TROUTMAN SANDERS LLP

ATTORNEYS AT LAW 401 9TH STREET, N.W. - SUITE 1000 WASHINGTON, D.C. 20004-2134 www.troutmansanders.com TELEPHONE: 202-274-2950

Fred Springer, C.E. (p) 202-274-2836 fred.springer@troutmansanders.com David Moore, Esq. (p) 404-885-3326 david.moore@troutmansanders.com

March 8, 2007

March 2007 NHA-ILP Update

MORGAN FALLS (P-2237)

16.8 MW

http://www.georgiapower.com/lakes/hydro/mfp.asp

On September 21, 2006, Georgia Power Company (GPC) filed a preliminary licensing proposal (PLP), which was due to FERC by October 2, 2006. Though not required by FERC regulations, GPC held preliminary licensing proposal development meetings on July 24 and July 25, 2006, in order to gather input from stakeholders on proposed protection, mitigation, and enhancement measures. A draft list of proposed measures was filed with FERC prior to the meetings on July 13, 2006.

On Tuesday, February 27, 2007, GPC filed with the Commission its license application for the Morgan Falls Project, FERC Project No. 2237. The public components of the application can be found on Georgia Power's relicensing website

MYSTIC LAKE (P-2301)

NOI filed July 1, 2004

NOI filed Jan. 15, 2004

10 MW

http://www.mysticlakeproject.com

PPL Montana filed a Mystic Lake Project Final License Application (FLA) on December 15, 2006 with the Commission. The Mystic FLA comprises seven public and non-public Volumes of information including Exhibits A thru H, Historic Properties Management Plan (HPMP) and Programmatic Agreement (PA), a sensitive species Biological Evaluation and a T&E species Biological Assessment.

The Mystic FLA does not propose to materially modify the present operation of the Project under a new license. The FLA proposes protection, mitigation and enhancement (PM&E) measures, developed with stakeholder consensus, to better conserve, protect and enhance fisheries and aquatic habitats, wildlife and terrestrial habitats, water quality, recreation, land-use, aesthetics and cultural resources affected by the Project. The FLA

also proposes consensus monitoring of Project resources to ensure long-term effective resource and Project management. On January 19, 2007, the Montana DEQ filed, with the Commission, final Section 401 Water Quality Certification for the Mystic Project whose conditions are consistent with FLA PM&E measures. On January 27, 2007, the Montana SHPO formally concurred with the HPMP and PA filed in the Mystic Project FLA. In a January 11, 2007 letter to PPL Montana, the Commission forwarded a Schedule of Deficiencies and Additional Information Requests for the Mystic FLA requiring PPL Montana corrections and response within 45 days (February 26, 2007). On March 5, 2007 FERC issued a Notice of Application Accepted for Filing, Soliciting Motions to Intervene and Protests, Ready for Environmental Analysis, and Soliciting Comments, Recommendations, Preliminary Terms and Conditions, and Preliminary Fishway Prescriptions for the Project.

PPL Montana is also presently working with Commission and USFS staff to resolve Mystic Project wilderness boundary issues, first identified by FERC to PPL Montana in late 2006, in the context of the Mystic ILP process. There is an apparent encroachment of the Project onto the Absaroka-Beartooth Wilderness Area. The Commission notified parties that FERC cannot issue a new License where a project would occupy any part of a designated wilderness area. Most stakeholders consider the boundary overlap an uncorrected mistake when Congress drafted the original Wilderness boundary in late 1970's (Mystic Project dates back to 1920's). PPL Montana and stakeholders are pursuing an administrative fix or Congressional fix to resolve. In a recent conference call with stakeholders, FERC said that absent a fix, FERC would have to propose lowering Mystic Lake and West Rosebud Re-regulating reservoir to keep the project out of Wilderness lands. Based on significant operational and environmental concerns over reservoir lowering, this solution seems unacceptable to all.

Lessons Learned:

PPL Montana lessons learned include: "Even though PPL Montana and stakeholders greatly benefited from starting informal consultations, issue scoping and limited field studies 2 years early (pre-NOI filing), the formal Mystic Project ILP timeline from PAD to formal studies to Preliminary Licensing Proposal (PLP) to FLA filing was very full and fast moving and required all stakeholders to stay actively engaged to allow adequate consultation and decision making toward consensus within the many benchmark deadlines. Start early, stay engaged and follow through with appropriate ILP team delegation and resources."

"Take nothing for granted in this fast moving ILP process because every "i" must still be dotted and every "t" must still be crossed in the context of the voluminous Final License Application that follows very soon after an applicant's PLP is filed with the Commission. Early (pre-PLP) discussions by the applicant team of an internal FLA preparation timeline and coordinated management of information into the FLA are critical to facilitate accurate and timely FLA filing within the compressed ILP timeline."

CANAAN (P-7528) 1.1 MW NOI filed Aug. 2, 2004

On December 1, PSNH filed a summary of a teleconference held on November 16, and on December 15 filed a summary of a teleconference held on December 5, which discussed the status of cultural resource studies. In addition, PSNH filed its Shoreline Erosion Study and an update on upstream and downstream erosion studies on December 15, and its Operation Report on February 23.

DE SABLA-CENTERVILLE (P-803)

NOI filed Oct. 4, 2004

26.6 MW

http://desabla-centerville.wss.bcentral.com/relicensing/default.aspx

PG&E filed its Initial Study Report required under the ILP on September 6, 2006. Prior to filing the Initial Study Report, PG&E requested FERC approval to: (1) hold the Initial Study Plan Meeting five days late in conjunction with a regularly scheduled monthly meeting among relicensing participants, and (2) file a Supplemental Initial Study Report (SISR) early in 2007 once most studies are substantially complete. On September 13, 2006, FERC approved PG&E's request and specified that the SISR should be filed by January 15, 2007, the SISR meeting by January 30, the SISR meeting summary 15 days later, disagreements or proposed study modifications 15 days after the summary, responses 30 days later, and OEP Director's action 30 days later.

PG&E filed its Supplemental Initial Study Report on January 16, 2007 and held meetings with relicensing participants on January 30 and 31, 2007 and February 7, 2007 to: (1) satisfy the requirements of 18 CFR § 5.15(c)(2) by providing an opportunity for relicensing participants to comment on PG&E's or other participants' proposal for study modifications and/or new studies; and (2) satisfy the requirements of FERC's Determination to provide an opportunity for relicensing participants to comment on quarterly progress reports. PG&E filed meeting summaries of the January 30 and 31, 2007 and February 7, 2007 SISR meetings with FERC on February 15, 2007. Relicensing participants may file a disagreement regarding PG&E's SISR meeting summaries within 30 days of the February 15 filing date.

PACKWOOD LAKE (P-2244)

NOI filed Nov. 10, 2004

26 MW

http://www.energy-northwest.com/gen/packwood/relice.html

The Director issued a determination on Phase I and some Phase II studies on January 18. The Director concurred with Energy Northwest that the information requested for water quality was contained within the draft report, deferred a decision on the lake drawdown study until after the second season report is issued, and deferred decision on other studies until after all agencies file comments. Energy Northwest's response to comments and study requests filed by agencies in January was filed on February 26. The filing included

a cover letter summarizing the status of various studies, a revised meeting summary for the December 12 study report meeting, a spreadsheet listing all comments received on draft study reports and disposition of comments, and a detailed response to the Forest Service's request for additional gravel transport studies. Energy Northwest proposed to continue one Phase I and three Phase II studies because weather conditions in 2006 did not allow the studies to start when scheduled. Because of a large storm event that occurred in November 2006, which caused a large overtopping event of the drop structure and severe flooding of the Cowlitz River near the Project's tailrace, Energy Northwest also committed to additional work on geomorphology, stream connectivity, gravel transport, and large wood. Four other studies were previously scheduled to be conducted into 2007. The Director's determination on these studies is due on March 30, 2007.

SMITH MOUNTAIN (P-2210)

NOI filed Oct 25, 2004

636 MW

http://www.smithmtn.com/default.asp

On September 7, Appalachian Power Co. submitted the Initial Study Report describing the overall progress in implementing the study plan and schedule. Meetings to discuss the progress of the studies were held on September 26-28. Under the Study Plan Determination issued by the Director, a total of sixteen individual study plans as filed by Appalachian were reviewed and approved with or without modification. A summary of the study progress meetings was filed October 11. Stakeholders filed comments on the study plans and how the studies are being conducted, and Appalachian Power submitted responses to the comments on December 5. Their lengthy letter responded to comments concerning 13 of the 16 studies and concerns, primarily from the Tri-County Relicensing Committee, made up of the three County governments surrounding the lakes. Appalachian filed a second letter on late comments on January 4. On January 10, FERC issued its determination on the requests for modifications of existing studies. The Director noted that the Parties did not address one or both of the criteria set forth in 18 CFR §5.15(d)(1-2) in their requests. A lengthy staff analysis was attached; however, for the Recreation Use Assessment the study plan needed to be revised to include public safety, as part of the recreation needs assessment. For the Debris Study, he required that the study plan be revised to add (a) a definition of debris (e.g., natural versus man-made), and (b) a boating safety component. Finally, the Drought and Flood Management Study must be revised to include appropriate criteria and priorities for interpreting model results and making water management decisions.

METRO (P-12484)

NOI filed May 5, 2005

2.4 MW (new capacity)

http://www.advancedhydrosolutions.com/MetroGorge.html

AHS is continuing litigation against the Metro Parks Serving Summit County for access to the Gorge Metro Park for the completion of the noninvasive studies required by the Final Plan Determination. On February 21, 2007 Federal District Judge John Adams issued a Preliminary Injunction to allow all noninvasive testing to be implemented by AHS. In March 2007 water samples will be taken and all other testing will commence in

April 2007. Studies should be completed by fall 2007. The first required progress report will be filed with the FERC on March 9, 2007.

The litigation against the Metro Parks is scheduled as follows; all discovery to be complete by February 28, 2007, expert discovery completed by March 31, 2007 and all final motions filed by June 11, 2007.

TACOMA (P-400), AMES (P-12589)

NOI filed May 20, 2005

Tacoma development: 8.1 MW Ames development: 3.5 MW

http://www.tacoma-ames.com/Default.htm

Tacoma/Ames continues to go well. All of the first season studies are complete. The experimental operations ice study at Ames will continue for a few more winters. Study meetings are scheduled for the week of April 9th.

Study progress reports were filed January 24. They covered studies through 2006 and although the ILP doesn't require such a filing, they were filed to keep the Resource Working Groups current. Draft study reports will be filed mid March and study report meetings are scheduled for the last week of March.

So far the process has been working well with good cooperation among agencies and stakeholders.

Lessons learned:

The licensee states that:

- * Although I don't necessary want credit for saying it, the ILP process is an improvement but at the end of the day it is still relicensing. Prepare for it with that understanding.
- * Start early. I can't emphasize too strongly the benefit of starting before the process begins. Get out and meet your stakeholders. See where they work and what they deal with. Give them tours of your projects so they understand what we are dealing with.
- * Document, document. Start putting critical data together in clear format before you start the ILP. This will help the discussion and also save money and angst trying to organize it at the last minute.
- * Be cooperative but also be firm. Don't let the agencies run your relicensing.

HENRY M. JACKSON (P-2157)

NOI filed Dec.1, 2005

112 MW

http://www.snopud.com/WaterResources/relicensing.ashx?p=2334

Co-licensees Snohomish County PUD and the City of Everett have completed the selection process for consultants to conduct the field studies identified in the Revised Study Plans. Eleven consultants will be conducting 21 of 23 studies over the course of 2007-2008. Two studies will be done by PUD staff. The deadline for filing the final license application is May 31, 2009.

Lessons Learned:

The licensee stated:

PAD Development Phase

Licensees started 2.5 years before filing the PAD. Activities included hiring strategic consultants, assembling our current license documents, and making the necessary internal arrangements to be prepared for the relicensing process as we understood it at the time. This was before the ILP was formally adopted by the FERC and consultant contract adjustments were done as the ILP was finalized.

We developed a "Resource Summaries for Consultation Document" which consolidates the pertinent known information before going out to meet the stakeholders informally a year before the PAD was due. This forced the licensee staff to get up to speed on the project and gave the stakeholders something to digest.

We did not let stakeholders comment on the PAD before submission to FERC with the NOI. This saved us a lot of time during the crunch of getting the PAD done.

We let FERC staff see a draft of the PAD a month before submittal. They gave us fast turn around and insightful feedback so the formal submittal was acceptable to them.

Study Development Phase

Stakeholder perceptions are driven by their experience, background and personality. After several initial meetings on the Proposed Study Plans, the licensees brought in additional consultants to address the issues in a context that accounts for these factors. We created several subgroups to work on concerns about the proposed studies. Several of the Proposed Study Plans were rewritten to address stakeholder and FERC concerns. This led to acceptance by the FERC with very few additional comments or changes and avoided the study dispute resolution process.

MAHONING CREEK (P-12555)

4.4 MW (new capacity)

http://www.advancedhydrosolutions.com/Mahoning.html

Mahoning Creek Hydroelectric Company (agent is AHS) filed the Initial Study Plan on June 8. The Final Plan Determination was received from FERC in November 2006. All

NOI filed Dec. 27, 2005

five required studies will commence in the spring of this year. It is expected that all studies will be complete by late fall of 2007.

CLAYTOR (P-739)

NOI filed Jan. 9, 2006

75 MW

http://www.claytorhydro.com

Appalachian Power Company's (APC) notified stakeholders of a series of study plan work group meetings that were scheduled. FERC provided comments on the proposed study plan filed in June 2006 on September 18. A revised study plan was filed on October 17. On November 17, FERC approved the revised study plan. FERC requested modifications to the study plan and did not accept certain study modifications requested by stakeholders. On January 24 and 25, 2007, APC held public meetings on the upcoming studies, which include water quality, erosion, aquatic resources, cultural resources, and habitat and aquatic vegetation studies.

GREEN ISLAND (P-13)

NOI filed March 1, 2006

6 MW existing, 20 MW new capacity

Green Island Power Authority's process plan and schedule calls for a draft license application to be distributed October 2008 and a license application by March 2009. Green Island proposes to expand the powerhouse and add two units with a combined capacity of 10 MW. The Proposed Study Plan was filed on August 18. On September 5 FERC said they were not issuing a SD 2. The Study Plan meeting was held on September 11. On October 24 Green Island filed a supplemental PAD. This revision showed the expansion facility (now a proposed single 20 MW unit) moving from the West side to the East side of the hydropower facilities to avoid disturbing contaminated sediments on West side. On November 13 FERC commented on the proposed study plan. The revised study plan was filed by Green Island on December 11. FERC approved the revised study plan on January 10, 2007 with modifications, including several studies on water quality, fisheries, and geology and soils. In January, Green Island asked the Fish and Wildlife Service and others for assistance in determining if any federally listed endangered species, designated critical habitats, etc. will be affected by the project.

WILLOW MILL (P-2985)

NOI filed April 14, 2006

460 KW

MeadWestvaco filed a draft study plan on September 26, 2006. Following this submittal, a study plan meeting was held on October 26, 2006. After receiving comments from FERC and the Massachusetts Division of Fish and Wildlife, MeadWestvaco submitted an ILP Revised Study Plan on January 23, 2007. In its Revised Study Plan MeadWestvaco withdrew its Hydropower Redevelopment Study proposal. Rather, MeadWestvaco now states that it will rehabilitate the 100-kW unit during 2007, and otherwise has no plans to

ATLANTA • HONG KONG • LONDON • NEW YORK • NORFOLK • RALEIGH RICHMOND • TYSONS CORNER • VIRGINIA BEACH • WASHINGTON, D.C.

upgrade or expand the project. The Commission approved the Revised Study Plan on February 23, with some modifications to wildlife, hydropower redevelopment, and bypassed reach flow studies.

MASON DAM PROJECT (P-12058)

NOI filed April 27, 2006

3 MW (new capacity)

Scoping meetings were held on July 26. Comments were due August 25. The Confederated Tribes of the Umatilla Indian Reservation expressed concerns about cultural resources and fish species of concern. The U.S. Forest Service, Interior, and the state had similar concerns and requested numerous studies. On September 8, FERC granted Baker County's request to be designated non Federal representative for cultural resources and ESA consultation. On October 9, Baker County filed their proposed study plans. Baker County and FERC held meetings on November 8 and December 14 to review the study plans and proposed studies with stakeholders. After receiving comments, Baker County filed a revised study plan on February 7. Parties are now in the process of commenting on the new plan.

BOUNDARY (P-2144)

NOI filed May 5, 2006

1,051 MW

http://www.ci.seattle.wa.us/light/News/Issues/BndryRelic/default.asp

Seattle City Light held a scoping meeting and site visit on July 19. FERC provided comments on the proposed study plan and PAD on August 31. Comments on SD 1 were due September 1, 2006. On September 28 FERC issued SD 2 with changes from SD 1 clearly marked. SCL's proposed study plan was filed on October 16. Seattle City Light filed its revised study plan on February 14 in response to oral and written comments. Parties are in the process of commenting on the revised study plan.

LAKE CREEK (P-2594)

NOI filed May 31, 2006

4.5 MW

http://www.norlight.org/LCRelicensing/

Northern Lights, Inc. electronically filed the NOI and PAD for the Lake Creek Project on 31 May, 2006. With agency and tribal consent, NLI implemented a number of early studies in 2006 including water quality, cultural resources and fish habitat among others. FERC Scoping Meetings and site visit were held on August 9, 2006. NLI filed the Study Plan October 13, 2006 and held the Initial Study Plan meeting November 1, 2006. NLI filed a Revised Study Plan (with only minor revisions from the original) on January 19; there were no comments. NLI has provided FERC and the agencies with study progress

reports and has scheduled the remaining field studies for 2007. All documents related to the Project's relicensing are available on NLI's website.

Lessons Learned:

NLI's philosophy throughout the process to date has been to drive the timeline and process rather than to be driven. Early planning and execution and open frequent communications with agencies and tribes have proven to facilitate and to enhance the process.

Start early. Communicate with the agencies, tribes and stakeholders frequently. Be of good will.

MCCLOUD-PIT (P-2106)

NOI filed July 27, 2006

364 MW

http://www.mccloud-pitrelicensing.com/

PG&E filed their Proposed Study Plan including 25 Study Descriptions on January 5, 2007. PG&E held their initial Study Plan meetings with the resource agencies, tribes, and other stakeholders on February 1-2, 2007. Following the initial meetings, a series of consecutive all day meetings have been held every two week. The final two series of meetings are scheduled for March 13-14, 2007, and March 28-29, 2007. The meetings are to discuss and revise the individual study descriptions proposed by PG&E. Comments on PG&E's Proposed Study Plan are due April 9, 2007, with PG&E's revised Study Plan due May 7, 2007.

Lessons Learned:

The ILP schedule for Study Plan development is a challenge. To partially address this challenge PG&E is making extensive use of their public project web site to post revised study descriptions, meeting agendas, and other information to help get materials to the stakeholder group quickly. The revisions to the study descriptions are shown in track changes so that the stakeholder can easily compare versions. For developing their April 9, 2007 comments, the stakeholders will have access to the most current version of the Study Plan and known what revisions PG&E has agreed to. However, there is a concern by the stakeholders that if the study descriptions do not include all possible contingencies that after FERC approval it will be difficult to revise them. As a result the stakeholders are being very conservative and are insisting on very detailed study descriptions. Given the schedule constraints, PG&E anticipates starting field work on several studies prior to FERC approval of the Revised Study Plan anticipated June 2007.

PG&E has found that using a facilitator for running the meetings is invaluable. The facilitator has proven very effective at keeping the group on task and moving forward. It relieves the Licensee from continually reminding the group of the schedule and allows the Licensee to concentrate on the issues at hand rather than running the meeting.

WELLS (P-2149)
774 MW
http://relicensing.douglaspud.org

NOI filing date, Dec. 1, 2006

Douglas PUD filed its Notice of Intent to File an Application for New License and Pre-Application Document with FERC on December 1, 2006. The documents represent the culmination of over two years of work by Douglas PUD staff, consultants and stakeholder representatives. The Pre-Application Document includes a compilation of preliminary issues and 12 study plans that were mutually developed and agreed upon with voluntary resource work groups (RWGs) that began meeting in November 2005. Over 150 issues or concerns were originally addressed that were consolidated and sorted throughout the course of 28 separate RWG meetings. The study plans address Aquatic, Water Quality, Cultural, Terrestrial, and Recreation and Land Use issues designated by the groups as appropriate for study during the two-year ILP study period.

In accordance with ILP regulations, FERC issued Scoping Document 1 on January 29, 2007. FERC's Scoping Document 1 includes issues and studies identified by the RWGs and a detailed Process Plan and Schedule for ILP activities and deadlines.

FERC staff conducted a public site visit of the Wells Project on February 27, 2007 and public scoping meetings on February 28, 2007. The site visit included an overview of the Wells Project and its operations and a tour of the Wells Reservoir and adjacent recreation facilities and wildlife areas. The morning scoping meeting was held in the City of East Wenatchee and the evening meeting was held in the City of Brewster. Attendees included representatives from federal and state agencies, elected officials, business leaders and community members. Douglas PUD will evaluate responses to FERC's Scoping Document 1 and continue to use the RWGs to evaluate additional study requests toward inclusion into the Proposed Study Plan Document due in May 2007. Thereafter, the RWGs will evaluate results from studies, resolve resource issues and develop management plans to be included into the Preliminary License Proposal due in late 2009.

Lessons Learned:

Douglas PUD's strategy of early engagement and early studies definitely has helped Douglas PUD staff write the PAD and it was useful in educating stakeholders as they now have concrete, scientific defensible study results to present to the agencies and tribes. It is too early to tell if the strategy has been successful at limiting the number of new issues and study requests. They say they will know more in April after the study requests have been filed with FERC.

2.5 MW (new capacity)

On December 8, 2006, the Massena Electric Department (MED) filed a Notice of Intent and Preliminary Application Document with the FERC for the 2.5 MW Massena Electric Multipurpose Hydroelectric Project. MED conducted baseline environmental studies under the Preliminary Permit during 2006. In accordance with FERC regulations, MED held a Tribal Consultation Meeting on January 4, 2007.

Based on discussions during the preliminary Agency and Stakeholder meeting held on January 5, 2007, MED is preparing draft study plans for proposed studies to be conducted in 2007 to gather additional baseline data. MED continues to try to encourage stakeholders to work informally on study plan designs and expedited baseline study plan review to obtain critically important early year fisheries data. MED has assured Agencies and NGOs that these early study reviews would not compromise their position that the 2007 studies may be proceeding outside the ILP's formal study plan process.

MED filed a six-month progress report on February 14. FERC Scoping Meetings and the Site Visit were held on March 1 and 2, 2007. Comments on the PAD and Requests for Studies are due on April 7, 2007. MED will work to expedite the portions of the schedule that it performs [preparation of study plans, revision of study plans, etc] in an effort to expedite the license application process.

BEAR RIVER NARROWS (P-12486)

NOI filing date, December 15, 2006

11 MW (new capacity)

Twin Lakes Canal Company filed a Notice of Intent Pre-Application Document with FERC on December 15. The project includes the construction of a new dam and reservoir on the Bear River as part of Twin Lakes' plan to upgrade its irrigation and water delivery system. Twin Lakes will begin tribal consultations in January and plans to issue a scoping document in February. In a letter dated January 10, FERC requested additional information missing from the PAD. FERC wrote a second request for additional information letter on January 24 which clarified the first letter and set a 30 day response date. FERC issued a Notice of Intent to File License Application on February 16 and 23. The Commission will hold its first two scoping meetings on March 14.

FALL CREEK DAM (P-12617)

NOI filing date, February 15, 2007

10 MW (new capacity)

Northwest Power Services on behalf of Fall Creek Hydro, LLC filed an NOI and PAD on February 15, 2007. Fall Creek Hydro proposes to install a hydroelectric facility at the existing U.S. Army Corps of Engineers' Fall Creek Dam on Fall Creek in Lane County, Oregon. On February 28, FERC issued a letter to Northwest Power Services stating that it had not exercised due diligence in obtaining all existing information that may be available for the project area, because it did not contact many of the entities which are

likely to have information that it could incorporate into the PAD. FERC requested Northwest Power Services to file an updated PAD or addendum to the PAD within 75 days.

On January 10, 2007, the Commission issued an Order dismissing Fall Creek's successive application for a three-year preliminary permit based on "failure to demonstrate adequate progress during the initial 3-year preliminary permit period." On February 8, 2007, a Request for Rehearing was filed with FERC, arguing that the Commission was in error by concluding that the Application should be dismissed for failure to demonstrate adequate progress during the initial 3-year preliminary permit period. That Request for Rehearing is still pending.

NATURAL DAM (P-2851) 1.0 MW

Est. NOI filing date, March 31, 2007

Cellu-Tissue's license for the Natural Dam project expires March 31, 2012. The project is located on the Oswegatchie River in Gouverneur, NY. The PAD is currently being developed. Cellu-Tissue notified Indian tribes by letter dated August 7. On August 10, FERC granted authorization to Cellu-Tissue in order for them to conduct day-to-day

Section 106 consultation responsibilities in regards to the relicensing effort.

OTTER CREEK (new) (P-2558)

Est. NOI filing date, March 2007

18 MW

The existing Otter Creek Project consists of three developments on Otter Creek: (1) the Proctor development located in Proctor, VT; (2) the Beldens development located in Weybridge, VT; and (3) the Huntington Falls development located in Weybridge, VT. Vermont Marble Power Division has begun its Pre-Application Document, which is due by March 31, 2007. The current license for the Otter Creek Project expires March 31, 2012, and an application for a new license must be filed by March 31, 2010.

THOMSON PROJECT (new) (P-12741)

Est. NOI filing date, unknown

20 MW (new capacity)

Albany Engineering Corporation's Thomson Project was granted a preliminary permit on March 6, 2007. It will utilize an existing dam owned by New York State Canal Corporation (NYSCC) and is located on the Hudson River. The project had its request to use the TLP process denied on December 26, 2006.

We would like to thank Mary Ellen Stefanou for her help in preparing this newsletter.