

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 10854-073--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

JUN 28 2007

Reference: Article 401 Run-of-River Deviation

Dear Mr. Jensky:

We received your letter filed May 21, 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.

You reported that on May 12, 2007, the continuous flow of 55 cfs from the powerhouse dropped below the minimum required flow following a trip of the turbine generator at the Cataract Hydroelectric Project. The trip was caused by an electrical storm system that passed through the area with a large amount of lightning. An operator responded to the fault and found that the powerhouse was without power. Power was

¹ 78 FERC ¶62,100 (1997).

Project No. 10854-073

- 2 -

restored and the operator was able to return the generator unit to normal service. The power was out for approximately two hours. The elevation remained at 1,173.20 feet during this period and no environmental impacts were observed. Notification of this event was reported to the MDNR and FWS on May 14, 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 the result of a trip of the generator unit caused by an electrical storm system that passed through the area with a large amount of lightning. 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