees	Names and Locations
P-2808-011	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (III) LLC	Lower Barker Mill, Little Androscoggin River, Androscoggin County, ME
P-2809-026	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (III) LLC	American Tissue Dam Project, Cobbosseecontee Stream, Kennebec County, ME
P-3562-020	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (III) LLC	Upper Barker Mill Project, Little Androscoggin River, Androscoggin County, ME
P-11482-027	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (IV) LLC	Marcas Project, Little Androscoggin River, Androscoggin County, ME
P-11566-017	Ridgewood Maine Hydro Partners, L.P.	KEI (Maine) Power Management (IV) LLC	Damariscotta Project, Damariscotta River, Lincoln County, ME

2. Public notice of the application was issued on August 18, 2009, setting September 1, 2009, as the deadline for filing comments, protests, and motions to intervene. No comments, motions to intervene, or protests were filed.

3. The Transferees have agreed to accept all of the terms and conditions of the licenses and to be bound by the licenses as if they were the original licensees.

Project No. 2808-011, *et al.*

3

4. Transferor has generally complied with the terms and conditions of the licenses and agrees to pay annual charges that have accrued to the date of the transfers. Transferees will be required to comply with the requirements of the licenses as though they were the original licensees. Transfers of the licenses for these projects are consistent with the Commission's regulations and are in the public interest.

The Director orders:

(A) Transfer of the licenses listed in the above chart from Ridgewood Maine Hydro Partners, L.P. to KEI (Maine) Power Management (I) LLC, KEI (Maine) Power Management (II) LLC, KEI (Maine) Power Management (III) LLC, and KEI (Maine) Power Management (IV), all wholly owned subsidiaries of KEI (USA) Power Management Inc., are approved.

(B) Ridgewood Maine Hydro Partners, L.P. shall pay all annual charges that accrue up to the effective date of the transfers.

(C) Approval of the transfers is contingent upon: (1) transfer of titles of the properties under license and delivery of all license instruments to KEI (Maine) Power Management (I) LLC, KEI (Maine) Power Management (II) LLC, KEI (Maine) Power Management (III) LLC, and KEI (Maine) Power Management (IV), which shall be subject to the terms and conditions of the licenses as though they were the original licensees; and (2) KEI (Maine) Power Management (I) LLC, KEI (Maine) Power Management (II) LLC, KEI (Maine) Power Management (III) LLC, and KEI (Maine) Power Management (IV), acknowledging acceptance of this order and its terms and conditions by signing and returning the attached acceptance sheets. Within 60 days from the date of this order, the transferees shall submit certified copies of all instruments of conveyance and the signed acceptance sheets.

(D) 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 CFR §385.713.

William Guey-Lee
Chief, Engineering & Jurisdiction Branch
Division of Hydropower
Administration and Compliance

Project No. 2808-011, *et al.*

IN TESTIMONY of its acknowledgment of acceptance of all of the terms and conditions of this order, _____ this ____ day of _____, 20 ____, has caused its corporate name to be signed hereto by _____, its President, and its corporate seal to be affixed hereto and attested by _____ its Secretary, pursuant to a resolution of its Board of Directors duly adopted on the ____ day of _____, 20 ____, a certified copy of the record of which is attached hereto.

By _____

Attest:

Secretary
(Executed in quadruplicate)

ATTACHMENT 8
PROJECT PHOTOGRAPHS



Figure 1: Project powerhouse



Figure 2: Fish passage