UNITED STATES OF AMERICA 120 FERC ¶ 62,033 FEDERAL ENERGY REGULATORY COMMISSION

Upper Peninsula Power Company

Project No. 1864-076

ORDER APPROVING MODIFICATIONS TO WATER QUALITY MONITORING PLAN UNDER ARTICLE 409

(Issued July 12, 2007)

On May 23, 2007, Upper Peninsula Power Company (licensee) filed a request to modify its approved water quality monitoring plan under article 409 of the license for the Bond Falls Hydroelectric Project (FERC No. 1864).¹ The project is located on the Ontonagon River in Ontonagon and Gogebic Counties, Michigan, and Vilas County, Wisconsin.

The licensee states that, as reported in the annual water quality monitoring summary report dated December 28, 2006, water quality deviations from the license requirements were observed in 2006, due in part to the abnormally warm and dry conditions throughout the Upper Peninsula of Michigan and northern Wisconsin. During the annual meeting of the Bond Falls Implementation Team², it was decided that an evaluation of historical water temperature data, atmospheric temperatures, and precipitation data would be beneficial to determine if water quality monitoring should continue. The analysis showed that deviations from the state water quality standard occurred under different atmospheric temperature, precipitation and operating conditions.

A conference call was held with the Implementation Team on April 30, 2007, to discuss the historic data analysis. During the call, the Michigan Department of Natural Resources (MDNR) recommended that water quality monitoring be ceased at this time. The recommendation was based on the amount of data already available, and that the information available shows that deviations from state water temperature standards have occurred during the summer months under several operating and atmospheric conditions.

¹ February 16, 2005 Order Modifying and Approving Water Quality Monitoring Plan Under Article 409 (110 FERC \P 62,146) and March 22, 2006 Order Approving Modifications To Water Quality Monitoring Plan Under Article 409 (114 FERC \P 62,287).

² The members of the Implementation Team include: the licensee, U.S. Forest Service (USFS), U.S. Fish and Wildlife Service, Wisconsin Department of Natural Resources, Michigan Hydro Relicensing Coalition, American Rivers, American Whitewater Affiliation, Keweenaw Indians, and Michigan Department of Natural Resources (MDNR).

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After consultation with the Bond Falls Implementation Team, it was agreed that water quality monitoring should be ceased at this time as there is sufficient data available to characterize water quality at the project.

The licensee, therefore, proposes to amend the approved water quality monitoring to eliminate the current requirements for water quality monitoring. Any further water quality monitoring will be conducted, as necessary, after consultation and agreement by the Bond Falls Implementation Team pursuant to the methodology already approved and as included in the licensee's filing.

By letter dated May 3, 2007, the licensee requested comments from the Bond Falls Implementation Team and the Michigan Department of Environmental Quality (MDEQ) on the proposed plan. In separate emails dated May 10, 2007, the MDNR, MDEQ and Michigan Hydro Relicensing Coalition, all concurred with the plan.

The licensee and the Implementation Team have agreed that the water quality monitoring conducted to date has sufficiently characterized water quality at the project and continuation of monitoring at this time would not provide any additional information. In the event the additional monitoring may be necessary in the future, provisions are in place for the licensee and the Implementation Team to consult and agree upon reinitiating the monitoring program as approved. The licensee is reminded that should water quality monitoring be re-initiated, the approved plan requires the licensee to file a report on the results of the monitoring with the Commission. The licensee's proposal is reasonable and should, therefore, be approved.

The Director orders:

(A) The proposed modification to the approved water quality monitoring plan under article 409 of the license for the Bond Falls Project (FERC No. 1864), as filed on May 23, 2007, is approved.

(B) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 CFR § 385.713.

George H. Taylor Chief, Biological Resources Branch Division of Hydropower Administration and Compliance