

DE12-237

**HYDRO MANAGEMENT GROUP, LLC**

C/O ESSEX HYDRO ASSOCIATES, LLC  
55 UNION STREET, 4<sup>TH</sup> FL  
BOSTON, MA 02108

TELEPHONE:  
E-MAIL:

+617-367-0032  
AL@ESSEXHYDRO.COM

July 25, 2012

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



Attn: Executive Director and Secretary Howland

Dear Ms. Howland,

Pursuant to New Hampshire Administrative Code Puc 2500 Rule, Puc 2505.02 Application Requirements Laws of 2012, Chapter 0272, please find included with this letter an application for the qualification of Goodrich Falls Hydroelectric Company's Goodrich Falls hydroelectric project as a New Hampshire Class IV RPS Resource.

An electronic copy of this application was emailed to you at executive.director@puc.nh.gov and Barbara Bernstein at barbara.bernstein@puc.nh.gov on Wednesday, July 25th and three hard copies were delivered to your attention at the New Hampshire PUC via overnight mail on Thursday, July 26th, 2012.

Thank you in advance for review of this application and please contact me at 617-367-0032 or al@essexhydro.com with any questions

Sincerely,

Goodrich Falls Hydroelectric Company  
by Hydro Management Group, its agent  
as aggregator

  
Andrew Locke  
Vice President

DISTRIBUTED



State of New Hampshire  
Public Utilities Commission

21 S. Fruit Street, Suite 10, Concord, NH 03301-2429



APPLICATION FORM FOR  
RENEWABLE ENERGY SOURCE ELIGIBILITY FOR CLASS IV

**HYDRO SOURCES WITH A TOTAL NAMEPLATE CAPACITY OF ONE MEGAWATT OR LESS**

*Pursuant to New Hampshire Administrative Code [Puc 2500](#) Rules, [Puc 2505.02](#) Application Requirements  
Laws of 2012, Chapter 0272*

- Please submit one (1) original and two (2) paper copies of the completed application and cover letter to:

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

- Send an electronic version of the completed application and the cover letter electronically to [executive.director@puc.nh.gov](mailto:executive.director@puc.nh.gov).

The cover letter must include complete contact information and clearly state that the applicant is seeking certification as a Class IV source. Pursuant to Chapter 362-F:11 I, the Commission is required to render a decision on an application within 45 days upon receiving a completed application.

If you have any questions please contact Barbara Bernstein at (603)271-6011 or [Barbara.Bernstein@puc.nh.gov](mailto:Barbara.Bernstein@puc.nh.gov).

Please provide the following:

1. Applicant Name: Hydro Management Group LLC as agent for Goodrich Falls Hydroelectric Company

Mailing Address: c/o Essex Hydro Associates, L.L.C. 55 Union Street, 4<sup>th</sup> Floor

Town/City: Boston State: MA Zip Code: 02108

Primary Contact: Andrew Locke

Telephone: (617) 367-0032 Cell: (617)-367-0032

Email address: al@essexhydro.com

2. Facility Name: Goodrich Falls Hydroelectric Facility

(physical address) N/A

Town/City: Bartlett State: NH Zip Code: 03812

If the facility does not have a physical address, the Latitude 44° 7'35.53"N & Longitude 71°11'25.48"W

(To qualify the electrical production for RECs, the facility must be registered with the NEPOOL – GIS).  
Contact information for the GIS administrator follows:

James Webb, Registry Administrator, APX Environmental Markets  
224 Airport Parkway, Suite 600, San Jose, CA 95110  
Office: 408.517.2174, [jwebb@apx.com](mailto:jwebb@apx.com)

3. The facility's ISO-New England asset identification number, if available. 913
4. The facility's GIS facility code, if available. MSS913
5. A description of the facility including the following:
  - 5.a. The gross nameplate capacity 0.500MW
  - 5.b. The facility's initial commercial operation date 06/01/1981
  - 5.c. The date the facility began operation, if different than the operation date \_\_\_\_\_
  - 5.d. A complete description of the facility including related equipment

The Goodrich Falls hydroelectric project ("the project") is located on the Ellis River, in the town of Bartlett, Carroll County, New Hampshire. The project is located at river mile 11.5 on the Ellis River and includes a 2.1-acre impoundment, which is about 920 feet long by 100 feet wide with an average depth of 5 feet and a maximum gross storage capacity of about 2.1 acre-feet.

The project is operated as a run-of-river facility. Outflows from the project equal inflows on an instantaneous basis, and water levels above the dam are maintained at the crest of the dam and are not drawn down for the purposes of generating power. The exemptee is required to maintain a minimum flow of 4 cfs through the sluice gate at the north end of the dam between June 15 and September 15 and 6 cfs in the south channel to maintain water quality and protect aquatic habitat. Project works consist of: (1) a 157-foot-long and 25-foot-high dam with an integrated 18 foot by 23 foot concrete intake; (2) a 4.5-foot-diameter, 150-foot-long steel penstock; (3) a 25 foot by 30 foot concrete powerhouse containing one generating unit with a total installed capacity of 500 kilowatts; (4) a 250-foot-long transmission line; and (5) appurtenant facilities.

The project was issued an exemption from licensing by the Federal Energy Regulatory Commission dated March 14, 2002. At the time the exemption was issued, Goodrich Falls Hydroelectric Company contemplated increasing the project capacity to 550kW but the final as-built construction utilized one generation unit with an installed capacity of 500kW.

The project is located on the Ellis River approximately two miles above its confluence with the Saco River. The project utilizes a previously existing impoundment and the plant is unmanned, but operation is monitored on a 24/7 basis.

6. A copy of all necessary state and federal (FERC) regulatory approvals as **Attachment A**.

7. A copy of the title page of the Interconnection Agreement between the applicant and the distribution utility, the page(s) that identifies the nameplate capacity of the facility and the signature pages. *Please provide this information as **Attachment B**.*

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

The Goodrich Falls 500 kW hydroelectric generating facility is interconnected with the electric system of the New Hampshire Electric Cooperative ("NHEC") in accordance with applicable New Hampshire Public Utilities Commission ("NHPUC") Orders and federal law. (see Attachment B) The delivery point is that point at which the facility interconnects with the 12.5 KV electric system of NHEC. All electric energy delivered to NHEC's system from the Facility is subsequently delivered to and purchased by Public Service Company of New Hampshire. (see Attachment B-1)

Under this Agreement, the Interconnector shall receive and pay for the services necessary for the purpose of connecting, and providing the continued connection of, the Goodrich Falls Facility with the NHEC electrical system, including Pool Transmission Facilities ("PTF") as defined by NEPOOL, and non-PTF.

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

The Goodrich Falls Hydroelectric Facility (the "Facility") self-certified with the NEPOOL GIS as a Maine RPS Class II Resource and was qualified as such effective October 1, 2011. (see Attachment C)

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

The facility's output is verified by ISO-New England who is responsible for reporting the Facility's generation to the NEPOOL GIS.

11. An affidavit by the applicant attesting that the contents of the application are accurate. *Use either the Affidavit at the bottom of this page, or provide a separate document as **Attachment C**.*

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

Facility Operator Name: Alan Larter, Treasurer, Goodrich Falls Hydroelectric Company

Phone: (603) 934-3660

13. Other pertinent information that you wish to include to assist in classification of the facility provide as **Attachment D**.

CHECK LIST: The following has been included to complete the application:	YES
• All contact information requested in the application.	x
• A copy of all necessary state and federal (FERC) regulatory approvals as <b>Attachment A</b> .	x
• A copy of the title page of the Interconnection Agreement between the applicant and the distribution utility, the page(s) that identifies the nameplate capacity of the facility and the signature pages as <b>Attachment B</b> .	x
• A signed and notarized attestation or <b>Attachment C</b> .	x
• A GIS number has been provided or has been requested.	x
• Other pertinent information has been provided (if necessary) as <b>Attachment D</b> .	N/A
• This document has been printed and notarized.	x
• The original and two copies are included in the packet mailed to Debra Howland, Executive Director of the PUC.	x
• An electronic version of the completed application has been sent to <a href="mailto:executive.director@puc.nh.gov">executive.director@puc.nh.gov</a> .	x

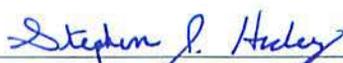
**AFFIDAVIT**

The Undersigned applicant declares under penalty of perjury that contents of this application are accurate.

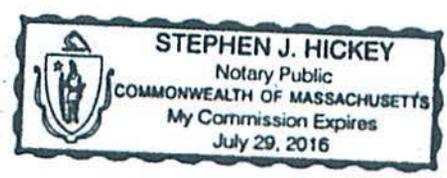
Applicant's Signature  Date 7/25/2012

Subscribed and sworn before me this 25<sup>th</sup> Day of July (month) in the year 2012

County of Suffolk State of Massachusetts

  
Notary Public/Justice of the Peace

My Commission Expires July 29, 2016



## **Attachment A**

**Goodrich Falls Hydroelectric Project  
(MSS913)**

**ORDER GRANTING EXEMPTION FROM LICENSING (FERC No. 11870)  
dtd March 14, 2002**

98 FERC ¶ 62, 175  
**UNITED STATES OF AMERICA**  
**FEDERAL ENERGY REGULATORY COMMISSION**

Goodrich Falls Hydro Electric Company

Project No. 11870-000  
New Hampshire

**ORDER GRANTING EXEMPTION FROM LICENSING**  
**(5 MW or Less)**  
**(March 14, 2002)**

**INTRODUCTION**

On January 8, 2001, the Goodrich Falls Hydro Electric Company (Goodrich Falls or applicant) filed an application to exempt the existing, unlicensed, 550-kilowatt Goodrich Falls Hydroelectric Project from the licensing requirements set forth under Section 408 of the Energy Security Act and Part I of the Federal Power Act (FPA). The proposed project is located on the Ellis River, in the town of Bartlett, Carroll County, New Hampshire. Goodrich Falls proposes to continue to operate the existing facilities as they have been operating since the late 1970's, with additional measures to protect, mitigate adverse impacts to, and enhance project-related environmental resources. The project would not occupy any United States lands. 1/

**BACKGROUND**

Notice of the application was issued on April 10, 2001, soliciting protests and motions to intervene, stating that the application was ready for environmental analysis. The notice set June 10, 2001, as the deadline for filing comments, recommendations, terms and conditions, prescriptions, protests, and motions to intervene. No motions to intervene were filed, and no one objected to issuance of an exemption. Comments received from interested agencies and individuals have been fully considered in determining whether, and under what conditions, to issue an exemption.

The Commission's environmental assessment (EA) is attached to, and made part of, this exemption order.

1/ For a detailed description of the project, see section III.A.1. of the environmental assessment.

## MANDATORY TERMS AND CONDITIONS

By letters dated August 25, 2000 and September 8, 2000, pursuant to section 4.34(b) of the Commission's regulations [18 C.F.R. § 4.34(b) (1998)] and Section 30(c) of the FPA, [16 U.S.C. § 823(a)], the U.S. Fish and Wildlife Service and the New Hampshire Fish and Game Department, respectively, filed terms and conditions for the project to prevent loss of or damage to fish and wildlife resources (see: EA, section III.A.3).

Article 2 of this exemption requires compliance with the terms and conditions filed by Federal and State fish and wildlife agencies to protect fish and wildlife resources. Mandatory terms and conditions for the project were filed and are attached in Appendix A of this exemption order.

## OTHER CONDITIONS

Based on our independent review and evaluation of the proposed project, agency recommendations, and the no-action alternative, we are issuing an exemption from licensing for the Goodrich Falls Hydroelectric Project with the condition that the exemptee provide a plan for public recreational access at the project site (Article 11).

## FINDING OF NO SIGNIFICANT IMPACT

Based on the staff's independent assessment, issuance of this order is not a major federal action significantly affecting the quality of the human environment.

### The Director orders:

(A) The Goodrich Falls Hydroelectric Project is exempted from the licensing requirements set forth under Section 408 of the Energy Security Act and Part I of the FPA, subject to the attached E-2 Form standard articles and the following additional articles:

**Article 10.** The exemptee shall pay the United States an annual charge, effective as of the date of commencement of project construction, for the purpose of reimbursing the United States for the Commission's administrative costs, 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 550 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 11.** The exemptee shall, within one year after issuance of this exemption order, submit a plan for Commission approval to construct and maintain public access to the project site. The plan shall include, at a minimum, provisions for the construction and maintenance of an access trail to the recreational resources at the project site, including appropriate signs that serve to both mark the public access trail and to warn visitors of the powerhouse and dam. The plan shall include: (a) design drawings or map showing the location of the public access; (b) a description of all signs used to identify the public access; (c) a discussion of how the plan considers the needs of the disabled; (d) discussion of how year-round use parking areas would be maintained and illuminated; (e) cost estimates of the public access improvements; (f) identification of the individual or entity responsible for operating and maintaining the access areas; and (g) an implementation schedule for the plan.

The exemptee shall prepare the plan after consultation with the New Hampshire Fish and Game Department, the New Hampshire Department of Natural Resources, the U.S. Fish and Wildlife Service, and the National Park Service. The exemptee shall include with the plan documentation of consultation, copies of the comments and recommendations on the completed plan after it has been prepared and provided to resource agencies, and specific descriptions of how the agencies' comments are accommodated by the plan. The exemptee shall allow a minimum of 30 days for the agency to comment and to make recommendations before filing the plan with the Commission. If the exemptee does not adopt a recommendation, the filing shall include the exemptee's reasons, based on project-specific information.

The Commission reserves the right to require changes to the plan, including requiring the construction of access trails, toilet facilities, and additional recreational facilities, as needed. Implementation of the plan shall not begin until the exemptee is notified by the Commission that the plan is approved. Upon Commission approval, the exemptee shall implement the plan, including any changes required by the Commission.

(B) The exemptee 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 that filing. Proof of service on these entities must accompany the filing with the Commission.

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

J. Mark Robinson  
Director  
Office of Energy Projects

## APPENDIX A

### **Attached Mandatory Terms and Conditions Filed by Federal and State Fish and Wildlife Agencies to Protect Fish and Wildlife Resources for the Goodrich Falls Hydroelectric Project**

I. The following terms and conditions were filed by the U.S. Fish and Wildlife Service (USFWS) in a letter to the applicant, dated August 25, 2000, and modified and attached to a letter from the United States Department of the Interior and filed with the Commission on June 5, 2001, pursuant to section 30(c) of the FPA.

1. The exemptee shall provide downstream fish passage facilities at the Goodrich Falls Project when notified by the U.S. Fish and Wildlife Service that Atlantic salmon restoration plans have progressed to the point where such facilities are needed. The exemptee shall be responsible for all design, operation, and maintenance, and evaluation of fish passage measures at the Goodrich Falls Project. The U.S. Fish and Wildlife Service must approve all plans related to fish passage measures prior to implementation by the exemptee.

No later than six months prior to the completion of the downstream fish passage facility, the exemptee shall file, for approval by the U.S. Fish and Wildlife Service, plans and schedules for the operation, maintenance and monitoring of the fishway. The operation and maintenance plan shall include a description of the facility oversight and personnel commitments, and should identify back-up equipment and supplies that will be available to ensure fast repairs in the event of fishway malfunction.

2. The exemptee shall operate the Goodrich Falls Project in a run-of-river mode, in which outflows from the project equal inflows on an instantaneous basis, and water levels above the dam are maintained at the crest of the dam and are not drawn down for the purposes of generating power.

The exemptee shall discharge 4 cubic feet per second (cfs) between June 15 and September 15 each year, from the sluice gate at the north end of the dam in order to provide sufficient circulation flow in the north channel pool to maintain water quality and to protect aquatic habitat. In order to ensure 4 cfs is diverted to the north channel pool, the exemptee shall excavate a small channel in the ledge below the sluice gate to the area upstream of the so-called north pool.

The exemptee shall also maintain a minimum flow of 6 cfs in the south channel of the bypass to maintain water quality and protect aquatic habitat in the pool and riffle area

at the lower portion of the south channel. This flow can be provided through the notch (or a modification thereof) in the crest of the spillway at the south end of the dam.

3. The exemptee shall, within three (3) months of the date of issuance of an exemption from licensing, prepare and file for approval by the U.S. Fish and Wildlife Service, a plan for releasing the required minimum flows (including run-of-river operation) at the Goodrich Falls Project. The plan shall include a description of the mechanisms and structures that will be used, the level of automatic operation, the methods to be used for recording data on minimum flow release and/or run-of-river operation, and a plan for maintaining this data for inspection by the U.S. Fish and Wildlife Service, the Federal Energy Regulatory Commission, and the New Hampshire Fish and Game Department.

4. The exemptee shall notify the U.S. Fish and Wildlife Service in writing when the project modifications described in the application for exemption, dated May 2000, have been completed. A set of as-built drawings shall be furnished with the notification.

5. The exemptee shall allow the U.S. Fish and Wildlife Service to inspect the project area at any time while the project operates under an exemption from licensing to monitor compliance with the USFWS's terms and conditions.

6. The exemptee shall permit access to the project area whenever possible to allow for public use of fish and wildlife resources, taking into consideration any necessary restrictions to maintain public safety and protect project civil works.

7. The U.S. Fish and Wildlife Service reserves the right to add to and alter terms and conditions of this exemption, as appropriate, to carry out its responsibilities with respect to fish and wildlife resources. The exemptee shall, within thirty (30) days of receipt, file with the Federal Energy Regulatory Commission any additional terms and conditions imposed by the U.S. Fish and Wildlife Service.

8. The exemptee shall incorporate these terms and conditions in any conveyance-- by lease, sale, or otherwise-- of his interests to legally assure compliance with said conditions for as long as the project operates under an exemption from licensing.

II. The New Hampshire Fish and Game Department (NHFGD), by letter to the applicant, dated September 8, 2000, and modified by telephone communication on December 13, 2000, recommends under section 30 (c) of the FPA, the following terms and conditions to protect the fish and wildlife resources:

1. The exemptee shall design, install, and maintain downstream fish passage facilities when deemed necessary by the NHFGD or the USFWS;
2. The exemptee shall operate the project in a run-of-river mode or in a manner in which outflows equal inflows and impoundment levels are kept at the crest of the dam at all times during power generation;
3. The exemptee shall discharge 4 cfs from the sluice gate at the north end of the dam in order to maintain water quality and protect aquatic resources in the north bypass reach pool (the exemptee shall excavate a channel from the sluice gate to the north channel pool to ensure that the 4 cfs is directed to the north channel pool between June 15 and September 15 annually) ;
4. The exemptee shall discharge 6 cfs into the bypass reach at the south end of the dam in order to protect aquatic resources in the pools and riffles. (The 6 cfs flow can be provided by a notch in the south end of the dam);
5. The exemptee shall file plans with the NHFGD and the USFWS describing methods and structures for releasing the required flows and maintaining run-of-river operation. Methods for recording data of all flows shall accompany these plans;
6. The exemptee shall file a plan with the NHFGD and USFWS describing methods and structures for releasing and assuring that the Aquatic Base Flow and required bypass reach flows during any impoundment refill period;
7. The exemptee shall develop a plan that describes reasonable access for the public above and below the project for fishing, wildlife viewing, etc. Such plan shall include appropriate signage. (The NHFGD recommends that the exemptee consult with the Access Division staff of the NHFGD for universal signage recommendations);
8. The NHFGD reserves the right to add or amend any terms or conditions of the exemption in order to protect fish and wildlife resources; and
9. The exemptee shall incorporate the terms and conditions of the exemption in any conveyance of the project.

## FEDERAL ENERGY REGULATORY COMMISSION

**§ 4.106 Standard terms and conditions of exemption from licensing**

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

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

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

(c) **Article 3.** The Commission may revoke this exemption if actual construction of any proposed generating facilities has not begun within two years or has not been completed within four years from the date on which this exemption was granted. If an exemption is revoked under this article, the Commission will not accept from the prior exemption holder a subsequent application for exemption from licensing or a notice of exemption from licensing for the same project within two years of the revocation.

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

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

(f) **Article 6.** In order to best develop, conserve, and utilize in the public interest the water resources of the region, the Commission may require that the exempt facilities be modified in structure or operation or may revoke this exemption.

(g) **Article 7.** The Commission may revoke this exemption if, in the application process, material discrepancies, inaccuracies, or falsehoods were made by or on behalf of the applicant.

(h) **Article 8.** Any exempted small hydroelectric power project that utilizes a dam that is more than 33 feet in height above streambed, as defined in 18 CFR 12.31(c) of this chapter, impounds more than 2,000 acre-feet of water, or has a significant or high hazard potential, as defined in 33 CFR Part 222, is subject to the following provisions of 18 CFR Part 12, as it may be amended:

- (1) Section 12.4(b)(1)(i) and (ii), (b)(2)(i) and (iii), (b)(iv), and (b)(v);
- (2) Section 12.4(c);
- (3) Section 12.5;
- (4) Subpart C; and
- (5) Subpart D.

For the purposes of applying these provisions of 18 CFR Part 12, the exempted project is deemed to be a licensed project development and the owner of the exempted project is deemed to be a licensee.

(i) **Article 9.** Before transferring any property interests in the exempt project, the exemption holder must inform the transferee of the terms and conditions of the exemption. Within 30 days of transferring the property interests, the exemption holder must inform the Commission of the identity and address of the transferee.

**ENVIRONMENTAL ASSESSMENT  
FOR EXEMPTION FROM HYDROPOWER LICENSING**

**GOODRICH FALLS HYDROELECTRIC PROJECT**

**FERC Project No. 11870-000**

**NEW HAMPSHIRE**

**Federal Energy Regulatory Commission  
Office of Energy Projects  
Division of Environmental and Engineering Review  
888 First Street, NE  
Washington, D.C.**

March 2002

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## SUMMARY

On January 8, 2001, Goodrich Falls Hydroelectric Company (Goodrich Falls) filed an application for an exemption from licensing under Section 408 of the Energy Security Act and Part I of the Federal Power Act (FPA) to continue to operate the existing unlicensed 550-kilowatt Goodrich Falls Hydroelectric Project No. UL93-4, located on the Ellis River, Carroll County, New Hampshire, with additional measures to protect, mitigate adverse impacts to, and enhance project-related environmental resources. Goodrich Falls plans to sell the power to a local utility.

On August 25, 2000, the U.S. Fish and Wildlife Service in a letter to the applicant, filed terms and conditions for the project to prevent loss of or damage to fish and wildlife resources. These conditions were modified and attached to a letter, dated June 4, 2001, from the United States Department of the Interior and filed with the Commission pursuant to section 30 (c) of the FPA. The New Hampshire Fish and Game Department, in a letter to the applicant dated September 8, 2000, and modified by telephone communication on December 13, 2000, filed terms and conditions to protect fish and wildlife resources (see section III.A.3).

This environmental assessment (EA) analyzes the effects of: (1) the proposed action, i.e., granting exemption from licensing of the existing unlicensed Goodrich Falls Project with the applicant's proposed environmental measures; and (2) the no action alternative, i.e., denial of exemption from licensing of the existing unlicensed Goodrich Falls Project with the applicant's proposed environmental measures. The no action alternative would require Goodrich Falls to file a license application pursuant to the FPA for the existing unlicensed Goodrich Falls Project or to discontinue project operations.

The EA recommends all measures included in the fish and wildlife agencies' mandatory terms and conditions. Staff recommends one additional measure to allow public access to project waters. These measures are discussed in sections III.A.3 and V.B, and summarized in section VI of the EA. Overall, these measures along with the standard articles provided in an exemption issued for the project, would protect, enhance, or mitigate for adverse impacts to geology and soils, water quality, fisheries, terrestrial, aesthetic, recreational, and cultural resources, and protect existing and undiscovered archeological sites. In addition, electricity generated from the proposed project would reduce the use of fossil-fueled, steam-electric generating plants.

Based on our independent review and evaluation of the proposed project, the proposed action with additional staff-recommended measures, and no-action, we recommend issuing an exemption from licensing for the Goodrich Falls Hydroelectric Project as proposed with one additional staff-recommended measure. We recommend this alternative because: (1) the project's operation would have minor environmental effects; (2) the agencies' mandatory terms and conditions and the applicant's proposed measures would adequately protect and/or enhance geology and soils, water quality, fisheries, terrestrial, aesthetic, recreational, and cultural resources; and (3) the project would generate about 2,000 gigawatt-hours of energy from a renewable resource and would reduce the use of fossil-fuels, conserve nonrenewable energy resources, and reduce atmospheric pollution.

ENVIRONMENTAL ASSESSMENT  
FEDERAL ENERGY REGULATORY COMMISSION

OFFICE OF ENERGY PROJECTS, DIVISION OF ENVIRONMENTAL AND  
ENGINEERING REVIEW

Goodrich Falls Hydroelectric Project  
FERC Project No.11870-000, New Hampshire  
March 2002

I. APPLICATION

On January 8, 2001, Goodrich Falls Hydroelectric Company, (Goodrich Falls) filed an application with the Federal Energy Regulatory Commission (Commission) for an exemption from licensing for the existing unlicensed Goodrich Falls Project No. UL93-4. The existing and operational project is located on the Ellis River, in the Town of Bartlett, Carroll County, New Hampshire (Figure 1). Goodrich Falls proposes to continue to operate the existing facilities that have operated since 1972, with additional environmental measures. The project would not occupy United States lands.

II. PURPOSE OF ACTION AND NEED FOR POWER

Section 408 of the Energy Security Act of 1980 provides the Commission authority to grant this project an exemption from the licensing requirements of the Federal Power Act (FPA).<sup>1</sup> The Commission must decide whether to grant Goodrich Falls an exemption and what, if any, conditions besides mandatory fish and wildlife conditions, to provide to protect or enhance existing environmental resources and to mitigate for any adverse environmental impacts that would occur from operation. In this Environmental Assessment (EA), the Commission staff assesses the effects of continuing to operate the facility and makes recommendations on whether, and under what conditions, to grant an exemption from licensing for the project.

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<sup>1</sup>Under Section 213 of the Public Utility Regulatory Policies Act (PURPA), the authority of the Commission to grant an exemption from licensing is not limited by a determination of the need for power. See Briggs Hydroelectric, 32 FERC ¶ 61,399 (1985). See also David Cereghino, 35 FERC ¶ 61,067 (1986).

Figure 1. Location and Features of Goodrich Falls Hydroelectric Project (Source: Goodrich Falls, 2001).

### III. PROPOSED ACTION AND ALTERNATIVES

#### A. Proposed Action

##### 1. Project Facilities and Operations

Goodrich Falls proposes to continue to operate an existing hydropower development. The proposed project consists of: (1) an existing 25-foot-high and 157-foot-long dam with an integrated 18-foot by 23-foot concrete intake; (2) a 4.5-foot-diameter, 150-foot-long steel penstock; (3) an existing 2.1-acre, 920-foot-long by 100-foot-wide impoundment with an average depth of 5 feet and maximum storage capacity of 2.1 acre-feet; (4) a 25-foot by 30-foot concrete powerhouse containing one generating unit with an installed capacity of 550-kilowatts (kW); (5) an existing 250-foot-long transmission line; and (7) appurtenant facilities. The applicant estimates that the average annual electric generation of the project would be about 2,000,000 kilowatt hours. The applicant owns the dam and existing project facilities.

##### 2. Proposed Environmental Measures

To protect, mitigate adverse impacts to, and enhance project-related environmental resources, Goodrich Falls proposes to:

- a. Operate the project in a run-of-river mode;
- b. Maintain a minimum flow of 4 cfs in the north channel bypassed reach from June 15 to September 15 to maintain suitable water quality;
- c. Provide a year-round 6 cfs minimum flow in the south channel bypassed reach to maintain suitable water quality and to protect aquatic organisms; and
- d. Improve angler access and parking for the project's tailwater area.

##### 3. Agency Recommendations

The following terms and conditions were filed by the U.S. Fish and Wildlife Service in a letter to the applicant, dated August 25, 2000, and modified and attached to a letter from the United States Department of the Interior and filed with the Commission on June 5, 2001, pursuant to section 30(c) of the FPA:

1. The exemptee shall provide downstream fish passage facilities at the Goodrich Falls Project when notified by the U.S. Fish and Wildlife Service that Atlantic salmon restoration plans have progressed to the point where such facilities are needed. The exemptee shall be responsible for all design, operation, and maintenance, and evaluation of fish passage measures at the Goodrich Falls Project. The U.S. Fish and Wildlife Service must approve all plans related to fish passage measures prior to implementation by the exemptee.

No later than six months prior to the completion of the downstream fish passage facility, the exemptee shall file, for approval by the U.S. Fish and Wildlife Service, plans and schedules for the operation, maintenance, and monitoring of the fishway. The operation and maintenance plan shall include a description of the facility oversight and personnel commitments, and should identify back-up equipment and supplies that will be available to ensure fast repairs in the event of fishway malfunction.

2. The exemptee shall operate the Goodrich Falls Project in a run-of-river mode, in which outflows from the project equal inflows on an instantaneous basis, and water levels above the dam are maintained at the crest of the dam and are not drawn down for the purposes of generating power.

The exemptee shall discharge 4 cubic feet per second (cfs) between June 15 and September 15 each year, from the sluice gate at the north end of the dam in order to provide sufficient circulation flow in the north channel pool to maintain water quality and to protect aquatic habitat. In order to ensure 4 cfs is diverted to the north channel pool, the exemptee shall excavate a small channel in the ledge below the sluice gate to the area upstream of the so-called north pool.

The exemptee shall also maintain a minimum flow of 6 cfs in the south channel of the bypass to maintain water quality and protect aquatic habitat in the pool and riffle area at the lower portion of the south channel. This flow can be provided

through the notch (or a modification thereof) in the crest of the spillway at the south end of the dam.

3. The exemptee shall, within three (3) months of the date of issuance of an exemption from licensing, prepare and file for approval by the U.S. Fish and Wildlife Service, a plan for releasing the required minimum flows ( including run-of-river operation) at the Goodrich Falls Project. The plan shall include a description of the mechanisms and structures that will be used, the level of automatic operation, the methods to be used for recording data on minimum flow release and/or run-of-river operation, and a plan for maintaining this data for inspection by the U.S. Fish and Wildlife Service, the Federal Energy Regulatory Commission, and the New Hampshire Fish and Game Department.
4. The exemptee shall notify the U.S. Fish and Wildlife Service in writing when the project modifications described in the application for exemption, dated May 2000, have been completed. A set of as-built drawings shall be furnished with the notification.
5. The exemptee shall allow the U.S. Fish and Wildlife Service to inspect the project area at any time while the project operates under an exemption from licensing to monitor compliance with their terms and conditions.
6. The exemptee shall permit access to the project area whenever possible to allow for public use of fish and wildlife resources, taking into consideration any necessary restrictions to maintain public safety and protect project civil works.
7. The U.S. Fish and Wildlife Service is reserving the right to add to and alter terms and conditions of this exemption as appropriate to carry out its responsibilities with respect to fish and wildlife resources. The exemptee shall, within thirty (30) days of receipt, file with the Federal Energy Regulatory Commission any additional terms and conditions imposed by the U.S. Fish and Wildlife Service.
8. The exemptee shall incorporate these terms and conditions in any conveyance-- by lease, sale, or otherwise-- of his interests so as to legally assure compliance with said conditions for as long as the project operates under an exemption from licensing.

The New Hampshire Fish and Game Department (NHFGD), by letter to applicant dated September 8, 2000, and modified by telephone communication on December 13,

2000, recommends under section 30 (c) of the FPA, the following terms and conditions to protect the fish and wildlife resources:

1. The exemptee shall design, install, and maintain downstream fish passage facilities when deemed necessary by the NHFGD or the USFWS;
2. The exemptee shall operate the project in a run-of-river mode or in a manner in which outflows equal inflows, and impoundment levels are kept at the crest of the dam at all times during power generation;
3. The exemptee shall discharge 4 cfs between June 15 and September 15 each year, from the sluice gate at the north end of the dam in order to maintain water quality and protect aquatic resources in the north bypass reach pool (the exemptee shall excavate a channel from just below the sluice gate to the north channel pool area to ensure all the 4 cfs minimum flow is directed to the north channel pool);
4. The exemptee shall discharge 6 cfs into the bypass reach at the south end of the dam in order to protect aquatic resources in the pools and riffles (the 6 cfs flow shall be provided by a notch in the south end of the dam);
5. The exemptee shall file plans with the NHFGD and the USFWS describing methods and structures for releasing the required flows and maintaining run-of-river operation. Methods for recording data of all flows shall accompany the plans;
6. The exemptee shall file a plan with the NHFGD and USFWS describing methods and structures for releasing and assuring that the Aquatic Base Flow and required bypass reach flows during any impoundment refill period;
7. The exemptee shall develop a plan that describes reasonable access for the public above and below the project for fishing, wildlife viewing, etc. Such plan shall include appropriate signage (the NHFGD recommends that the exemptee consult with the Access Division staff of the NHFGD for universal signage recommendations);
8. The NHFGD reserves the right to add or amend any terms or conditions of the exemption in order to protect fish and wildlife resources; and
9. The exemptee shall incorporate the terms and conditions of the exemption into any conveyance of the project.

## B. Alternatives

### 1. Proposed Action with Additional Staff-Recommended Measures

In consideration of environmental mitigative and enhancement measures for the Goodrich Falls Project, staff evaluated the measures recommended by Goodrich Falls, the state and federal agencies, and local government. Based on these measures, which are presented in section III.A.2 and III.A.3, staff made its recommendations for mitigative and enhancement measures in section V. The measures proposed by the applicant and the resource agencies, with staff's recommendation, would adequately protect and enhance the area's natural and recreational resources.

### 2. No-Action

Under no-action (denial of an exemption from licensing), Goodrich Falls would be required to file an application for license for the existing unlicensed Goodrich Falls Project or discontinue project operations. If project operations were discontinued, the electricity that would have been generated by the project would not be available to displace the energy produced by other alternative generating sources, and the environmental measures proposed by the applicant would not be implemented. If Goodrich Falls filed a license application, the existing project would continue to operate and no environmental measures would be implemented until the Commission completes a review of the application and issues an order granting license.

## IV. AGENCIES AND ENTITIES CONTACTED

### A. Agency Consultation

The following entities commented on the Goodrich Falls Project's application, either in response to the draft application or notice that the application is ready for environmental analysis which specified June 10, 2001, as the deadline to respond. All comments received from concerned entities become part of the record and are considered during staffs' analysis of the proposed action.

Commenting agencies and other entities

Date of Comment

U.S. Department of the Interior	June 4, 2001
U.S. Fish and Wildlife Service	August 25, 2000
U.S. Forest Service	August 14, 2000
New Hampshire Fish and Game Department	September 8, 2000

#### B. Interventions

No entities filed motions to intervene for the Goodrich Falls Hydroelectric Project.

#### C. Coastal Zone Management Act

The proposed Goodrich Falls project is not located in the coastal zone boundary designated by the New Hampshire Office of State Planning. Our assessment is that no coastal zone consistency certification is needed for this project.

### V. ENVIRONMENTAL ANALYSIS

#### A. General Description of the Ellis River Basin

The Goodrich Falls Project is located on the Ellis River, in the Town of Bartlett, Carroll County, New Hampshire. The Ellis River Basin lies in a region characterized by flat to gently rolling hills. The surrounding area along the Ellis River corridor is primarily agricultural, consisting of cultivated crops and pasture lands. Some limited commercial and residential use occurs near the project. The area is largely undeveloped, with the White Mountains National Forest and several state forests and parks in the region. The Ellis River originates on the eastern slope of Mt. Washington and flows southerly for 14 miles to Bartlett, New Hampshire, where it empties into the Saco River.

The project is located about 2.5 miles above the confluence with Saco River. The drainage area for the Goodrich Falls Project is approximately 53 square miles. The Goodrich Falls Project dam is the only dam on the Ellis River, and is located at a natural 67-foot-high stepped waterfall. Ellis River is a typical northeastern mountain stream characterized by runs, riffles, and pools, with extensive granite bottom made up of boulder, cobbles and some gravel. Shoreline vegetation is generally prevalent throughout the drainage. The river near the project varies from 10 to 50 feet wide and ranges from 1 to 3 feet deep. The area within the Goodrich Falls Project consists of a 2.1 acre impoundment, a bypassed reach, and a tailwater area immediately below the dam.

## B. Proposed Action

Resources that could be substantially affected by project-related actions are analyzed in this EA. The operation of the Goodrich Falls Project as proposed would not affect terrestrial, historical, archeological, scenic, aesthetic, socioeconomic resources, or threatened and endangered species. Therefore, we have excluded these resources from our detailed analysis for the reasons stated below.

The Goodrich Falls Project is an operating project. No repairs to the project or new construction are proposed. The applicant proposes to remove some brushy and weedy plants in and around an existing informal parking area to enhance public access to the Ellis River, but this action would have little effect on terrestrial resources because only small amounts of common weedy vegetation would be removed (less than .25 acres) and few wildlife species likely inhabit this site. Any occasional individual animals which visit the area, such as deer, raccoons, opossums, and song birds, could find abundant similar habitat nearby. The applicant proposes to operate the project in a run-of-river mode, with minimal fluctuation in reservoir elevation, thus project operations would likewise have no adverse effect on terrestrial resources.

The only federally listed threatened species in the project vicinity is the bald eagle (*Haliaeetus leucocephalus*), but it is not known to nest in the immediate project area. The only federally listed endangered species which might occur as an occasional transient in the project area is the peregrine falcon (*Falco peregrinus*). Therefore, the continued operation of the project would not affect federally listed threatened and endangered species. Thus, no further consultation with the FWS is necessary.

No historical or archeological resources are known to exist in the project area. Therefore, operation of the project would not have any effects on these resources. No new construction activity or ground breaking activities are proposed; thus, any unknown archeological sites or historic structures would not be affected.

Continued project operations will continue to impound the Ellis River and thus maintain the existing aesthetic benefits of the impoundment. Tailwater conditions will remain as they are with continued project operations. Also, no new construction is proposed; therefore, no changes to the existing scenic and aesthetic resources of the area would occur as the result of construction activities.

The existing project, which is part of the existing local and regional socioeconomic environment, would continue to operate without change. Thus,

continued operation of the project would not change the socioeconomic condition of the Goodrich Falls community.

## 1. Water Resources

### a. Affected Environment

The Goodrich Falls Project, located at river mile 11.5 on the Ellis River, includes a 2.1-acre impoundment, which is about 920 feet long by 100 feet wide with an average depth of 5 feet and a maximum gross storage capacity of about 2.1 acre-feet. Substrate in the impoundment is mostly sand with some boulders and heavily embedded gravel and cobbles. The river upstream and downstream of the project consists of alternating runs, riffles, and pools. The river is typically 60-feet-wide with depths ranging from 1-2 feet. The shoreline is rip-rapped with boulders and the banks are steep and forested. Both instream and shoreline cover is poor for fishes. The Ellis River is the only source of inflowing water that enters the impoundment from the north. In the project's vicinity, the waters of the Ellis River are used for hydroelectric generation, angling, and other recreation. No consumptive users of the water of the Ellis River or dischargers into the river are located in the project area.

The bypassed reach between the dam and the powerhouse is split into a 150-foot-long by 100-foot-wide north channel and a 250-foot-long by 150-foot-wide south channel. The banks of the bypassed reach are nearly vertical with little vegetation. The substrata of the bypassed reach is granite with few boulders or cobbles and little gravel. Little instream or overhanging cover is present in the two bypassed channels. A pool, which is approximately 10-foot-wide by 30-foot-long, and 20-foot-deep, is located in the north channel below the project's dam. The south channel contains a 50-foot-long pool and riffle area which exists during spillage flows.

The area immediately below the project's tailrace consists of a pool 200-foot-long by 200-foot-wide. The river farther below the tailrace consists of smaller pools, runs and riffles, which have granite bottoms and contain cobbles, boulders, and gravel. A large gravel and cobble shoal is found near the tailrace below the falls and directs water to the west bank, which is comprised of larger boulders. Good instream and overhead cover is found along the stream below the tailrace. The banks along the river below the tailrace are steep and forested.

Ellis River flows are gaged at the U.S. Geological Survey (USGS) stream gaging station located near Jackson, NH (number 05429500) upstream of the Goodrich Falls

Project. Flows of 230 cubic feet per second (cfs) are exceeded 10 % of the time; 75 cfs are exceeded 50% of the time; and 30 cfs are exceeded 90% of the time in the project vicinity. The mean annual flow (MAF) is about 34 cfs , and the minimum and maximum flows reported are about 2 cfs and 1160 cfs, respectively. Leakage flow from the dam during summer months (June-September) equals about 1-2cfs. Most flow is diverted at the dam during summer months for project uses. Flow in the bypassed reach is provided by leakage (usually less than one cfs) and spillage.

The water quality for the waters in the project boundary, which includes the impoundment, the bypassed reach, and the tailwater below the powerhouse, is excellent and meets or exceeds all New Hampshire state water quality standards. New Hampshire water quality standards include: (a) a minimum dissolved oxygen (DO) concentration of 5.0 milligrams per liter (mg/l); (b) a maximum daily average temperature of 31.7° C (89.0° F); and (c) pH between 6.0 and 9.0.

#### b. Environmental Impacts and Recommendations

##### Dissolved Oxygen and Temperature

During summer month leakage flows (approximately 1 cfs), the pool in the north channel of the bypassed reach may have DO concentrations and water temperatures that make the pool unsuitable for fishes and that do not meet the state's water quality standards. For example, during a site visit in June 1999, when the project was diverting most of the stream flow, the DO in the north channel pool had readings of 9.4 mg/l at the surface (96.2% saturation), 7.0 mg/l at 10 feet below the surface (70.9% saturation), and 3.0 mg/l at 19 feet below the surface (29.8% saturation). This instantaneous measurement showed that at the bottom of the pool, DO concentration was below the state standard of an instantaneous concentration of 5.0 mg/l and an daily average of not less than 75% concentration during warm periods in the summer.

However, when the applicant built a berm to direct all leakage flows to the north channel pool, State standards for DO concentration were met throughout the water column. Furthermore, throughout the applicant's summer monitoring study in July and August, and at the time when the project was off-line and flows were spilling over the dam, all water quality sampling stations had DO higher than 7.7 mg/l and 80 % saturation. Thus, with sufficient flows in the bypassed pools the state water quality standards for DO would be maintained.

The USFWS and the NHFGD recommend that the exemptee maintain year round 6 cfs flow in the south channel bypassed reach to protect aquatic habitat and maintain

water quality. Also, the agencies recommend that a seasonal (June 15 to September 15) 4 cfs be maintained in the north channel bypassed reach to maintain suitable water quality. The minimum flow to the south channel would be provided via a excavated notch along the south end of the spillway, and the minimum flow to the north channel would be provided via an existing sluice gate located along the north end of the spillway. The applicant proposes to widen and deepen (to 6 inches) the notch on the south end of the spillway and to excavate a channel from the north end sluice gate to the north channel bypass pool to ensure the minimum flow is directed to the north pool and water quality is maintained in the pool. Furthermore, the applicant proposes, and the agencies recommend, that the exemptee continue to operate the project in a run-of-the-river mode, and that the exemptee maintain an aquatic base flow (ABF) of 26.5 cfs or inflow, whichever is less, during periods of maintenance to protect the water quality.

Continued operation of the Goodrich Falls Project in a run-of-the-river mode, or with an ABF of 26.5 cfs, would not violate State water quality standards for DO concentrations and temperature in the Ellis River. However, water quality data collected in the bypassed reach during summer low flow periods shows that water quality standards were not met for DO in the north channel pool if adequate flows were not maintained in the pool. Also, data collected during the summer months of July and August, which is the time of the year that low stream flow and high ambient water temperatures are most probable, water quality met State standards when the project was off-line and sufficient flows were maintained in the pools. Therefore, DO concentrations throughout the project area would continue to be above state minimum standards if the exemptee: (1) provides a minimum flow of 4 cfs to the north channel pool during summer months from June 15 to September 15; (2) maintains a minimum flow of 6 cfs to the south channel year round; (3) maintains a 26.5 cfs or inflow, whichever is less, to the river below the project as an ABF during times the project is off-line for maintenance; and (4) operates the project in a run-of-the-river mode. In addition, the above measures would ensure that the water temperature of the river in the project area would remain within the acceptable state standards for supporting a cool water fishery in the Ellis River.

c. Unavoidable Adverse Impacts

None.

2. Fishery Resources

a. Affected Environment

The Ellis River is managed by the NHFGD for cold water species, including brook trout, brown trout, and rainbow trout. The Ellis River supports self-sustaining, wild populations of brown and brook trout and historically wild populations of rainbow trout have been reported in the Ellis River. Also, the NHFGD stocks brook and rainbow trout to support a "put-and-take fishery" in the Ellis River. In addition, the Saco River and some of its tributaries have been targeted for Atlantic Salmon and other anadromous fish (American shad, alewife, and river herring) restoration.

The bypassed reach below the dam is a stepped falls consisting of granite rock ledges. The falls splits into a north and a south channel below the dam. The north channel is about 100 feet wide by 150 feet long. Much of the north channel is often dewatered but includes an isolated 10-foot-long by 30-foot-wide by 20-foot-deep pool. The south channel is approximately 150 feet wide by 250 feet long, and during spillage flows, contains a 50-foot-long pool and riffle area. The north and south channels have a mostly granite bottom, and little vegetation borders the channels.

Overall, the bypassed area below the dam, both in the north channel and the south channel, is unsuitable for fishes because of the lack of cover, the lack of flow, poor substrate, and poor water quality, specifically high temperatures and low DO during summer low flow months. However, some fishes are washed into the north channel pool during spill events and remain there until the next high flow event passes through the pool and washes them downstream. The riffle pool in the south channel is suitable for fishes, however.

Fish sampling at the Goodrich Falls Project showed that Blacknose dace was the most abundant species present. Forage species such as cyprinids (golden shiner), sculpins (slimy), and suckers (white) comprised 83% of all fishes collected. Brook and rainbow trout were the most abundant game species present, with brook trout being the most common game fish found in sampling in the project area. However, the abundance of game fishes in the vicinity of the project is considered poor by NHFGD. The lack of trout species during the applicant's sampling survey may be attributed partially to the frequent use of the area by anglers.

Fish were found throughout the project vicinity both above the dam in the impoundment and below the dam in the tailrace and in the river below the tailrace and in isolated pools in the north and south channels of the bypassed reach. However, fish in the isolated pools of the north and south channels were mostly forage fish, i.e., black

nose dace. These fishes likely entered the north pool channel as the result of water flowing over the spillway during high flow events that wash fish downstream from the impoundment.

## b. Environmental Impacts and Recommendations

### Project Operation Effects On Fish Habitat

Goodrich Falls proposes to operate the project in a run-of-river mode so that the sum of outflows from the project would equal the sum of inflows at the project dam. Goodrich Falls proposes to release an aquatic base flow of 26.5 cfs or inflow whichever is less during periods of maintenance. Goodrich Falls proposes to maintain a year-round 6 cfs minimum flow in the south channel and a 4 cfs minimum flow in the north channel during the period of June 15 to September 15. Goodrich Falls proposes to maintain a berm in the north channel and to excavate a small channel from the dam's sluice gate to the north pool, to ensure increased flows to the north channel pool. The minimum flow to the south channel would be provided by increasing the size of an existing notch in the south end of the spillway. Goodrich Falls also proposes to prepare a plan describing the methods and structures for releasing the minimum flows and maintaining the run-of-the-river operations, including the method for documenting the minimum flows, method and structure for releasing the ABF and minimum flows during impoundment refill periods.

The USFWS and NHFWD recommend that the exemptee release a minimum flow of 6cfs in the south channel to maintain water quality and aquatic habitat and 4 cfs in the north channel to maintain water quality standards suitable for fish and aquatic organisms. Furthermore, the agencies believe that the water quality conditions in the project's tailrace, impoundment, and downstream areas, including those conditions suitable for aquatic life and designated uses will be maintained if the project is operated in a run-of-the-river mode, and if an aquatic base flow of 26.5 cfs is released during project maintenance periods.

The run of river operation would ensure that water quality and aquatic habitat be maintained throughout the project vicinity; therefore, fish and other aquatic organisms would not be adversely affected by project operations and diversion of stream flows to the powerhouse. Run-of-river operations would allow all outflows from the impoundment into the tailrace area to approximate all inflows into the impoundment. This would minimize impoundment fluctuation and provide additional benefits to aquatic resources relative to historic operation. The run-of-river operation would minimize dewatering of important shoreline and wetland habitats utilized by fish, waterfowl, and shorebirds. Therefore, we recommend that the exemptee operate the project in a run-of-

river mode to minimize impoundment fluctuations and prevent large and frequent fluctuations in flow downstream of the project.

Furthermore, because fish are present in pools located in both the north and south channels of the bypassed reach below the dam during summer months and the temperature and DO in these pools can become inhospitable to fish and other aquatic organisms, a minimum flow needs to be maintained in these bypassed reaches to ensure the survival of any organisms present. During surveys of these channels, it was shown that flows of 4 and 6 cfs were sufficient to maintain the states water quality standards for temperature and DO in the north and south channels, respectively, which allow for the existence of fish and other aquatic organisms. Therefore, the exemptee should maintain 4 cfs in the north channel and 6 cfs in the south channel. Furthermore, the exemptee should release 4 cfs, during the warm summer period of June 15 to September 15, through the sluice gate located on the north end of the spillway. In additon, we recommend that the exemptee maintain a berm below the dam and excavate a channel from the dam to the north pool to ensure that the 4 cfs minimum flows is directed seasonally to the north channel pool. We also recommend that the exemptee increase the width and depth of the notch on the south end of the spillway to ensure the 6 cfs minumum flow is maintained in the south channel year round. We also recommend that the exemptee develop and implement a plan to release the proposed minimum flow, in consultation with NHFGD and USFWS and to monitor the minimum flows, AQB, and run-of-the river operations.

#### Project Effects On Juvenile Salmon Outmigration

Because substantial nursery habitat suitable for rearing juvenile Atlantic salmon exists in the Ellis River upstream of the Goodrich Falls Project, fish agencies may use these areas in the future to rear juvenile salmon as part of the Saco River Atlantic salmon restoration program. Also, if juvenile Atlantic salmon are released by the fishery agencies into areas upstream of the project in the future, as part of the Saco River salmon restoration program, the USFWS believes that downstream fish passage facilities to traverse the natural granite stepped falls and the project's dam may be needed at the project to ensure safe and efficient passage of outmigrating salmon. Once the Atlantic salmon restoration plans have progressed to the point where such facilities are needed at Goodrich Falls, the exemptee would be notified by the USFWS to develop plans for the design, construction, operation, and evaluation of downstream fish passage measures.

If the salmon nursery habitat, located upstream of the Goodrich Falls Project is used by resource agencies for incubation of juvenile anadromous fishes, including Atlantic salmon, as part of their restoration efforts for Atlantic salmon in the Saco River

watershed, then during their outmigration to the Atlantic Ocean juveniles could be adversely affected by project. For example, the dam could block their timely movement downstream, delaying their arrival to the ocean, which could interfere with the individual salmon's successful reproductive and life cycles, and consequently the success of the Atlantic salmon restoration could be adversely affected. In addition, some juveniles moving downstream may be entrained or impinged by intake structures which could lead to death or injury of some juveniles which could also hamper recruitment efforts and restoration of the Atlantic salmon population. Thus, the exemptee may need to prepare and implement design, construction, operation, and evaluation of downstream fish passage facilities in the future, if it is determined by the resource agencies that areas upstream of the project will be used for Atlantic salmon nurseries and Atlantic salmon restoration efforts. It is premature to require the exemptee to prepare designs of fish passage facilities at this time, since neither the USFWS nor the NHFGD have determined fish passage facilities are needed at Goodrich Falls.

c. Unavoidable Adverse Impacts

None.

3. Recreation and Land Use

a. Affected Environment

Recreational uses of the project impoundment and the nearby river, include fishing, hiking, boating, swimming, and wildlife viewing. The recreationists who use this area most likely live nearby. Recreationists gain access to the project's impoundment and tailwater by way of informal trails located along both sides of the river. The primary access site to the eastern shore of the river and the impoundment is by way of a discontinued road located on land owned by Goodrich Falls. The road is about 1,000 feet long and terminates near the south channel of the bypassed reach at the end of the granite step falls below the project dam (Fig. 1). The discontinued road intersects with State Route 16; however, access is terminated at a locked entrance gate about 150 feet from the intersection with Route 16.

b. Environmental Impacts and Recommendations

Goodrich Falls proposes to enhance the recreational resources associated with the project by improving public access to the site during open-water fishing season, which occurs between April 1 and September 30 each year. Goodrich Falls proposes to keep the existing gate near the entrance of the discontinued road unlocked during open-water

fishing season (i.e., April 1 to September 30). Another permanently locked gate would be located along the discontinued road about 500 feet closer to the river than the existing gate is now. In addition, Goodrich Falls would clear vegetation to provide a 2-3 vehicle parking area near the proposed permanently locked gate; illuminate the parking area; and provide signage identifying the public access area and provide safety information. The National Park Service, UFWS, and NHDFG recommend that the exemptee develop a plan which provides for reasonable public access above and below the project for fishing, wildlife viewing, etc., and the availability of the access should be prominently posted.

Operation of the project in a run-of-river mode would not affect existing water-based recreational activities because stable impoundment levels and natural downstream flow patterns would be maintained. Therefore, anglers, swimmers, hikers, and boaters, who all use this site for recreation should be able to continue to use the area for water-based recreation. However, the existing access to the project impoundment and the river below the project's dam by recreationists is limited, informal, and not widely known. Therefore, adequate, safe, and dependable public access would be an enhancement to the recreational use of the water-based resources in the area. Goodrich Fall's proposal to improve public access to the site by making the discontinued road more accessible than exists now, enhancing the parking area along the discontinued road, providing improved signage, and noticing the availability of the access site, would enhance the use of water-based recreation in the area.

However, Goodrich Fall's proposal would improve access to project waters only during open-water fishing season from April 1 to September 30. Access to project waters by the public during other months of the year (October 1 through March 31) would be

limited because the upper gate would be locked and vehicular access to the improved parking area would be denied. Therefore, hikers, picnickers, wildlife observers, photographers, autumn foliage viewers, and other recreationists who may desire access to the river from October through March would be prevented from using the improved parking facilities proposed by the applicant.

We recommend therefore that public access proposed by the applicant and recommended by the agencies be implemented. We also recommend that Goodrich Falls expand their proposal to provide access to the improved parking area to year-round use. Therefore, we recommend that Goodrich Falls, after consultation with the NPS, USFWS, NHDNR, and NHDFG, should submit a recreational plan to the Commission within one year after issuance of any exemption order, with provisions for the enhancement of public access to the project area.

#### c. Unavoidable Adverse Impacts

None.

#### C. No-Action

Under no-action, the proposed project (i.e. the existing unlicensed Goodrich Falls Project, with the applicant's proposed environmental measures) would not be exempted from licensing and Goodrich Falls would either have to file an application for a license for the existing unlicensed project or discontinue project operations. If the existing project discontinues operations, then the power that would have been produced by the Goodrich Falls Project would have to be generated by alternative resources (possibly fossil-fueled

generating plants), which would release varying amounts of pollutants into the atmosphere. If project operations stopped, water would no longer be diverted from the river to the powerhouse and all flows would pass over the project's dam and down the stepped falls; and additionally the applicant's proposed measures to protect or enhance the existing natural and recreational resources would not be implemented.

If the applicant filed for a license for the existing, unlicensed Goodrich Falls Project, the project would continue to operate and no environmental measures would be implemented until the Commission completes review of the application and issues an order granting license.

## VI. COMPREHENSIVE DEVELOPMENT AND RECOMMENDED ALTERNATIVES

Based on our independent review and evaluation of the three alternatives analyzed--the proposed action, the proposed action with additional staff-recommended measures, and no-action--we have preliminarily selected the proposed project with additional staff-recommended measures, as the preferred alternative. Our recommended alternative includes the following measure:

(1) Goodrich Falls should provide enhanced public access by providing more signage regarding the availability of the public access via the discontinued road on the eastern side of the river, improving the parking area at the end of the accessible part of the road, illuminating the parking area, and moving the gate, which controls vehicular access to the discontinued road, 500 hundred feet closer to the river, making use of the river for water-based

recreation more convenient. In addition, Goodrich Falls should ensure that the public has access to the improved parking facilities year-round from January 1 through December 31 annually.

## VII. CONSISTENCY WITH COMPREHENSIVE PLANS

Section 10(a)(2) of the FPA requires the Commission to consider the extent to which a project is consistent with Federal or state comprehensive plans for improving, developing, or conserving waterways affected by the project. Under Section 10(a)(2) of the FPA, Federal and state agencies filed a total of nine comprehensive plans that address various resources in New Hampshire. Of these, we identified and reviewed five plans relevant to the project. No inconsistencies were found.

## VIII. FINDING OF NO SIGNIFICANT IMPACT

On the basis of our independent environmental analysis, issuance of an exemption from licensing for the Goodrich Falls Hydroelectric Project would not constitute a major Federal action significantly affecting the quality of the human environment.

## IX. LITERATURE CITED

\_\_\_\_ Goodrich Falls Hydro Electric Company (GFHEC). 2001. Final application for exemption of small hydroelectric project from licensing. Goodrich Falls Project FERC No. 11870-000, Carroll County, New Hampshire. January, 2001

\_\_\_\_ U.S. Fish and Wildlife Service (FWS). August 25, 2000. Letter from Kenneth C. Carr , U.S. Fish & Wildlife Service,

Concord New Hampshire, 2001. Recommendations and terms and conditions for the Goodrich Falls Hydroelectric Project FERC No. 11870-000, as amended by letter dated June 4, 2001 from Andrew Raddant, Department of the Interior, Office of the Secretary.

## X. LIST OF PREPARERS

John Ramer, Ecologist

Jack Hannula, Outdoor Recreation Planner

Eddie Lee, Project Manager/Engineer/Economist

## **Attachment B**

**Goodrich Falls Hydroelectric Project  
(MSS913)**

**NEW HAMPSHIRE ELECTRIC COOPERATIVE APPLICATION TO THE  
FEDERAL ENERGY REGULATORY COMMISSION FOR APPROVAL OF ITS  
TRANSMISSION SERVICE AGREEMENT WITH THE GOODRICH FALLS  
HYDROELECTRIC FACILITY  
dtd January 30, 1997**

**FERC APPROVAL OF THE GOODRICH FALLS TRANSMISSION SERVICE  
AGREEMENT  
dtd March 28, 1997**

SPIEGEL & MCDIARMID

ORIGINAL

GEORGE SPIEGEL, PC  
BERT C. MCDIARMID  
INDRA J. STREBEL  
BERT A. JABLON  
MEL N. HORWOOD  
N J. ROTH  
NCEB E. FRANCIS  
IEL I. DAVIDSON  
ER K. MATT  
ID R. STRAUS  
NIE S. BLAIR  
MAS C. TRAUGER  
V J. CORBETT  
THIA S. SOGORAD  
Y J. NEWELL  
TT H. STRAUSS  
FINKELSTEIN  
HEN M. FELDMAN  
G. DOWDEN  
J. PETERS

1350 NEW YORK AVENUE, NW  
WASHINGTON, DC 20005-4798

TELEPHONE (202) 879-4000  
FACSIMILE (202) 393-2866  
EMAIL SPIEGEL@SPIEGEL.BECLTD.COM

DIRECT DIAL (202) 879-4017  
EMAIL FINKELSB@SPIEGEL.BECLTD.COM

PETER J. HOPKINS  
DAVID E. POMPER  
MARK S. HEGEDUS  
CAROLYN P. CARMODY  
WENDY S. LAGER  
MATTHEW W. WARD  
JEFFREY A. SCHWARZ

OF COUNSEL  
LEE C. WHITE  
P. DANIEL BRUNER  
MARGARET A. MCGOLDRICK

PUBLIC AFFAIRS DIRECTOR  
KENNETH A. BROWN  
(NOT A MEMBER OF THE BAR)

GOVERNMENT AFFAIRS DIRECTOR  
ROBERT L. ROACH

January 30, 1997

Lois Cashell, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

ER97-ER97-1477-00  
OA97-518-000

Re: New Hampshire Electric Cooperative, Inc.

Dear Ms. Cashell:

On this date, the New Hampshire Electric Cooperative ("NHEC") will complete the repayment and retirement of all debts issued by the Rural Utilities Service of the United States Department of Agriculture, and it accordingly will become a Public Utility subject to this Commission's general regulatory jurisdiction under Part II of the Federal Power Act. At the present time, NHEC provides transmission service to one customer, Goodrich Falls Hydroelectric Company, and it sells its share of the output of Seabrook Nuclear Power Plant Unit No. 1 to the Public Service Company of New Hampshire ("PSNH"). Regulatory jurisdiction over these two transactions is being transferred from the New Hampshire Public Utilities Commission to this Commission as of today. Accordingly, NHEC is hereby submitting for filing rate schedules for these transactions pursuant to Section 205(c) of the Federal Power Act and Section 35.12 of this Commission's regulations. In addition, pursuant to Section 35.28 of this Commission's regulations, NHEC is filing a nondiscriminatory Open Access Transmission Tariff. Finally, because it operates limited, discrete transmission facilities rather than an integrated grid, NHEC is applying for waiver of Part 37 of the Commission's regulations, as promulgated in FERC Order No. 889.

Communications and questions regarding these filings should be provided to the following persons:

Mr. Frederick Anderson  
General Manager/CEO  
New Hampshire Electric Cooperative  
579 Tenney Mountain Highway  
Plymouth, NH 03264-3147  
(603) 536-1800

9702/1608/1

DISK/OEPR

FILED  
OFFICE OF THE SECRETARY  
97 JAN 30 PM 3:57  
FEDERAL ENERGY  
REGULATORY  
COMMISSION

Ben Finkelstein  
Matthew W. Ward  
Spiegel & McDiarmid  
Suite 1100  
1350 New York Avenue, NW  
Washington, DC 20005-4798  
(202) 879-4000

### **GOODRICH FALLS TRANSMISSION AGREEMENT**

The Goodrich Falls Hydroelectric Corporation, owner of the Goodrich Falls Hydroelectric Project, which is located on the Ellis River in Bartlett, New Hampshire, has sold the output of the project to the Public Service Company of New Hampshire since June 2, 1981. To facilitate that sale, NHEC has been providing transmission service to Goodrich Falls at no charge, pursuant to a policy approved by the New Hampshire Public Utilities Commission. NHEC's offer to provide this transmission service was made in a letter dated October 31, 1980, but no written contract was ever entered into to formalize the arrangement. In accordance with Section 35.2(b) of this Commission's regulations, NHEC has reduced to writing the understanding of the parties respecting this service.

Exhibit 1 to this filing is the Goodrich Falls Transmission Agreement, representing a recitation of the terms and conditions under which NHEC has provided transmission service to Goodrich Falls Hydroelectric Corporation since June 2, 1981. NHEC requests that this rate schedule be placed into effect as of today, January 30, 1997, to reflect this Commission's acquisition of jurisdiction over this long-standing transaction. Exhibit 2 to this filing is the aforementioned letter of October 31, 1980, setting forth NHEC's offer to provide this transmission service. Exhibit Nos. 3a and 3b are two orders of the New Hampshire Public Utilities Commission authorizing NHEC to provide free wheeling service to qualifying facilities in lieu of purchasing the output of such facilities.

### **SEABROOK UNIT CONTRACT**

NHEC owns a 2.17391% interest in Unit No. 1 of the Seabrook Nuclear Power Plant. At the time that NHEC purchased its interest in Seabrook, it contracted to sell the power associated with that interest to PSNH during the early years of plant operations. This arrangement was restated and extended in the NHEC bankruptcy proceeding. The present sell-back agreement took effect as of July 1, 1990, the commercial operation date of the unit, and has a ten-year term, subject to a default provision that allows either party to terminate the Agreement after a 60-day cure period if the other party defaults in its obligations under the parties' existing partial requirements agreement. Under the Seabrook sell-back agreement, PSNH is obligated to pay NHEC's monthly Cost of

Service for the Unit or, if the Unit is canceled or permanently shut down, NHEC's Termination Costs, for the entire ten-year term of the Agreement. During the term of the Agreement, PSNH will buy all of NHEC's 2.17391% Entitlement Percentage in the Capability (as defined by NEPOOL) of the Seabrook Unit and the associated Net Energy Output (defined as the Unit's gross energy production less energy required for Seabrook station service). PSNH is to take delivery of the Unit's output at PSNH's Seabrook transmission interconnection.

The agreement was filed with and approved by the New Hampshire Public Utilities Commission. At that time, this Commission disclaimed jurisdiction over the agreement. NHEC is now filing the agreement with this Commission to reflect the Commission's acquisition of jurisdiction. Exhibit No. 4 is a copy of the agreement. Exhibit No. 5 is a copy of the order of the New Hampshire PUC approving the agreement. Exhibit No. 6 is a recent bill showing the derivation of the monthly charges.

Under the Agreement, NHEC will bill PSNH for each month's charges following month's end, and billings are subject to subsequent true-up based on more accurate billing data, retroactive charges and assessments, and computational corrections. Because the power sales rate established by the Agreement is a formula rate which adjusts monthly, NHEC requests that the Commission expressly approve the contract formula as the rate so as to eliminate the need for NHEC to make monthly rate change filings.

### **OPEN ACCESS TRANSMISSION TARIFF**

NHEC is filing an Open Access Transmission Tariff, Exhibit No. 7, in accordance with this Commission's directive in Order No. 888, despite the fact that NHEC is doubtful that any customer will be interested in taking wholesale transmission service under the tariff. While the tariff would also be available for retail wheeling under the New Hampshire Retail Competition Pilot Program, as a practical matter the cost of transmission service to a customer on the NHEC transmission system is prohibitive, owing to the position that PSNH has taken with regard to stranded costs in Docket No. EL96-53. NHEC hopes that the Commission will take action in the complaint docket, so that those NHEC members who are eligible to participate in the Pilot Program may "test the market" and seek to find a supplier that will supply their load in an economically-attractive fashion, and so that these members will be able to take advantage of opportunities as full retail competition unfolds further in New Hampshire.

As more fully described in Exhibit No. 8, NHEC has used cost-of-service principles and conventions followed by the New Hampshire Commission to derive rates for transmission service. This is appropriate given that the most likely users of the FERC-filed tariff are retail ratepayers whose bundled power rates reflect this same methodology. NHEC submits that the use of a consistent ratemaking methodology serves to promote

comparability and economic efficiency by eliminating anomalous price differentials that could lead to inefficient arbitrage transactions.

For the most part, NHEC's tariff tracks the language of the Order No. 888 *pro forma* tariff, with "NHEC" substituted for "Transmission Provider" throughout the tariff. At original sheets 108-109, the tariff substitutes "New England Power Pool (NEPOOL)" for "applicable regional reliability council." In addition, the tariff indicates at original sheets 110, 112, 114 and 116-18 that because services in NHEC's control area are performed by its Control Area operator, costs to the transmission customer for various services will reflect only a pass-through of the costs charged to NHEC by the operator. The tariff also proposes company-specific terms in tariff Attachment C (method for determining available transmission capability), Attachment D (method for conducting system impact studies), Attachment F (network service agreement) and Attachment G (network operating agreement), as permitted by the Commission. *Allegheny Power Systems, Inc. et al.*, 77 FERC ¶ 61,265.

NHEC recognizes that changes to the tariff may be necessary in light of the recent NEPOOL filings. Because two competing proposals have been filed, NHEC believes that it is reasonable to await the Commission's action on the NEPOOL filings before making additional modifications to the *pro forma* tariff.

#### PETITION FOR WAIVER OF PART 37

NHEC is a transmission-dependent utility whose own transmission-level facilities do not constitute an integrated transmission grid, but instead consist of radial extensions of the transmission system of the Public Service Company of New Hampshire, and are so treated under NEPOOL's operation of regional transmission. Attached as Exhibit 9 is a New Hampshire transmission map marked to show NHEC radial transmission lines. For the most part, NHEC does not operate its transmission facilities, because flows on the New England grid are for the most part managed via the NEPOOL central dispatch. Under these circumstances, NHEC believes that it qualifies for a waiver of the Commission's regulations concerning separation of functions and establishment of an OASIS. In its tariff, NHEC has left intact several references to OASIS in order to conform as closely as possible to the *pro forma* tariff. If required by the Commission, NHEC will make necessary changes to its tariff to reflect a waiver of OASIS requirements.

### CONCLUSION

NHEC requests that the Commission accept for filing the Goodrich Falls transmission agreement and the Seabrook Unit Contract, effective as of this date, so as to effect a smooth transfer of regulatory jurisdiction from the New Hampshire PUC to this Commission. NHEC further requests that the Commission accept for filing the NHEC Open Access Transmission Tariff, and that it waive the requirements of Part 37 of the Commission's regulations for NHEC. Copies of this filing have been provided to the New Hampshire Commission and to all of NHEC's present customers.

Sincerely yours,



Ben Finkelstein  
Counsel for the New Hampshire Electric  
Cooperative, Inc.

BF:bf  
Enclosures

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

New Hampshire Electric Cooperative

Docket No. OA97-\_\_\_

**PETITION FOR WAIVER OF  
STANDARDS OF CONDUCT**

Pursuant to Commission Rule 207, the New Hampshire Electric Cooperative ("NHEC") hereby petitions the Commission for waiver of Part 37 of the Commission's regulations, concerning standards of conduct for public utilities and the establishment of an OASIS. These regulations were promulgated this past year in the Commission's Order No. 889. Communications regarding this filing should be served on the following persons:

Mr. Frederick Anderson  
General Manager  
New Hampshire Electric Cooperative  
579 Tenney Mountain Highway  
Plymouth, NH 03264-3147  
(603) 536-1800

Ben Finkelstein  
Spiegel & McDiarmid  
Suite 1100  
1350 New York Avenue, NW  
Washington, DC 20005-4798  
(202) 879-4000

**Description of Petitioner**

NHEC is a consumer-owned electric generation and distribution cooperative that provides electric service to over 65,000 consumers located in nine of the ten New

Hampshire counties. In 1996, NHEC had a peak load of 153 MW. NHEC is a member of the New England Power Pool ("NEPOOL"), and obtains its power and energy requirements from several sources, the most significant of which is Northeast Utilities Company, through its subsidiary, Public Service Company of New Hampshire ("PSNH").

NHEC has built and operates about 56 miles of 34.5 kV and 6.7 miles of 115 kV transmission line extending from PSNH's delivery points to NHEC distribution substations where access to the PSNH system was not feasible. These are short line segments, ranging in length from .01 to 13.1 miles, and constitute radial extensions from PSNH delivery points to NHEC distribution load centers. They are not geographically situated or physically sized to routinely provide bulk power transfers between separate areas on the PSNH system or between PSNH and some other utility. The only transmission function served by any of these facilities is displacement, whereby NHEC nominally wheels power from the Goodrich Falls Hydroelectric Corporation's Goodrich Falls Project (FERC Docket No. UL93-4) to PSNH interconnections either at NHEC's Perkins Corner Substation or PSNH's Saco Valley Substation, both in Conway, New Hampshire.<sup>1</sup>

As of January 30, 1997, NHEC will have refinanced all of its debt issued by the Rural Utilities Service of the U.S. Department of Agriculture. At that point, it is NHEC's

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<sup>1</sup> Power and energy generated at the Goodrich Falls hydro plant is metered by PSNH as it enters NHEC's local distribution system. Energy delivered to NHEC at Goodrich Falls is added coincidentally to the energy PSNH delivers to the same NHEC distribution facilities at the local PSNH wholesale delivery point to determine PSNH's total sales to NHEC in the area.

understanding that it will become a public utility subject to this Commission's jurisdiction.

### **Request for Waiver of Standards of Conduct**

This Commission has issued a regulation requiring that "the employees of the Transmission Provider engaged in transmission system operations must function independently of its employees, or the employees of any of its affiliates, who engage in Wholesale Merchant Functions." 61 Fed. Reg. 21,764-65 (to be codified at 18 C.F.R. § 37.4). In *Midwest Energy, Inc.*, 77 F.E.R.C. ¶ 61,208 (1996), this Commission set forth its criteria for waiver of this standard of conduct. Among these criteria was the rule that a public utility could obtain a waiver "if the applicant owns, operates, or controls only limited and discrete transmission facilities (rather than an integrated transmission grid)." 77 F.E.R.C. at 61,853. As noted above, NHEC satisfies this criterion, for its transmission facilities are simply radial extensions of portions of the PSNH transmission network. The transmission system map accompanying this waiver request clearly shows the disjointed nature of NHEC's transmission system.

In addition, the only generation entitlement of NHEC is 6 megawatts of Maine Yankee capacity plus 25 megawatts of capacity in the Seabrook nuclear power plant that NHEC owns and sells to PSNH under a long-term contract. The Maine Yankee capacity amounts to a fraction of PSNH's native load, and the earliest that NHEC can take delivery of, or sell to another party, Seabrook power and energy is July 1, 2000. Accordingly, NHEC's wholesale merchant activities will be largely limited to purchasing

power for several years, and in any event neither of these capacity sources is located on NHEC's transmission system.

Moreover, there are no known transmission constraints on NHEC facilities. That is, NHEC has no "posted paths" on its system for which a calculation of Available Transmission Capacity is required. The only difficulty which NHEC can conceive arising would be if someone were to wish to install generation in NHEC's service area and move large amounts of power from NHEC's system into the NEPOOL grid. Such a proposal would require consideration of NHEC's neighboring transmission providers, possibly at the pool level, and in any event is a long range issue rather than the sort of transactional concern which gave rise to the functional separation rule. Under these circumstances, it is difficult to imagine what competitive threat might be produced by the failure of NHEC to implement functional separation.

NHEC has one employee responsible for generation and transmission purchases and sales. That person is Stephen E. Kaminski, the Director of Energy Services. Mr. Kaminski receives occasional assistance from members of the Rate Department, which is under his supervision, and from outside consultants. Any attempt to impose functional separation would require the hiring and training of additional staff to handle the transmission function.

NHEC submits that the public interest would not be served by compelling NHEC's customers to bear the costs of such functional separation given NHEC's manifest absence of market power and the absence of transmission constraints on NHEC's system. NHEC presently has a near-zero equity position. The need to hire

additional staff to implement functional unbundling would be an additional cost NHEC can ill afford as it attempts to cope with the electric industry's rapid evolution to a more competitive structure.

### **Request for Waiver of OASIS Requirements**

In addition to the above, NHEC requests that it be relieved of the obligation to establish an OASIS pursuant to Part 37 of the Commission's regulations, 61 Fed. Reg. 21,764-67.<sup>2</sup> At such time as any entity becomes a customer of NHEC under its Open Access Transmission Tariff, NHEC commits to work with the customer to develop appropriate reservation and scheduling procedures.

NHEC understands that, pursuant to this Commission's present policy, any waiver of OASIS requirements is conditional, and that compliance with the OASIS regulations is necessary in the event of the filing of a complaint alleging that necessary transmission information was not available. NHEC hopes that this policy is adjusted to avoid a situation where a public utility is subjected to needless expense on account of a frivolous complaint. In any event, NHEC anticipates that the NEPOOL OASIS would be fully functional long before any such difficulty might arise, and that NHEC will be able to disseminate information concerning available transmission capacity over posted paths through NEPOOL.

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<sup>2</sup> In its Open Access Transmission Tariff filed today, NHEC has left intact several references to OASIS despite this petition for waiver from OASIS requirements, in order to conform its Tariff as closely as possible to the *pro forma* tariff. NHEC will make necessary changes to its Tariff in a compliance filing to reflect a waiver of OASIS requirements, as required by the Commission.

WHEREFORE, the New Hampshire Electric Cooperative respectfully requests that the Commission waive the functional separation requirements imposed by Section 37.4 of its regulations, and that it waive the requirement that NHEC establish an OASIS.

Respectfully submitted,



---

Ben Finkelstein

Attorney for  
New Hampshire Electric Cooperative

Law Offices of:  
Spiegel & McDiarmid  
Suite 1100  
1350 New York Avenue, NW  
Washington, DC 20005-4798  
(202) 879-4000

January 30, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have on this 30th day of January, 1997, caused the foregoing pleading to be sent by first class mail to all parties on the list compiled by the Secretary of the Commission in this proceeding.



Ben Finkelstein

Law Offices of:  
Spiegel & McDiarmid  
1350 New York Avenue, NW  
Suite 1100  
Washington, DC 20005-4798  
(202) 879-4000

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

New Hampshire ) Docket No. OA97-\_\_\_\_; ER97-\_\_\_\_  
Electric Cooperative, Inc. )

**NOTICE OF FILING OF OPEN ACCESS TARIFF, RATE SCHEDULES, AND  
PETITION FOR WAIVER OF COMMISSION REGULATIONS**

Take notice that the New Hampshire Electric Cooperative, Inc., on January 30, 1997, tendered for filing its FERC Open Access Transmission Tariff, two rate schedules and a petition for waiver from requirements under Part 37 of the Commission's regulations, as promulgated in Order 889.

On January 30, 1997 the New Hampshire Electric Cooperative will complete the repayment and retirement of all debts issued by the Rural Utilities Service of the United States Department of Agriculture, and it accordingly will become a Public Utility subject to the general regulatory jurisdiction of the Federal Energy Regulatory Commission under Part II of the Federal Power Act. At the present time, the Cooperative provides transmission service to one customer, Goodrich Falls Hydroelectric Company, and it sells its share of the output of Seabrook Nuclear Power Plant Unit No. 1 to the Public Service Company of New Hampshire. Regulatory jurisdiction over these two transactions is being transferred from the New Hampshire Public Utilities Commission to the Federal Energy Regulatory Commission as of January 30, 1997. Accordingly, NHEC has submitted for filing rate schedules for these transactions pursuant to Section 205(c) of the Federal Power Act and Section 35.12 of FERC's regulations. Pursuant to Section 35.28 of FERC's regulations, NHEC is also filing a nondiscriminatory Open Access Transmission Tariff. In addition, because NHEC operates limited, discrete transmission facilities rather than an integrated grid, it is applying for a waiver of Part 37 of the Commission's regulations, as promulgated in Commission Order No. 889.

Copies of the filing were served upon the Cooperative's jurisdictional customers Goodrich Falls Hydroelectric Company and the Public Service Company of New Hampshire, and upon the New Hampshire Public Utilities Commission.

Any person desiring to be heard or to protest said application should file a petition to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with §§ 385.212 and 385.207 of the Commission's regulations. All such petitions or protests should be filed on or before

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\_\_\_\_\_. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties as to this proceeding. Any person wish to become a party must file a petition to intervene. Copies of this application are on file with the Commission and are available for public inspection.

## INDEX OF EXHIBITS

- EXHIBIT 1** Goodrich Falls Transmission Agreement
- EXHIBIT 2** NHEC Letter Offering Service to Goodrich Falls (October 31, 1980)
- EXHIBIT 3A** Order of the New Hampshire Public Utilities Commission (September 3, 1980)
- EXHIBIT 3B** Order of the New Hampshire Public Utilities Commission (November 19, 1982)
- EXHIBIT 4** Seabrook Sellback Agreement
- EXHIBIT 5** Orders of the New Hampshire Public Utilities Commission approving Seabrook Sellback Agreement (October 5, 1992 and November 19, 1992)
- EXHIBIT 6** Sample Bill Showing Monthly Charges Under Seabrook Sellback Agreement
- EXHIBIT 7A** NHEC Open Access Transmission Tariff (original)
- EXHIBIT 7B** NHEC Open Access Transmission Tariff (redlined version)
- EXHIBIT 8** NHEC Cost of Service Analysis
- EXHIBIT 9** New Hampshire Transmission Map

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# **EXHIBIT 1**



## GOODRICH FALLS TRANSMISSION AGREEMENT

WHEREAS, the Goodrich Falls Hydroelectric Company (the Company) operates a hydroelectric project in Jackson, New Hampshire which connects with facilities of the New Hampshire Electric Cooperative (the Cooperative);

WHEREAS, it is the policy of the New Hampshire Public Utilities Commission that non-generating utilities which do not wish to purchase power from operators of qualifying facilities at avoided cost may transmit the power in question without charge to a neighboring utility;

WHEREAS, the Company has entered into a contract with the Public Service Company of New Hampshire (PSNH) to sell to PSNH the output of its project;

WHEREAS, the obligation of PSNH to purchase the output of the project is expressly conditioned upon the Company's obtaining the right to transmit power from the project to the Company; and

WHEREAS, the Cooperative is desirous of facilitating the Company's sale of power to PSNH;

The Company and the Cooperative therefore agree as follows:

1. The Cooperative agrees to wheel power generated by the Company at the Goodrich Falls Hydroelectric Project for delivery to PSNH at the Perkins Corner or Saco delivery points, without charge.
2. The Company agrees to sell the entire output of the Project to PSNH.

---

# **EXHIBIT 2**



# New Hampshire Electric Cooperative, Inc.

RFD 2, TENNEY MOUNTAIN HIGHWAY • PLYMOUTH, N. H. 03264

536-1800

AREA CODE 603

536-1801

October 31, 1980

Mr. Edward A. Larter, Jr.  
Goodrich Falls Hydro Station  
P.O. Box 152, 562 Suffolk Ave.  
Lowell, MA 01854

Dear Ted:

On June 18, 1980 the N.H. Public Utilities Commission issued its Fifth Supplemental Order No. 14,280 stating "that all qualifying small power producers will receive 7.7 cents per kilowatt-hour for all energy sold to any New Hampshire Electric Utility". In compliance with that order, the Cooperative has been paying you for the output of Goodrich Falls at that rate.

Subsequently, on September 3, 1980 the Public Utilities Commission issued seventh supplemental order No. 14, 470 amending its prior order "to require Public Service Company of New Hampshire to pay the established avoided cost rate for small power production or cogeneration as defined by PURPA, arising from within the service territories of the Cooperative, Concord Electric and Exeter Hampton Electric, if the aforementioned utilities are prepared to wheel the power at no cost or at reasonable cost".

Implicit in the latter order is the recognition of the fact that avoided cost for the Cooperative is the cost expressed in the wholesale power rate of generating utilities selling to the Cooperative.

This letter is to inform you that the Cooperative is willing to purchase the output of Goodrich Falls at the Cooperative's avoided rate or, in the alternative, will wheel your power without charge to Public Service Company of New Hampshire if you desire to sell to Public Service Company at its avoided cost.

In this connection, I would point out that under PURPA you are free to sell to any utility at its avoided cost and you may wish to explore a sale to Boston Edison which may have an avoided cost which is higher than that of Public Service Company. Adam Werner, Executive Assistant of FERC for Regulatory Development, Legislation and Policy Coordination has stated:

". . . Power can be wheeled or transmitted to a second utility or any utility with which the first is connected. Basically you just ship the obligation along with the power. Whoever gets the power delivered to him has to buy it. He can do the same thing if the qualifying facility agreed. Theoretically, if you did not have line losses, people could ship all the power generated in the country to Con Ed at 100 mills, or whatever it costs up there."

Mr. Edward A. Larter, Jr.

-2-

October 31, 1980

Will you please advise me as soon as possible whether you wish to continue to sell Goodrich output to the Cooperative? I can then ask the Public Utilities Commission for approval of avoided cost to establish a rate to pay you. If you prefer to sell to another utility at a higher rate, you should contact that utility and, I assure you, you will have the full support of the Cooperative in making your arrangements.

Very truly yours,

N.H. ELECTRIC COOPERATIVE, INC.

John Pillsbury  
Manager

CC: Vincent J. Iacopino  
N.H.P.U.C.

Henry J. Ellis  
Public Service Co.

JP:mk

COPY

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

MAR 28 1997

Docket No. ER97-1477-000

Spiegel & McDiarmid  
Attention: ~~Mr. Ben~~ Finkelstein  
1350 New York Avenue, N.W., Suite 1100  
Washington, DC 20005-4798

Dear Mr. Finkelstein:

By letter dated January 30, 1997, you submitted for filing with the Commission, on behalf of New Hampshire Electric Cooperative, Inc. (NHEC), a transmission service agreement with Goodrich Falls Hydroelectric Company (Goodrich Falls) and a power sale agreement with Public Service Company of New Hampshire (PSNH). You also submitted an open access transmission tariff and a request for waiver of Order No. 889. These items have been assigned Docket No. OA97-518-000 and will be addressed in that docket. Authority to act on this matter is delegated to the Director, Division of Applications, under Section 375.308 of the Commission's Regulations; pursuant to Section 375.308(a)(1), the submittal is accepted for filing and is designated and made effective as shown on the Enclosure.

Notice of the filing was published in the Federal Register with comments, protests, or interventions due on or before February 28, 1997. No comments, protests or interventions were filed.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against New Hampshire Electric Cooperative, Inc.

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.

This letter terminates Docket No. ER97-1477-000.

Sincerely,



Donald J. Gelinus, Director  
Division of Applications

9704040/71

FERO-DOCKETED

MAR 28 1997

Enclosure

New Hampshire Electric Cooperative, Inc.  
Docket No. ER97-1477-000  
Rate Schedule Designations  
Effective Date: January 30, 1997

<u>Designation</u>	<u>Description</u>
(1) Rate Schedule FERC No. 1	Transmission Service Agreement with Goodrich Falls Hydroelectric Company
(2) Rate Schedule FERC No. 2	Partial Requirements Agreement with Public Service Company of New Hampshire

## **Attachment B-1**

**Goodrich Falls Hydroelectric Project  
(MSS913)**

**POWER PURCHASE AGREEMENT WITH PUBLIC SERVICE COMPANY OF  
NEW HAMPSHIRE  
dtd January 31, 2006**

## POWER PURCHASE AGREEMENT

AGREEMENT, dated January 31, 2006 by and between Goodrich Falls Hydroelectric Corp. a New Hampshire corporation having its principal place of business in Franklin, New Hampshire (hereinafter referred to as the "Interconnector"), and Public Service Company of New Hampshire, a New Hampshire corporation having its principal place of business in Manchester, New Hampshire (hereinafter referred to as "PSNH").

WHEREAS, Interconnector's Goodrich Falls 500 KW hydroelectric generating facility (the "Facility"), (SESD #060) located on the Ellis River in Bartlett, New Hampshire, is interconnected with the electric system of the New Hampshire Electric Cooperative ("NHEC"); and

WHEREAS, Interconnector desires to sell and PSNH agrees to buy the electric output of the Facility; and

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

NOW, THEREFORE, the parties hereby agree as follows:

### Article 1. Delivery

Since Interconnector and PSNH are interconnected through the system of NHEC, PSNH's obligation to purchase energy here is conditioned upon Interconnector obtaining the right to transmit power through the NHEC system to PSNH and Interconnector shall pay the cost, if any, of such transmission service. Upon reasonable request, Interconnector shall provide to PSNH a copy of the agreement to interconnect and wheel power from the Facility to PSNH.

The point of delivery from NHEC to PSNH shall be the North Conway Substation metering point located in North Conway, New Hampshire.

Article 2. Metering.

The metering shall continue to be configured so as to represent the electric power output delivered to NHEC. The metering may be installed on the generation side of the transformer provided that transformer losses are subtracted from the measured generation by a suitable method. Interconnector shall be responsible for all costs associated with the metering required for sales to PSNH and/or other third parties from the Facility.

Interconnector has installed and will own, and maintain all metering equipment as specified by PSNH, to measure the physical flow of electrical energy from the Facility into the NHEC electric system. If at any time the meter is found to be in error by more than two percent fast or slow (+ or - 2%), Interconnector shall cause such meter to be corrected and the meter readings for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the same can be reasonably ascertained, but no adjustment prior to the beginning of the preceding month shall be made except by agreement of the parties. All tests and calibrations shall be made in accordance with New Hampshire Code of Administrative Rules, Chapter PUC 300 Rules and Regulations for Electric Service, as amended, and any applicable Rules and Regulations of ISO-New England, Inc. ("ISO"). Interconnector is responsible for assuring that meter tests are performed as required at Interconnector's expense. The PSNH Meter Laboratory should be contacted in advance to arrange for said meter testing.

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

PSNH reserves the right to secure or seal the metering installation, but upon the written request of Interconnector will provide such information regarding, and access to, the metering installation as Interconnector requests. Interconnector is required to record electrical energy physically delivered to the PSNH electric system on an hour-by-hour basis, and to electronically make available to PSNH, Interconnector's generation in kilowatt-hours for each hour during the prior 24 hours.

To the extent necessary for Interconnector to receive credit and compensation for power

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

Article 3. Power Sales, Billing and Payment.

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

Pursuant to PURPA, and as approved by the NHPUC in Docket No. DE 99-099, in accordance with the Settlement Agreement between PSNH and the State of New Hampshire, the rates paid to Interconnector for short-term, as available power sales to PSNH shall be the applicable market clearing price for such energy and/or other electrical product(s) or such replacement pricing methods as determined by the ISO or any successor entity for each period during which Interconnector has delivered such energy and/or other electrical power products for sale to PSNH. The above short-term prices shall be adjusted for line losses, wheeling costs, and administrative costs as they may be determined by PSNH or the NHPUC and as modified from time to time. The parties agree to abide by the ISO rules for recognition and determination of energy and capacity credit.

PSNH shall read the meter, installed in accordance with Article 2, once each month and shall promptly send Interconnector an invoice showing the billing month' s net generation and amount owed for energy and other electrical products generated for any sales to PSNH hereunder. Interconnector shall then return to PSNH the approved invoice for payment. PSNH shall make payments to Interconnector electronically for the total amount due within 23 days of the meter reading date, provided that PSNH receives a timely return of the approved invoice.

Article 4. Right of Access.

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

Article 5. Term of Agreement.

This Agreement shall become effective between the parties on the date of execution of this agreement and shall remain in full force and effect subject to the suspension and termination rights contained in this Article 5. PSNH acknowledges that the metering equipment has been properly installed and tested as of the effective date of this Agreement.

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

If changes in applicable federal or state statutes, regulations or orders; or changes in applicable ISO or NEPOOL requirements occur which materially affect this Agreement, the parties shall negotiate in good faith to modify this Agreement to accommodate such changes. If the parties are unable to reach agreement within 60 days, either party may elect to submit the dispute to the NHPUC for resolution.

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

interconnection or sales on a similar basis.

After termination of this Agreement, both parties shall be discharged from all further obligation under the terms of this Agreement, excepting any liability (including without limitation the obligation to pay for power delivered prior to any such termination which obligation shall survive the termination of this Agreement) which may have been incurred before the date of such termination. Termination of this Agreement shall not effect the parties' obligation to pay for power delivered prior to termination of that purchase obligation.

Article 6. Indemnification and Insurance.

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

The Interconnector shall, at its own expense, continue to maintain throughout the term of this Agreement Comprehensive General Liability Insurance with a combined single limit of not less than \$1,000,000 for each occurrence.

The insurance policy specified above has named and shall continue to name PSNH, Northeast Utilities and its subsidiaries, officers, directors and employees, as additional insured with respect to any and all third party bodily injury and/or property damage claims arising from Interconnector's performance of this Agreement. It is further agreed that PSNH shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the

payment of premium for such insurance. The policy shall not be canceled, terminated, altered, reduced or materially changed without at least thirty (30) days prior written notice to PSNH.

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

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

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

In no event shall either party be liable, whether in contract, tort (including negligence), strict liability, warranty, or otherwise, for any special, indirect, incidental, punitive or consequential losses or damages, suffered by the other party or any person or entity and arising out of or related to this Agreement including but not limited to, cost of capital, cost of replacement power, loss of profits or revenues or the loss of the use thereof. This paragraph of Article 6 shall apply notwithstanding any other statement to the contrary, if any, in this Agreement and shall survive the termination of this Agreement.

#### Article 7. Force Majeure.

Neither party shall be considered to be in default hereunder and shall be excused from performance hereunder if and to the extent that it shall be prevented from doing so by storm, flood, lightning, earthquake, explosion, equipment failure, civil disturbance, labor dispute, act of God or the public enemy, action of a court or public authority, withdrawal of equipment from operation for necessary maintenance and repair, or any other cause beyond the reasonable control of either party and not due to the fault or negligence of the party claiming force majeure,

provided that the party claiming excuse from performance uses its best efforts to remedy its inability to perform.

Article 8. Dispute Resolution and Voluntary Arbitration.

In the event of any dispute, disagreement, or claim (except for disputes referred to the NHPUC under Article 5 of this Agreement) arising out of or concerning this Agreement, the Party that believes there is such a dispute, disagreement, or claim will give written notice to the other Party of such dispute, disagreement, or claim. The affected Parties shall negotiate in good faith to resolve such dispute, disagreement, or claim. If such negotiations have not resulted in resolution of such dispute to the satisfaction of the affected Parties within ten (10) working days after notice of the dispute has been given, then, an affected Party may, upon mutual agreement of all of the affected Parties, submit such dispute, disagreement, or claim arising out of or concerning this Agreement, including whether such dispute, disagreement, or claim is arbitrable, to binding arbitration.

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

Article 9. Modification of Agreement.

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

Article 10. Prior Agreements Superseded.

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

Article 11. Waiver of Terms or Conditions.

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

Article 12. Binding Effect; Assignment

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

void at the option of the non-assigning party.

Article 13. Applicable Law.

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

Article 14. Headings.

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

Article 15. Notices and Service.

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

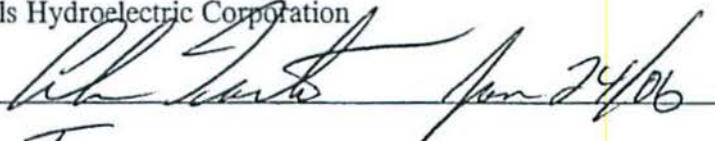
Interconnector:            Goodrich Falls Hydroelectric Corp.  
                                 P. O. Box 216  
                                 Franklin, NH 03235  
                                 Attn.: Alan Larter  
                                 Telephone No. (603) 934-3660

PSNH:

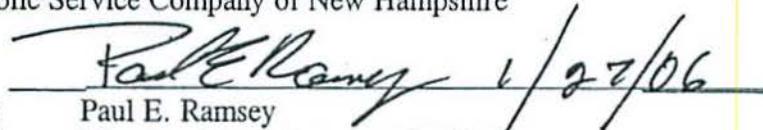
Public Service Company of New Hampshire  
780 North Commercial Street  
P. O. Box 330  
Manchester, NH 03105-0330  
Attn.: Manager, Supplemental Energy Sources Department  
Telephone No. (603) 634-2312  
Fax No. (603) 634-2449  
email: psnhsesd@psnh.com

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

Goodrich Falls Hydroelectric Corporation

By:  Jan 24/06  
Title: Treasurer  
Duly Authorized

Public Service Company of New Hampshire

By:  1/27/06  
Title: Vice President, Customer Services  
Duly Authorized

## **Attachment C**

**Goodrich Falls Hydroelectric Project  
(MSS913)**

**EVIDENCE OF SELF-CERTIFICATION AND QUALIFICATION BY THE  
NEPOOL GIS AS A MAINE RPS CLASS II RESOURCE  
Effective October 1, 2011**

**Subject:** RE: Maine Existing Qualification updates  
**From:** James Webb <JWebb@nyseblue.com>  
**Date:** 2/8/2012 12:55 PM  
**To:** Stephen Hickey <sjh@essexhydro.com>

Hi Steve, just updated Goodrich with ME II, will be effective Q4 2011 generation. Salmon Brook was already flagged as ME II, effective Q3 2011 generation.

Please note my new email address: [jwebb@nyseblue.com](mailto:jwebb@nyseblue.com)

**James Webb**  
**Registry Administrator**  
**NYSE Blue**

Office: 408-517-2174  
Fax: 408-517-2985  
224 Airport Parkway, Suite 600  
San Jose, CA 95110

---

**From:** Stephen Hickey [mailto:[sjh@essexhydro.com](mailto:sjh@essexhydro.com)]  
**Sent:** Wednesday, February 08, 2012 5:19 AM  
**To:** James Webb  
**Subject:** Maine Existing Qualification updates

James,

Please qualify the following facilities as Maine Class II (Existing)

**UNDER5MW - GOODRICH FALLS**  
**UNDER5MW - SALMON BROOK STATION 3**

Please confirm this will qualify their 4th Quarter 2011 Generation as Maine Existing.

Thank you,  
Steve

Stephen Hickey  
Essex Hydro Associates, L.L.C.  
55 Union Street, 4th Floor  
Boston, MA 02108  
tel: 617-367-0032  
fax: 617-367-3796

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GOODRICH FALLS - GOODRICHFALLS

[Change Password](#)

## Generator Information

NEPOOL Generator: Yes

MSS Unit ID: 913

Plant Name: UNDER5MW

Unit Name: \* GOODRICH FALLS

Status: Approved

Name Plate Capacity: \* 0.500 (MW)

Location of generating unit: \* New England (ISO New England Control Area) \*

City: \* Bartlett

State: \* NEW HAMPSHIRE

### Labor Characteristics

Majority of employees operating at generation plant are employed under collective bargaining agreement:  (check for yes)

If generating plant experienced a labor dispute in the most recent calendar year, replacement workers were used:  (check for yes)

### Vintage

Vintage (month and year of commercial operation): \* 06/1981 (format: MM/YYYY)

Repowering/derate date: (format: MM/YYYY)

Capacity addition/subtraction: (MW)

Refurbishment date: (format: MM/YYYY) (Relevant to Maine RPS)

Date Operation Recommended after at Least Two Years of Not Operating: (format: MM/YYYY) (Relevant to Maine RPS)

Date recognized by System Operators as capacity resource after not being recognized as a: (format: MM/YYYY) (Relevant to Maine RPS)

capacity resource for at least two years:

FERC hydroelectric license relicensing date: (format: MM/YYYY)

Emissions Reporting

CEM Reporting: (check for yes)

Ability to Cogenerate Electricity and Steam: (check for yes)

ORIS PL: (1 - 6 numeric characters)

Emissions Unit ID(s): (1 - 6 alphanumeric characters, separate multiple ids with semicolons)

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

Single Fuel  Multi Fuel

Fuel Type: \* Hydroelectric/Hydropower

\* Required Field

Next Cancel

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Customize My Page

GOODRICH FALLS - GOODRICHFALLS

Change Password

### Generator Information

#### Hydroelectric/Hydropower

Fuel Type Attributes:  
(select all that apply)

NA

#### Connecticut

Class I Renewable Energy Source:

(check for yes) -- If yes Reveal Output to Regulators must be checked

Class II Renewable Energy Source:

(check for yes) -- If yes Reveal Output to Regulators must be checked

Class III Portfolio Standard:

No  -- If yes Reveal Output to Regulators must be checked

State Certification Number:

Date of Eligibility:

(format: MM/YYYY)

CT CEO Eligible:

(check for yes)

R-O-R Hydro: Percentage Qualifying as Class I:

#### Massachusetts

RPS Class I Renewable Generation Unit:

(check for yes)

Percentage of Generation Qualifying as RPS Class I: \*\*

Solar Carve-Out Unit:

(check for yes)

RPS Class II Renewable Generation Unit:

(check for yes)

Percentage of Generation Qualifying as RPS Class II: \*\*

RPS Class II Waste Energy Generation Unit:

(check for yes)

APS Alternative Generation Unit:

(check for yes)

Generation level per year or Energy imported per year above which qualifies as RPS New Renewable Resource:

(MWh)

RPS Statement Of Qualification Number:

(format: AB1234YY)

Eligible MA Renewable for NOx allowances claims from Public Benefit

(check for yes)

set-a-side:

MA Renewable NOx State Certification Number:

Maine

Class I New Renewable Energy Resource Qualification:  (check for yes)

Class II Eligible Resource:  (check for yes)

Community Based Renewable Energy:  (check for yes)

Eligible for C02 Netting:  (check for yes)

State Certification Number:

Date of Eligibility:  (format: MM/YYYY)

Rhode Island - Existing Renewable Energy Resource

Existing Renewable Energy Resource:  (check for yes)

Generation level per year above which qualifies as an Existing Renewable Energy Resource:

State Certification Number:

Date of Eligibility:  (format: MM/YYYY)

Percentage of average annual production meeting the requirements for eligibility as an Existing Renewable Energy Resource: \*\*

Rhode Island - New Renewable Energy Resource

New Renewable Energy Resource:  (check for yes)

Generation level per year above which qualifies as a New Renewable Energy Resource:

State Certification Number:

Date of Eligibility:  (format: MM/YYYY)

Percentage of average annual production attributable to the efficiency improvements of additions of capacity placed in service after Dec 31, 1997: \*\*

New Hampshire

Class I Source:  (check for yes)

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  (MWh)

31, 2001:

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):

(MWh)

Class II Source:

(check for yes)

Class III Source:

(check for yes)

Class IV Source:

(check for yes)

State Certification Number:

Date of Eligibility:

(format: MM/YYYY)

Green-E Certification

Green-E Eligible:

(check for yes)

Green-E Fuel Type:

Low Impact Hydro Institute Certification

Low Impact Hydro Institute Eligible:

(check for yes)

Reveal Output to Regulators:

(check for yes)

\* Required Field \*\* For Existing Renewable Energy Resource + New Renewable Energy Resource, then total percenatge must = 100% or leave both blank

Save Cancel

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