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January 26, 2007

January 2007 NHA-ILP Update

MORGAN FALLS (P-2237)

16.8 MW

<http://www.georgiapower.com/relicensing>

NOI filed Jan. 15, 2004

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.

GPC continues to meet regularly with stakeholders to understand resource management goals and objectives as well as interests in anticipation of filing a license application by February 28, 2007. Stakeholder comments on the PLP will be addressed in the license application.

MYSTIC LAKE (P-2301)

10 MW

<http://www.mysticlakeproject.com>

NOI filed July 1, 2004

PPL Montana filed the Mystic 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 and Programmatic Agreement, 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 does propose various protection, mitigation and enhancement (PM&E) measures 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 monitoring of Project resources to ensure long-term effective resource and Project management.

PPLM is presently working with Commission and USFS staff to resolve Mystic Project Wilderness boundary issues, first identified to PPLM in late 2006, in the context of the Mystic ILP process. It appears there is an encroachment of the project onto Wilderness Areas. FERC notified parties that FERC can not issue a new License where a project would occupy any part of a wilderness area. Most consider the overlap an uncorrected mistake when Congress drafted the original Wilderness boundary in late 1970's (Mystic Project dates back to 1920's). They are pursuing an administrative fix or Congressional fix to resolve (ASAP). In a recent conference call with all Parties, FERC said that absent an administrative fix, FERC would have to pursue lowering the reservoirs to keep the project off of Wilderness lands. Based on drastic operational and environmental concerns over reservoir lowering, this solution seemed to be unacceptable to all.

Lessons Learned:

PPL Montana lessons learned since the last update include: "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 applicants Preliminary Licensing Proposal (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 is critical to facilitate accurate and timely FLA filing within the compressed ILP timeline."

CANAAN (P-7528)

NOI filed Aug. 2, 2004

1.1 MW

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.

DE SABLE-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

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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.

PACKWOOD LAKE (P-2244)

NOI filed Nov. 10, 2004

26 MW

<http://www.energy-northwest.com/gen/packwood/relisce.html>

On March 28, 2006, the Commission granted Energy Northwest's request to modify 18 CFR § 5.15 of the Commission's regulations to allow for an initial study report meeting (Phase 1) and a supplemental initial study report (Phase 2)..

On October 3, the first of two study plan report meetings was held to discuss five studies. As a result of comments received from the agencies, two draft study reports were revised and reissued as drafts, putting them into the Phase II study report time line. Agency comments on Phase I and some Phase II draft study reports were filed on November 20 and 29. A second study report meeting was held December 12-13 to discuss the remaining eighteen studies, plus the two revised draft reports. Energy Northwest's response to comments was filed on December 19 on the Phase I study reports, including responses to comments filed on some of the Phase II study reports. Because the Forest Service filed detailed comments, a spreadsheet listing all comments received and disposition of comments was also filed. Energy Northwest is proposing to continue one Phase I and three Phase II studies, in addition to the four studies scheduled to be completed in spring 2007. Energy Northwest does not believe that additional study as requested by the agencies is needed for two Phase II studies. The Director's determination on Phase I studies was issued January 19. FERC reserved their determination on the need for additional data collection until comments on the revised draft report are filed. FERC also approved the revised draft study report being filed by February 28, 2007. Agencies and tribes will file on the December meeting summaries and requests related to modification and/or additional studies for the Phase II studies on January 29.

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 are currently filing comments on the study plans and how the studies are being conducted. 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>

Metro Parks Serving Summit County has objected to the project and claims it will not allow AHS to enter the park to conduct studies. Studies were started, but were halted by actions from the Metro Parks Serving Summit County. AHS filed a lawsuit against the Metro Parks Serving Summit County to have the Federal Court rule on the land rights retained by Ohio Edison and the easement granted to Metro Hydroelectric to determine if these rights are valid and enforceable. AHS received a temporary restraining order from the Federal Court allowing Metro Hydroelectric to continue to perform the mandated studies. Metro Parks Serving Summit County says they plan to fully litigate the above matters.

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>

All of the Tacoma/Ames first year studies have been completed except one, the icing study for Ames Hydro, which is an ongoing, experimental operations type of study over the next several winters.

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.

HENRY M. JACKSON (P-2157)

NOI filed Dec.1, 2005

112 MW

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

Snohomish County PUD and the City of Everett sent out Request for Proposals to conduct 18 studies in 2007-08 and received a strong response to each from the consulting community by the December 11, 2006 due date. The selection process has been ensuing over the past month and will be concluded by January 22, 2007. Studies will be conducted in 2007-08. The deadline for filing the final license application is May 31, 2009.

Lessons Learned:

PAD Development Phase

We started early. We began hiring consultants and assembling our documents 2.5 years before filing the PAD.

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 is due. 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 turnaround and insightful feedback so the final document was acceptable to them.

Study Development Phase

The stakeholder perceptions are driven by their experience, background and personality. We brought in 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 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)

NOI filed Dec. 27, 2005

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. AHS held the required Study Plan meeting in Indiana, PA. AHS also met with the PA Fish and Boat Commission to discuss the various Study Plans. On September 5 FERC commented on the Proposed Study Plan filed June 8. AHS filed a revised study plan on October 6. On November 7 FERC approved the study plan. Minor changes to the study plan involved late filed comments by the FWS and were primarily concerning endangered species.

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.

GREEN ISLAND (P-13)

NOI filed March 1, 2006

6 MW existing, 10 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.

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.

MASON DAM PROJECT (P-12058)
3 MW (new capacity)

NOI filed April 27, 2006

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. Since then, several comments on the study plans have been filed by various agencies and groups.

BOUNDARY (P-2144)
1,051 MW

NOI filed May 5, 2006

<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. Parties are in the process of filing comments.

LAKE CREEK (P-2594)
4.5 MW

NOI filed May 31, 2006

<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 the Initial Study Plan meeting was held November 1, 2006. One comment was filed by the Montana Department of Environmental Quality, and NLI filed a revised study plan on January 19. All documents related to the Project's relicensing are available on NLI's website.

Lessons Learned:

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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.

MCCLOUD-PIT (P-2106)

NOI filed July 27, 2006

364 MW

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

Comments on FERC SD1, PG&E's PAD, and study requests were filed by the resource agencies and stakeholder as required by November 10. PG&E prepared a response to the comments received and filed their Proposed Study Plan including 25 Study Descriptions on January 5, 2007. The first study plan meetings are scheduled for February 1-2, 2007.

Lessons Learned:

The Preliminary Proposed Study Plan PG&E prepared and distributed on August 11, 2006 to Interested Parties and filed with FERC has been very well received. This document included detailed study descriptions for the 25 studies proposed in the PAD. While the document was not required by the ILP, it made resource agencies and stakeholder job of commenting on the proposed studies and submitting additional studies much more efficient, and has helped jump-start the study planning process.

WELLS (P-2149)

NOI filing date, Dec. 1, 2006

774 MW

<http://relicensing.douglaspud.org>

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. FERC is expected to issue their Scoping Document shortly. The next big event is the Scoping Meeting and Site Tour scheduled for February.

Additionally, Douglas PUD has continued its intensive stakeholder outreach program by conducting follow-up meetings with policy staff from state and federal agencies, tribes and local governments. In total, 31 separate stakeholder outreach meetings with policy

staff have been conducted in addition to the 28 voluntary RWG meetings conducted with technical staff. Douglas PUD continues 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.

MASSENA GRASSE RIVER (P-12607) (NEW) 2.5 MW (new capacity)

NOI filing date, December 8, 2006

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. Also, a preliminary Agency and Stakeholder meeting was held on January 5, 2007, to gather input on proposed studies for 2007. This will allow MED to get into the field early enough to gather additional environmental data during 2007. MED continues to try to encourage stakeholders to work informally on study plan designs and expedited study plan review in order to capture critically important early year fisheries data and has assured Agencies and NGOs that early study reviews would not compromise in any way their positions and concerns that 2007 studies may be proceeding outside the ILP's formal study plan process.

BEAR RIVER NARROWS (P-12486) (NEW) 11 MW (new capacity)

NOI filing date, December 18, 2006

Twin Lakes Canal Company filed a Notice of Intent Pre-Application Document with FERC on December 18. 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.

NATURAL DAM (P-2851)
1.0 MW

Est. NOI filing date, March 31, 2007

Cello-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. Cello-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.