FEDERAL ENERGY REGULATORY COMMISSION Washington, D.C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 10855-237, -258 Michigan Dead River Hydroelectric Project Upper Peninsula Power Company

April 11, 2016

Mr. Virgil E. Schlorke, Director Upper Peninsula Power Company 1002 Harbor Hills Drive Marquette, MI 49855

Subject: 2015 Annual Report of Deviation Less Than Sixty Minutes

Dear Mr. Schlorke:

This is in response to your 2015 annual report regarding minimum flow deviations lasting 60 minutes or less filed on February 25, 2016, for the Dead River Hydroelectric Project No. 10855. The project is located on the Dead River, in Marquette County, Michigan. You submitted the filing pursuant to Article 403 of the license and the approved Operations Monitoring Plan. For reasons discussed below, we determined that these deviations are not violations of your license.

License Requirements

Article 403 of the Dead River Hydroelectric Project license requires you to maintain continuous minimum flows downstream of the McClure and Hoist powerhouses of 80 cubic feet per second (cfs), and 100 cfs, respectively, for the protection and enhancement of water quality, recreation, and aquatic resources in the Dead River. You may temporarily modify, releases from the project if required by operating emergencies beyond your control or for short periods. An Order Amending License issued September

¹ Upper Peninsula Power Company, 101 FERC ¶ 62,013 (2002), and Upper Peninsula Power Company, 136 FERC ¶ 62,186 (2011).

1, 2011,² revised your reporting requirements under Articles 402 and 403 of the license. Pursuant to Articles 402 and 403 of your license, you must submit an annual report, which includes reservoir and minimum flow deviations lasting 60 minutes or less. You must provide the report to the Michigan Department of Natural Resources (Michigan DNR) and the U.S. Fish and Wildlife Service (FWS), by January 31 of each year. In addition, you must file the report with the Commission by February 28 of each year along with any resource agency comments and your response to those comments.

Deviation Incidents

In the filing, you reported four minor minimum flow deviations that lasted 60 minutes or less, as summarized in the following Table 1 below. You stated that you did not observe any adverse environmental impacts during the events. In addition, in a letter dated January 22, 2016 you consulted with the Michigan DNR and the FWS, and received no comments regarding the report.

Table 1: Summary of Deviations

| Dates/Location | Duration | Deviation | Reason | Violation |
|-----------------------|------------|-------------------------------|----------------|-----------|
| 4/08/2015 | 11 minutes | Plant tripped offline causing | Electrical | No |
| Hoist Plant | | the flow to drop to 0 cfs, | Ground | |
| | | which was below the | removed | |
| | | required 100 cfs. | during | |
| | | | maintenance | |
| | | | work. | |
| 4/10/2015 | 25 minutes | Plant tripped offline causing | Packing | No |
| McClure Plant | | the flow to drop to 0 cfs, | burned while | |
| | | which was below the | adjusting unit | |
| | | required 80 cfs. | for operation. | |
| 11/18/2015 | 26 minutes | Plant tripped offline causing | Tree on line | No |
| Hoist Plant | | the flow to drop to 0 cfs, | caused | |
| | | which was below the | transmission | |
| | | required 100 cfs. | trip. | |
| 11/30/2015 | 11 minutes | Unit 1 tripped offline | Packing | No |
| McClure Plant | | causing the flow to drop to 0 | problems after | |
| | | cfs, which was below the | both units | |
| | | required 80 cfs. | were swapped. | |

² Upper Peninsula Power Company, 132 FERC ¶ 62,089 (2011).

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Conclusion

After reviewing the information provided in your report, we have determined that the reported minimum flow deviations resulted from equipment malfunction, and maintenance performed at both developments. Therefore, we will not consider the deviations shown in the above Table 1, violations of Article 403 of your license. In each case, you followed the appropriate procedure, and restored minimum flow operations in a timely manner. Your 2015 annual report fulfills the requirements of the license. Your next annual report is due on February 28, 2017.

Thank you for your cooperation in this matter. If you have any questions concerning this letter, please contact Anumzziatta Purchiaroni at (202) 502-6191, or anumzziatta.purchiaroni@ferc.gov.

Sincerely,

Kelly Houff Chief, Engineering Resources Branch Division of Hydropower Administration and Compliance

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