



ENEL GREEN POWER NORTH AMERICA, INC.

One Tech Drive, Suite 220
Andover, Massachusetts 01810
USA

T +1 978 681 1900 - F +1 978 681 7727

DE 12-197

July 5, 2012

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



Dear Ms. Howland,

Included with this letter are the applications forms and supporting documents to seek certification as a New Hampshire Class IV source for the following Enel Green Power North America organizations and hydro facilities:

Consolidated Hydro New Hampshire, Inc. (Kelley's Falls Hydro)
Sweetwater Hydroelectric, Inc. (Lower Valley Hydro)
Sweetwater Hydroelectric, Inc. (Sweetwater Hydro)
Woodsville Hydroelectric, Inc. (Woodsville Hydro)

Please let me know if you require any additional information. Thank you.

Best Regards,

A handwritten signature in blue ink, appearing to read "Marc Poirier".

Marc Poirier
General Manager East Region
Enel Green Power North America, Inc.
Tel: (978) 296-6817
Cell: (978) 806-7757
Email: marc.poirier@enel.com



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: Consolidated Hydro New Hampshire, Inc.

Mailing Address: c/o Enel Green Power North America, One Tech Drive, Suite 200

State: MA Zip Code: 01810

Primary Contact: Marc Poirier

Telephone: 978-296-6817 Cell: 978-806-7757

Email address: Marc.Poirier@enel.com

2. Facility Name: Kelley's Falls Hydro

(physical address) Electric Street

Town/City: Manchester State: NH Zip Code: 03108

If the facility does not have a physical address, the Latitude _____ & Longitude _____

(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. 911

4. The facility's GIS facility code, if available. 911

5. A description of the facility including the following:
 - 5.a. The gross nameplate capacity 0.5 MW
 - 5.b. The facility's initial commercial operation date 12/10/1985
 - 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

Kelley's Falls is a 0.5 MW hydroelectric generating facility located in Manchester, NH on the Piscataquog River, interconnected with the electric system of Public Service of New Hampshire (PSNH).

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

FERC License is included

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 is part of the Operating Agreement for Purposes of Wheeling and Power Sales. The interconnection agreement is written as an Interconnection Report for Customer Generation.

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

The output of the facility is delivered to a transmission line owned and operated by PSNH. Please see the one-line diagram included with this application as **Attachment D**.

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

N/A

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

The facility actively receives settlement statements from ISO-NE.

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: Mark Desotelle, Facility Supervisor

Phone: 207-490-1980, ext 208

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.	
• A copy of all necessary state and federal (FERC) regulatory approvals as Attachment A .	
• 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 .	
• A signed and notarized attestation or Attachment C .	
• A GIS number has been provided or has been requested.	
• Other pertinent information has been provided (if necessary) as Attachment D .	
• This document has been printed and notarized.	
• The original and two copies are included in the packet mailed to Debra Howland, Executive Director of the PUC.	
• An electronic version of the completed application has been sent to <u>executive.director@puc.nh.gov</u> .	

AFFIDAVIT

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

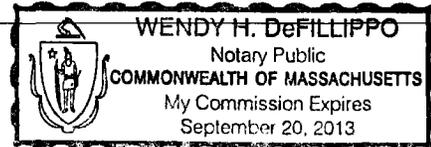
Applicant's Signature [Signature] Date 07/05/2012

Subscribed and sworn before me this 5 Day of July (month) in the year 2012

County of Essex State of Massachusetts

Wendy H. DeFillippo
Notary Public/Justice of the Peace

My Commission Expires _____



ATTACHMENT A

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

- 2 -

Kelley's Falls License

Hydro Resources Corporation)

Project No. 3025-001

ORDER ISSUING LICENSE (MINOR)

(Issued April 24, 1984)

Hydro Resources Corporation (Applicant) has filed an application for a license under Part I of the Federal Power Act (Act) to construct, operate, and maintain the Kelley's Falls Project No. 3025. 1/ The project would be located on the Piscataquog River in Hillsborough County, New Hampshire, 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.

Description of Project

The Applicant proposes to rehabilitate the existing Kelley's Falls Dam, a concrete gravity structure 31 feet high and 250 feet long, and an existing penstock and powerhouse. The Applicant will install one new 450-kw generating unit and other appurtenant facilities. The project will operate run-of-river utilizing a reservoir with a surface area of 129 acres and a storage capacity of 1,350 acre-feet. A more detailed project description is contained in ordering paragraph (B).

1/ 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 (1983). 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 (1983). 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 stability of the Kelley's Falls Dam and the spillway were analyzed under normal and maximum hydrostatic loading; the safety factors under normal loading and loading from the maximum flood of record (21,300 cfs) are within acceptable limits.

The project was inspected by the New Hampshire Water Resources Board, by the U.S. Army Corps of Engineers, and by the Commission's staff and it was found that the dam and other structures are in fair to poor condition. The dam shows loss of concrete on the spillway section, five major and a number of minor leaks through the concrete of the spillway, cracks on the right abutment, and erosion of the right bank upstream from the dam. The foundation of the powerhouse building is badly spalled and reinforcing is exposed. The left retaining wall has an area of missing stones and the concrete facing the wall is deteriorated at the normal water level. There is also a substantial seepage coming out around the downstream end of the right concrete retaining wall.

If the structures are satisfactorily repaired, the dam and other existing structures would be considered structurally and hydraulically safe and adequate. Article 24 requires the licensee to file a plan and schedule for restoring the integrity of the dam.

The Piscataquog River above the Kelley's Falls Dam drains an area of 214 square miles. The flow of the Piscataquog River is recorded by the U.S.G.S. streamflow gage at Goffstown located about 4 miles upstream from the dam. The gage subtends a 202-square-mile drainage area. The peak flood of record at the dam was 6,840 cfs on April 5, 1960, however, the flood marks dated September 21, 1938, indicate a flood of 21,900 cfs. Streamflow in excess of the water diverted for power production (324 cfs) would flow over the 192-foot-long ogee spillway. The spillway capacity, with the pool at elevation 168.00 feet, the top of the non-overflow section, is 21,300 cfs. The 100-year flood is estimated to be 13,000 cfs.

The Probable Maximum Flood (PMF) at the dam site has been estimated by the U.S. Army Corps of Engineers to be 111,800 cfs. The 1/2 PMF would raise the reservoir elevation to 174.80 feet and overtop the left wall by 6.8 feet. Due to the relatively small amount of storage of Piscataquog Reservoir, failure during extreme floods would not be a hazard to dwellings, parkland facilities, and life downstream from the dam.

The spillway capacity at the Kelley's Falls Dam is considered adequate.

Economic Feasibility

The run-of-river project would generate 2,400,000 kWh of energy annually. ^{2/} The project is economically feasible based on a power sales contract between the Applicant and the Public Service Company of New Hampshire which stipulates a price of 9 cents per kWh for project power.

Minimum Flow Releases

The Piscataquog River supports a warmwater fishery in the vicinity of the project. Trout planted upstream from the project, however, may occasionally be found in the Kelley's Falls area. The 125-acre Piscataquog Park, operated by the City of Manchester is located immediately downstream from the project, and provides public access to the river for fishing, canoeing, and other recreational activities.

To sustain the aquatic habitat and recreational uses of the river downstream from the project, the Applicant proposed to release a continuous minimum flow of 15 cfs from the powerhouse during the summer, and a flow equal to reservoir inflow during the spring. The specific effective dates for the spring and summer minimum flow releases were not stated by the Applicant.

The U.S. Fish and Wildlife Service (FWS) and the New Hampshire Fish and Game Department (NHFGD) recommended that a continuous minimum flow of 45 cfs or the inflow to the reservoir, whichever is less, be released from the project year-round. Since the tailrace discharge is only 65 feet downstream from the dam and the bypassed reach has only marginal biological productivity, the agencies did not recommend a minimum flow release from the dam.

A study of the minimum flow necessary at the Kelley's Falls Project is needed to determine the long-term flow regime appropriate for the project site. An interim minimum flow release of 45 cfs will protect the present water quality, fishery resources, and recreational uses of the Piscataquog River downstream from the project. Article 25 requires an instream flow study and an interim minimum flow release of 45 cfs. ^{3/}

^{2/} The proposed project, with its average annual generation of 2.4 million kWh, will utilize a renewable resource that will save the equivalent of approximately 3,940 barrels of oil or 1,110 tons of coal per year.

^{3/} The State of New Hampshire Water Supply and Pollution Control Commission issued a water quality certificate on August 19, 1983, for the project in accordance with Section 401 of the Clean Water Act.

Restoration of Anadromous Fish Runs

The Anadromous Fish Act of 1965, Public Law 89-305, instigated a program for conservation, development, and enhancement of the Nation's anadromous fish. A cooperative Fishery Restoration Program for the Merrimack River, of which the Piscataquog River is a tributary, was formulated by the Policy and Technical Committees for Anadromous Fishery Management of the Merrimack River, which consists of representatives from the FWS, the National Marine Fisheries Service, and fishery agencies from the New England states. In January 1981, the Policy and Technical Committees finalized a Fish Passage Action Plan that scheduled construction of fish passage facilities at Kelley's Falls by 1985, and at the downstream Lowell Dam (FERC Project No. 2790), located on the Merrimack River, by 1984.

FWS and NHFGD, commenting on the license application, referred to the Fish Passage Action Plan and recommended that upstream and downstream fish passage facilities be completed at the Kelley's Falls Dam 1 year following completion of such facilities at the Lowell Dam. Fish passage may not be achieved at the Lowell Dam until 1986, according to FWS, which would make 1987 the recommended date for the Kelley's Falls Project. The Applicant stated that it would install fish passage facilities at the Kelley's Falls Dam as recommended by FWS. Article 26 is included to ensure that fish passage facilities are constructed at the Kelley's Falls Project.

Cultural Resources

Construction of the Kelley's Falls Dam was completed in 1916, and there is no record of any major modification to the dam or intake structures since then. The present powerhouse was completed in 1926/27. The New Hampshire State Historic Preservation Officer (SHPO) noted that the dam and related structures may qualify for the National Register of Historic Places. The SHPO recommended that the Applicant cooperate with his office to identify significant cultural resources, mitigate any adverse impacts of project construction or operation on significant resources, and ensure compliance with applicable laws and regulations. The Applicant stated that it intends to cooperate with the SHPO. Article 27 ensures cooperation and compliance with the SHPO's concerns.

Other Environmental Considerations

The project would result in minor short-term turbidity, noise, and visual impacts from renovation activities. No known Federally listed endangered or threatened species would be affected by the proposed project.

On the basis of the record, and the Commission staff's independent analysis, it is concluded that issuance of a license for the project as conditioned does not constitute a major Federal action significantly affecting the quality of the human environment.

Other Aspects of Comprehensive Development

The Piscataquog Reservoir at normal maximum water surface elevation 160.75 feet would have 1,350 acre-feet of storage, would extend 2.0 miles upstream, and would have approximately 130 acres of surface area, assuming that the reconstructed 2.75-foot-high flashboards are in place.

The average flow of the Piscataquog River at Kelley's Falls Dam is estimated to be 324 cfs. The hydraulic capacity of the project with the proposed new generating facilities would be 320 cfs. A flow of 320 cfs would be exceeded about 34 percent of the time. The plant would operate approximately 75 percent of the time at full or reduced output under a rated head of 22.0 feet.

The Planning Status Report for the Merrimack River Basin has been reviewed, and based thereon it is concluded that the Kelley's Falls Project is not in conflict with any planned or potential development in the basin for beneficial uses. Upon compliance with the terms and conditions of this license, the proposed redevelopment will make good use of the flow and fall of the Piscataquog River and is therefore best adapted to the comprehensive development of the basin.

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. 4/

It is ordered that:

(A) This license is issued to Hydro Resources Corporation (Licensee), of Manchester, New Hampshire, 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 Kelley's Falls Project No. 3025, located in Hillsborough County, New Hampshire,

4/ See The Village of Lyndonville Electric Department, 7 FERC 761,324 (1979).

on the Piscataquog 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 Kelley's Falls Project No. 3025 consists of:

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

Exhibit A - Sections 3.1 through 3.7 of the application filed on October 9, 1980.

<u>Exhibit</u>	<u>FERC No. 3025-</u>	<u>Showing</u>
R-1	1	Site Plan & Location Plan
R-2	2	Site Location Plan

(2) Project works consisting of: (1) a concrete gravity dam 250 feet long and 31 feet high, including an ogee spillway section 192 feet long and 21 feet high at a spillway crest elevation 158 feet m.s.l. with provisions for the addition of 2.75-foot-high flashboards; (2) a reservoir with surface area of 129 acres and a storage capacity of 1,350 acre-feet at a normal water surface elevation of 158 feet m.s.l.; (3) a headgate/intake structure 28 feet wide at the north abutment; (4) a composite steel and concrete penstock, 11 feet in diameter and 63 feet long; (5) a powerhouse containing one generating unit having an installed capacity of 450 kW; (6) a discharge basin; (7) generator leads; (8) transformer equipment; (9) an underground 12-kV transmission line 375 feet long; 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 a certain other exhibit that also form a part of the application for license and that is designated and described as:

<u>Exhibit</u>	<u>FERC No. 3025-</u>	<u>Showing</u>
L-1	3	Plan, Section & Elevation
L-2	4	Existing Structure, Section & Elevation

Exhibit	PERC No. 3025-	Showing
L-3	5	Existing Structure, Plan & Elevation
L-4	6	Proposed Installations, Sections

(3) All of the structures, fixtures, equipment, or facilities used or useful in the operation or maintenance of the project and all portable property that may be employed in connection with the project, 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, K and L, 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), 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 clear and keep clear to an adequate width all 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 result from maintenance, operation, or alteration of the project works. In addition, all trees along the periphery of project reservoirs which may die during operation of the project shall be removed. All clearing of lands and disposal of unnecessary material shall be done with due diligence to the satisfaction of the authorized representatives of the Commission and in accordance with appropriate Federal, State, and local statutes and regulations.

Article 20. The Licensee shall commence construction of the proposed project within 2 years from the issuance date of the license and shall complete construction within 4 years from the issuance date of the license.

Article 21. 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, specifications and final design report 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 22. The Licensee shall review and approve the design of contractor-designed cofferdams and deep excavations prior to the start of construction and shall ensure that construction of cofferdams and deep excavations are consistent with the approved design. At least 30 days prior to start of construction of the cofferdam, the Licensee shall file with the Commission's Regional Engineer and Director, Office of Electric Power Regulation, one copy of the approved cofferdam construction drawings and specifications and a copy of the letter(s) of approval.

Article 23. The Licensee shall within 90 days of completion of construction file for approval by the Director, Office of Electric Power Regulation, revised Exhibits A, F, and G to describe and show the project as-built.

Article 24. The Licensee shall investigate the conditions of the foundation of the spillway section of the dam and file a plan and schedule for repair of the dam and adjacent structures, utilizing the results of the foundation investigations, with the Commission's New York Regional Office and the Director, Office of Electric Power Regulation, 60 days prior to start of construction.

Article 25. The Licensee shall discharge from the Kelley's Falls Project an interim continuous minimum flow as measured immediately downstream from the project powerhouse, of 45 cubic feet per second, or the inflow to the reservoir, whichever is less, for the protection of fish, wildlife, and recreational resources during the minimum flow study described herein. Interim minimum flows shall be maintained by Licensee until alternative minimum flow requirements are approved by the Commission. Interim minimum flows may be temporarily modified if required by operating emergencies beyond the control of the Licensee, and for short periods for fishery management purposes or as required for instream flow study upon mutual agreement between Licensee and the New Hampshire Fish and Game Department.

Licensee shall, after consultation with the Parks and Recreation Department of the City of Manchester, the New Hampshire Fish and Game Department, Water Supply and Pollution Control Commission, and Water Resources Board, and the U.S. Fish and Wildlife Service, develop an instream flow study plan to determine: (1) the relationship between project discharges and downstream aquatic and terrestrial habitat; (2) the habitat requirements by life history stage of important aquatic organisms currently found in the reach affected by project discharges, and aquatic organisms planned for introduction; and (3) the effects of project discharges on recreational uses of the Piscataquog River. Within 4 months from the date of issuance of this license, Licensee shall file, with copies to the agencies consulted, the instream flow study plan, and schedule for study completion, with the Commission for approval. Documentation of agency consultation on the study plan shall be included in the filing.

Licensee shall conduct the instream flow study as approved by the Commission. Within 3 years from the date of issuance of this license, Licensee shall file, with copies to the agencies consulted, both a report on the results of the study and, for Commission approval, recommendations for minimum flow releases from the project. Documentation of agency consultation on the report and recommendations shall be included in the filing.

Article 26. The Licensee shall, not later than 6 months after the date of issuance of this license, file for Commission approval functional design drawings of upstream and downstream fish passage facilities at the Kelley's Falls Dam, prepared in consultation with the U.S. Fish and Wildlife Service and the New Hampshire Fish and Game Department. Licensee shall provide upstream and downstream fish passage facilities within 1 year after completion of fish passage facilities at the downstream Lowell Project, PERC Project No. 2790. Further, Licensee shall file with the Commission within 6 months after construction of the Kelley's Falls Project fish passage facilities, as-built drawings.

Article 27. The Licensee shall, within 6 months from the date of issuance of this license, or prior to the commencement of renovation work at the project, whichever comes first, in cooperation with the New Hampshire State Historic Preservation Officer (SHPO) design and carry out a study to identify, describe, and assess the significance of cultural resources within the project boundary. This study shall be conducted by professional archeologists and historians in a manner satisfactory to the SHPO, and shall identify and evaluate sites or properties that may be eligible for the National Register of Historic Places. The Licensee shall provide funds in a reasonable amount for any such activities, and if the Licensee and the SHPO cannot agree

on the amount of money to be expended, the Commission reserves the right to require the Licensee to conduct, at its own expense, any such work found necessary. Within 8 months from the date of issuance of the license, or prior to the commencement of renovation work at the project, whichever comes first, the Licensee shall file a report on the results of this study with the Commission and the SHPO describing the nature and extent of the work performed, summarizing the findings related to cultural resources, and recommending measures for the protection of any significant cultural resource properties.

Article 28. The Licensee shall continue to consult and cooperate with the New Hampshire Fish and Game Department, the Water Supply and Pollution Control Commission, the New Hampshire Water Resources Board, and the U.S. Fish and Wildlife Service 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 29. The Licensee shall pay the United States the following annual charges, effective the first day of the month in which this license is issued:

For the 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 600 horsepower.

Article 30. (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 R 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.

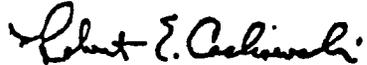
(2) Before conveying the interest, the Licensee shall determine that the proposed use of the lands to be conveyed is not inconsistent with any approved Exhibit R or approved report on recreational resources of an Exhibit E; or, if the project does not have an approved Exhibit R or approved report on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

(F) The Licensee's failure to file a petition appealing this order to the Commission shall constitute acceptance of this license. In acknowledgment of acceptance of this order and its terms and conditions, it shall be signed by the Licensee and returned to the Commission within 60 days from the date this order is issued.


Lawrence R. Anderson
Director, Office of Electric
Power Regulation

Project No. 3025-001

IN TESTIMONY of its acknowledgment of acceptance of all of the terms and conditions of this order, Hydro Resources Corporation, this ___ day of _____, 19___, has caused its corporate name to be signed hereto by _____ its _____ President, and its corporate seal to be affixed hereto and attested by _____ its Secretary, pursuant to a resolution of its Board of Director duly adopted on the ___ day of _____, 19___, a certified copy of the record of which is attached hereto.

By _____
President

Attest:

Secretary

(Executed in quadruplicate)

ATTACHMENT B

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

AGREEMENT, dated December 11, 2005 by and between Consolidated Hydro New Hampshire, Inc. (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 Kelley's Falls Hydro 500 kva hydroelectric generating facility (the "Facility"), (SESD # 058) located on the Piscataquog River in Manchester, New Hampshire, is interconnected with the electric system of PSNH in accordance with applicable New Hampshire Public Utilities Commission ("NHPUC") Orders and federal law; and

WHEREAS, Interconnector has self-certified its generator as a Qualifying Facility ("QF") as defined by the Public Utilities Regulatory Policies Act ("PURPA") as it may be amended from time to time; and

WHEREAS, Interconnector desires to, and PSNH agrees to, provide for the interconnection of the Facility with the electric system of PSNH, its successors and permitted assigns, and Interconnector may have the right to sell the electric output of the Facility to PSNH and/or to such other third party purchasers with which Interconnector may make sales arrangements; and

WHEREAS, to provide for the continued interconnection of the Facility, it is necessary that certain agreements be made to ensure the safety, reliability and integrity of PSNH's electric system and the operation of the Facility; and

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

NOW, THEREFORE, the parties hereby agree as follows:

Telephone No. (978) 681-1900
Fax No. (978) 681-7727

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.

Consolidated Hydro New Hampshire, Inc.

By:

Title:



Sr VP COO

Duly Authorized

Public Service Company of New Hampshire

By:

Paul E. Ramsey

Title:

Vice President, Customer Services

Duly Authorized

PSNH INTERCONNECTION REPORT FOR
CUSTOMER GENERATION

KELLEY'S FALLS HYDRO

SESD SITE NO. 058

R. R. Constant
March 6, 1985
March 22, 1985 (Rev. 1)
March 30, 1989 (Rev. 2)
October 31, 2005 (Rev. 3)

I. INTRODUCTION

A study has been performed to determine the impact of this proposed facility on the PSNH system. All technical analysis was based on the equipment listed under Section II, and the facility arrangement illustrated on partial one-line diagram SK-RRC-058-2. Where actual site-specific data was not readily available, estimated or "typical" values were utilized in any required calculations. Any deviation from the listed equipment of the illustrated configuration may have significant safety and/or technical ramifications. Consequently, if changes are anticipated now or in the future, PSNH should be informed immediately so that the requirements and recommendations contained within the report may be revised where necessary. This procedure will ensure that the Developer is informed of PSNH requirements in a timely fashion and should eliminate the delays and expense which could otherwise be experienced by the Developer.

II. DESCRIPTION OF MAJOR COMPONENTS

A. Description of Facilities

This hydro facility is located in Manchester, N.H. along the Piscataquog River. It is situated almost under the Biron Bridge and just a short distance from the West Side Ice Arena. The pond is established by New Hampshire Water Resources Board Dam Number 150.02. The output of the generator will be delivered to PSNH 12.47/7.2 kV circuit 18W3, which is fed from Pinardville Substation. Partial one-line diagram SK-RRC-058-2 shows the major system components.

B. Mechanical Components

Turbine - One (1) Kvaerner, 36", S turbine (Francis); 740 HP; 225 RPM

Governor - M/P Mueller Phipps Int.; 20 gal.; 1500 PSI

C. Electrical Components

Generator - One (1) General Electric, synchronous, 225 RPM, 2400V, 500 kVA, 0.8 PF, 3-phase, 60 Hz, 120A.

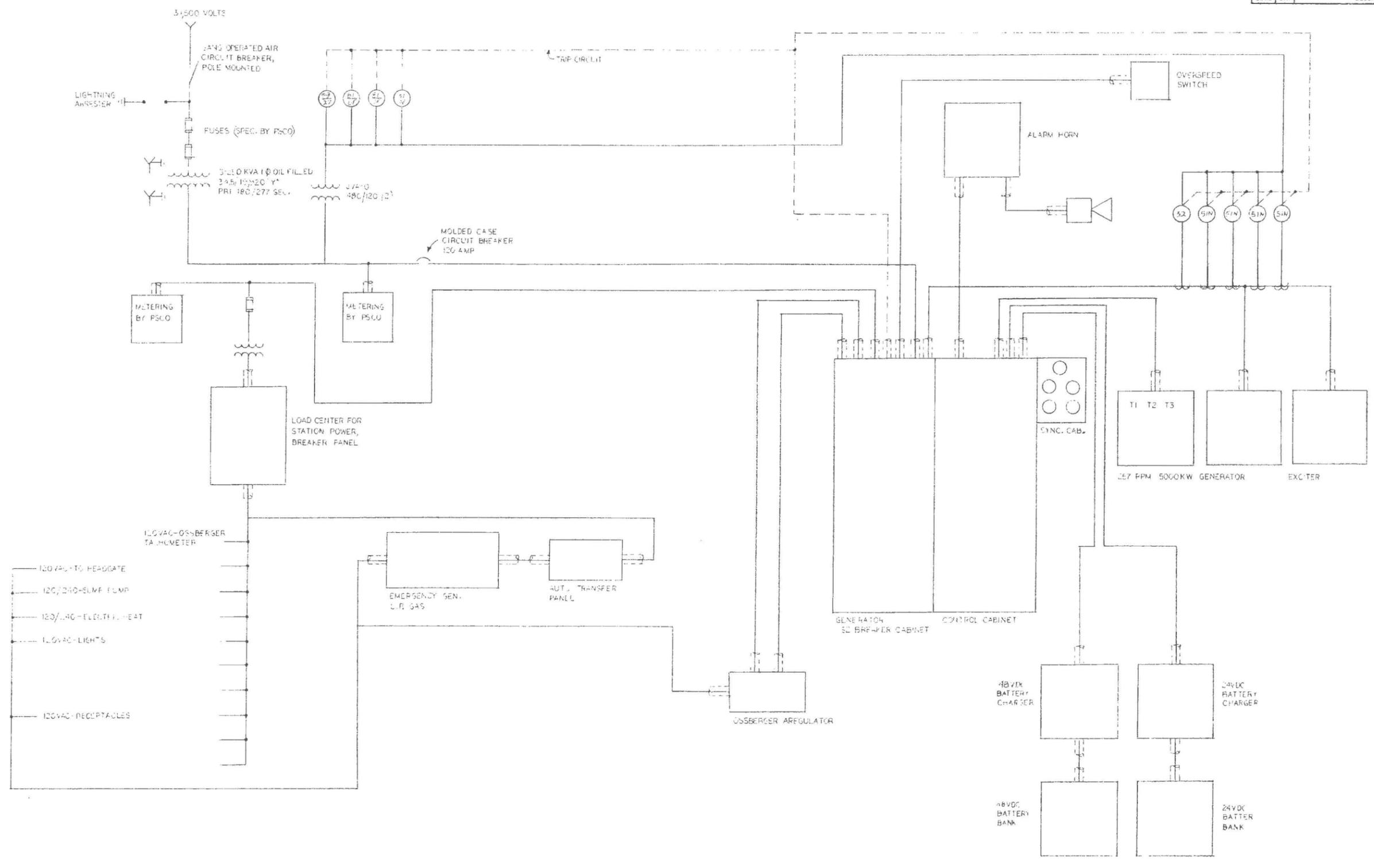
Exciter - One (1) General Electric Type CD, Model No. 96A1622, 1750 RPM, 125VDC, 80A.

Voltage Regulator - Basler Electric SR-8A.

Generator Circuit Breaker - One (1) ITE Model 03; 1200A continuous; 350 MVA interrupting capacity at 4.0-4.75 kV; 5 cycle interrupting time; 48 VDC control voltage.

ATTACHMENT D

REVISIONS				
ZONE	LTR	DESCRIPTION	DATE	APPROVED



- 120VAC-TO HEADGATE
- 120/240-50HP PUMP
- 120/240-ELECTRIC HEAT
- 120VAC-LIGHTS
- 120VAC-RECEPTACLES

UNLESS OTHERWISE NOTED DIMENSIONS ARE IN INCHES TOLERANCES		DR	POWER TECHNICS, INC.
ANGLES	XXX	CHK	150 CHARLES ST, ROCHESTER, NH 03867
MATERIAL		APPD	TITLE
		APPD	ONE-LINE INTERCONNECTION DIAGRAM
NEXT ASSY	USED ON		SIZE
			D KELLEY'S DRAWING NO. 8307-E6-01
APPLICATION			SCALE 1/4" = 1'

MAKEFACE
MR-2114