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October 28, 2002

Engineering & Manufacturing 1323 B Everest Avenue Schofield, WI 54476 USA

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Mr. Jeffrey Scheirer
Northern Region FERC Manager
Wisconsin Department of Natural Resources
P.O. Box 220
875 South 4th Avenue
Park Falls, WI 54552

Ms. Janet Smith
Fish & Wildlife Biologist
U.S. Fish and Wildlife Service
1015 Challenger Court
Green Bay, WI 54311

Re: Flambeau Upper Project, No. 2640, Flambeau Hydro, L.L.C.

Article 412, Purple Loosestrife Inventory

Dear Mr. Scheirer and Ms. Smith:

Attached is a copy of our "Purple Loosestrife Inventory" for 2002. This annual report has been prepared to comply with Article 412 of the project's federal hydropower license.

We invite you to review and comment, but we respectfully request that any written response be provided to us within thirty (30) days from the date of this letter.

Please contact me if you wish discussion or have any questions. Your cooperation is appreciated.

Sincerely,

NORTH AMERICAN HYDRO, Inc.

Loyal Gake, P.E.

Director of Development and

Regulatory Compliance

Attachment

File: 02-10-02 RAL Flambeau Upper Article 412 Purple Loosetrife Inv 2002.doc

Flambeau Upper Project Purple Loosestrife Inventory August 2, 2002 & August 5, 2002 FERC Project #2640 Article 412

Flambeau Hydro, L.L.C. 116 State St. Neshkoro, WI 54960

Purple Loosestrife

On August 2, 2002 and August 5, 2002, Flambeau Hydro, L.L.C. (FHLLC) performed an inventory of purple loosestrife plants at the Flambeau Upper Project in Price County, Wisconsin. The method of inventory had not been approved by Federal Energy Regulatory Commission (FERC) at the time of the survey. In lieu of an approved plan, the following method was used:

While Purple Loosestrife is blooming in mid July to early August, the inventory should be conducted using a boat to survey the impoundment above the dam within the Project Boundary and on foot or by boat below the dam within the Project Boundary. County wetland maps may be used to determine other areas where Purple Loosestrife could be found on lands owned by FHLLC within the Project Boundary. Lands owned by FHLLC within the Project Boundary will be surveyed on foot. A pair of binoculars should be used to search for the purple flowered spikes of the plant. When plants are located, the person(s) inventorying should get close enough to make a positive identification without disturbing the plants or the immediate area around the plants as this could cause them to spread. A GPS receiver will be used to establish a GPS coordinate for the location of the plants. If it is not possible to get close enough to establish an accurate location, an approximate location will be established with reference to an established GPS coordinate. The plants should be inventoried by marking and numbering the location on a Project map along with notes approximating size of plants, stand area, percent cover, stem density, plant density, and location with reference to established GPS coordinates. Photos and/or videotape will be taken of the largest occurrences.

Example:

#1 6' tall plants; 4' X 20'; 30% cover; 4 – 5 stems per plant; 4 plants; on shoreline N45° 56.183' W90° 26.748'; no photo

#2 5' - 7' tall plants; 10' X 10'; 25% cover; 4 - 5 stems per plant; 10 plants; in marsh ~50 feet bearing 25° from N45° 56.256' W90° 26.710'; photo No. 1

File: 02-10-02 RAL Flambeau Upper Article 412 Purple Loosetrife Inv 2002.doc

The area to be inventoried shall be the shoreline of the impoundment to elevation 1487.4 feet NGVD and lands owned by FHLLC within the Project Boundary as indicated on the Project Maps 1 & 2, dated November 1991, included in Exhibit G of Flambeau Paper Corp. Application For A Subsequent License for the Upper Hydroelectric Project FERC Project #2640.

General Observations:

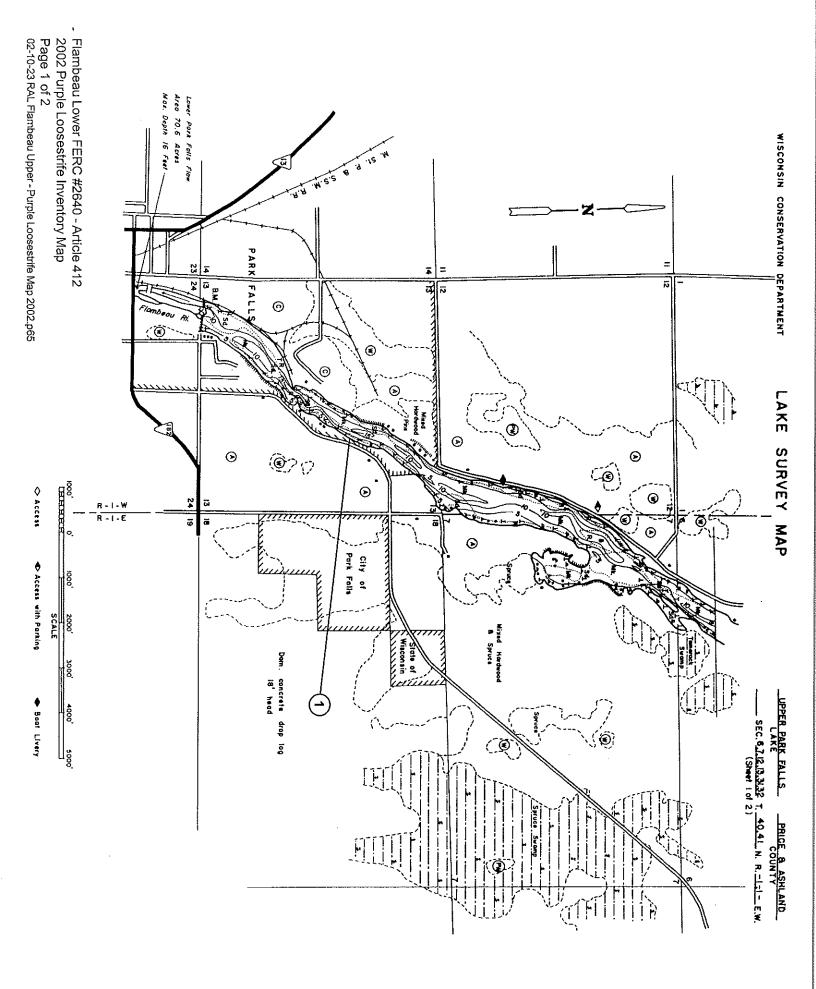
The Flambeau Upper Project Boundary was divided into three different areas; the impoundment (from just downstream of the last rapids before the impoundment to the dam), the power canal/bypassed reach (the power canal from the dam to the powerhouse, and the bypassed reach area from the dam to the single lane service bridge just upstream of the HWY 182 bridge), and the tailrace (from the single lane service bridge just upstream of the HWY 182 bridge to the HWY 182 bridge).

The tailrace was surveyed by boat and no purple loosestrife plants were observed.

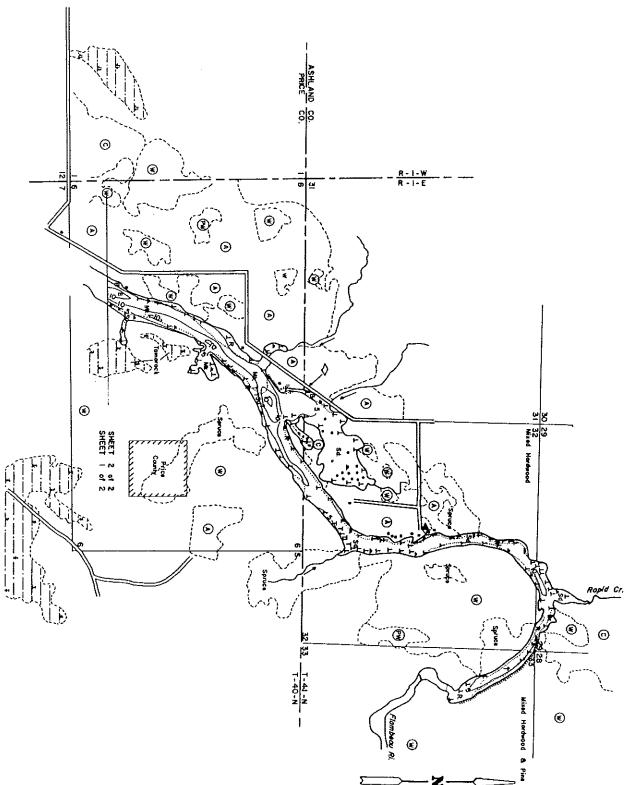
The power canal/bypassed reach was surveyed on foot and no purple loosestrife plants were observed.

The impoundment was surveyed by boat. One suspected occurrence of purple loosestrife plants was observed in this area and is noted on the lake map and survey comments at the end of this report. The landowner was sent an informational brochure published by the WDNR and was encouraged to contact the WDNR for identification and control procedures.

During the inventory, an 8mm camcorder was used to document new occurrences of purple loosestrife as noted in the survey comments at the end of this report.



SEC. S. ZIZ. J. J. J. J. J. J. N. R. - I - I - E.W. (Sheet 2 of 2)



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Access with Parking

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Purple Loosestrife Survey

 Project:
 Flambeau Upper #2640

 Date:
 8/2/2002 & 8/5/2002

 Crew:
 RAL

Datum: Page:

WGS 84 1 of 1

Sighting # GPS point	oint	Lattitude	Longitude	ght	la R	Comments
7		N45°56.807	W090°26.043°	ώ 		Located ~3 yards bearing 90° (east) of GPS point on residence shore. Appears to be quite a number of plants, ~15 - 25, growing close together. Plants appear to have ~3 - 5 stems per plant. The landowner was sent an informational brochure published by the Wisconsin Department of Natural Resources (WDNR) and was encouraged to contact the WDNR for identification and control procedures. This occurence recorded on video tape in 2002.