

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Penobscot River Restoration Trust

**Project No. 2312
(Great Works)**

**DRAFT APPLICATION FOR SURRENDER OF LICENSE FOR MAJOR PROJECT
AND REMOVAL OF PROJECT WORKS, IN COORDINATION WITH
JOINT APPLICATION FOR TRANSFER OF PROJECT LICENSE**

Introduction

- (1) The Penobscot River Restoration Trust ("Trust" or "Applicant") files this application for surrender of the license for the Great Works Project, FERC No. 2312 (issued December 9, 1963, 30 FPC 1465), and removal of project works, to be acted on by the Commission no sooner than the effective date of the grant of the concurrently applied-for transfer of the Great Works Project license from PPL Great Works, LLC to the Trust. The Trust is also filing a withdrawal of the pending relicensing application for the Great Works Project.

PPL Great Works, LLC is a wholly-owned subsidiary of PPL Maine, LLC, which currently owns and operates several hydroelectric projects in central Maine's Penobscot River basin, including the Veazie Project (FERC No. 2403) and the Howland Project (FERC No. 2721). Concurrent with the filing of the Great Works surrender application, the Trust is filing applications to surrender the licenses for the Veazie and Howland Projects, both applications also to be acted on by the Commission no sooner than the effective dates of the grant of the simultaneously filed joint applications to transfer the Veazie and Howland Projects from the existing licensees to the Trust.

This application to surrender the Great Works Project license, as well as the surrender applications for the Veazie and Howland Projects, is made pursuant to a comprehensive multi-party settlement agreement ("Agreement"), which was filed with the Commission on June 25, 2004, for informational purposes. Fulfillment of the terms of the Agreement will lead to restoration of native sea-run fish and 1,000 miles of their historic habitat while also

accommodating the continued generation of hydroelectric power at specified locations. The Agreement gives the Trust the option to purchase the Veazie, Great Works, and Howland Projects for the purpose of surrendering their licenses subject to stipulated conditions. In exchange, PPL Maine may, if it chooses, apply to increase generation at six other existing dams, providing PPL Maine with the opportunity to maintain more than 90% of its current hydroelectric generation. PPL has already applied and received approval for changes at four projects that would result in an increase of approximately 25,750 MWh of annual energy production. PPL Maine has also agreed to improve fish passage at four additional dams.

Under the terms of the Agreement, the applications for transfer and surrender of the Veazie, Howland, and Great Works Project licenses constitute an indivisible element of the Agreement: all of these applications must be granted, or the Agreement may be undone. The three surrender applications constitute a single, indivisible proposed action. If any element of the proposed action is substantially altered or removed by the Commission's action on the three surrender applications, the terms of the MPA provide that any party prejudiced thereby may ultimately terminate the MPA as to its uncompleted items.

The Agreement was signed by PPL Maine and PPL Great Works, LLC (hereinafter collectively "PPL"), the U.S. Department of the Interior (acting through its Fish and Wildlife Service, Bureau of Indian Affairs, and the National Park Service), four State of Maine natural resource agencies (the State Planning Office, Department of Marine Resources, Department of Inland Fisheries and Wildlife, and Atlantic Salmon Commission), the Penobscot Nation, American Rivers, the Atlantic Salmon Federation, Maine Audubon, the Natural Resources Council of Maine, Trout Unlimited, and the Trust.

In addition to this application with the Commission, appropriate applications for dam removal are also being filed with other regulatory agencies, including the Maine Department of Environmental Protection and the U.S. Army Corps of Engineers.

(2) The location of the project is:

State:	Maine
County:	Penobscot
Nearby Towns:	Old Town and Bradley
Stream:	Penobscot River

- (3) The exact name and business address of the applicant are:

Penobscot River Restoration Trust
P. O. Box 5695
Augusta, ME 04332
Attn: Laura Rose Day
(207) 622-3101
laura@penobscotriver.org

Copies of all correspondence should also be served on:

Ms. Kristina Nygaard
Winston and Strawn, LLP
1700 K Street, NW
Washington, DC 20006
(202) 282-5828
knygaard@winston.com

Mr. Andrew E. Sims
Kleinschmidt Associates
PO Box 650
Pittsfield, ME 04967
(207) 487-3328
Andy.Sims@KleinschmidtUSA.com

- (4) The applicant is a domestic non-profit organized in the State of Maine and is not claiming preference under Section 7(a) of the Federal Power Act.
- (5) (i) The statutory or regulatory requirements of the state in which the project is located that affect the project as proposed, with respect to bed and banks and the appropriation, diversion and use of water for power purposes, and with respect to the right to engage in the business developing, transmitting and distributing power and in any other business necessary to accomplish the purposes of the proposal under the Federal Power Act, are:

(A) Maine Waterway Development and Conservation Act

The Maine Waterway Development and Conservation Act (MWDCA) requires that a permit be issued for the construction, reconstruction, or structural alteration (including maintenance and repair) of powered electrical and mechanical generating projects and water storage projects. The MWDCA sets up a comprehensive, one-stop state permitting process that is administered by Maine Department of Environmental Protection ("MDEP") for projects in organized

municipalities and by the Land Use Regulation Commission in unorganized territories. The law requires consideration of the full range of economic, environmental, and energy benefits and adverse impacts of a hydropower project.

(B) Maine Water Quality Law

Pursuant to Section 401 of the Clean Water Act, 33 U.S.C. § 1341, the construction or operation of hydropower projects subject to federal licensing requires state certification that such activities meet state water quality standards. Federal hydropower licenses are issued for terms of up to 50 years. MDEP is the water quality certification agency for Maine. The Maine Water Quality Law, 38 M.R.S.A. § 361-A *et seq.*, provides MDEP with regulatory authority over water quality, including the authority to issue water quality certification pursuant to Section 401 of the Clean Water Act.

(C) Mandatory Shoreland Zoning Law

The Mandatory Shoreland Zoning Act, as amended, requires municipalities to establish land use controls for all land areas within 250 feet of ponds and non-forested freshwater wetlands that are 10 acres or larger; rivers with watersheds of at least 25 square miles in drainage area; coastal wetlands and tidal waters; and all land areas within 75 feet of certain streams. The law's purpose is to protect water quality, wildlife habitat, wetlands, archaeological sites and historic resources, and commercial fishing and maritime industries; and to conserve shore cover, public access, natural beauty, and open space. It does this by controlling land uses and placement of structures within the shoreland area.

(ii) The steps which the applicant has taken or will take to comply with each of the laws cited above are:

(A) The Trust will apply to MDEP for water quality certification under the Clean Water Act with respect to its plan to remove the Great Works dam; and will apply to MDEP for a permit under the Maine Waterway Development and Conservation Act, subject to its obligations under federal laws.

(B) The Trust will, subject to its obligations under federal laws, work with the Towns of Old Town and Bradley to determine what, if any, approvals under the Mandatory Shoreland Zoning Law or other local laws are necessary for removal of the dam.

(6) The Commission has concluded that there are no lands of the United States within the project boundary. Consistent with the requirements of Section IV(h)(2) of the Agreement, DOI withdrew, without prejudice to its position, its asserted conditions/requests under Sections 4(e) and 10(e) of the FPA that it had submitted for Milford, and, pursuant to Section IV(h)(3) of the MPA, such withdrawal rendered moot all issues related to DOI's authority under Sections 4(e) and 10(e) of the FPA as to Milford.

(7) The name and address of the project owner as of the filing of this application is:

PPL Maine, LLC
P.O. Box 276
Milford, ME 04461-0276

(8) **PROPOSED PROJECT DECOMMISSIONING AND DAM REMOVAL**

The Trust has developed preliminary plans for dam removal activities at the Great Works Project, as described in Exhibit H of this application.

PENOBSCOT RIVER RESTORATION TRUST
GREAT WORKS PROJECT
FERC NO. 2312

DRAFT APPLICATION FOR SURRENDER OF LICENSE FOR MAJOR PROJECT

Statement Pursuant to 18 C.F.R. § 4.32

- (1) Entity that has or intends to obtain and will maintain any proprietary right necessary to operate or decommission and remove the Project:

The Penobscot River Restoration Trust, upon the effectiveness of the transfer to it of the Great Works Project license, as concurrently applied for by PPL Great Works, LLC and the Trust.

- (2) (i) Every county in which any part of the Project would be located:

Penobscot County

- (ii) Every city, town, or similar local political subdivision:

- (A) In which any part of the Project would be located:

Old Town, Maine
Bradley, Maine
Milford, Maine

- (B) That has a population of 5,000 or more people and is located within 15 miles of the Project dam:

Bangor, Maine
Brewer, Maine
Orono, Maine
Old Town, Maine

(iii) Every irrigation district, drainage district, or similar special purpose political subdivision:

(A) In which any part of the Project would be located:

None

(B) That owns, operates, maintains, or uses any Project facilities:

None

(iv) Every other political subdivision in the general area of the Project that there is reason to believe would likely be interested in, or affected by, the application:

Old Town Water District
P.O. Box 525
Old Town, ME 04468-0525

(v) All Indian tribes that may be affected by the Project:

Penobscot Nation

PENOBSCOT RIVER RESTORATION TRUST
GREAT WORKS PROJECT
FERC NO. 2312

DRAFT APPLICATION FOR SURRENDER OF LICENSE FOR MAJOR PROJECT

Subscription and Verification Under Oath

This application for Surrender of License for the Great Works Project (Application) is executed in the:

State of Maine

County of Kennebec

By: Laura Rose Day

Executive Director

PENOBSCOT RIVER RESTORATION TRUST

P.O. Box 5695

AUGUSTA, ME 04332

Being duly sworn, deposes and says that the contents of this Application are true to the best of (his/her) knowledge or belief. The undersigned applicant has signed the Application this ____ day of _____, 2008.

PENOBSCOT RIVER RESTORATION TRUST

BY: _____
Laura Rose Day

Subscribed and sworn to before me, a Notary Public of the State of Maine, this ____ day of _____, 2008.

SEAL

Notary Public

PENOBSCOT RIVER RESTORATION TRUST
GREAT WORKS PROJECT
FERC NO. 2312

DRAFT APPLICATION FOR SURRENDER OF LICENSE FOR MAJOR PROJECT

EXHIBIT A
PROJECT DESCRIPTION

1.0 INTRODUCTION

The Penobscot River Restoration Trust applies to the Federal Energy Regulatory Commission to surrender the license for the Great Works Project ("Great Works"), FERC No. 2312, as described in the attached exhibits. Great Works, a dam and powerhouse with a total installed capacity of approximately 7,917 kW, is located on the Penobscot River abutting the Old Town Mill, a pulp and paper mill in Old Town, Maine. The Project was originally licensed on December 9, 1963 (30 FPC 1465), for a term expiring March 31, 2002. The license was transferred several times, and in 1999 what is now PPL Great Works, LLC ("PPL") acquired it from the Ft. James Paper Company (Ft. James). On March 3, 2000, PPL filed a relicense application for Great Works. Ft. James and its successor, Georgia Pacific, operated the Old Town Mill until Georgia Pacific closed it in 2006. The Mill was then acquired by Red Shield, which uses it for pulping operations and related businesses.

2.0 CURRENT PROJECT FACILITIES

The Great Works Project is located at river mile 10.7 on the mainstem of the Penobscot River in Penobscot County, about 11 miles northeast of Bangor, Maine. The powerhouse and west end of the dam are located adjacent to a former paper mill now owned and operated by Red Shield. The east end of the Project dam is located in the Town of Bradley; and the Project impoundment extends approximately 1.7 miles northward into the Town of Milford to just downstream of the tailrace of the Milford Project (FERC No. 2534), owned and operated by Penobscot Hydro, LLC.

Great Works' powerhouse contains 11 turbine-generator units; a non-over flow section with two operating fishways and three gated outlet pipes (one 6 foot square, two 9 foot diameter); and a spillway equipped with flashboards extending from the non-overflow section across the river to the east river bank in the Town of Bradley. The total length of the Project is approximately 1,353 feet. The dam forms a 128-acre impoundment at a normal impoundment elevation of 81.73 feet (National Geodetic Vertical Datum). The tailrace is separated from the main river by an earthen dike, and the powerhouse

discharges to the tailrace. The presence of the earthen dike creates a bypass reach of approximately 1,200 feet in length, about 1,000 feet of which is a backwater. The Project also includes two operating Denil-type fish ladders, one located in the tailrace, the other at the west end of the spillway. An older abandoned fish ladder is located near the center of the spillway.

Average annual generation for the Project is 23,875 MWh.

3.0 CURRENT PROJECT OPERATIONS

Great Works is operated as a run-of-river facility with minimum impoundment fluctuation. Penobscot Hydro, LLC distributes flow to the Project using the Milford Hydroelectric Project (FERC No. 2534) and Gillman Falls Dam (located on the Stillwater River branch of the Penobscot River) in accordance with a 1911 Federal Circuit Court decree. The decree established how the Penobscot River flow is divided between the river's mainstem and the Stillwater Branch.

4.0 DAM DECOMMISSIONING PROPOSAL

A complete Dam Decommissioning Proposal is included in Exhibit H.

5.0 LANDS OF THE UNITED STATES

The Commission has concluded that there are no lands of the United States within the project boundary. Consistent with the requirements of Section IV(h)(2) of the Agreement, DOI withdrew, without prejudice to its position, its asserted conditions/requests under Sections 4(e) and 10(e) of the FPA that it had submitted for Milford, and, pursuant to Section IV(h)(3) of the MPA, such withdrawal rendered moot all issues related to DOI's authority under Sections 4(e) and 10(e) of the FPA as to Milford.

PENOBSCOT RIVER RESTORATION TRUST
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EXHIBIT E
ENVIRONMENTAL REPORT

The attached Multi-project Environmental Assessment is being submitted in lieu of an Exhibit E.

PENOBSCOT RIVER RESTORATION TRUST
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DRAFT APPLICATION FOR SURRENDER OF LICENSE FOR MAJOR PROJECT

EXHIBIT H
DESCRIPTION OF PROJECT DECOMMISSIONING AND MANAGEMENT PLANS

1.0 CONSULTATION AFFECTING DECOMMISSIONING PLANS

During the preparation of the surrender applications, there were several opportunities for resource agencies, Indian tribes, NGOs, and the public to provide input. These opportunities occurred:

- During the public scoping process;
- During the draft surrender application review period;

In addition to written comments solicited by the Scoping document, the Trust has provided opportunities for verbal comments at three public scoping meetings that it has conducted in the project vicinity. A daytime and two evening meetings were held. The Trust provided public notice of the meetings and invited all interested agencies, Tribal representatives, NGOs and individuals to attend these meetings to assist it in identifying potential issues that it should analyze in the surrender applications.

A court reporter recorded the scoping meetings. All statements (verbal and written) became part of the Trust's public records for the project. The Trust asked before each meeting that all individuals who attended, especially those who made statements, sign in and clearly identify themselves for the record. Interested parties who chose not to speak or who were unable to attend the scoping meetings were given the opportunity to provide written comments and information to the Trust by December 18, 2007.

2.0 ENVIRONMENTAL CONSIDERATIONS AFFECTING PLANS

The attached Multi-project Environmental Analysis provides an analysis of both long term and short term environmental considerations associated with the proposed removal of the Great Works Project facilities.

3.0 DISPOSITION OF PROJECT FACILITIES

The Great Works dam site has a large forebay near the right (west) abutment that directs flow to the power plant intakes and water supply intake. If the spillway is removed, the area of the forebay could be used as a potential disposal site for surplus material and would create dry land for use by Red Shield. The upstream (north) side of the forebay area is open to the river, while the downstream (south) side is the powerhouse. The west side of the forebay is the river shoreline in Old Town, and the east side is the concrete portion of the spillway.

4.0 DAM REMOVAL PLANS

The following information is described in greater detail in Appendix D of the Environmental Report, Technical Memorandum Penobscot River Restoration Project – Great Works Dam Removal Conceptual Design.

The Great Works Dam is 1,020 feet high and up to 19 feet high. The spillway is composed of five separate sections of concrete gravity and timber crib. Prominent site features at the Great Works Dam include the composite spillway and its abutments, a forebay and powerhouse on the right (west) bank, the downstream tailrace and tailrace dike, a fishway in the central portion of the dam, a fishway at the powerhouse, and numerous upstream piers and underwater structural elements. The Red Shield Mill, an active pulp and biomass boiler, is located on the west bank of the river adjacent to the powerhouse.

All five spillway sections of the Great Works Dam are proposed for removal. In addition, both fishways, the gates adjacent to the powerhouse, and the vegetated embankment adjacent to the gates are to be removed. The sheetpile abutment to the east, the upstream ice break piers, and the former mill dam remnants submerged upstream of the existing dam are to remain. In addition, the powerhouse will remain, although not as an active hydroelectric facility. The internal hydroelectric works will be removed. It is assumed that the building will be retrofitted for an alternate purpose.

The channel in the forebay immediately upstream of the powerhouse will be partially filled and grouted to lessen the potential for debris collection. The tailrace dike downstream of the dam will be breached to allow for fish passage through the dike. Dike material may be used as fill downstream of the powerhouse, or in the forebay area upstream of the powerhouse. A water

intake for the Red Shield Mill will be provided downstream of the powerhouse from the tailrace area.

5.0 POST-REMOVAL MANAGEMENT PLANS

After removal of the Great Works Dam, the river channel will function as a restored riparian area, supporting fish passage and improved riparian habitat. The remaining ice break piers and former dam remnants will not be maintained, and will be allowed to deteriorate as a result of natural forces.

The powerhouse at the Great Works Dam will be decommissioned. The building structure will be retained, and could be retrofitted for alternate use. This building will require long-term maintenance.

APPENDIX A – LICENSE INSTRUMENTS

— Footnotes —

¹ Section 292.207 (b)(5) of the Commission's rules requires the Commission to issue an order granting or denying an application for qualifying status, tolling the time for issuance of an order, or setting the matter for hearing within 90 days of the filing of the application. Section 375.308(qq) of the Commission's

rules delegates to the Director, Office of Electric Power Regulation (OEPR), the authority to take appropriate action on uncontested applications for qualifying status. 46 Fed. Reg. 29700 (June 3, 1981) effective May 22, 1981 (to be codified in 18 C.F.R. § 375.308(qq)).

² 46 Fed. Reg. 56648 (1981).

[¶ 62,487]

Diamond International Corporation, Project No. 2312-001

Order Amending License

(Issued December 28, 1981)

William W. Lindsay, Director, Office of Electric Power Regulation.

On September 10, 1981, Diamond International Corporation (Licensee) filed an application for amendment of license for the Great Works Project No. 2312, located on the Penobscot River near the town of Great Works, Penobscot County, Maine.¹

Licensee requests that its license be amended to authorize the installation of three additional turbine-generator units with a total rated capacity of 3,150 kW in the Licensee's existing powerhouse Bays 1, 2 and 3. The new turbine-generators would replace two inoperative 1,200 kW D.C. turbine-generators in Bays 1 and 2. Turbine-generator units have never been installed in Bay 3. The installation of new more efficient generating capacity would produce an additional 20,000,000 kWh annually.² The project will continue to be operated run-of-the-river. In addition, Licensee has requested that its license term be extended to a full 50-year term because of the additional capacity proposed.

Public Notice of the Penobscot application was given with November 18, 1981, as the last date to file comments, protests, or petitions to intervene. None was received.

Safety, Adequacy, and Economics of the Project:

The staff has determined that the proposed redevelopment of the project is economically feasible. No changes have been proposed to project structures by the redevelopment that would affect the project's safety and adequacy.

Comprehensive Development:

The proposed installation of the new turbine-generators units at the project would make a more efficient use of the water resources of the Penobscot River. Streamflow currently not utilized would substantially increase the project's power output. It is concluded that the project, as proposed for redevelopment, is best adapted to the

comprehensive development of the Penobscot River.

License Term:

Licensee has requested an 18 year extension of the license term for the project. The license was issued effective April 1, 1962, and was to terminate on December 31, 1993. Because of the redevelopment of the Great Works Project it is reasonable and in the public interest to grant an extension of the license term. The magnitude of the proposed redevelopment does not, however, warrant extending the license to a 50 year term. Consistent with Commission policy therefore, the license for Project No. 2312 is amended to expire 40 years from its effective date, March 31, 2002.³

Environmental Matters:

The proposed action would result in a minor increase in noise, dust and exhaust emission, which would end with the completion of construction. The aquatic environment would be affected by short-term increases in turbidity and sedimentation, resulting from dewatering activities in the tailrace.

The Maine Historic Preservation Officer has advised the staff that the proposed action would have no effect on any cultural resources. In accordance with standard Commission practice⁴, Article 34 is being added to this license which requires cultural resources protection measures in the event of any future construction or development at the project, other than the project development considered and authorized herein.

Any adverse environmental impacts resulting from approval of the proposed action would be minor in nature and of short-term duration. For the above reasons, it is concluded that approval of the proposed action would not constitute a major Federal action significantly affecting the quality of the human environment.

It is ordered that:

(A) The amendment of license for the Great Works Project as proposed in the application is approved.

(B) The following Exhibit drawings are approved and made a part of the License for FERC Project No. 2312 superseding the drawing noted:

<i>Exhibit</i>	<i>FERC No. 2312</i>	<i>Showing</i>	<i>Superseding FERC No. 2457</i>
J Sheet 1	14	Power Systems	1
J Sheet 2	15	Power Systems	—
J Sheet 3	16	Power Systems	—
L Sheet 1	17	Floor Plan Section	5
L Sheet 2	18	View of Station	—

(C) Subparagraph ii of Ordering Paragraph (B) of the Order Issuing Major License for Project No. 2312 is revised to read as follows:

(ii) The project consists of a rock-filled log and plank dam approximately 20 feet high and 777 feet long with a 250-foot concrete and stone capped wing-section, creating river pondage extending upstream to the tailrace of the Milford Dam of the Bangor Hydro-Electric Company FERC No. 2534; fishway; log sluice; spillway; eleven operating sluice gates leading to a powerhouse containing eleven turbine-generator units with a total rated capacity of 7,730 kW; and other appurtenant facilities; the location, nature and character of which are more specifically shown and described by the exhibits hereinbefore cited and by certain other exhibits which also formed part of the application for license and which are designated and described as follows:

(D) Article 28 of the license is amended as follows:

Article 28. The Licensee shall pay to the United States the following annual charges: For the purpose of reimbursing the United States for the costs of administration of Part I of the Act, a reasonable annual charge as determined by the Commission in accordance with the provisions of its regulations, in effect from time to time. The authorized installed capacity is 10,300.

(E) The following special Articles are included in the license:

Article 30. The Licensee shall file with the Commission's Regional Engineer and the Director, Office of Electric Power Regulation, one copy of each of the contract drawings and specifications for pertinent features of the project, 60 days prior to the start of construction. The Director, Office of Electric Power Regulation, may require changes in the plans and specifications to ensure a safe and adequate project.

Article 31. The Licensee shall file for approval, within 90 days of completion of construction, a revised Exhibit L drawing

showing the project works at the Great Works Project.

Article 32. The Licensee shall commence construction of the proposed project modification at the Great Works Project within two years and shall complete construction within 4 years from the effective date of the amendment of license.

Article 33. The Licensee shall review and approve the design and construction procedures for contractor-designed cofferdams and deep excavations prior to the start of construction. The Licensee shall file with the Commission's New York Regional Engineer and Director, Office of Electric Power Regulation, one copy of the approved construction drawings and specifications, and a copy of the letter of approval.

Article 34. Prior to commencement of any construction or development of any project works or other facilities at the project, the Licensee shall consult and cooperate with the State Historic Preservation Officer (SHPO) to determine the need for, and extent of, any archeological or historic resource surveys and any mitigative measures that may be necessary. The Licensee shall provide funds in a reasonable amount for such activity. If any previously unrecorded archeological or historic sites are discovered during the course of construction, construction activity in the vicinity shall be halted, a qualified archeologist consulted to determine the significance of the sites, and the Licensee shall consult with the SHPO to develop a mitigation plan for the protection of significant archeological or historic resources. If the Licensee and the SHPO cannot agree on the amount of money to be expended on archeological or historic work related to the project, the Commission reserves the right to require the Licensee to conduct, at its own expense, any such work found necessary.

(F) Ordering paragraph (A) of the license is changed to indicate that the license shall expire on March 31, 2002.

(G) This order is final unless a petition appealing it to the Commission is filed within 30 days from the date of its issuance, as provided in Section 1.7(d) of the Commission's regulations, 18 C.F.R. 1.7(d) (1981). The filing of a petition appealing this order to the Commission or an application for rehearing as provided in Section 313(a) of the Act does not operate as a stay of the effective date of this permit or of any other date specified in this order, except as specifically ordered by the Commission. The Licensee's failure to file a petition appealing this order to the Commission shall constitute acceptance of this license. In acknowledgment of acceptance of this license and its terms and conditions, it shall be signed by the Licensee and returned to

the Commission within 60 days from the date of this order.

— Footnotes —

¹ Authority to act on this matter is delegated to the Director, Division of Hydropower Licensing, Office of Electric Power Regulation, under 18 C.F.R. § 375.308 (1980), as amended by 46 Fed. Reg. 14119 (1981).

² Installation of the additional capacity would save the equivalent of 32,840 barrels of oil or 9,260 tons of coal annually.

³ See the Montana Power Co., Project No. 2301, Order Issuing New License (Major) (issued October 5, 1976).

⁴ See S.D. Warren, Project No. 2897, Order Denying Rehearing (issued February 19, 1980).

[¶ 62,488]

Walker River Irrigation District, Project No. 5004-000

Order Issuing Preliminary Permit

(Issued December 28, 1981)

Ronald A. Corso, Director, Division of Hydropower Licensing.

The Permittee¹ filed an application for preliminary permit under Section 4(f) of the Federal Power Act (Act), 16 U.S.C. § 797(f), for the proposed water power project, to be located at an existing dam, as described in the attached public notice.²

Notice of the application was published in accordance with Section 4(f) of the Act and the Commission's regulations. All protests that have been submitted, petitions to intervene that have been granted, together with all comments filed by Federal, State, and local agencies have been fully considered in determining whether to issue this permit. No party or agency commenting on the application objected to the issuance of the permit.

Effects of This Preliminary Permit:

The purpose of any preliminary permit is to maintain priority of application for a license during the term of the permit while the Permittee conducts investigations and secures data necessary to determine the feasibility of the proposed project and to prepare an acceptable application for license. A preliminary permit does not authorize construction of any project works. This permit does require the Permittee to conduct certain studies, but under conditions which will assure that those studies cause no significant adverse environmental impacts. For these reasons, the issuance of this preliminary permit is not a major Federal action significantly affecting the quality of the human environment.

Any concerns raised in the comments, protests, or petitions to intervene addressing the potential effects of actually constructing and operating the proposed project are not affected by the issuance of a preliminary permit.

The articles of this permit provide for studies, in coordination with the appropriate agencies, to address the technical, economic, and environmental considerations related to the proposed project. Should the Permittee find the project to be feasible and file an application for a license, all interested persons and agencies will be given notice and have an opportunity to review the application, present their comments concerning the project and the effects of its construction and operation, and seek to participate in the licensing proceeding.

The named Permittee is the only party entitled to the preference and priority of application for license afforded by this preliminary permit. In order to invoke this permit-based priority and preference in any subsequent licensing competition, the named Permittee must file an application for license as the sole applicant, thereby evidencing its intent to be the sole licensee and hold all proprietary rights necessary for the construction, operation and maintenance of the proposed project. Should any other parties intend to hold during the term of any license issued any of these proprietary rights necessary for project purposes, they must be included as joint applicants in any application

89 FERC ¶ 62,248

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Fort James Operating Company
PP&L Great Works, LLC

Project No. 2312-012

ORDER AMENDING LICENSE

(Issued December 23, 1999)

On September 23, 1999, Fort James Operating Company (Fort James), licensee for the Great Works Hydroelectric Project No. 2312, filed a joint application with PP&L Great Works, LLC (Great Works), for approval of the transfer of the project license to Great Works.¹ The project is located on the Penobscot River near the Town of Great Works, Penobscot County, Maine. The filing also included a request to amend the license for Project No. 2312 to exclude lands and other property associated with the operations of Fort James' Old Town Paper Mill. The transfer application is being decided in a separate order in Project No. 2312-011.

BACKGROUND

Fort James proposes to delete from the project boundary (and retain for non-project uses) certain lands, facilities, and equipment used in the operation of its paper mill, but which it asserts are neither necessary nor appropriate to the maintenance and operation of the hydroelectric project.

Public notice of the amendment application (which included notice of the transfer application) was issued on September 30, 1999. On November 8, 1999, the U.S. Department of the Interior (DOI) filed a motion to intervene in opposition.² DOI

¹On December 9, 1963, the Commission issued the license to the Penobscot Chemical Fibre Company (30 FPC 1465). The license was transferred in 1967 (38 FPC 480), 1983 (25 FERC ¶ 62,254), and 1984 (27 FERC ¶ 62,094). On September 29, 1997, the Commission issued an Order Amending License to change the current licensee's name from James River-Norwalk, Incorporated, to Fort James Operating Company (80 FERC ¶ 62,283). The license expires on March 31, 2002.

²The motion to intervene was timely, unopposed, and accordingly granted by operation of Rule 214(c) of the Commission's Rules of Practice and Procedure, 18 CFR 385.214(c) (1999). DOI's motion was filed in both the transfer and amendment

(continued...)

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Project No. 2312-012

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stated that it was taking no position on the transfer of the license, but that it opposed the application unless it was assured that there would be no effect on the viability of dam removal and decommissioning in the context of project relicensing.³ On November 17, 1999, Great Works and DOI filed a "Stipulation on Intervention" in which Great Works "acknowledges Interior's notice of an interest in a thorough consideration of dam removal and project decommissioning, including study requests," and DOI agreed to convert its motion to intervene in opposition to merely a motion to intervene.⁴

DISCUSSION

All project features and lands must be under license.⁵ For major projects such as Project No. 2312, such project features and lands must also be enclosed in a project

²(...continued)

Compliance of DOI in Boston filed a letter stating that it had no comment on the proposed action.

³The deadline for filing a relicense application for the project is March 31, 2000. On March 28, 1997, James River Paper Company, Inc., filed a notice of its intent to file a relicense application for the project, which the Commission published on April 17, 1997.

⁴The described stipulation is between DOI and Great Works. The Commission will conduct its analysis of any application at relicensing pursuant to applicable law, Commission policy, and substantial evidence.

⁵Section 3(11) of the Federal Power Act, 16 U.S.C. § 796(11), defines "project," in pertinent part, as:

. . . a complete unit of improvement or development, consisting of a power house, all water conduits, all dams and appurtenant works and structures. . . which are part of said unit, . . . the primary line or lines transmitting power therefrom to the point of junction with the distribution system or with the interconnected primary transmission system, all miscellaneous structures used and useful in connection with said unit or any part thereof, and all water-rights, rights-of-way, ditches, dams, reservoirs, lands, or interest in lands the use and occupancy of which are necessary or appropriate in the maintenance and operation of such unit.

boundary. A licensee must hold all rights in project property necessary to fulfill project purposes under the license.⁶

Fort James proposes to delete from the project's boundary certain of its lands, facilities, and equipment associated with the Old Town Paper Mill that it asserts are neither necessary nor appropriate to Great Works' maintenance and operation of the project. The lands proposed for deletion consist of the site of the mill, and a tract of land, designated "Jordan Lumber" property, which lies on the left bank of the river about 600 yards downstream from the project's dam and has never been associated with the maintenance and operation of the project.⁷ The Jordan Lumber property was used for wood storage.

The facilities and equipment that would be deleted are located within or adjacent to the project powerhouse. They consist of interconnected distribution facilities ("Mill System") and fire suppression facilities. The Mill System carries commingled power from all sources of power supply for the Mill.⁸ The fire suppression facilities, which consist of a pump and water pipes, are physically located within the powerhouse, but are used to supply water to the Mill for fire suppression purposes.⁹ These facilities and equipment are not necessary or needed for the operation or maintenance of the Great Works project, because their only purpose is to supply water to the Mill.

As depicted in revised Exhibit K, Fort James and Great Works will each grant the other easements for access to, and operation and maintenance of facilities of, the other's

⁶This requirement is set forth in Standard Article 21 of Project No. 2312's original license. See 30 FPC at 1467, incorporating by reference Form L-3 (November 1, 1963), Terms and Conditions of License for Constructed Project Affecting Navigable Waters of the United States (published at 30 FPC 1658-62 (1963)).

⁷On the powerhouse side of the river, the application proposes to delete all lands, except (i) a quarter-acre strip of land adjacent to the powerhouse itself, (ii) the shoreline of the reservoir up to the headwater high-water mark of 81.73 feet above sea level, and (iii) the right-of-way or easement for ingress and egress to the project. Much of the land is covered with structures used in the mill operation or are used for wood chip storage.

⁸Fort James included in its filing revised exhibit J-2 drawing, which shows the electrical boundary between the Project and the Mill System.

⁹As a part of the sales agreement, Great Works, as a new licensee, agrees to continue to provide process water and fire and cooling water for the Old Town Paper Mill.

Project No. 2312-012

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requisite property interests. Such conveyances are not unusual; however, conveyances of interests in project property must conform to the project-control requirements of the license. Consistent with this fundamental requirement, any conveyance by a licensee of interests in project lands for non-project uses must not be incompatible with the licensed project purposes, and must include covenants to ensure that such non-project uses do not endanger health, create a nuisance, or conflict with the project's scenic, recreational, and environmental values.¹⁰

ENVIRONMENTAL CONSIDERATIONS

The project is located in a commercial/industrial area that has little fish and wildlife habitat value. Most of the project reservoir and lands are occupied by Fort James' Old Town Paper Mill, log flume, and chip and wood pilings. Given the commercial/industrial nature of the area, recreation use is low to nonexistent. No project recreation facilities are provided at the reservoir, and there are no safe areas for recreational access to the reservoir. Under the project's approved recreation plan, the licensee provided a baseball field and parking lot for the Town of Bradley, which the town operates and maintains. The project includes two fish ladders, one at the tailrace and the other at the spillway, that provide upstream fish passage for anadromous fish (Atlantic Salmon, American Shad, and alewife). The fish ladders are operated in accordance with a Commission-approved operating plan. By letter dated December 6, 1999, the Maine Historic Preservation Commission states the proposed amendment will not affect historic properties.

Based on the information provided, the licensee will retain within the project boundary all lands and waters necessary or appropriate for the operation and maintenance, including lands necessary for the continued operation of the fish ladders and the required recreation facilities. Further, the proposed amendment does not involve any ground-disturbing activities, will not affect cultural resources, and is not expected to affect environmental resources. The changes in project boundary do not affect the operation of the project.

This order approves the amendment application to delete from the project's boundary certain lands, facilities, and equipment that are neither necessary nor appropriate to the maintenance and operation of the Project. Also, this order in no way prejudices the issue of project decommissioning at relicensing. As noted, Great Works, as

¹⁰See, e.g., the unpublished order approving change in land rights, issued in Project No. 2312 on July 7, 1976.

Project No. 2312-012

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the licensee, will obtain and hold all rights in project property necessary to fulfill license requirements.

The Director orders:

(A) The license for the Great Works Project No. 2312 is amended as provided in this order.

(B) The following exhibit J and K drawings, which were filed on September 23, 1999, are approved and made a part of the license:

Exhibit	FERC Drawing No.	Showing
J	2312-23	Great Works, Power Systems
K	2312-24	Detail Map of Project Area

(C) The old exhibits J-1, J-2, and J-3 showing the Power Systems, which were assigned FERC Drawing Nos. 2312-14, 15, and 16, and approved by order issued December 28, 1981, are deleted from the license.¹¹ Also, exhibit K with FERC Drawing No. 2312-10 is deleted from the license.

(D) Within 90 days of the date of issuance of this order, the licensee shall file three original sets of aperture cards of the approved drawings. The original sets should be reproduced on silver or gelatin 35mm microfilm. All microfilm should be mounted on Type D (3 1/4" x 7 3/8") aperture cards.

Prior to microfilming, the FERC Drawing Number (2312-23 and 2312-24) shall be shown in the margin below the title block of the approved drawing. After mounting, the FERC Drawing Number should be typed on the upper right corner of each aperture card. Additionally, the Project Number, FERC exhibit (i.e., K-1), Drawing Title, and date of this order should be typed on the upper left corner of each aperture card. See Figure 1.

¹¹In the December 28, 1981 order, exhibit J-1 was incorrectly assigned FERC drawing No. 2312-14. However, since we are deleting it from the license by this order, there is no need to correct it.

Project No. 2312-012

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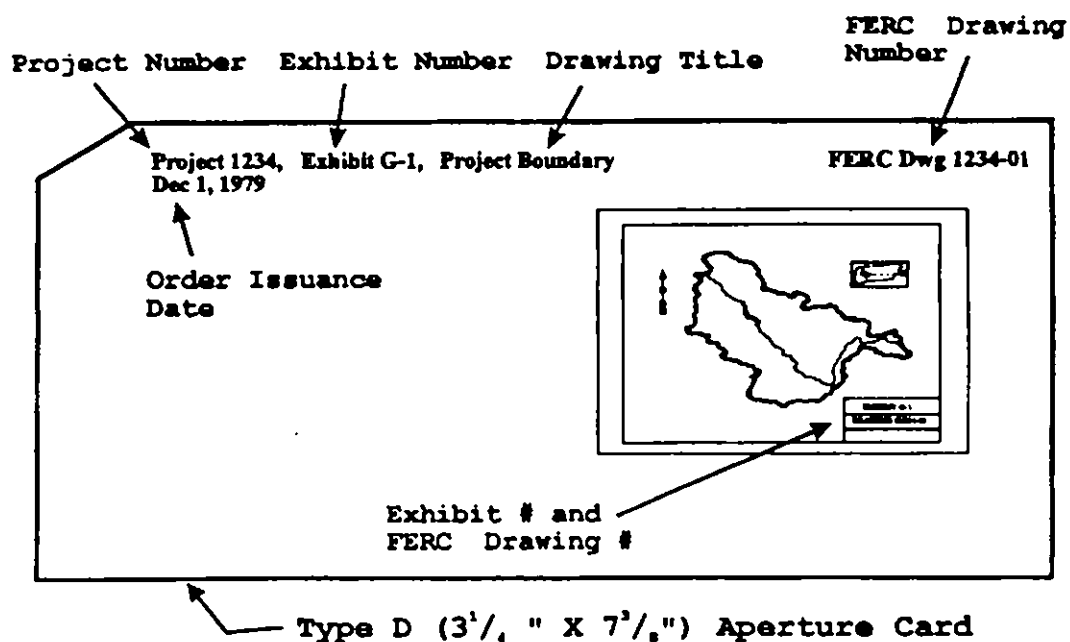


Figure 1. Sample Aperture Card Format

Two sets of aperture cards should be filed with the Secretary of the Commission. The remaining set of aperture cards should be filed with the Commission's New York Regional Office.

(E) 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.

J. Mark Robinson
 J. Mark Robinson
 Director
 Division of Licensing and Compliance

UNITED STATES OF AMERICA 89 FERC ¶ 62,255
FEDERAL ENERGY REGULATORY COMMISSION

Fort James Operating Company
PP&L Great Works, LLC

Project No. 2312-011

ORDER APPROVING TRANSFER OF LICENSE

(Issued December 28, 1999)

Fort James Operating Company (Fort James), licensee for the Great Works Hydroelectric Project No. 2312, filed on September 23, 1999, a joint application with PP&L Great Works, LLC (Great Works), for approval of the transfer of the project license to Great Works.¹ The 7,655-kilowatt project is located at Fort James' Old Town Paper Mill on the Penobscot River near the town of Great Works, Penobscot County, Maine. As described below, the transfer is approved.²

BACKGROUND

The purpose of the transfer is to reflect the sale of the project to Great Works. The sale arises out of the current restructuring of the electric industry.

Included in the transfer application is a request to amend the license for Project No. 2312 to exclude lands and other property associated with the operations of Fort

¹On December 9, 1963, the Commission issued the license to the Penobscot Chemical Fibre Company (30 FPC 1465). The license was transferred in 1967 (38 FPC 480), 1983 (25 FERC ¶ 62,254), and 1984 (27 FERC ¶ 62,094). On September 29, 1997, the Commission issued an Order Amending License to change the current licensee's name from James River-Norwalk, Incorporated, to Fort James Operating Company (80 FERC ¶ 62,283). The license expires on March 31, 2002.

²On November 16 and 29, 1999, respectively, the Commission's Secretary issued orders in Docket No. EG99-240-000 and EL99-94-000 granting related applications for findings that Great Works is an exempt wholesale generator under the Section 32 of the Public Utility Holding Company Act of 1935 and that Fort James is not a public utility for the purposes of Part II of the Federal Power Act. The related application in ER99-4503 for approval of the sale of the project's power at wholesale in interstate commerce at market-based rates is pending.

James' Old Town Paper Mill. The amendment application is being decided in a separate order in Project No. 2312-012.³

Public notice of the transfer application (which included notice of the amendment application) was issued on September 30, 1999. On November 8, 1999, the U.S. Department of the Interior (DOI), filed a Motion to Intervene in Opposition.⁴ DOI stated that while it did not have a position on the merits of the proposed the transfer, it opposed the application absent assurances that there would be no effect on the viability of dam removal and decommissioning in the context of project relicensing.⁵ On November 17, 1999, Great Works and DOI filed a "Stipulation on Intervention" in which Great Works "acknowledges Interior's notice of an interest in a thorough consideration of dam removal and project decommissioning, including study requests and DOI agreed to convert its motion to intervene in opposition to a merely a motion to intervene."⁶

DISCUSSION

The Commission's policy is to scrutinize transfer applications to prevent the transfer of a project that is becoming increasingly marginal to a transferee that lacks the

³This order is conditioned on the filing, inter alia, of instruments of conveyance of rights in project property to Great Works. The scope of the conveyances contained in those instruments may be affected by the amendment proceeding in Project No. 2312-012. See Order Amending License issued on December 23, 1999, at 89 FERC ¶ 62,248.

⁴The motion to intervene was timely, unopposed, and accordingly granted by operation of Rule 214(c) of the Commission's Rules of Practice and Procedure, 18 CFR 385.214(c) (1999). DOI's motion was filed in both the transfer and amendment proceedings. On November 12, 1999, the Office of Environmental Policy and Compliance of DOI in Boston filed a letter stating that it had no comment on the proposed action.

⁵The deadline for filing a relicense application is March 31, 2000. On March 28, 1997, James River Paper Company, Inc., filed a notice of its intent to file a relicense application for the project, which the Commission published on April 17, 1997.

⁶The described stipulation is between DOI and Great Works. The Commission will conduct its analysis of any application at relicensing pursuant to applicable law, Commission policy, and substantial evidence.

financial resources to maintain the project or close it down in an appropriate manner.⁷ Great Works is part of a corporate group that includes Penobscot Hydro, LLC (Penobscot Hydro) (its parent company), PP&L Montana, and PP&L Global, Inc. Great Works has a ready market for the project's power by selling the project's power to Bangor Hydro, the local franchised public utility, for resale to Fort James. Fort James currently receives electricity for its paper mill from both the project and Bangor Hydro. Bangor Hydro sells its electricity to Fort James pursuant to a power sales agreement that permits Fort James to designate an alternative supplier of electricity (referred to as a "Designated Contract") and that obligates Bangor Hydro to enter into a contract to purchase power from that alternative supplier. Fort James is obligated under the project sales agreements with Great Works to designate a power purchase agreement between Bangor Hydro and Great Works as a "Designated Contract" under its power sales agreement with Bangor Hydro.⁸ Nevertheless, while the record in this proceeding does not indicate that the instant transfer should be denied or conditioned under the described decommissioning policy, this order in no way prejudices examination of project decommissioning at relicensing.

Where, as here, approval of a license transfer is requested within the last five years of the license term, it is also Commission policy to scrutinize the transfer to determine whether its primary purpose is to give the transferee an advantage in relicensing, by for example escaping consideration of an incumbent licensee's poor compliance record.⁹ No such purpose is in evidence here. Rather, the purpose of the transfer is to further electric industry restructuring with the sale of the project.

Great Works is not a licensee of the Commission, and therefore has no compliance record to review. However, Great Works has access to the operational expertise of its

⁷See Policy Statement on Project Decommissioning at Relicensing, 60 Fed. Reg. 339, 346 (Jan. 4, 1995); FERC Statutes and Regulations, Regulations Preambles 1991-1996 ¶ 31,011 at pp. 31,232-33 (December 14, 1994).

⁸See pp. 5-7 of Great Works' "Application for order accepting Market-Based Rate Tariff for Filing and Granting Waivers and Blanket Approvals on an Expedited Basis," filed on September 23, 1999, in ER99-4503-000.

⁹See Hydroelectric Relicensing Regulations Under the Federal Power Act, 54 Fed. Reg. 23,756 (June 2, 1989); FERC Statutes and Regulations, Regulations Preambles 1986-1990 ¶ 30,854 at p. 31,438, n. 318 (Order No. 513) (May 17, 1989).

corporate group,¹⁰ which includes Penobscot Hydro, LLC (Great works parent company), PP&L Montana, and PP&L Global, Inc. The corporate group owns and operates extensive hydropower facilities both domestically and abroad, including other projects on the Penobscot River.¹¹

Great Works has submitted a certified copy of a Certificate of Formation from the State of Delaware, Office of the Secretary of State, and a certified copy of a Certificate of Authority from Secretary of State of Maine to do business in the State of Maine. Great Works is qualified to hold the license and to operate the properties under the license, and it has agreed to (and will be required to) accept all of the terms and conditions of the license and to be bound by the license as if it were the original licensee.

Transfer of the license for the Great Works Hydroelectric Project No. 2312 is consistent with the Commission's regulations¹² and is in the public interest.

The Director orders:

(A) Transfer of the license for the Great Works Hydroelectric Project No. 2312 is approved.

(B) Fort James Operating Company shall pay all annual charges that accrue up to the effective date of the transfer.

(C) Approval of the transfer is contingent upon: (1) transfer of title of the properties under license and delivery of all license instruments to PP&L Great Works, LLC, which shall be subject to the terms and conditions of the license as though it were the original licensee; and (2) PP&L Great Works, LLC acknowledging acceptance of this order and its terms and conditions by signing and returning the attached acceptance sheet. Within 60 days from the date of this order, the transferee shall submit certified copies of all instruments of conveyance and the signed acceptance sheet.

¹⁰See the application at p. 5.

¹¹On April 1, 1999, the Commission issued an order approving the transfer of licenses for Project Nos. 2403, 2534, 2666, 2710, 2712, 2721, and 2727 from Bangor Hydro-Electric Company to Penobscot Hydro, LLC. 87 FERC ¶ 62, 001.

¹²See 18 CFR 9.3(a) (1999).

(D) 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 C.F.R. § 385.713.

Hossein Ildari
Chief
Engineering Compliance Branch

OHL/DLC
Miles, L./jgh
December 27, 1999

K19

IN TESTIMONY of its acknowledgment of acceptance of all of the terms and conditions of this order, _____ this _____ day of _____, 19____, has caused its corporate name to be signed hereto by _____, its President, and its corporate seal to be affixed hereto and attested by _____ its Secretary, pursuant to a resolution of its Board of Directors duly adopted on the _____ day of _____, 19____, a certified copy of the record of which is attached hereto.

By _____

Attest:

Secretary
(Executed in quadruplicate)

UNITED STATES OF AMERICA 95 FERC ¶ 62,058
FEDERAL ENERGY REGULATORY COMMISSION

PPL Great Works, LLC

Project No. 2312-017

ORDER AMENDING LICENSE AND
REVISING ANNUAL CHARGES UNDER ARTICLE 208

(Issued April 18, 2001)

On January 31, 2001, PPL Great Works, LLC, licensee for the Great Works Project, FERC No. 2312, filed capacity information to amend its license. The project is located on the Penobscot River in Penobscot County, Maine.

BACKGROUND

On September 25, 1989, the Commission issued Order Approving As-Built Exhibits and Revising Annual Charges, amending the project's installed capacity to 7,655 kW.¹ The installed capacity was based on the exhibit M which identified eleven existing turbine generator units.

On June 22, 2000, the Commission's New York Regional Office (NYRO) informed the licensee of a discrepancy between the installed capacity and the authorized capacity of the project. The NYRO reported the installed capacity of the eleven generator units as 8,280 kW. Our initial review found the licensee filed an application for relicense for a major hydroelectric project - existing dam, on March 31, 2000, stating the project's installed capacity as 7,655 kW. In a follow-up letter dated January 8, 2001, the Commission requested the licensee to verify the accuracy of capacity and provide capacity information for amending the license. On January 31, 2001, the licensee filed nameplate capacity for the generating units, which shows the turbine capacities for Units #1, #2, and #3 as 1,079 kW each. See Table 1.

REVIEW

We reviewed the turbine and generator capacity data provided by the licensee. According to the Commission's March 15, 1995, rulemaking on Charges and Fees for

¹48 FERC ¶ 62,219 (1989).

Hydroelectric Projects,² the project's authorized installed capacity is based on "... the lesser of the ratings of the generator (G) or turbine (T) units." Accordingly, the project's installed generating capacity should be 7,917 kW, as indicated in the following table:

Table 1			
Unit No.	Turbine Capacity (kW)	Generator Capacity (kW)	Limiting Capacity (kW)
No. 1	1,079	1,200	1,079 (T)
No. 2	1,079	1,200	1,079 (T)
No. 3	1,079	1,200	1,079 (T)
No. 4	750	600	600 (G)
No. 5	750	600	600 (G)
No. 6	750	700	700 (G)
No. 7	750	600	600 (G)
No. 8	750	600	600 (G)
No. 9	750	500	500 (G)
No. 10	750	600	600 (G)
No. 11	750	480	480 (G)
Total	9,237	8,280	7,917

This order amends the project description to reflect the installed capacity of the generators and turbines. This order also revises Article 208 of the license to amend the annual charges for administration of Part I of the Federal Power Act. The project's authorized capacity for annual charges purpose is changed to 7,917 kW, with an effective date of September 25, 1989.³

²See Order No. 576, 60 FR 15040 (March 15, 1995), FERC Stats & Regs. The order became effective April 21, 1995.

³The effective date is the date of the issuance of the order amending installed
(continued...)

The Director orders:

(A) The license for the Great Works Project, FERC No. 2312, is amended as provided by this order.

(B) The Project Description of the license under ordering paragraph (C)(ii) of the order is revised to read as follows:

(ii) "The project consists of a powerhouse containing eleven turbine generator units, with an authorized installed capacity of 7,917 kW, as shown in table 1 of this order...; "

(C) Article 208 of the license is amended to read as follows, with an effective date of September 25, 1989:

"For the purpose of reimbursing the United States for the cost of administration of Part I of the Act, a reasonable amount as determined in accordance with provisions of the Commission's regulations in effect from time to time. The authorized installed capacity for that purpose is 7,917 kW."

(D) 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 C.F.R. § 385.713.

Mohamad Fayyad
Compliance Team Lead, Group 2
Division of Hydropower Administration
and Compliance

OEP/DHAC Tung, H:hst 04/17/01 K04

³(...continued)
capacity and revising annual charges, 48 FERC ¶ 62,219 (1989).

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

PPL Great Works, LLC

Project No. 2312

NOTICE OF AUTHORIZATION FOR
CONTINUED PROJECT OPERATION

(April 8, 2002)

On March 31, 2000, PPL Great Works, LLC, licensee (on October 30, 2000, the Commission issued an order amending the license to reflect a name change from PP&L Great Works, LLC to PPL Great Works, LLC) for the Great Works Project No. 2312, filed an application for a new or subsequent license pursuant to the Federal Power Act (FPA) and the Commission's regulations thereunder. Project No. 2312 is located on the Penobscot River in Penobscot County, Maine.

The license for Project No. 2312 was issued for a period ending March 31, 2002. Section 15(a)(1) of the FPA, 16 U.S.C. 808(a)(1), requires the Commission, at the expiration of a license term, to issue from year to year an annual license to the then licensee under the terms and conditions of the prior license until a new license is issued, or the project is otherwise disposed of as provided in Section 15 or any other applicable section of the FPA. If the project's prior license waived the applicability of Section 15 of the FPA, then, based on Section 9(b) of the Administrative Procedure Act, 5 U.S.C. 558(c), and as set forth at 18 CFR 16.21(a), if the licensee of such project has filed an application for a subsequent license, the licensee may continue to operate the project in accordance with the terms and conditions of the license after the minor or minor part license expires, until the Commission acts on its application. If the licensee of such a project has not filed an application for a subsequent license, then it may be required, pursuant to 18 CFR 16.21(b), to continue project operations until the Commission issues someone else a license for the project or otherwise orders disposition of the project.

If the project is subject to Section 15 of the FPA, notice is hereby given that an annual license for Project No. 2312 is issued to PPL Great Works, LLC for a period effective April 1, 2002, through March 31, 2003, or until the issuance of a new license for the project or other disposition under the FPA, whichever comes first. If issuance of a new license (or other disposition) does not take place on or before April 1, 2003, notice is hereby given that, pursuant to 18 CFR 16.18(c), an annual license under Section 15(a)(1) of the FPA is renewed automatically without further order or notice by the Commission, unless the Commission orders otherwise.

If the project is not subject to Section 15 of the FPA, notice is hereby given that PPL Great Works, LLC is authorized to continue operation of the Great Works Project No. 2312 until such time as the Commission acts on its application for subsequent license.

Magalie R. Salas
Secretary

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, DC 20426

October 20, 2004

OFFICE OF ENERGY PROJECTS

Project Nos. 2721-013 and 2312-014 - Maine
Howland and Great Works Projects
PPL Maine, LLC

Mr. Scott Hall
Director of Environmental Services
PPL Maine, LLC
Davenport Street
P.O. Box 276
Milford, Maine 04461-0276

Reference: Request for Suspension of Processing Relicense Applications

Dear Mr. Hall:

On June 25, 2004, PPL Maine, LLC (PPL) filed, on behalf of itself and 15 parties, a Comprehensive Settlement Agreement (agreement) for the Lower Penobscot River Basin in Maine. The goal of the agreement is to restore access to 500 miles of fish habitat within the Penobscot River Basin while retaining 90 percent of existing hydroelectric generation. The agreement calls for phased implementation that would allow PPL and the parties time to implement various conditions, including transferring and surrendering three licenses. Generating capacity would be increased at six projects through a combination of additional generation capacity and operational changes.

The agreement filing includes a request of the Commission to delay processing the relicense applications for the Howland and Great Works Projects for five years. During this 5-year period,¹ the Penobscot River Restoration Trust (Trust) would raise the funds required to exercise an option to purchase the Howland, Great Works, and Veazie Projects from PPL, and transfer the licenses to the Trust. Once the option is exercised, the Trust would apply to surrender the licenses. The parties are also asking that certain current license requirements at the Veazie and Milford projects be delayed.²

¹ The 5-year clock started June 2004 .

² A final recreation plan for Veazie and an additional generating unit at Milford.

As you know, we encourage settlements in licensing proceedings because we believe that, in many cases, a settlement will result in a license with conditions that are acceptable to more stakeholders than might otherwise occur. In most recent cases, we've been continuing with the licensing process as the settlement process unfolds. However, in this case, the settlement agreement is complete, but, because of its phased approach, requires a number of years to fully implement. Therefore, I am granting your request on the condition that the parties show progress in implementing the agreement, specifically, in raising the funds required for the Trust to exercise their option to purchase the projects. As such, I am requiring PPL to file six-month updates, and convene an annual meeting on the status of the agreement.

If you have any questions, please call Ed Lee at (202) 502-6082, or E-mail edlee@ferc.gov.

Sincerely,

J. Mark Robinson
Director
Office of Energy Projects

cc: Service Lists for Project Nos. 2721, 2312, 2403, 2534, 2666, 2710, 2712, 2600, 10981, and Docket No. DI97-10