

FEDERAL ENERGY REGULATORY COMMISSION  
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 10854-108--Michigan  
Cataract Hydroelectric Project  
Upper Peninsula Power Company

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

MAR - 8 2010

Reference: Article 403 - 2009 Annual Operation and Compliance Report

Dear Mr. Jensky:

We received your 2009 Annual Operation and Compliance Report, filed February 12, 2010, pursuant to the Commission's October 28, 1999 Order Modifying and Approving Operation and Compliance Plan<sup>1</sup> and its April 13, 2005 Order Approving Updated Operation and Compliance Plan.<sup>2</sup>

License Requirements

Paragraph (D) of the Commission's October 28, 1999 order requires annual reports summarizing hourly generation, headwater and bypass flow elevations, turbine flow, and streamflow data from the U.S. Geological Survey gage downstream at Princeton. The annual reports are to be filed by March 1 of the year following data collection with the Commission, Michigan Department of Natural Resources (MDNR), and U.S. Fish and Wildlife Service (FWS). Paragraph (F) of the October 28, 1999 order requires that measurements indicating deviations from the requirements of license Articles 401 and 402 be reported to the Commission within 30 days of any incident. The April 13, 2005 order approves a proposal by the licensee to continue the same reporting protocol for five more years.

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<sup>1</sup> See 89 FERC ¶62,082 (1999).

<sup>2</sup> See 111 FERC ¶62,047 (2005).

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License Article 401, in part, requires that you operate the project in a run-of-river mode, maintaining a target reservoir surface elevation of 1,173.5 feet mean sea level, +/-0.25 feet, when reservoir inflow is greater than 55 cubic feet per second (cfs) and less than 415 cfs. The project is not to be operated for power system load following when reservoir levels are between the high and low ends of the elevation range. When project inflow is 55 cfs or less, the project may continue to release up to 55 cfs from the powerhouse. Article 402 requires that you release, into the Middle Branch of the Escanaba River, a continuous minimum flow of 8 cfs.

### Annual Operation and Compliance Report

Your 2009 Annual Operation and Compliance Report included the required information and provided details that there were no deviations from the requirements of license Articles 401 and 402. You submitted copies of the report to the MDNR and the FWS at the same time that you filed it with the Commission.

You reported that you will continue to consult with the resource agencies on day-to-day events that may result in deviations from the license requirements.

Your 2009 Annual Operation and Compliance Report satisfies the annual reporting requirement of paragraph (D) of the Commission's October 28, 1999 and April 13, 2005 orders.

Thank you for filing your report with the Commission. 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