

**ORIGINAL**



**Upper Peninsula Power Company**  
(a subsidiary of WPS Resources Corporation)  
700 North Adams Street  
P.O. Box 19001  
Green Bay, WI 54307-9001

OFFICE OF THE  
SECRETARY

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U.S. ENERGY  
REGULATORY COMMISSION

Document # GB-1392

Mr. Thomas Polkinghorne  
2586 N. Circuit Dr.  
Merinette, WI 54143

Dear Mr. Polkinghorne:

Response and Comments Regarding your February 12, 2007 Letter

In your letter dated February 12, 2007 (Enclosed in Appendix 1) you ask: "Why was the start of the month target level of 1342 not considered in the plan you are developing?"

A start of month target of 1342 was considered in the development of the Silver Lake Reservoir Rebuild Consultation Document. It was considered because UPPCO was aware of the Deed River Camper's Resolution.

As UPPCO has indicated previously, the decision to rebuild Silver Lake Reservoir would be based upon economics. UPPCO has an obligation to its customers to make a decision on this project that is the most economical. As UPPCO has indicated, the rebuild of Silver Lake with current license and 401 Water Quality Certification conditions is not the most economical option for UPPCO's customers. Therefore, UPPCO is pursuing the emendment option.

As discussed on Page 34 of the consultation document, without Silver Lake Reservoir upstream, additional dam safety improvements or modifications to the normal water elevations at the Hoist Reservoir and Dam may be necessary. Previous studies indicate that the maximum reservoir level at the Hoist Reservoir without Silver Lake Reservoir upstream would need to be reduced permanently to 1339.0' to adequately pass the probable maximum flood (PMF) without over-topping the dam structure. Therefore, the rebuild of Silver Lake Reservoir does provide economic benefits by avoiding additional dam safety upgrades at the Hoist and McClure Dams. However when these economic benefits of avoiding additional dam safety upgrades at the Hoist and McClure Dams are considered, the rebuild of Silver Lake Reservoir is still not the most economic option for UPPCO.

As you may have recognized in the previous paragraph, the starting water level is key to determine if the dam structure can adequately pass the PMF. The higher the water level of the reservoir at the start of the PMF event, the greater the chance of the dam being over-topped during a PMF event.

The 2005 dam safety upgrades at the McClure and Hoist Dams were based upon a water level of 1341.0' because that is what the license lists for the reservoir level. Therefore, if UPPCO proposed to increase the reservoir level to 1342.0', it would need to complete a costly review of additional dam safety improvements at the Hoist and McClure Dams. In addition to the cost of the review, any additional dam safety improvements would off-set some of the savings credited to the rebuild of Silver Lake Reservoir project mentioned earlier and make the rebuild of Silver Lake Reservoir even less economical.

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Mr. Thomas Polkinghorne  
March 21, 2007  
Page 2 of 2

Document # GB-1392

Lastly, in the opening paragraph of your letter, you state: "With respect to how the pike were allowed into Silver Lake, I appreciate your admission that UPPCO's performance fell far short of your stated goals." This statement is incorrect and neither I nor UPPCO provided any admission to that effect. Although you may believe the identification of pike in Silver Lake after the event, (when the very limited fishery survey data available for the period before the event did not capture any pike) is an indicator of the success of the Dead River Recovery Effort, UPPCO does not believe this to be true and neither do I. At the public meeting on February 8, 2007 you asked if the DNR told UPPCO to put a fish barrier in the Dead River for pike. My response was as follows: "The DNR mentioned it yes".

At the time of the request, it was believed by UPPCO that an adequate pike barrier existed on the river and neither the Michigan Department of Natural Resources nor the Michigan Department of Environmental Quality pursued it further with UPPCO.

One other item you should be aware of is that the MDNR also mentioned immediately after the event in 2003 the whole Silver Lake fishery should receive a treatment of rotenone to eliminate the current population and start over. This recommendation was mentioned in 2003 prior to any documented capture of northern pike in Silver Lake by the fishery studies conducted by UPPCO in 2005. Therefore, the MDNR was not satisfied with the fishery in Silver Lake even before the 2003 event and any documented capture of northern pike in Silver Lake.

Sincerely,



Shawn C. Puzen  
Environmental Consultant  
Telephone: (920) 433-1094

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Enc.

cc: Mr. Keith Moyle, UPPCO - UISC  
Ms. Elyse Stackhouse, WPSC - G4  
Mr. Greg Egtvedt, WPSC - D2  
Mr. Mitch Koetje, MDEQ  
Mr. Steve Casey, MDEQ  
Mr. Gil Snyder, WPSC - D2  
Mr. Conrad Weis, WPSC - D2  
Mr. TJ Lo Vullo, FERC  
Ms. Magalie Saias, FERC  
Ms. Pet Grant, FERC - Chicago  
Mr. George Madison, MDNR - Barage

## Appendix 1

2586 N. Circuit Dr.  
Marinette, WI 54143

February 12, 2007

Shawn Puzen  
UPPCO  
P. O. Box 19001  
Green Bay, WI 54307-9001

Dear Mr.Puzen,

You stated UPPCO's goals at the public meeting on February 8<sup>th</sup>, some of which are to enhance the positive environmental impacts and minimize the negative environmental impacts on the resources. With respect to how the pike were allowed into Silver Lake, I appreciate your admission that UPPCO's performance fell far short of your stated goals.

I asked a question about the resolution which was ~~passed~~ by the Dead River Campers Inc. membership on July 8, 2006, to petition FERC and MDEQ to raise the start of the month target elevation to 1342. I could not have been more disappointed by Mr. Meyer's response. It was as if he had not heard of the resolution. I would like to remind him that I called him, along with others in October of 2006 to inquire if he had been informed that the DRCI resolution was passed.

The question I am now asking is: Why was the start of the month target level of 1342 not considered in the plan you are developing?

Let me briefly review the history of the target water level at the Hoist. FERC, MDEQ and the DNR initially proposed 1342 during the license renewal. Then a small but powerful group of DRCI campers, a number of who were then or are now on the DRCI board, persuaded members to support lowering the target to 1340.5. When it was realized what this new level actually looked like the DRCI board asked that the level be raised to 1341 in an effort to appease the vast majority of upset campers, who by that time learned to appreciate the actual historic average water level of 1341.8. Despite that attempt, now the membership has approved a resolution requesting 1342 be the start of the month target level. So I ask again, why is there no consideration of 1342 in your plan?

I am enclosing a copy of the resolution. Notice that the resolution is very clearly written. Contrary to whatever you may have heard from anyone else it is all about restoring the basin to its historic levels. I applaud FERC, MDEQ and the DNR for their original recommendation of 1342 during the re-licensing. They all got it right the first time. I assure you the voting membership of DRCI will be pleased to see the Hoist basin restored to the level of 1342. At the public meeting you must have heard many individual campers plead for higher water levels, and for a longer period of time.

As I read through all the goals listed in your summary document, there appears to be only one that is in conflict with 1342, that being to make only minimal changes in the license and certification, yet be reminded the DRCI membership has voted to request this change. We, the members believe 1342 is in line with the goals of improved water levels in the Hoist basin, enhanced cold water fish habitat, less hazardous conditions for water sport activities and, most importantly to UPPCO, more efficient generation of electricity. This has been a long nightmare of bad events, from the manipulation of the historic water level, to the failure of the dike, to the draw-downs for repairs and the ongoing low water levels. How long must we wait for it to finally be over? With respect to 1342, are you betting the membership of the DRCI will allow you to fall short of your goals as you did with allowing the pike to get into Silver Lake?

I expect your written reply to these questions by February 23<sup>rd</sup>, 2007.

I strongly support restoring Silver Lake. This is also a golden opportunity to restore the Hoist basin.

Sincerely,



Thomas Polkinghorne

C.C. Mitch Koetje, MDEQ  
C.C. T. J. LoVullo, FERC  
C.C. George Madison, DNR

## Water Level Resolution

**WHEREAS:** The "target water elevation" of 1341 in the Hoist Basin of the Dead River has resulted in unintended negative consequences to fish and other aquatic wildlife, fishing, boating and campers, to the point of denying access to the basin to some campers, and

**WHEREAS:** The establishment of a "minimum water flow requirement" in the recent license agreement renders it impossible for UPPCO to maintain even the "minimum target water elevation" of 1339.5 during periods of little rain, and

**WHEREAS:** It is generally accepted that the "target water elevation" of 1341 is significantly below the actual historic water level in the basin.

**BE IT RESOLVED:** The Board Of Directors shall petition MDEQ and FERC to raise the "start of the month target elevation" to 1342.