DE12-275

Friday September 14th, 2012

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

RE: Pumpkin Hill (Lowell Tannery) Hydroelectric Project (FERC No. P-4202) / (QF 06-325-000) – Request for Certification as a Class IV Renewable Energy Source

Dear Ms. Howland,

KEI (Maine) Power Management (II) LLC ("KEI") hereby requests that the New Hampshire Public Utilities Commission certify KEI's Pumpkin Hill (Lowell Tannery) Hydroelectric Project (FERC No. P-4202) as an eligible Class IV renewable energy source pursuant to New Hampshire R.S.A 362-F:4(IV) and F:13 and Admin. Code Puc 2502.10 Electric Renewable Portfolio Standard.

In Support of the request for Class IV eligibility for the Pumpkin Hill (Lowell Tannery), KEI submits an original and six copies of the completed application, required documentation and supplemental supporting information.

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

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

Guy J. Paquette
Vice President, Corporate and Legal Affairs

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
SAMPLE APPLICATION FORM

FOR RENEWABLE ENERGY SOURCE ELIGIBILITY
Pursuant To New Hampshire Admin. Code Puc 2500 Rules

1. ELIGIBILITY CLASS APPLIED FOR: ☐ **I** ☐ **II** ☐ **III** ☒ **IV**

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

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

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

5. Facsimile number: 514-343-3124

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

7. Facility name: Pumpkin Hill (Lowell Tannery) Hydroelectric Project (FERC docket No. 4202) / (QF) 06-325-000

8. Facility location: 172 Tannery Road, Lowell, ME, 04967

9. Latitude: 45.186756 **Longitude:** -68.464941

10. The name and telephone number of the facility's operator, if different from the owner
Lewis C. Loon
KEI (USA) Power Management Inc.
Manager, Operations and Maintenance – Maine
37 Alfred Plourde Parkway, Suite 2, Lewiston, ME 04240
(207) 786-8834

11. The ISO-New England asset identification number, if applicable:
Asset identification number 42114. Please see Customer and Asset Information Document dated September 4th, 2012 available at http://www.iso-ne.com/support/asset_info/index.html (Under GENERATOR tab).

The Pumpkin Hill Hydroelectric Project currently sells its electricity to Bangor Hydro-Electric Company ("Bangor") which is currently reselling this energy to New Brunswick Generation Corporation. However, the RECs are owned by KEI (Maine) Power Management (II) LLC ("KEI").

12. The GIS facility code, if applicable:

A GIS Facility code is in the process of being obtained.

13. A description of the facility, including fuel type, gross nameplate generation capacity the initial commercial operation date, and the date it began operation, if different.

The Pumpkin Hill (Lowell Tannery) Hydroelectric Project ("the Project") consists of: (a) a concrete gravity dam, including spillway sections topped by 3.5-ft high flashboards; (b) a low level outlet gate and log sluice section; (c) a reservoir with a usable storage capacity of 100 acre-feet at elevation 187.5 feet mean sea level with a 3-ft drawdown; (d) a powerhouse located near the north dam abutment containing a single 38 pole synchronous generator and vertical Kaplan turbine; (e) a fishway located adjacent to the powerhouse; and (f) a tailrace channel. The vertical Kaplan turbine powers a 1111kVA synchronous generator. Water is directed from the head pond through trash-racks then in the penstock. The water then enters the turbine through a set of wicket gates that are used to adjust the amount of flow entering the unit.

The Project is an electrical generating facility that is operated in a run-of-the river mode, with excess flows passing over the top of the flashboards. The facility began commercial operation in 1987 and has a nameplate capacity of 0.999 MW. Please see attachment 8 for project photographs.

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

☒ N/A, Class I certification is NOT being sought for a generation facility that uses biomass.

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

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

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

☒ N/A, Class I certification is NOT being sought for repowered Class III or Class IV sources.

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

☒ N/A, Class I certification is NOT being sought for formerly nonrenewable energy electric generation facilities

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

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

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

The fish passage is operated in compliance with the Federal Energy Regulatory Commission license (issued October 31, 1983) and the Water Quality Certification (issued on July 27, 1983). See document relative to the fish passage facility in attachment 1 and document relative to the Water Quality Certification in attachment 2.

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

N/A, the Project is located within the NE control area.

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

Please see attachment 3 for the Federal Energy Regulatory Commission license for the Project (issued October 31, 1983) which also contains the provisions of the Water Quality Certification (issued by the State of Maine on July 27, 1983) for the Project found in attachment 2.

Furthermore, an amendment to the license, approving revised as-built exhibits and revising annual charges was issued on April 15th, 1996 and can be found as attachment 4.

21. Proof that the applicant either has an approved interconnection study on file with the commission is a party to a currently effective interconnection agreement, or is otherwise not required to undertake an interconnection study.

The Project currently has an interconnection agreement with Bangor. A power purchase agreement ("PPA") was signed between Bangor and Pumpkin Hill Power Company on August 9th, 1984 and this PPA, which was assigned on November 20th 2009 to KEI, serves today as an interconnection agreement between The Pumpkin Hill Hydroelectric Project, since then a division of KEI, and Bangor. A copy of the PPA is provided as attachment 5.

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

Electricity is delivered from the Pumpkin Hill Hydro facility through the Projects owned transformer interconnected to Bangor's 12.5 kV distribution line.

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

N/A

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

The Project's output is a settlement only generator and its output is verified by ISO-New England.

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

N/A, the Project's output is verified by the ISO-New England.

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

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

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

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

29. Preparer's information:

Name: Stéphane Cohen

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

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

30. Preparer's signature: 

ATTACHMENTS

ATTACHMENT 1

ORDER APPROVING DESIGN AND CONSTRUCTION OF FISH PASSAGE FACILITIES

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Pumpkin Hill Power Co., Inc., Maine Project No. 4202-002

ORDER APPROVING DESIGN AND CONSTRUCTION OF FISH PASSAGE FACILITIES

(Issued December 28, 1984)

Pumpkin Hill Power Company, Incorporated (Licensee) filed for Commission approval on November 5, 1984, revised functional design drawings for fish passage facilities at the Lowell Tannery Dam Project, FERC No. 4202. 1/ These drawings were filed as required by Article 20 of the license, issued October 31, 1983, for the Lowell Tannery Dam Project.

The Lowell Tannery Dam Project is located on the Passadumkeag River, which is a tributary to the Penobscot River. The Penobscot River supports runs of anadromous fish, including Atlantic salmon, American shad, and alewife. Presently, only Atlantic salmon migrate up the Passadumkeag River past the project; however, there is a substantial amount of spawning and nursery habitat for alewives and American shad upstream of the project, and the Maine Department of Marine Resources (DMR) intends to restore runs of these species to the project area. The proposed fish passage facilities include a downstream migrant diversion-bypass system and a Denil fish ladder with a design capacity of 345,000 alewives, 12,751 shad, and 500 salmon.

The U.S. Fish and Wildlife Service (FWS) has approved the functional design drawings, but recommended minor changes in the design. The Maine Atlantic Sea Run Salmon Commission and the DMR are in agreement with the recommendations provided by the FWS. The Licensee has agreed to incorporate the minor design changes as recommended by the agencies.

1/ Authority to act on this matter is delegated to the Director Office of Hydropower Licensing, under §375.314 of the Commission's regulations, 49 Fed. Reg. 29,369 (1984) (Errata issued July 27, 1984) (to be codified at 18 C.F.R. §375.314). 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.

The functional design drawings submitted by the Licensee illustrate the general fishway design and show details of fishway sections and the downstream migrant facilities. To eliminate air entrainment and turbulence at the floor diffuser of the fishway entrance, the intake for the attraction water will be relocated in the headpond as recommended by the FWS.

The construction and operation of fish passage facilities at the Lowell Tannery Dam would be adequate to provide passage for the anticipated numbers of anadromous fish that would reach the project dam. Adverse impacts (increased noise, dust, turbidity) will be minor and limited only to the construction period. Moreover, construction of the fish passage facilities would be concurrent with the construction of the project dam and powerhouse. Therefore, approval of the proposed action will not constitute a major Federal action significantly affecting the quality of the human environment.

It is ordered that:

(A) The functional design drawings, consisting of 5 sheets with annotated comments, of the proposed fish passage facilities at FERC Project No. 4202 and filed November 5, 1984, are approved and made a part of the license for Project No. 4202.

(B) This order is final unless a petition appealing it to the Commission is filed within 30 days from the date of its issuance, as provided in Section 385.1902 of the Commission's regulations, 18 C.F.R. 385.1902 (1983).

Quentin A. Edson
Director, Office of
Hydropower Licensing

ATTACHMENT 2
THE WATER QUALITY CERTIFICATION

Scanned

STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION
STATE HOUSE STATION 17 AUGUSTA, MAINE 04333

BOARD ORDER

IN THE MATTER OF

PUMPKIN HILL POWER COMPANY Lowell, Maine, Penobscot County LOWELL TANNERY DAM/WATER POWER PROJECT #49-8688-19390	)	SMALL HYDROELECTRIC GENERATING FACILITIES PERMIT AND WATER QUALITY CERTIFICATION FINDINGS OF FACT AND ORDER

Pursuant to the provisions of Title 38, M.R.S.A., Section 626 and Section 401 of the Federal Clean Water Act, the Board of Environmental Protection has considered the application of PUMPKIN HILL POWER COMPANY with its supportive data, agency review comments, staff summary, public comments, and other related materials on file with regard to the above noted project and finds the following facts:

1. PROJECT DESCRIPTION

The applicant proposes the redevelopment of the Lowell Tannery Dam on the Passadumkeag River in Lowell, Maine, for the purpose of generating hydroelectric power.

EXISTING:

The existing Lowell Tannery Dam is located approximately 12 miles upstream of the confluence of the Passadumkeag River with the Penobscot River. The concrete gravity dam is approximately 230 feet in length and 17 feet in height, and includes 120 feet of spillway, a turbine intake, a waste gate section, and a log sluice section. An abandoned powerhouse measuring approximately 20 feet by 60 feet is located at the north end of the dam. The dam currently creates an impoundment with a surface area of approximately 5 acres at an elevation of approximately 180 feet. Impoundment size and elevation vary with flows (180 feet is the elevation of the sill of the breached waste gate).

The existing dam was constructed in the 1920's as a replacement for an older timber crib dam and was used to supply hydroelectrical and hydromechanical power to a lumber mill for a number of years. The dam has been idle since the 1940's.

PROPOSED

The applicant proposes to utilize the hydroelectric potential of the existing dam by: repairing and resurfacing the dam and powerhouse structures; installing new intake and waste gates; and installing two turbine-generator units. Semi-permanent wooden flashboards 3 feet in height are to be installed along the spillway, recreating an impoundment with a surface area of approximately 68.5 acres at a full-pond elevation of 187.5 feet. Approximately 30 acres of additional land will be permanently flowed by the project.

The applicant proposes to utilize two temporary earth fill cofferdams to facilitate construction and excavation activities. Approximately 585 cubic yards of earth and rock are to be excavated and approximately 2,500 cubic yards of earth and organic debris are to be dredged from the intake and outlet areas of the dam and powerhouse.

The applicant further proposes to operate the facility as a run-of-river hydroelectric project, with water levels in the impoundment to be maintained at the crest of the flashboards to the maximum extent possible. An instantaneous inflow of 150 cfs, or inflow to the impoundment, whichever is less, is to be maintained at all times. The applicant also proposes to install such fish passage facilities as may be requested by State and Federal fisheries agencies.

Construction activities are scheduled to begin during the summer low flow period following the issuance of all required local, state, and federal approvals and to be complete in 18 months.

2. JURISDICTION

The proposed redevelopment qualifies as a "small hydroelectric power project" under the terms of Title 38, M.R.S.A., Section 622. The project is thereby exempted from the terms of the Great Ponds Alteration Act, Title 38 M.R.S.A., Sections 386-396, and the Site Location of Development Act, Title 38, M.R.S.A., Sections 481-490.

The project is subject to the jurisdiction of the Federal Energy Regulatory Commission. The applicant has filed an application for license to redevelop and operate the Lowell Tannery Dam Water Power Project (FERC No. 4202). Water Quality Certification is, therefore, considered, pursuant to Section 401 of the Federal Clean Water Act.

The Lowell Tannery Dam and water rights are owned by Lincoln Pulp and Paper Company. The applicant currently possesses no title to the project lands or waters. The applicant is granted standing for this permit based solely upon notification from FERC of acceptance for filing of an application for license for the proposed project.

3. ENERGY PRODUCTION

The proposed hydroelectric generating facility would have a capacity of 875 KW at an average operating head of 18 feet. The facility would utilize flows between 115 cfs and 900 cfs. The estimated average annual power output of 4,466,000 KWH would have the potential of displacing approximately 7,443 barrels of fossil fuel annually.

Project power would be sold to Bangor Hydro-Electric Company for distribution.

4. FLOW REGULATION

The main branch of the Passadumkeag River is free-flowing with the exception of the obstructions created by the Lowell Tannery Dam and a dam in Passadumkeag near the confluence with the Penobscot River. At least five dams are present at the outlets of ponds and lakes in the watershed above the Lowell Tannery Dam.

Staff states that the project would not have a significant impact on flow regulation.

5. FISH AND WILDLIFE

The Passadumkeag River watershed currently supports significant populations of brook and lake trout, bass, eels, pickerel and perch, as well as a growing run of Atlantic Salmon. Wildlife species that are common to the Northern and Central Maine areas are inhabitants or transients in the project area.

The Department of Marine Resources (DMR), the Department of Inland Fisheries and Wildlife (IF & W), and the Atlantic Sea Run Salmon Commission (ASRSC) are currently managing the Penobscot River and its major tributaries for the restoration of anadromous fish species, particularly sea-run salmon, shad, and alewives. The Passadumkeag River watershed contains extensive spawning and nursery habitat for alewives and substantial spawning and nursery habitat for salmon and shad. DMR estimates that the watershed above the Lowell Tannery Dam has the potential to produce between 1.2 and 2.4 million pounds annual harvest of alewives.

At the present time, the Passadumkeag River is open to the passage of anadromous fish, due to the presence of fishways at the dams along the main stem Penobscot River and the deteriorated condition of the two dams on the main stem Passadumkeag River.

A substantial commercial fishery for catadromous eels exists at the mouth of the river. Significant numbers of eels pass through the project site to mature in the lakes and ponds in the watershed.

The long-term protection of fish and wildlife habitat is dependent upon the presence of adequate water levels, flows, fish passage facilities and erosion and sedimentation control plans. DMR states that the project would not significantly affect habitat for anadromous fish provided that a) adequate upstream and downstream fish passage facilities are constructed concurrent with project development and b) an instantaneous minimum flow of 150 cfs or inflow, whichever is less, is maintained from the project at all times. ASRSC additionally states that the project would not significantly

affect habitat for sea-run salmon provided that any activity that could contribute to siltation in the river is kept to a minimum during the salmon spawning period from October 1 to November 10 annually. IF & W additionally states that the project would not significantly affect habitat for inland and anadromous fish provided that a) all vegetation is cleared at ground level up to full-pond elevation within the impoundment, b) the timing of any blasting is coordinated with ASRSC, c) sedimentation resulting from any dredging is adequately contained, and d) cofferdam construction and utilization is planned so as to minimize erosion and to not preclude fish passage at any time.

6. PUBLIC USES

The Passadumkeag River in the project area is regularly used by canoeists and anglers. The river is listed in the 1976 Appalachian Mountain Club canoe guide as a canoe touring river.

At the present time, the public has unimpeded access to the dam site and canoe portage opportunities around the dam.

The long-term protection of public uses is dependent upon the presence of adequate recreational facilities and public access to the project area. The Department of Conservation (DOC) states that the project would not significantly affect recreational activities provided that a) an adequate canoe portage trail is developed and maintained at the dam and b) improved public access for boating, fishing, and swimming in the project area is developed and maintained.

7. WATER QUALITY

The Passadumkeag River is currently classified as having Class B-1 waters from Grand Falls to the confluence with the Penobscot River. The project waters are thus judged to be suitable for recreational purposes, including water contact recreation, and for fish and wildlife habitat.

The estimated average annual flow for the Passadumkeag River at the project site is 506 cfs from a drainage area of 300 square miles. Flows-of-record range from a maximum of 5,680 cfs to a minimum of 5 cfs. The 7 day average low flow which has a 1 in 10 year recurrence interval (7Q10) for the Passadumkeag River at the project site is calculated to be 47 cfs.

The long-term protection of water quality is dependent upon the maintenance of adequate flows and water levels to prevent violations of standards and unreasonable impacts on designated uses. The Division of Environmental Evaluation and Lake Studies (DEELS) states that the project would not significantly affect the chemical and physical characteristics of the water in the project area provided that the proposed instantaneous minimum flow regime is maintained. The effects on designated uses are discussed in paragraphs 5 and 6 above.

8. OTHER ENVIRONMENTAL CONSIDERATIONS

The environment would be affected during the construction phase of the project by the installation and removal of cofferdams, the installation of new gates, and the dredging and excavation of intake and outlet areas.

Significant erosion and sedimentation can be prevented if proper care is taken during and following construction. The applicant has not submitted any specific plans for the disposal of cofferdam fill, or dredged or excavated spoils. The applicant has not submitted the specific details of any plan to control erosion and sedimentation.

The Passadumkeag River from its confluence with the Penobscot River to its headwaters is listed in the Department of Conservation's 1982 Maine Rivers Study as a "C" River. "C" Rivers have been found to possess a composite natural and recreational resource value with statewide significance. The significant resource values of the Passadumkeag are: geologic hydrologic features; an undeveloped river corridor character; anadromous fishery resources; and canoe touring.

Of the significant resources that have been identified, only anadromous fishery resources and canoe touring appear to be affected by the project. The affects on these resources are discussed in paragraphs number 5 and 6 above.

BASED upon the above Findings of Fact, the Board concludes that the advantages will outweigh the adverse impacts of the project over the life of the facility provided that:

1. Water levels are maintained between elevation 187.5 feet (the crest of the flashboards) and elevation 184.5 feet (the crest of the dam) at all times;

2. An instantaneous minimum flow of 150 cfs, or a flow equal to inflow to the impoundment when inflow is less than 150 cfs, is maintained from the project at all times;

3. Adequate upstream and downstream fish passage facilities are constructed and are operational with the commencement of project operation;

4. Construction activities are scheduled in such a manner that adequate fish passage remains available at the site at all times;

5. Any in-stream blasting activities are undertaken in such a manner as to minimize the impact on migratory fish;

6. Adequate canoe portage and public recreational access facilities are developed and maintained;

7. Acceptable plans for the disposal of all cofferdam fill and dredged and excavated spoils are formulated and followed;

8. Acceptable plans for the control of erosion and sedimentation during the construction and operation of the project, including plans for the construction, installation, removal, and timing of cofferdams, and plans for any dredging in-the-wet are formulated and followed; and

9. The impoundment is cleared to ground level of all vegetation up to elevation 187.5 feet.

THEREFORE, the Board of Environmental Protection APPROVES the application of PUMPKIN HILL POWER COMPANY to redevelop the hydroelectric potential of the Lowell Tannery Dam on the Passadumkeag River in Lowell, Maine, as described in paragraph number one above, and GRANTS certification that there is a reasonable assurance that the activity will not violate applicable Water Quality Standards, subject to the following terms and conditions:

1. Except as irreconcilably limited by inflows to the impoundment, by temporary abnormal operating conditions, by unit operation or interruption under power supply emergencies, or by order of state, local, or federal authorities, where all such conditions are beyond the applicant's control, and commencing with project operation, water levels in the impoundment shall be maintained between elevations 187.5 feet and 184.5 feet at all times.

2. Except as irreconcilably limited by order of state, local, or federal authorities, and commencing with project construction, an instantaneous minimum flow of 150 cfs, or a flow equal to inflow to the impoundment when such inflow is less than 150 cfs, shall be maintained from the project at all times.

3. Upstream and downstream fish passage facilities shall be constructed and shall be operational with the commencement of project operation. The applicant must submit final design and construction plans for these facilities prior to project construction or within 1 year of the issuance of this permit, whichever comes first. These plans shall be reviewed and must receive approval of the Atlantic Sea Run Salmon Commission, the Department of Marine Resources and the Commissioner prior to project construction.

4. Commencing with project construction, fish passage shall remain available at the project dam at all times.

5. The applicant shall coordinate any blasting activities with the Atlantic Sea Run Salmon Commission in order that the impact of these activities on the migration, spawning, and production of Atlantic Salmon will be minimized.

6. Canoe portage and public recreational access facilities shall be developed and maintained at the project site. The applicant must submit final design and construction plans for these facilities prior to project construction or within 1 year of the issuance of this permit, whichever comes first. These plans shall be reviewed and must receive approval of the Department of Conservation and the Commissioner prior to project construction.

7. The applicant shall submit the specific details of the following plans: a) a plan to securely dispose of all cofferdam material and dredged and excavated spoils; and b) a plan to control erosion and sedimentation during and following project construction, including plans for the installation, removal, and timing of cofferdams and plans for any dredging in-the-wet. Such plans must be submitted prior to project construction or within 1 year of the issuance of this permit, whichever comes first. These plans shall be reviewed and must receive approval of the Commissioner prior to construction.

8. The impoundment shall be cleared to ground level of all vegetation up to elevation 187.5 feet.

9. The applicant shall take all necessary measures to insure that its activities and the activities of its agents do not result in measurable erosion of soils on the site during the construction and operation of the project covered by this approval.

10. The applicant shall notify the Department of the completion of project construction and the commencement of operation within 10 days following such completion and commencement.

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

12. The applicant shall secure and appropriately comply with all applicable federal, state and local licenses, permits, authorizations, conditions, agreements, and orders prior to or during construction and operation.

13. A copy of this permit must be included in or attached to contract bid specifications for the project.

14. Construction shall commence wihtin 2 years from the date the granting of this approval unless a license has been issued for the project within 2 years by the Federal Energy Regulatory Commission, in which case construction shall commence in accordance with the terms of that license.

    If construction is not commenced within the authorized period of time, as is applicable; this approvable shall lapse and the applicant shall reapply to the Board for a new approval. The applicant may not commence construction of the project until a new approval is granted. Reapplications for approval shall state the reasons why the construction was not begun within the authorized period of time, as is applicable, and the reasons why the applicant will be able to begin construction within 2 years from the date of the granting of a new approval, if such approval is granted. Reapplications for approval may include information submitted in the initial application by reference.

PUMPKIN HILL POWER COMPANY Lowell, Maine, Penobscot County LOWELL TANNERY DAM/WATER POWER PROJECT #49-8688-19390	)	8 SMALL HYDROELECTRIC GENERATING FACILITIES PERMIT AND WATER QUALITY CERTIFICATION FINDINGS OF FACT AND ORDER

15. If the construction of the project upon the terms and conditions hereof is not completed and the operation of the project is not commenced within 5 years from the date of the granting of this approval, the Board may reexamine its approval and impose such additional terms or conditions or prescribe such other necessary corrective actions as it deems necessary to respond to significant changes in circumstances which may have occurred wihtin the 5 year period.

DONE AND DATED AT AUGUSTA, MAINE, THIS 27TH DAY OF JULY, 1983.

BOARD OF ENVIRONMENTAL PROTECTION

By: _____
HENRY E. WARREN, Chairman

PLEASE NOTE ATTACHED SHEET FOR APPEAL PROCEDURES.....

ATTACHMENT 3
FERC LICENSE

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Pumpkin Hill Power Company) Project No. 4202-001

ORDER ISSUING LICENSE (MINOR)

(Issued October 31, 1983)

Pumpkin Hill Power Company (PHPC) filed on November 24, 1982, an application for license under Part I of the Federal Power Act (Act) to construct, operate and maintain the Lowell Tannery Project No. 4202. 1/ The project would be located on the Passadumkeag River near the Town of Lowell, Penobscot County, Maine. The proposed project would affect the interests of interstate 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 commenting agencies objected to issuance of the license.

The Lowell Tannery Project would utilize an existing breached, 230-foot-long, 21.5-foot-high, concrete gravity dam with 30 and 89-foot-long spillway sections that would be topped by 3.5-foot-high flashboards, a low-level outlet gate, a log sluice, a 68.5-acre reservoir, and an existing powerhouse foundation. PHPC proposes to rehabilitate the dam, install two new turbine-generators with a total rated capacity of 950 kW in a rehabilitated powerhouse and construct a new fishway adjacent to the powerhouse. The proposed project would generate up to 4,466,000 kWh annually. 2/

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.

2/ The project would save the equivalent of 7,300 barrels of oil or 2,000 tons of coal annually.

Safety and Adequacy

The Commission's New York Regional Office Staff inspected the project and found the existing dam breached and that all that remains of the powerhouse is the foundation. Both the dam and powerhouse are in a deteriorated condition and in need of extensive rehabilitation. The dam is assigned a low hazard potential. Under flood conditions, the dam becomes submerged. Failure of the rehabilitated dam under flood conditions would not significantly increase flows downstream. Failure of the dam under normal pond, ice or earthquake loading would release flows downstream that would be contained within the river banks. The project would be safe if construction is performed with sound engineering practices. It is concluded that the project is safe and adequate.

Economic Feasibility

PHPC proposes to sell all the power output to Bangor Hydro-Electric Company. Staff has analyzed the economic feasibility of the proposed project redevelopment. It is concluded that the proposed project is economically feasible to develop based upon revenues derived from the sale of power at the avoided cost rate in the State of Maine adjusted for escalation.

Minimum Flow

The U.S. Department of the Interior (Interior) and the Maine Department of Marine Resources (DMR) recommended that the PHPC release from the project an instantaneous minimum flow of 150 cfs, or inflow to the project area, whichever is less, in order to protect downstream aquatic resources. PHPC stated that because the project will be operated as a run-of-river facility, it will accept the recommendations of the above agencies.

Based upon available information, it is concluded that a minimum flow of 150 cfs would adequately protect the resident and anadromous fishery resources of the Passadumkeag River. Article 19 requires PHPC to release a minimum flow of 150 cfs from the project, or the inflow to the project reservoir, whichever is less.

Fish Passage Facilities

The National Marine Fisheries Service (NMFS), the DMR, and Interior stated that anadromous fish (Atlantic salmon) currently migrate through the proposed project area, and that plans have been developed to restore American shad and alewife runs through the project area. Consequently, these agencies have recommended that upstream and downstream fish passage facilities be provided at the time of project construction. PHPC has agreed to provide fish passage facilities at the project although PHPC has not proposed specific designs.

It is concluded that fish passage facilities at the Lowell Tannery Dam are needed to protect the existing and future anadromous fishery resources of the Passadumkeag River. Article 20 requires PHPC to file functional design drawings and construct fish passage facilities.

Recreation Plan

Interior recommended that PHPC develop, in consultation with the Maine Bureau of Parks and Recreation, a detailed recreation plan, and that the plan should include a map showing the location of proposed facilities and a development schedule. PHPC has agreed to develop a canoe portage and access to the river for launching canoes and boats. Article 21 requires PHPC to consult with the Maine Bureau of Parks and Recreation, and develop and file a detailed recreation plan.

Potential National Wild and Scenic River Segment

Interior noted that the proposed project is located within a segment of the Passadumkeag River that is included in the Nationwide Rivers Inventory, and that the river has been identified as significant by the Maine Rivers Study. Canoe touring and significant amounts of wetlands that are unique to the region are among the most important resource values of the Passadumkeag River identified in these studies. Interior recommended that PHPC develop appropriate measures such as screening with native vegetation, and architectural design to minimize project impacts on the resources of the Passadumkeag River identified in the Nationwide Rivers Inventory and the Maine Rivers Study. PHPC has proposed to work closely with the appropriate agencies to develop and implement effective mitigative measures to ensure that the proposed project does not adversely impact those resource values of the Passadumkeag River. Article 22 requires PHPC to consult with the Maine Bureau of Parks and Recreation and the National Park Service to develop appropriate mitigative measures.

Erosion and Sedimentation

The U.S. Army Corps of Engineers (Corps) stated that an erosion control plan should be made part of the license application. The Corps indicated that the proposed use of coffercams during project construction may increase turbidity and result in adverse impacts on downstream aquatic resources. PHPC agrees that an erosion control plan is essential to minimize adverse impacts on water quality and downstream aquatic resources.

It is concluded that construction activities could increase erosion and sedimentation unless appropriate measures are implemented. Article 23 requires PHPC to develop an erosion control plan.

Environmental Impacts

There would be minor impacts on water and air quality resulting from the construction activities at the project site. 3/ Any adverse environmental effects resulting from the refurbishment of the existing project would be of short-term duration and minor in nature. No known Federally listed threatened or endangered species, or historic or archeological sites on the National Register of Historic Places or eligible for listing would be affected by the project. Article 29 requires cultural resources protection measures in the event of any future construction or development at the project, other than the original project development considered and authorized here. On the basis of the record, including agency comments and staff's independent analysis, it is concluded that approval of the application would not constitute a major Federal action significantly affecting the quality of the human environment.

Other Aspects of Comprehensive Development

The proposed run-of-the-river project would make good use of the flow and fall of the Passadumkeag River which is part of the Penobscot River Basin. The planning status report for the Penobscot River Basin discusses the existing and potential water resource developments. The project is not in conflict with any planned or authorized development, and will be best adapted to the comprehensive development of the Penobscot River Basin upon compliance with the terms and conditions of this license.

License Term

The proposed scale of development is less than that which would warrant a full 50-year term since the majority of the project facilities currently exist. Therefore, pursuant to the Commission's policy for licensing project involving moderate redevelopment 4/ this license term will be for a period of 40 years.

It is ordered that:

(A) This license is issued to Pumpkin Hill Power Company (License) under Part I of the Federal Power Act (Act), for a period of 40 years, effective the first day of the month in which

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3/ Water Quality Certification was granted by the Maine Board of Environmental Protection on July 27, 1983.

4/ See The Montana Power Company, 56 FPC 2008 (1976).

this order is issued, for the construction, operation, and maintenance of the Lowell Tannery Project No. 4202 located on the Passadumkeag River near the Town of Lowell, Penobscot County, Maine. This license is subject to the terms and conditions of the Act, which are incorporated by reference as part of this license, and subject to the regulations the Commission issues under the provisions of the Act.

(B) The Lowell Tannery Project No. 4202 consists of:

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

Exhibit	FERC No. 4202-	Showing
G Sheet 1	3	Location Map
G Sheet 2	4	Location Map

(2) Project works consisting of: (1) a 230-foot-long, 21.5-foot-high concrete gravity dam, including 30 and 89-foot-long spillway sections topped by 3.5-foot-high flashboards; (2) a low level outlet gate and log sluice section; (3) a 68.5-acre reservoir with a usable storage capacity of 100 acre-feet at elevation 187.5 feet M.S.L. with a 3-foot drawdown; (4) a powerhouse located near the north dam abutment containing two turbine-generators with a total rated capacity of 950 kW; (5) a fishway located adjacent to the powerhouse; (6) a tailrace channel; (7) the 2.3-kV generator leads; (8) the 1,000-kVA, 2.3/12.5-transformer; (9) the 200-foot-long, 12.5-kV transmission line; and (10) appurtenant facilities.

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

Exhibit	FERC No. 4202-	Showing
F Sheet 1	1	Plan and Profile
F Sheet 2	2	Sections

(3) All of the structures, fixtures, equipment, or facilities used or useful in the operation or maintenance of the project, 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.

(4) Exhibits F and G designated in Ordering Paragraph (B) above, are approved and made a part of the license.

(5) Exhibit A entitled "Description of Project and Proposed Mode of Operation" consisting of one page describing mechanical and transmission equipment filed June 21, 1982, is approved herein and made a part of the license.

(C) 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.

(D) This license is also subject to Articles 1 through 18 set forth in Form L-15 (revised October, 1975), entitled "Terms and Conditions of License for Unconstructed Minor Project Affecting the Interest 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. Licensee shall discharge from the Lowell Tannery Project, a continuous minimum flow of 150 cubic feet per second or the inflow to the reservoir, whichever is less, for the purpose of protecting and enhancing aquatic resources in the Passadumkeag River. These flows may be temporarily modified if required by operating emergencies beyond the control of the Licensee, and for short periods for fishery management purposes upon mutual agreement between the Licensee and the Maine Department of Inland Fisheries and Wildlife.

Article 20. Licensee shall, within 6 months following issuance of this license, file for approval functional design drawings of upstream and downstream fish passage facilities for the Lowell Tannery Project, prepared in consultation with the

U.S. Fish and Wildlife Service, the National Marine Fisheries Service and the Maine Department of Marine Resources. Agency comments on the proposed design, and a construction schedule shall be included in the filing.

Article 21. Licensee shall consult with the Maine Bureau of Parks and Recreation in developing a recreation plan for the project which is compatible with existing resource values identified in Article 22, which shall include, but not be limited to, provisions for the development of a canoe portage, and access for launching small boats and canoes. Within 6 months after the date of issuance of this license, the Licensee shall file the plan with the Commission. The recreation plan, shall include a description of the type, number, and location of the proposed facilities; a development schedule and a drawing, referenced sufficiently to the appropriate Exhibit G, to show the lands reserved for recreational development. The Commission reserves the right to require modifications to the plan.

Article 22. Licensee shall consult with the Maine Bureau of Parks and Recreation, and the Chief, Division of Natural Resource Planning, National Park Service, Philadelphia, Pennsylvania, to develop a plan to limit or mitigate adverse project impacts on the resource values of the Passadumkeag River identified in the Nationwide Rivers Inventory, and the Maine Rivers Study. The plan shall include but not be limited to consideration of suitable architectural and landscape designs, and recommendations for maintaining reservoir levels. Within 6 months from issuance of this license, the Licensee shall file the plan with the Commission along with agency comments on the adequacy of the plan. The Commission reserves the right to require modifications to the plan.

Article 23. Licensee shall, in consultation with the Maine Department of Environmental Protection, prepare a detailed plan to: (a) control erosion; (b) store and dispose of spoils; (c) store and redistribute topsoils; (d) revegetate all land disturbed by project construction; and (e) prevent oil, sediments, and other pollutants from entering the Passadumkeag River. This plan shall include an implementation schedule, a monitoring and maintenance program for project construction and operation, and evidence of agency consultation, and shall be filed with the Commission's Regional Engineer in New York, New York, and the Director, Office of Electric Power Regulation at least 60 days prior to any ground-disturbing activity. The Director, Office of Electric Power Regulation, reserves the right to require modification of the plan.

Article 24. 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. 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, powerhouse and water conveyance structures, 60 days prior to start of construction. The Director, Office of Electric Power Regulation, may require changes in the plans and specifications to ensure a safe and adequate project.

Article 26. Licensee shall, within 90 days of completion of construction, file for approval of the Director, Office of Electric Power Regulation, revised Exhibits A, F, and G to describe and show the project as-built. Revised Exhibit F must reflect, among other things, the fish passage facility required by Article 20.

Article 27. Licensee shall commence the construction of the project within two years of the date of issuance of the license and shall thereafter in good faith and with due diligence prosecute and complete such construction of project works within four years of the date of issuance of the license.

Article 28. 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 29. Licensee shall, prior to the commencement of any future construction at the project, consult with the Maine State Historic Preservation Officer (SHPO) about the need for any cultural resource survey and salvage work. The Licensee shall make available funds in a reasonable amount for any such work as required. If any previously unrecorded archeological or historical sites are discovered during the course of construction or development of any project works or other facilities at the project, construction activity in the vicinity shall be halted, a qualified archeologist shall be consulted to determine the significance of the sites, and the Licensee shall consult with

the SHPO to develop a mitigation plan for the protection of significant archeological or historic resources. If the Licensee and the SHPO cannot agree on the amount of money to be expended on archeological or historic work related to the project, the Commission reserves the right to require the Licensee to conduct, at its own expense, any such work found necessary.

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 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 31. The Licensee shall pay the United States the following annual charge, effective the first day of the month in which this 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 1,260 horsepower.

(E) 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

IN TESTIMONY of its acknowledgment of acceptance of all of the terms and conditions of this Order, Pumpkin Hill Power Company 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 Directors 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)

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 an 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 arrange for the construction, maintenance, and operation of, such 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, [illegible], 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.

Article 18. The terms and conditions expressly set forth in the license shall not be construed as impairing any terms and conditions of the Federal Power Act which are not expressly set forth herein.

ATTACHMENT 4
AMENDMENT TO THE LICENSE

75 FERC ¶ 62,027

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Consolidated Hydro Maine, Inc.) Project No. 4202-015

ORDER AMENDING LICENSE, APPROVING REVISED AS-BUILT EXHIBITS, AND REVISING ANNUAL CHARGES ARTICLE

APR 15 1996

On March 26, 1996, Consolidated Hydro Maine, Inc. (CHM) filed revised as-built exhibits A and F-8 for the Lowell Tannery Project, located on the Passadumkeag River, Penobscot County, Maine. The exhibits correct a discrepancy between the project's authorized and actual installed capacity.

REVIEW

On October 31, 1983, the Commission issued a license 1/ for the construction, operation, and maintenance of the Lowell Tannery Project. The project primarily consists of a 68.5-acre reservoir, a 230-foot-long concrete gravity dam, and a powerhouse containing a single generating unit.

The licensee completed construction of the Lowell Tannery Project in 1987 and filed as-built exhibits A, F, and G on December 18, 1987. The as-built exhibits mistakenly indicated the installed capacity of the turbine/generator unit was 950 kW. The January 29, 1988, Order Approving As-Built Exhibits A, F, and G, 2/ amended the project description to show the project's installed capacity as 950 kW.

By letter dated November 6, 1995, CHM explained it originally installed a 1,000-kW generating unit during the project's construction in 1987. However, the as-built exhibits A and F-8 that CHM filed in 1987 stated the wrong unit capacity. Although the as-built exhibits listed the wrong installed capacity for the unit, the turbine's maximum hydraulic capacity was correctly listed as 900 cfs. On March 26, 1996, CHM filed revised as-built exhibits A and F-8 to reflect the actual generating capacity of the unit.

SUMMARY OF FINDINGS

This order approves the revised as-built exhibits and amends the project description in the license to indicate the installed capacity of the project's generating unit is 1,000 kW. This order requires the licensee to file aperture cards of the

1/ 25 FERC ¶ 62,134.

2/ 42 FERC ¶ 62,058.

approved exhibit F drawing and photographs of the generating unit's nameplates. This order also revises license article 31 to show the project's installed capacity is 1,000 kW, effective the first day of the month in which the Commission issues this order. Under the regulations currently in effect, the Commission does not assess annual charges for the administration of Part I of the Federal Power Act for projects having an authorized installed capacity less than or equal to 1,500 kW.

The Director orders:

(A) The following exhibits, filed on March 26, 1996, conform to the Commission's regulations and are approved and made part of the license:

Exhibit A - entitled "Revised Exhibit A - Lowell Tannery Hydroelectric Project - FERC No. 4202-ME - Project Description." The revised as-built exhibit A supersedes the as-built exhibit A filed on December 18, 1987, that was approved in a January 29, 1988 Order Approving As-Built Exhibits A, F, and G.

FERC No.	Exhibit	Title	Superseding/ Deleting
F-8	4202-16	One Line Diagram	4202-12

(B) The project description in ordering paragraph (B)(2) of the license is revised, in part, to read:

"(2) Project works consisting of: ... (4) a powerhouse located near the north dam abutment containing a single turbine-generator unit with a rated capacity of 1,000 kW; (5) ..."

(C) Article 31 of the license is revised as follows:

Article 31. The licensee shall pay the United States the following annual charges, effective the first day of the month in which the Commission issues this order:

For the purpose of reimbursing the United States for the Commission's costs, pursuant to the Omnibus Budget Reconciliation Act of 1986, 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 1,000 kilowatts. Under the regulations currently in effect, projects with an authorized installed capacity of less than or equal to 1.5 MW will not be assessed an annual charge.

(D) Within 90 days from the issuance date of this order, the licensee shall file with the Commission an original and three copies of photographs showing the nameplates affixed to the Lowell Tannery Project's turbine and generator. The photographs should confirm the turbine and generator capacities stated in the revised as-built exhibits A and F-8. The licensee shall also send a courtesy copy of the photographs to the Commission's New York Regional Office.

(E) Within 90 days of the issuance date of this order, the licensee shall file an original and two duplicate aperture cards of the approved drawing. The original should be reproduced on silver or gelatin 35 mm microfilm. The duplicates are copies of the original made on Diazo-type microfilm. All microfilm should be mounted on a Type D (3 1/4" x 7 3/8") aperture card.

Prior to microfilming, the FERC Drawing Number (4202-16) shall be shown in the margin below the title block of the approved drawing. After mounting, the FERC Drawing Number should be typed in the upper right corner of each aperture card. Additionally, the Project Number, FERC Exhibit (F-8), drawing title, and date of this order should be typed on the upper left corner of each aperture card. See Figure 1.

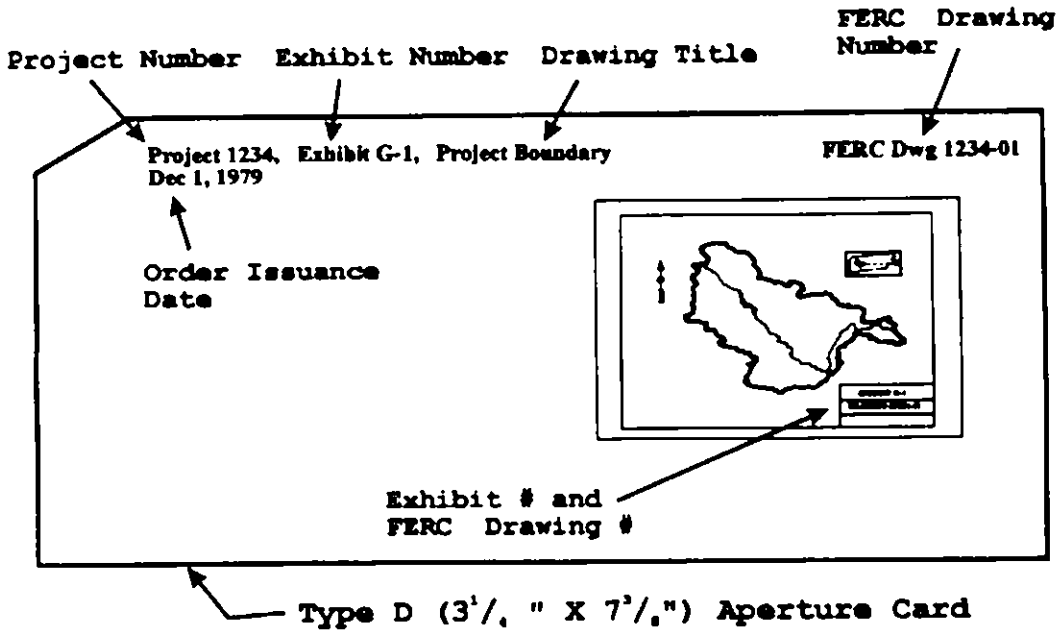

Figure 1. Sample Aperture Card Format

The original and one duplicate aperture card should be filed with the Secretary of the Commission. The remaining duplicate aperture card should be filed with the Commission's New York Regional Office.

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

J. Mark Robinson
Director, Division of Project
Compliance and Administration

ATTACHMENT 5
POWER PURCHASE AGREEMENT

802.1
Pumpkin

BANGOR HYDRO-ELECTRIC COMPANY

AND

PUMPKIN HILL POWER COMPANY

POWER PURCHASE AGREEMENT

DATED: August 9, 1984

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POWER PURCHASE AGREEMENT

BETWEEN

PUMPKIN HILL POWER COMPANY

AND

BANGOR HYDRO-ELECTRIC COMPANY

THIS AGREEMENT, entered into on this 9th day of August, 1984 is between Pumpkin Hill Power Company (hereinafter referred to as "Seller") and Bangor Hydro-Electric Company (hereinafter referred to as "Buyer").

WHEREAS Buyer is entering into this Agreement in good faith in compliance with section 210 of the Public Utilities Regulatory Policies Act, 35 M.R.S.A. 2323 referred to as the "Small Power Production Facilities Act" and their regulations in order to lessen Buyer's dependence upon foreign supplies; and

WHEREAS Seller holds title in and will operate a facility for the generation of electric power on the Passadumkeag River in Lowell, County of Penobscot, Maine (the "Facility); and

WHEREAS Seller wishes to sell and Buyer wishes to purchase electric power from the Facility,

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

ARTICLE I: DEFINITIONS

The following terms shall have the following meanings under this Agreement, Appendices and attachments hereto.

"Avoided Cost" is Buyer's standard rate for the month in which energy is delivered for the purchase of energy as established by the Maine Public Utilities Commission (MPUC) pursuant to 65-407 C.M.R. 36.4 (c) (3) (a).

"Capability Period" is the period of six months commencing either November 1 or May 1.

"Capacity" is the ability of the Facility to generate and deliver electric power, expressed in kilowatts ("KW"), useful to Buyer in meeting its peaking needs, including but not limited to serving peak loads, providing back up capacity during periods of forced or planned outages of other Buyer units, and supplying power during system disturbances, less any transformer losses and any line losses between the Point of Metering and the Point of Delivery.

"Capacity Audit" is the means of determining that capacity useful to Buyer is available, which may be, at Buyer's option, by special test and measurement or may be from historical output data. Capacity audits will be conducted in accord with "Instructions for Periodic Capability Audit Test of NEPOOL Generating Units" as the same may be revised from time to time.

"Dispatchable Capacity" is Capacity which is operated under the direction of Buyer's dispatchers or system operators so that it will be most useful to Buyer.

"Dispatchable Energy" is electric energy delivered by Seller to Buyer at the Point of Delivery, under the direction of Buyer's dispatchers or system operators so that it will be most useful to Buyer, less any transformer losses and any line losses between Point of Metering and Point of Delivery.

"Facility" is all of the Seller's plant and equipment used to provide energy and capacity to the Buyer.

"Fixed Scheduled Capacity" is Capacity guaranteed to be delivered by Seller to Buyer in the quantities and at the times specified in this Agreement.

"Fixed Scheduled Energy" is electric energy guaranteed to be delivered by Seller to Buyer at the Point of Delivery, in the quantities and at the times specified in this Agreement, less any transformer losses and any line losses between Point of Metering and Point of Delivery.

"Intermittent Energy" is electric energy to be delivered by Seller to Buyer at the Point of Delivery, on a when, as, and if available basis, less any transformer losses and any line losses between Point of Metering and Point of Delivery. It also includes all energy that may be delivered from time to time in excess of Fixed Scheduled Energy or Dispatchable Energy.

"On Peak" is that 12-hour period of time from 9 a.m. to 9 p.m.

"Off Peak" is all times other than On Peak.

"Point of Delivery" is the location where Buyer's and Seller's electrical facilities are connected.

"Point of Metering" is the location of the meter (s).

"Power Year" is a twelve-month period of time commencing immediately after midnight on November 1 and ending at midnight on October 31 of the following year.

"Scheduled Maintenance Periods" are those times during which the Facility is shut down for routine maintenance operation with the advance approval of Buyer as provided in Article XI.

"Seller's Interconnection Equipment" is all equipment and facilities owned by Seller and located on Seller's side of the Point of Delivery required to be installed solely to interconnect and deliver power to Buyer's system including, but not limited to, connection, transformation, switching, and safety equipment.

"Special Facilities" are interconnection facilities furnished by Buyer at Seller's request or because such facilities are necessary additions and/or reinforcement to Buyer's system.

ARTICLE II: TERM

The term of the Agreement will commence on the date of first delivery of energy by Seller and will continue for a period of thirty years unless terminated pursuant to this Agreement or by mutual agreement of Buyer and Seller.

Seller agrees to deliver and sell and Buyer agrees to accept and purchase the electrical energy from Seller's Facility. However, if such deliveries have not commenced within three months from the scheduled date of delivery as provided for in Article III, this Agreement shall terminate, unless extended by mutual agreement of Buyer and Seller. It is the intent that Seller shall use due diligence in providing the electrical energy from the Facility during the entire term hereof. In the event that no electrical energy is delivered for a period of six (6) consecutive months, Buyer may terminate this Agreement upon thirty (30) days written notice.

ARTICLE III: SALE OF POWER

Seller shall commence deliveries to Buyer on or before March 1, 1986.

Seller agrees to deliver and sell and Buyer agrees to accept and purchase the Intermittent Energy from Seller's Facility, which shall have a nameplate rating of approximately 850 KW.

Buyer shall pay Seller 9.2c/KWH during the initial fifteen year term of this Agreement except that Buyer shall pay Seller 9.0c/KWH for deliveries before November 1, 1985. Seller agrees to carry a surety bond for the exclusive benefit of Buyer executed by a surety licensed to do business in the State of Maine or other evidence of surety acceptable to Buyer in the amounts of $250,000 during the initial two years of the term and $500,000 for years three through ten which shall be payable to Buyer in the event of termination of this Agreement by Seller or in the event of termination of this Agreement by Buyer pursuant to Article II hereof or in the event of default by Seller.

During years sixteen through thirty of this Agreement, Buyer shall pay Seller seventy percent (70%) of the Avoided Cost or 9.2c/KWH, whichever is greater.

Seller shall at its expense maintain telephone communication facilities with Buyer's dispatcher for the transmission of operating communications. The operating communications shall include, but not be limited to, system paralleling or separation, scheduled and unscheduled shutdowns, equipment and load reports.

ARTICLE IV: BILLING AND PAYMENT

Buyer shall provide a monthly statement to Seller showing the capacity and/or energy delivered to Buyer during the previous month from which Seller shall compute and submit a monthly bill to Buyer. Buyer shall pay all such bills properly rendered under this Agreement within 30 days from receipt by Buyer.

In the event adjustments to billing statements are required as a result of corrected measurements made by inaccurate meters, the parties shall use the corrected measurements described in Article VI to recompute the amounts due from or to Buyer for the energy and capacity delivered under this Agreement during the period of inaccuracy. If the total amount, as recomputed, due from a party for the period of inaccuracy varies from the total amount due as previously computed, and payment of the previously computed amount has been made, the difference in the amounts shall be paid to the party entitled to it within 30 days after the paying party is notified of recomputation.

ARTICLE V: NOTICES

All notices under this Agreement shall be deemed sufficient if sent by U.S. mail, first class, postage prepaid, as follows:

To Seller:
Robert G. Kelly
President
Pumpkin Hill Power Company
Box 147
Enfield, Maine 04433

To Buyer:
Carroll R. Lee
Vice President, Power Supply and Planning
Bangor Hydro-Electric Company
33 State Street
Bangor, Maine 04401

ARTICLE VI: METERING

The metering of energy from generation which is primarily being supplied to Buyer shall be by meters and metering devices provided, installed, owned, and maintained by Buyer. Buyer will make a one-time charge for the equipment and a monthly charge for operation and maintenance.

All meters used to determine the billing hereunder shall be sealed and the seals shall be broken only by Buyer and upon occasions when the meters are to be inspected, tested or adjusted.

Buyer shall provide access for a representative of Seller to the billing meters at all reasonable times for the purpose of meter reading.

Buyer shall make periodic tests of the aforesaid metering equipment. Upon request of Seller, Buyer will make additional tests. However, if Seller requests a test to be made within twelve months of a previous test, such test shall be at the expense of Seller if the meter proves to be accurate within 2%. In the event errors greater than 2% are discovered, the cost of the test shall be at the expense of Buyer. Retroactive billing adjustments for errors found as a result of any test shall be made for a period equal to one-half of the time elapsed since the last previous tests, but not to exceed six months.

Each party shall give reasonable notice to the other party of the time when any inspection or test shall take place, and that party may have representatives present at the test or inspection. Seller shall be notified prior to all metering tests and shall have the right to observe the test and perform his own test. If the meter is found to be inaccurate or defective, it shall be adjusted, repaired or replaced, at Buyer's expense, in order to provide accurate metering.

ARTICLE VII: FACILITY AND EQUIPMENT DESIGN AND CONSTRUCTION

Seller shall design, construct, install, own, operate and maintain the Facility and all equipment needed to generate and deliver electricity, except for any Special Facilities constructed, installed and maintained by Buyer. Such Facility and equipment shall meet all requirements of applicable national, state and local codes and all standards of prudent electrical practice.

Seller agrees to meet reasonable Buyer requirements for Seller's Facility and equipment. Seller shall submit all its Facility and equipment specifications to Buyer for review prior to connecting its Facility and equipment to Buyer's system. Buyer's review of Seller's specifications shall not be construed as confirming nor endorsing the design nor as any warranty of safety, durability or reliability of the Facility or any of the equipment. Buyer shall not, by reason of such review or failure to review, be responsible for strength, safety, details of design, adequacy or capacity of Seller's Facility or equipment nor shall Buyer's acceptance be deemed to be an endorsement of any facility or equipment. Seller agrees to change its Facility and equipment as may be reasonably required by Buyer to meet changing requirements of Buyer's system.

ARTICLE VIII: REQUIRED EQUIPMENT STANDARDS

Seller shall not employ anything other than three phase generators without first obtaining express written permission from Buyer.

All equipment shall be of utility grade, acceptable to the Buyer.

In the event that Seller's Facility incorporates a synchronous generator, Seller shall furnish, install, and maintain equipment necessary to establish and maintain synchronism with Buyer's system.

In order to protect the Buyer's system from property damage, to minimize the likelihood of injury to operating personnel and third parties, and to allow Buyer to provide service to its non-generating customers in the event Seller's Facility or Seller's Interconnection Equipment encounter operating difficulties, Seller shall provide, install, and maintain the following equipment as required by Buyer:

1. A lockable main disconnect switch which allows isolation of Seller's generation from Buyer's system;

2. An automatic circuit breaker which must be capable of automatic tripping by a protective relaying system after loss of either or both Buyer's and Seller's A.C. Voltage source. The circuit breaker must also be capable of synchronizing the Seller's generator to the Buyer's system.

3. Overcurrent protective relays to be used in conjunction with the automatic circuit breaker required under Paragraph 2;

4. Underfrequency and overfrequency protective relays to be used in conjunction with the automatic circuit breaker required under Paragraph 2;

5. Undervoltage and overvoltage protective relays to be used in conjunction with the automatic circuit breaker as required in Paragraph 2;

6. Voltage transformation, sized and connected as approved by Buyer; and

7. Other equipment as needed on a case-by-case basis.

ARTICLE IX: OPERATION, PROTECTION AND CONTROL OF THE INTERCONNECTION FACILITIES

Seller shall construct, install, own and maintain all Interconnection Equipment on the Seller's side of the visible disconnect that isolates the Seller's equipment from the Buyer's system. This equipment shall be of sufficient size to accommodate the delivery of energy or energy and capacity under this Agreement. All Interconnection Equipment shall be built to meet Buyer construction standards and shall be installed and maintained under Buyer safety standards.

Seller shall allow Buyer to approve the adequacy of all protective devices and to establish requirements for settings and periodic testing; provided, however, that neither such action or inaction by Buyer shall be construed as warranting the safety or adequacy of Seller's Interconnection Equipment.

In the event it is necessary for Buyer to install Special Facilities, other Interconnection facilities to accommodate Seller's deliveries, or to reinforce its system for purposes of this Agreement, Seller shall reimburse Buyer for all Buyer's costs associated therewith.

In the event that, as a result of interconnecting with Seller's facility, the Buyer's system voltage is caused to be degraded, Seller shall generate or otherwise provide reactive power and automatic voltage control to allow Buyer to maintain distribution voltage within acceptable limits.

Where Buyer furnishes electric service to Seller, (KW, KWH, KVAR, or KVARH), this service shall be metered and Seller shall pay at the rates in effect at the time or as otherwise may be agreed to by the Parties.

The protective relay system required to detect faults on Buyer's system and to disconnect Seller's generation to protect the general public and Buyer personnel must be approved by Buyer. Buyer will provide relay settings and recommendations for design, equipment selection, and routine maintenance. Seller will purchase, install, and maintain the protective relay system and maintain and make available to Buyer maintenance and test records. The protective relay system shall be given a functional test that is witnessed and approved by a Buyer representative before the generation shall be tied to Buyer's system. The Seller will bear the cost of this witnessing and testing and any other that may be requested of the Buyer before and after the system is operated. However, the cost of any special tests requested by the Buyer which indicates that the Seller's equipment is operating properly will be borne by the Buyer.

After installation of such protective devices, Seller has the responsibility of maintaining these devices.

Should Buyer find that Seller is not providing proper testing and/or maintenance, Seller shall be notified to take corrective action within 10 days. Failure to comply will cause Buyer to disconnect until compliance is accomplished.

ARTICLE X: DELIVERIES

Seller shall deliver the energy or energy and capacity, at the point where Seller's electrical conductors contact those of Buyer's at the transmission side of the high voltage disconnect switch at Seller's Facility site.

ARTICLE XI: SCHEDULED MAINTENANCE PERIODS

This article is not applicable.

ARTICLE XII: CONTINUITY OF SERVICE

Buyer shall not be obligated to accept, and Buyer may require Seller to curtail, interrupt or reduce deliveries of energy or energy and capacity in order to construct, install, maintain, repair, replace, remove, investigate or inspect any of Buyer's equipment or any part of its system or if Buyer determines that curtailment, interruption or reduction is necessary because of emergencies, operation conditions on its system, or as otherwise required by prudent electrical practices.

ARTICLE XIII: LAND RIGHTS

Seller shall grant without cost to Buyer for the term of this agreement all rights of way and easements (including adequate access rights) reasonably required to install, operate, inspect, maintain, replace and remove any metering equipment, Special Facilities or Interconnection Equipment owned by Buyer ("Buyer's Equipment"). Prior to completion of the Facility, Seller and Buyer shall agree upon the location of such rights, either by reference to meets and bounds description or to a diagram of reasonable specificity, and Seller shall execute such deeds, grants or other instruments with respect to such located rights in the form customarily obtained by Buyer for recording of such rights in the land evidence records.

To the extent that any part of Buyer's Equipment is to be installed on or over property of others, Seller shall procure all rights of way and easements reasonably required to construct, install, operate, inspect, maintain, replace and remove such facilities or equipment, all in form and substance reasonably satisfactory to Buyer.

Within a reasonable time after termination of this Agreement, Buyer shall, at its option, either convey or grant to Seller all of its rights, title and interest in any rights of way or easements acquired by Buyer pursuant to this Article XIII or shall reimburse Seller for the costs of such right, title, and interest.

ARTICLE XIV: TERMINATION

In addition to any other provision for termination contained in this Agreement, in the event of any material breach of the terms or conditions of this Agreement by Seller, unremedied after 30 days from notice thereof, or in the event Seller is adjudicated a bankrupt or insolvent or if an appointment of any receiver or trustee is made or Seller makes any general assignment for the benefit of creditors, Buyer may terminate this Agreement and Seller shall be liable to pay to Buyer any excess cost or damages caused Buyer as a result thereof, provided, nevertheless, that if Seller's rights and obligations hereunder have been assumed by the assignee of this contract, such bankruptcy, insolvency or appointment of receiver or trustee shall not provide sufficient basis for termination hereunder.

No modification to this Agreement shall be valid unless it is in writing and signed by both parties hereto.

ARTICLE XV: GOVERNMENTAL JURISDICTION AND AUTHORIZATION

This Agreement and all rights, obligations and performances of the parties hereunder are subject to all applicable state and federal laws and the obtaining of all necessary regulatory approvals, consents or other actions of governmental authorities having jurisdiction in the premises.

ARTICLE XVI: ASSIGNMENT

This Agreement shall be binding upon and shall insure to the benefit of, or may be performed by, the successor and assigns of the parties, except that no assignment, pledge or other transfer of this Agreement by any party shall operate to release the assignor, pledgor, or transferor from any of its obligations under this Agreement unless consent to the release is given in writing by the other party, or, if the other party has theretofore assigned, pledged, or otherwise transferred their interest in this Agreement, then by such other party's assignee, pledgee or transferee, or unless such transfer is incident to a merger or consolidation with, or transfer of all or substantially all of the assets of the transferor to another person or business entity which shall, as part of such succession, assume all the obligations of the transferor under this Agreement.

ARTICLE XVII: INDEMNITY

Each party agrees to indemnify and hold harmless the other party from and against all claims, demands, and actions arising from its negligence in the operation and/or maintenance of its facilities.

ARTICLE XVIII: INSURANCE

Prior to connection of Seller's generation to Buyer's system, Seller shall secure and continuously carry in an insurance company or companies acceptable to Buyer the following insurance:

(1) Bodily injury and property damage liability; including but not limited to Comprehensive General Liability, Comprehensive Automobile Liability and Employer's Liability and,

(2) Workers' Compensation and occupational disease insurance to protect against and from all loss by reason of injury to persons or damage to property, including the Seller's own workers and all third persons and property of Buyer, and all third parties, based upon or arising out of Seller's operations and maintenance of the Facility and associated interconnection facilities; and, providing protection for premises operations on blanket contractual liability.

Such insurance shall include: provisions or endorsements naming Buyer, its directors, officers and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of Buyer and that any insurance maintained by Buyer is excess and not contributory insurance with the insurance required hereunder; cross-liability or severability of insurance interest clause; and provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days prior written notice to Buyer. A copy of each such insurance policy, certified as a true copy by an authorized representative of the issuing insurance company or, at the discretion of Buyer, in lieu thereof, a certificate in form satisfactory to Buyer certifying to the issuance of such insurance, shall be furnished to Buyer. Initial limits of liability for all requirements under this Section shall be $1,000,000.00 single limit General Liability, $300,000.00 single limit Automobile Liability, which limits may be required to be increased by Buyer's giving Seller ninety (90) days notice.

Workers' Compensation shall provide for payment to the Seller's employees and/or their dependents Workers' Compensation benefits including, when required in accordance with applicable laws, Occupational Disease benefits, U.S. Longshormen's and Harbor Workers' Compensation and the Jones Act. Employees Liability limit shall be $500,000.00.

In the event that Seller agrees to sell energy or capacity to Buyer, Seller agrees to obtain and maintain at Seller's expense insurance acceptable to Buyer against physical loss or damage to Seller's property for the full insurable value of the property subject to such reasonable deductible as selected by Seller. Such insurance shall protect Seller and Buyer as their interests may appear, and Seller shall waive all rights of recovery against Buyer for any loss covered by said insurance policies, including losses affected to the deductible thereunder.

ARTICLE XIX: FORCE MAJEURE

As used in this Agreement, "Force Majeure" means unforeseeable causes beyond the reasonable control of and without the fault or negligence of the party claiming Force Majeure. It shall include failure or interruption of services due to causes beyond its control, sabotage, strikes, acts of God, drought or accidents not reasonably foreseeable, appropriation or diversion of electricity by rule or order of any governmental authority having jurisdiction thereof, and failure to deliver electricity during such time as it may be obliged to temporarily discontinue delivering the electricity hereby contracted for on account of system operating conditions and in case the service is so interrupted.

If either party is rendered wholly or partly unable to perform its obligations under this Agreement because of Force Majeure, that party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected, provided that:

(A) the non-performing party, within two weeks after the occurrence of the Force Majeure, give the other party written notice describing the particulars of the occurrence;

(B) the suspension of performance be of no greater scope and of no longer duration than is required by the Force Majeure;

(C) no obligations of either party which arose before the occurrence causing the suspension of performance be excused as a result of the occurrence; and

(D) the non-performing party use its best efforts to remedy its inability to perform.

ARTICLE XX: LIABILITY: DEDICATION

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a party to this Agreement. No undertaking by one party to the other under any provision to this Agreement shall constitute the dedication of that party's system or any portion thereof to the other party or to the public, nor affect the status of Buyer as an independent public utility corporation, or Seller as an independent individual or entity.

ARTICLE XXI: SEVERAL OBLIGATIONS

Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership, or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either party. Each party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XXII: WAIVER

Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter.

ARTICLE XXIII: CAPTIONS

All indexes, titles, subject headings, section titles and similar items are provided for the purpose or reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of this Agreement.

ARTICLE XXIV: CHOICE OF LAWS

This Agreement shall be construed and interpreted in accordance with the laws of the State of Maine, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

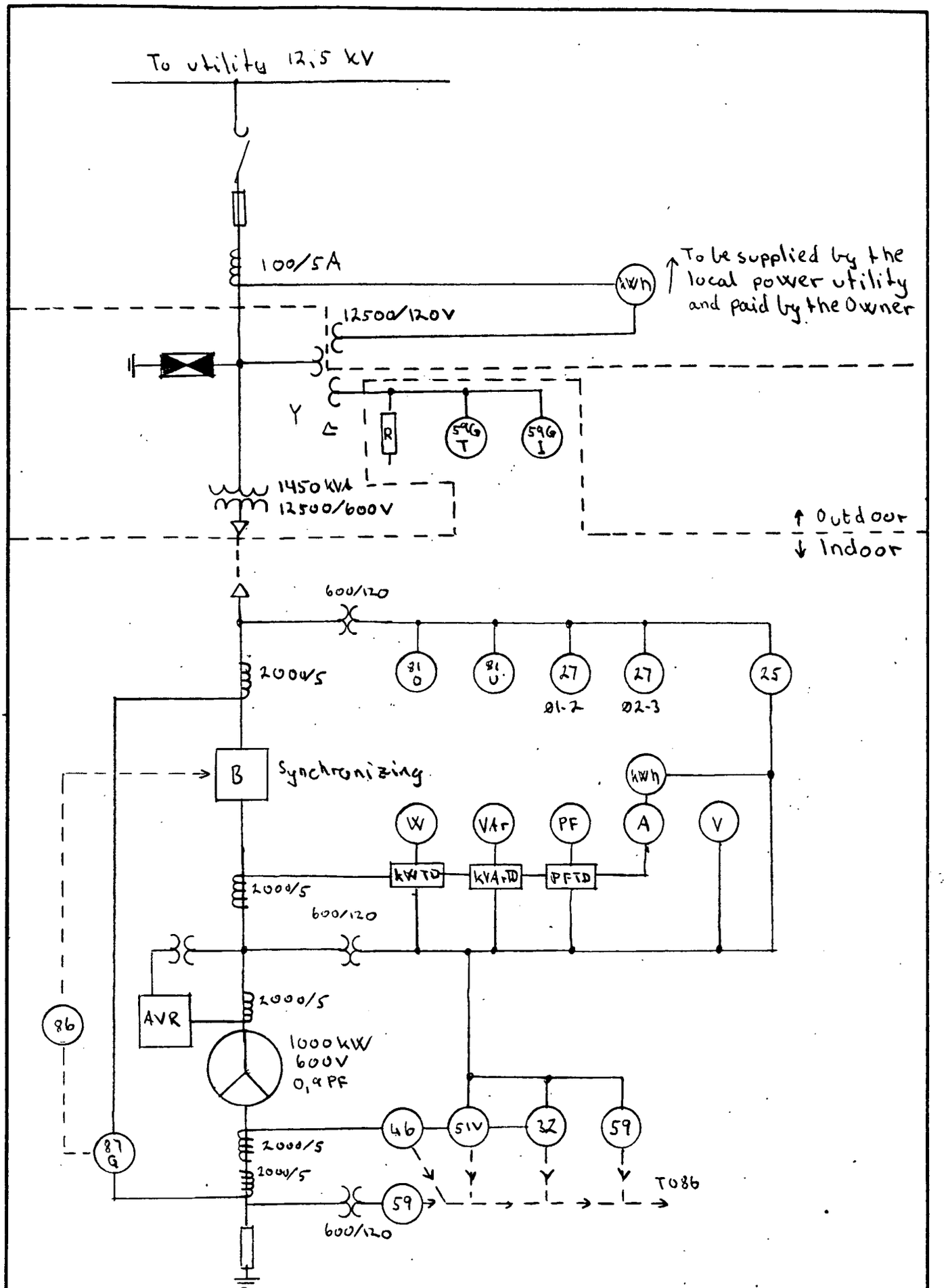
In witness thereof, the parties hereto have executed this Agreement, in duplicate, as of the day and year first above written.

Witness

Buyer
Bangor Hydro-Electric Company
by its Vice President - Power
Supply and Planning

Witness

Seller



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K12461

ATTACHMENT 6
AFFIDAVIT

STATE OF NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

APPLICATION OF KEI (MAINE) POWER MANAGEMENT (II) LLC FOR CLASS IV RENEWABLE ENERGY SOURCE ELIGIBILITY OF PUMPKIN HILL (LOWELL TANNERY) HYDROELECTRIC PROJECT (FERC No. 4202)

Affidavit of Guy J. Paquette

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

1. I am Vice President, Corporate and Legal Affairs of KEI (Maine) Power Management (II) LLC ("**KEI**"). As such, I have direct knowledge of the matters referenced herein or access to the relevant corporate records.

2. KEI is submitting an application for qualification as a Class IV renewable energy source for the Pumpkin Hill (Lowell Tannery) Hydroelectric Project pursuant to New Hampshire Admin. Code Puc 2500 Rules, (the "**Application**");

3. I certify that the information submitted with the Application and all attachments thereto are to the best of my knowledge true and accurate.

DATED THIS 14 DAY OF SEPTEMBER 2012

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

SOLEMNLY AFFIRMED TO BEFORE ME THIS 14th DAY OF SEPTEMBER 2012.

105.071

Despina Mavrakis
Commissioner for Oaths for all Districts
of Quebec and Outside Quebec
Seal No: 105 071

ATTACHMENT 7
APPROVAL OF THE TRANSFER OF LICENSE

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

Ridgewood Maine Hydro Partners, L.P. Projects Nos. 2808-011, 2809-026, 3562-020, 4202-020, 11132-025, 11472-057, 11482-027, and 11566-017

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

ORDER APPROVING TRANSFER OF LICENSE

(Issued September 23, 2009)

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

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

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

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

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

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

The Director orders:

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

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

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

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

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

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

By_____

Attest:

_____
Secretary
(Executed in quadruplicate)

ATTACHMENT 8
PROJECT PHOTOGRAPHS