



July 11, 2013

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

NHPUC JUL15'13 AM 9:14

RE: Lakeport Hydroelectric One, LLC's request for certification of the Lakeport Hydroelectric Project (FERC No. 6440) as a Class IV renewable energy source

Dear Ms. Howland,

Lakeport Hydroelectric One, LLC ("Lakeport") is applying for certification of the Lakeport Hydroelectric Facility (FERC No. 6440) as a New Hampshire Class IV renewable energy source. This application is pursuant to New Hampshire Chapter 362-F:4 IV and F:13 and Administrative Code Puc 2502.10 Electric Renewable Portfolio Standard.

As requested, Lakeport has submitted the original version of the application along with two (2) paper copies and all required supporting documentation. In addition, an electronic copy of the application and supporting documentation was sent to you (executive.director@puc.nh.gov) as well as Barbara Berstein (Barbara.berstein@puc.nh.gov).

Thank you for considering our application. Please contact Adam Straight if you have any additional questions or concerns during the application process. His contact details are as follows:

Lakeport Hydroelectric One, LLC
c/o Eagle Creek Renewable Energy
65 Madison Ave, Suite 500
Morristown, NJ 07960
adam.straight@eaglecreekre.com
(973) 998-8397 (Office)
(303) 324-5094 (Mobile)

Sincerely,

Bernard H. Cherry
Chief Executive Officer



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.

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.

Please provide the following:

1. Applicant Name: Lakeport Hydroelectric One, LLC

Mailing Address: c/o North American Hydro

116 State Street

Town/City: Neshkoro State: WI Zip Code: 54960

Primary Contact: Accounting Department

Telephone: (920) 293-4628

Email address: customers@nahydro.com

2. Facility Name: Lakeport Generating Station

(physical address) 95 Elm Street

Town/City: Laconia State: NH Zip Code: 03246

(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

3. The facility's ISO-New England asset identification number, if available.

892

4. The facility's GIS facility code, if available.

MSS892

5. A description of the facility including the following:

5.a. The gross nameplate capacity

0.6 MW

5.b. The facility's initial commercial operation date

1984

5.c. The date the facility began operation, if different than the operation date

N/A

5.d. A complete description of the facility **including location, structures and equipment.**

The Lakeport Project is located on the Winnepesaukee River near the community of Lakeport, in the City of Laconia, in Belknap County, New Hampshire. The project consists of a concrete dam, three penstocks, a powerhouse, and three generation units. The dam is owned and maintained by the State of New Hampshire.

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

The Facility holds a 40-year FERC license (No. 6440) which expires in 2023. The original order issuing license from the FERC is provided 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.***

The Interconnection Agreement executed 9/1/85 exists between the Lakeport Hydroelectric Corporation and the Public Service Company of New Hampshire. The Agreement is provided as **Attachment B.**

8. Pursuant to 2505.01(c), no generation facility shall be eligible to acquire new certificates under this Chapter while selling its electrical output at long-term rates established before January 1, 2007. Please provide a copy of the facility's long-term rate agreement as **Attachment C.**

There are no long-term rate agreements in place and, therefore, **Attachment C** has not been provided.

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

The facility is connected to a 12.47 KV transmission line which is owned and operated by the Public

Service Company of New Hampshire. The one-line diagram is provided as **Attachment G**.

10. A statement as to whether the facility has been certified under another non-federal jurisdiction’s renewable portfolio standard and proof thereof. *Provide documentation as **Attachment D**.*

The Lakeport Facility is not currently certified under another non-federal jurisdiction’s renewable portfolio standard and, therefore, **Attachment D** has not been provided.

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

The Facility is verified by ISO-New England. It is the responsibility of ISO-NE to report 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 E**.*

Please see the Affidavit below, **Attachment E** has not been provided.

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

The facility’s operator and owner are the same.

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

Lakeport Hydroelectric One, LLC seeks Class IV status for the Lakeport Generating Station under the New Hampshire Tittle XXXIV Public Utilities Chapter 362-F:4. Specifically as defined under the statute 362-F:4 IV (a)(3)(B), Lakeport has a total nameplate capacity of one MW or less as measured by the sum of the nameplate capacities of all generators at the facility (total nameplate capacity is 0.60 MW), is in compliance with applicable Federal Energy Regulatory Commission fish passage restoration requirements, and is interconnected with an electric distribution system located in New Hampshire. There is no **Attachment F**.

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 Attachment A .	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 Attachment B .	X
• A copy of provide a copy of the facility’s long-term rate agreement as Attachment C	N/A
• If applicable , documentation of the hydro facility’s certification(s) in other non-federal jurisdiction’s renewable portfolio standard program(s) as Attachment D .	N/A
• A signed and notarized attestation or Attachment E .	X
• A GIS number has been provided or has been requested.	X
• Other pertinent information has been provided (if necessary) as Attachment F .	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 executive.director@puc.nh.gov .	X

AFFIDAVIT

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

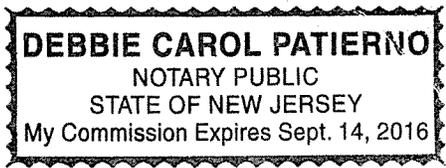
Applicant's Signature *[Signature]* Date 7/11/13
Printed Name Deborah H. Cherry

Subscribed and sworn before me this 11th Day of July (month) in the year 2013

County of Morris State of New Jersey

[Signature]
Notary Public/Justice of the Peace

My Commission Expires September 14, 2016



Attachment A
FERC License

Lakeport

39.6.1 JUL. 6.1

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Lakeport Hydroelectric Associates) Project No. 6440-000

ORDER ISSUING LICENSE (MINOR)

(Issued September 8, 1983)

Lakeport Hydroelectric Associates (Applicant) has filed an application for a license under Part I of the Federal Power Act (Act) to construct, operate, and maintain the Lakeport Project No. 6440. 1/ The project would be located in Belknap County, New Hampshire, on the Winnepesaukee River and would affect the interests of interstate or foreign commerce.

Notice of the application has been published and comments have been received from interested Federal, State, and local agencies. No protests or motions to intervene have been received and none of the agencies objected to issuance of the license. The significant concerns of the commenting agencies are discussed under the appropriate headings.

Project History and Description

The existing Lakeport Dam was built in 1851 and reconstructed in 1958. Hydropower was produced at this site, on the north side of the dam, until the powerhouse was removed from service in 1932. Applicant proposes development on the south side of the dam, to include construction of new intake facilities, three 100-foot-long, and 6-foot-diameter penstocks leading to a powerhouse with an installed capacity of 600 kW. A more detailed project description is contained in ordering paragraph (B).

2/ Authority to act on this matter is delegated to the Director, Office of Electric Power Regulation, under §375.308 of the Commission's regulations, 18 C.F.R. §375.308 (1982), FERC Statutes and Regulations ¶30,238. This order may be appealed to the Commission by any party within 30 days of its issuance pursuant to Rule 1902, 18 C.F.R. §385.1902, FERC Statutes and Regulations ¶29,052, 47 Fed. Reg. 19014 (1982). Filing an appeal and final Commission action on that appeal are prerequisites for filing an application for rehearing as provided in Section 313(a) of the Act. Filing an appeal does not operate as a stay of the effective date of this order or of any other date specified in this order, except as specifically directed by the Commission.

Safety and Adequacy

The existing dam was inspected by the Commission's staff and found to be safe for continued operation if properly maintained. The spillway capacity is considered adequate. Under flood conditions, the dam has essentially no effect on the hydraulic regime of the river. The proposed project structures will be safe if constructed in accordance with accepted engineering practices and construction procedures. It is concluded that the project, under the conditions of the license, will be safe and adequate.

Environmental Considerations

Applicant applied to the New Hampshire Water Supply and Pollution Control Commission for water quality certification on June 16, 1982; to date water quality certification has not been issued. On the basis of this lack of action for over a year by the State of New Hampshire, upon Applicant's request for a water quality certificate, it is concluded that the certification requirements of that Section have been waived.

The U.S. Department of the Interior's Fish and Wildlife Service (FWS) stated that the minimum flow recommended at this site, based on historical streamflow, would be 180 cfs. The New Hampshire Water Resources Board currently regulates discharges from Lakeport Dam so as to provide instantaneous flows greater than 200 cfs. The Applicant proposes no change in the existing minimum flow discharge. Article 9 reserves the authority to impose a minimum flow if, in the future, a minimum flow requirement is appropriate.

The project would result in minor, short-term increases in noise, dust, and exhaust emissions from construction activities, and erosion and sedimentation from disturbance of land surfaces and tailrace excavation. Construction of the project would take place primarily on previously disturbed lands. No changes in flows or water levels would occur; therefore, no long-term impacts are expected. For the above reasons, it is concluded that issuance of this license would not constitute a major Federal action significantly affecting the quality of the human environment.

Economic Feasibility and Other Aspects of Comprehensive Development

The project would operate run-of-river and generate an estimated average annual 2,000,000 kWh. 2/ The project is economically feasible based on project energy being sold at the 1982 New Hampshire PURPA rate of 77 mills/kWh.

2/ The proposed project will utilize a renewable resource that will save the equivalent of approximately 3,300 barrels of oil or 900 tons of coal per year.

The project is not in conflict with any planned development, makes good use of the flow and fall of the Winnepesaukee River and would be best adapted to the comprehensive development of the basin under present conditions upon compliance with the terms and conditions of the license.

License Term

The proposed development of this project using an existing dam is similar to relicensing an existing licensed project at which a moderate amount of new development is proposed; therefore, consistent with the Commission's policy, a 40-year license term is reasonable in this instance. 3/

It is ordered that:

(A) This license is issued to Lakeport Hydroelectric Associates (Licensee) under Part I of the Federal Power Act (Act), for a period of 40 years, effective the first day of the month in which this order is issued, for the construction, operation, and maintenance of the Lakeport Project No. 6440, located in Belknap County, New Hampshire on the Winnepesaukee River and affecting the interests of interstate or foreign commerce. This license is subject to the terms and conditions of the Act, which is incorporated by reference as part of this license, and subject to the regulations the Commission issues under the provisions of the Act.

(B) The Lakeport Project No. 6440 consists of:

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

<u>Exhibit</u>	<u>FERC No. 6440-</u>	<u>Title</u>
G-1	5	Plan of Project
G-2	6	Map of Lake Winnepesaukee

3/ Montana Power Company, 56 FPC 20008 (October 5, 1976), Village of Lyndonville, 7 FERC ¶61,324 (June 29, 1979).

(2) Project works consisting of: (a) a 220-foot-long, 10-foot-high, existing concrete gravity dam; (b) a 73-square-mile reservoir at a surface elevation of 504 feet NGVD; (c) a gated intake structure; (d) three penstocks, each 100 feet long and 6 feet in diameter; (e) a powerhouse containing three generator units, each with an installed capacity of 200 kW; (f) a 200-foot-long tailrace; (g) the 0.48-kV generator leads; (h) the three 333-kVA 0.48/12.4-kV transformers; (i) a 250-foot-long, 12.4-kV transmission line; and (10) appurtenant facilities.

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

Exhibit A Parts (i) and (ii)

<u>Exhibit</u>	<u>FERC No. 6440-</u>	<u>Title</u>
F-1	1	Plan and Profile of Lakeport Hydro Project
F-2	2	Lakeport Dam and Project Intake
F-3	3	Bulb Turbine Detail
F-4	4	Draft Tube Detail

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

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

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

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

(E) This license is also subject to Articles 1 through 18, except Article 15 set forth in Form L-15, (revised October, 1975), [(55 FPC 1883, (1975)], entitled "Terms and Conditions of License for Unconstructed Minor Project Affecting the Interests of Interstate or Foreign Commerce," attached to and made a part of this license. The license is also subject to the following additional articles:

Article 19. The Licensee shall commence construction of the proposed project within one year of the date of issuance of the license and shall complete construction within three years from the effective date of this license.

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

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

Article 22. The Licensee shall review and approve the design and construction procedures for contractor-designed cofferdams and deep excavations prior to the start of construction. The Licensee shall file with the Commission's Regional Engineer and Director, Office of Electric Power Regulation, one copy of the approved construction drawings and specifications, and a copy of the letter of approval.

Article 23. (a) In accordance with the provisions of this article, the Licensee shall have the authority to grant permission for certain types of use and occupancy of project lands and waters and to convey certain interests in project lands and waters for certain other types of use and occupancy, without prior Commission approval. The Licensee may exercise the authority only if the

proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational, and other environmental values of the project. For those purposes, the Licensee shall also have continuing responsibility to supervise and control the uses and occupancies for which it grants permission, and to monitor the use of, and ensure compliance with the covenants of the instrument of conveyance for, any interests that it has conveyed, under this article. If a permitted use and occupancy violates any condition of this article or any other condition imposed by the Licensee for protection and enhancement of the project's scenic, recreational, or other environmental values, or if a covenant of a conveyance made under the authority of this article is violated, the Licensee shall take any lawful action necessary to correct the violation. For a permitted use or occupancy, that action includes, if necessary, cancelling the permission to use and occupy the project lands and waters and requiring the removal of any non-complying structures and facilities.

(b) The types of use and occupancy of project lands and waters for which the Licensee may grant permission without prior Commission approval are: (1) landscape plantings; (2) non-commercial piers, landings, boat docks, or similar structures and facilities that can accommodate no more than 10 watercraft at a time where said facility is intended to serve single-family type dwellings; and (3) embankments, bulkheads, retaining walls, or similar structures for erosion control to protect the existing shoreline. To the extent feasible and desirable to protect and enhance the project's scenic, recreational, and other environmental values, the Licensee shall require multiple use and occupancy of facilities for access to project lands or waters. The Licensee shall also ensure, to the satisfaction of the Commission's authorized representative, that the uses and occupancies for which it grants permission are maintained in good repair and comply with applicable State and local health and safety requirements. Before granting permission for construction of bulkheads or retaining walls, the Licensee shall: (1) inspect the site of the proposed construction, (2) consider whether the planting of vegetation or the use of riprap would be adequate to control erosion at the site, and (3) determine that the proposed construction is needed and would not change the basic contour of the reservoir shoreline. To implement this paragraph (b), the Licensee may, among other things, establish a program for issuing permits for the specified types of use and occupancy of project lands and waters, which may be subject to the payment of a reasonable fee to cover the Licensee's costs of administering the permit program. The Commission reserves the right to require the Licensee to file a description of its standards, guidelines, and procedures for implementing this paragraph (b) and to require modification of those standards, guidelines, or procedures.

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

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

Director, within 45 days from the filing date, requires the Licensee to file an application for prior approval, the Licensee may convey the intended interest at the end of that period.

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

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

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

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

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

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

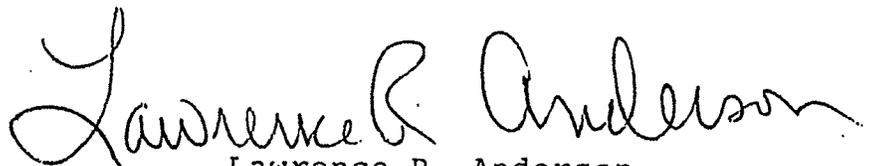
Article 24. The Licensee shall continue to consult and cooperate with appropriate Federal, state and other natural resource agencies for the protection and development of the environmental resources and values of the project area. The Commission reserves the right to require changes in the project works or operations that may be necessary to protect and enhance those resources and values.

Article 25. The Licensee shall pay the United States the following annual charge effective the first day of the month in which the license is issued:

(a) For the purpose of reimbursing the United States for the cost of administration of Part I of the Act, a reasonable amount as determined in accordance with the provisions of the Commission's regulations in effect from time to time. The authorized installed capacity for that purpose is 805 horsepower.

Article 26. The Licensee shall clear and keep clear to an adequate width lands along open conduits and shall dispose of all temporary structures, unused timber, brush, refuse, or other material unnecessary for the purposes of the project which results from the clearing of lands or from the maintenance or alteration of the project works. In addition, all trees along the periphery of project reservoirs which may die during operations of the project shall be removed. All clearing of the lands and disposal of the unnecessary material shall be done with due diligence and to the satisfaction of the authorized representative of the Commission and in accordance with appropriate Federal, State, and local statutes and regulations.

(F) Failure of the Licensee to file a petition appealing this order to the Commission shall constitute acceptance of this license. In acknowledgment of acceptance of this license, the license shall be signed for the Licensee and returned to the Commission within 60 days from the date of issuance of this order.



Lawrence R. Anderson
Director, Office of Electric
Power Regulation

FEDERAL ENERGY REGULATORY COMMISSION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 15. The Licensee shall consult with the appropriate State and Federal agencies and, within one year of the date of issuance of this license, shall submit for Commission approval a plan for clearing the reservoir area. Further, the Licensee shall clear and keep clear to an adequate width lands along open conduits and shall dispose of all temporary structures, unused timber, brush, stumps, or other material unnecessary for the purposes of the project which results from the clearing of lands or from the maintenance or alteration of the project works. In addition,

all trees along the periphery of project reservoirs which may die during operations of the project shall be removed. Upon approval of the clearing plan all clearing of the lands and disposal of the unnecessary material shall be done with due diligence and to the satisfaction of the authorized representative of the Commission and in accordance with appropriate Federal, State, and local statutes and regulations.

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

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

Attachment B
Interconnection Agreement

Attachment B
Interconnection Agreement

INTERCONNECTION AGREEMENT

AGREEMENT, dated Sept. 1, 1985, by and between LAKEPORT HYDROELECTRIC CORP., a New Hampshire corporation with its principal office in Manchester, New Hampshire (hereinafter referred to as "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 "PUBLIC SERVICE").

WITNESSETH:

WHEREAS, INTERCONNECTOR desires to interconnect its Lakeport hydroelectric generating facility, located in Laconia, New Hampshire, on the Winnepesaukee River, with the electric system of PUBLIC SERVICE in accordance with applicable New Hampshire Public Utilities Commission (hereinafter referred to as "NHPUC") Orders;

WHEREAS, the NHPUC requires that a written interconnection agreement be signed by INTERCONNECTOR and filed with the NHPUC as part of INTERCONNECTOR's rate filing with the NHPUC; and

WHEREAS, it is necessary that certain agreements be made to insure the safety, reliability, and integrity of PUBLIC SERVICE's electric system, and to establish a mechanism for payment of the rate established by the NHPUC;

NOW, THEREFORE, in consideration of the premises and the mutual covenants set forth herein, INTERCONNECTOR and PUBLIC SERVICE hereby agree as follows:

Article 1. Interconnection and Voltage Characteristics.

(a) The interconnection point shall be that point at which INTERCONNECTOR's generating facility interconnects with the 12.47 KV electric system of PUBLIC SERVICE.

(b) Unless PUBLIC SERVICE converts its interconnection circuit, all electric energy interconnected with PUBLIC SERVICE's system shall be 12.47 KV, three-phase, sixty hertz.

Article 2. Metering.

(a) The metering shall be configured so as to represent the generation delivered to PUBLIC SERVICE. 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.

Article 15. Mailing Addresses.

The mailing addresses of the parties are as follows:

INTERCONNECTOR: Lakeport Hydroelectric Corp.
P. O. Box 240
Manchester, NH 03105
Attn: Irvin W. Tolles, President

PUBLIC SERVICE: Public Service Company of N.H.
1000 Elm Street
P. O. Box 330
Manchester, NH 03105
Attn: Ralph S. Johnson, Vice Pres.

Article 16. Effective Date.

This Agreement shall become effective between the parties as of the effective date for the payment of the rates established by the NHPUC to be paid by PUBLIC SERVICE to INTERCONNECTOR, said effective date and said rates being set forth in the NHPUC's order approving INTERCONNECTOR's long term rate (to be attached as Attachment A to this Agreement).

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

LAKEPORT HYDROELECTRIC CORP.

James G. Cook
Witness

By: Irvin W. Tolles, Pres
Irvin W. Tolles, President

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Richard Pearson
Witness

By: Ralph S. Johnson
Ralph S. Johnson, Vice President

Attachment G

One-Line Diagram

