

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 10854-076--Michigan
Cataract Hydroelectric Project
Upper Peninsula Power Company

Mr. Terry P. Jensky
Assistant Vice President – Energy Supply Operations
Upper Peninsula Power Company
700 North Adams Street
Green Bay, WI 54307-9001

SEP 18 2007

Reference: Article 401 Run-of-River Deviation

Dear Mr. Jensky:

We received your report filed August 13, 2007, providing notification of a deviation from the requirement of Article 401 for the Cataract Hydroelectric Project No. 10854, located on the Middle Branch Escanaba River, in Marquette County, Michigan.

Article 401 of the license¹ requires the licensee to operate the project in a run-of-river mode for the protection and enhancement of water quality and aquatic resources in the Middle Branch Escanaba River. As part of this requirement, when project inflows are greater than 55 cubic feet per second (cfs) and less than 415 cfs, the Cataract Reservoir is to be maintained at a target surface elevation of 1,173.5 feet mean sea level (msl), with an operating range of +/- 0.25 feet. Run-of-river operation may be temporarily modified if required by operating emergencies beyond the control of the licensee, and for short periods upon mutual agreement among the licensee, the Michigan Department of Natural Resources (MDNR), and the U.S. Fish and Wildlife Service (FWS). If the flow is so modified, the licensee shall notify the Commission, MDNR and FWS as soon as possible, but no later than 10 days after each such incident.

¹ 78 FERC ¶62,100 (1997).

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You reported that on July 22, 2007, discharge from the powerhouse was interrupted when the turbine/generator was taken offline for a scheduled maintenance outage affecting the electrical distribution system. In preparation for the outage, the flow into the bypass was increased to match the amount being released from the powerhouse. The project was returned to normal operating conditions on July 23, 2007, following the completion of the distribution system work. During the outage period the reservoir elevation dropped from 1,173.57 feet to 1,173.46 feet. No environmental impacts were observed during this event. Notification of this event was reported to the MDNR and FWS on July 23, 2007.

Conclusion

Based upon our review of the available information, we have determined that the deviation which occurred does not constitute a violation of Article 401 of your license. The deviation was due to maintenance on the electrical distribution system. You took the necessary steps to restore normal operation as quickly as possible.

Thank you for your cooperation in this matter. If you have any questions regarding this letter, please contact Patricia W. Gillis at (202) 502-8735.

Sincerely,



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