

**FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426**

OFFICE OF ENERGY PROJECTS

**Project No. 2506-220--Wisconsin
Escanaba Hydroelectric Project
Upper Peninsula Power Company**

**Mr. Terry P. Jensky
Vice President – Generation Assets
Upper Peninsula Power Company
700 North Adams Street
P.O. Box 19001
Green Bay, WI 54307-9001**

July 10, 2012

**Subject: Request for Amendment - Run of River Monitoring Plan,
Flow Augmentation Plan, and Articles 401 and 402**

Dear Mr. Jensky:

We received your letter dated May 7, 2012, requesting an amendment to the deviation reporting requirements for license Articles 401, 402, and 408, which include reporting water diversions from Dam No. 1 and flow augmentation at Boney Falls (Dam No. 4). You reported that the project's diversion and augmentation events have become common for the project every year. In 2011, you conducted: (1) a total of five diversion events which were reported in two separate deviation reports; and (2) a total of 35 augmentation events which were reported in eight separate deviation reports.

Article 402 of the license and the approved Run-of-River Monitoring Plan allow for deviation from the reservoir elevation requirement to divert water (diversion flow) from Dam No. 1 over the spillway to comply with the National Pollution Discharge Elimination System permit of the paper mill upstream. Additionally, Article 408 and the approved Flow Augmentation Plan require the implementation of the plan in the Escanaba River downstream of Dam No. 4 between May 15 and September 15 each year. Both diversion flow at Dam No. 1 and augmentation flow at Dam No. 4 are required by the license and the resulted reservoir elevation deviations are permitted and required reporting to the Commission and MDNR within 10 days of occurrence. To reduce the reporting requirements for these flow events, you propose to include these deviations in the annual report to be filed pursuant to the Order Amending License Articles 401 and 402 and the Approved Run-of-River Monitoring Plan, issued August 16, 2011.

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You consulted with the U.S. Fish and Wildlife Service (FWS) and the Michigan Department of Natural Resources (MDNR) on the proposed amendment. You stated that the FWS did not provide any comments. The MDNR requested that you continue to provide electronic notification in accordance with the articles for the 2012 season. You agreed to provide a 10-day electronic notification during the 2012 season, and will consult with the MDNR in January 2013 to eliminate the need for the 10-day notification.

Before we act on your request, please provide a response from the FWS on your proposal within 30 days. The response can be in the form of electronic communication.

Thank you for your cooperation. If you have any questions regarding this letter, please contact Jake Tung at (202) 502-8757, or hong.tung@ferc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "William Guey-Lee". The signature is fluid and cursive, with a large initial "W" and "G".

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

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