

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION

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March 27, 2012

Stéphane Cohen
KEI (Maine) Power Management (II) LLC
Kruger Energy Inc.
3285 chemin Bedford
Montreal, Quebec, Canada, H3S 1G5

Re: DE 12-050 KEI (Maine) Power Management (II) LLC Application for Class IV
Eligibility of its Damariscotta Mills Hydroelectric Project Pursuant to RSA 362-F.

Dear Mr. Cohen:

On February 23, 2012, KEI (Maine) Power Management (II) LLC (KEI), submitted an application requesting certification for its Damariscotta Mills Hydroelectric Project (Damariscotta Mills Project) located at the outlet of Damariscotta Lake in the Towns of Nobleboro and Newcastle, in Lincoln County, Maine, as a Class IV facility pursuant to RSA 362-F, New Hampshire's Renewable Portfolio Standard law. Staff has reviewed the application and recommends approval, noting that the Damariscotta Mills Project application was completed on February 23, 2012 in accordance with New Hampshire Code of Administrative Rules Puc 2500.

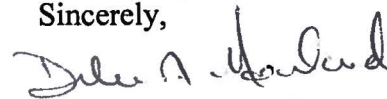
RSA 362-F:4, IV requires that eligible facilities must have initiated operation prior to January 1, 2006, have a nameplate capacity of five megawatts or less, completed the installation of upstream and downstream diadromous fish passages, and to have documented applicable state water quality certification (Section 401, Clean Water Act). The Damariscotta Mills Project began commercial operation on December 1, 1984 and has a capacity of .462 MW of electricity. The Damariscotta Mills Project has Federal Energy Regulatory Commission (FERC) licensed diadromous fish passages described in the Damariscotta Mills Project (FERC #11566) Final Revised SOP and Netting Plan and has met the requirements for the State of Maine Water Quality Certification (WQC) thereby meeting the fish ladder requirements of RSA 362-F.

The Commission has reviewed the Damariscotta Mills Project application and determined that KEI has provided all the necessary documentation to demonstrate that the Damariscotta Mills Project is eligible for certification as a Class IV facility. Therefore, the Commission hereby certifies that the Damariscotta Mills Project facility is a Class IV

renewable energy source effective on February 23, 2012 and is eligible to be issued New Hampshire Class IV Renewable Energy Certificates.

The facility's NEPOOL generation information system (GIS) facility code is MSS 2282. Attached please find a copy of the notice of this certification provided to the GIS administrator. The New Hampshire Renewable Portfolio Standard certification code for the Damariscotta Mills Project is NH-IV-12-008.

Sincerely,

A handwritten signature in dark ink, appearing to read "Debra A. Howland", written in a cursive style.

Debra A. Howland
Executive Director

Encl.

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March 27, 2012

James Webb
Registry Administrator
NYSE Blue
224 Airport Parkway, Suite 600
San Jose, CA 95110

Re: DE 12-050 KEI (Maine) Power Management (II) LLC's, Application for Class IV Eligibility of its Damariscotta Mills Hydroelectric Project Pursuant to RSA 362-F. New Hampshire Certification Code NH-IV-12-008.

Dear Mr. Webb:

Please be advised that the New Hampshire Public Utilities Commission has certified the Damariscotta Mills Hydroelectric Project (Damariscotta Mills Project) as eligible for Class IV Renewable Energy Certificates (RECs) effective February 23, 2012 as required by NH RSA 362-F. Accordingly, the Damariscotta Mills Project is eligible to be issued New Hampshire Class IV RECs.

The Damariscotta Mills Project is located at the outlet of Damariscotta Lake in the Towns of Nobleboro and Newcastle, in Lincoln County, Maine. Dams have existed at this site since the early 1800's; the actual powerhouse was constructed in 1923 and the facility began commercial operation on December 1, 1984. KEI has submitted evidence that the Damariscotta Mills Project operates in compliance with the Federal Energy Regulatory Commission (Project # 11566), and has been approved for the State of Maine's Water Quality Certification, and meets the diadromous fish ladder requirements of RSA 362-F. The Damariscotta Mills Project has a total grow nameplate capacity of .462 megawatts. The facility's NEPOOL generation information system (GIS) facility code is MSS 2282. The New Hampshire Renewable Portfolio Standard certification code is NH-IV-12-008.

Sincerely,

A handwritten signature in black ink, appearing to read "Debra A. Howland".

Debra A. Howland
Executive Director

cc: Stephane Cohen, KEI (Maine) Power Management, LLC