

May 8, 2012

Upper Peninsula Power Company

700 North Adams Street P.O. Box 19001 Green Bay, WI 54307-9001 www.uppco.com

Ms. Kimberly D. Bose, Secretary
The Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Dear Secretary Bose:

Boney Falls Project Seepage Remediation Project

On March 26, 2012, the Federal Energy Regulatory Commission (FERC) provided a response to the Upper Peninsula Power Company (UPPCO)'s February 13, 2012 letter and March 6, 2012 electronic mail requesting an extension of time to submit a redesign report for the Boney Falls Hydroelectric Project. UPPCO requested an extension of time for the design and construction of the project that would address seepage at the right embankment. The FERC did not approve UPPCO's request for extension and instead is requiring UPPCO to conduct work at the Boney Falls Hydroelectric Project to mitigate risk with foundation seepage under the right embankment in 2012. FERC indicated that they have concerns with potential downstream impacts. A copy of March 26, 2012 FERC Letter is included in Appendix A.

The Boney Falls Hydroelectric Project is located on the Escanaba River approximately 22 miles upstream from the City of Escanaba Michigan. A Site Location Figure is included in Appendix B.

UPPCO is proposing to address the issue by capping larger sinkholes observed upstream of the right embankment. The sinkholes are thought to be a contributor to the seepage flows and UPPCO believes that by capping the sinkholes, the seepage concerns can be adequately addressed. UPPCO is proposing to excavate sediment in the sinkholes and add concrete into the sinkhole. UPPCO will then add earthen material on top of the concrete. The sinkhole locations are included in Appendix B.

In order to reduce the seepage flows, access the sinkholes and apply the concrete, UPPCO will need to drawdown the Boney Falls reservoir. The drawdown will be no greater than 9.5 feet below the existing pool level. The current pool is drawn down 4.67 feet from normal pool elevation. The total drawdown from normal pool elevation including the 9.5 feet, would be no greater than 14.17 feet or to an elevation of 892.0 ± 0.3 feet local USGS.

To plug the sinkholes, UPPCO proposes to mobilize equipment that will be applying concrete. The concrete will be placed in the excavated sinkhole. Once adequate coverage is in the sinkholes, UPPCO proposes to add earthen material. The lowest elevation of the sinkholes is 892 feet local USGS; the requested drawdown depth.

During the drawdown activities, UPPCO is also proposing to remove an existing timber crib that was constructed in the 1930's. A portion of the timber crib is located on top of one of the sinkholes on the up river portion of the embankment. The design of the timber crib may be creating a funneling effect and increasing the flows coming into the largest sinkhole. To alleviate this issue, UPPCO is proposing to remove a portion of the timber crib. The wood will be removed from the reservoir and the rocks will be left in the

Secretary Kimberly D. Bose May 8, 2012 Page 2

reservoir bottom. The timber crib excavation will be no greater than 1,500 square feet. Photographs of the sinkhole and timber are included in Appendix B.

On April 17, 2012, UPPCO submitted an application to the Michigan Department of Environmental Quality (MDEQ) under Part 301 to draw down the reservoir and for the work being completed on the floor of the reservoir.

Minor earth disturbing activities may be completed within 500 feet of a waterway; therefore UPPCO submitted for a sediment control permit from the Delta County Conservation District on May 8, 2012.

FERC has required that some work be completed in 2012 to address potential downstream impacts. Because of this, UPPCO must complete the work as soon as FERC approval is received. UPPCO is proposing to draw down the reservoir no earlier than July 15, 2012. This later start date should minimize any impacts to spawning fish.

In addition, UPPCO provides funding for fish mitigation through the Fish Mitigation and Management Plan. This fund is intended to act as mitigation for any unintended impacts to the fisheries during the operation of the Boney Falls Hydroelectric Project. Drawdowns are a normal part of the operation of the Boney Falls Hydroelectric Project. As a result, the requirements of the current Fish Mitigation and Management Plan have already addressed impacts due to drawdowns.

To help reduce some fisheries concerns during the drawdown, UPPCO is proposing to lower the reservoir at a rate not to exceed 0.5 feet per day, even though the approved drawdown plan allows for a maximum drawdown rate of 2.0 feet per day. UPPCO has observed during the 2008 drawdown that at this rate most aquatic organisms can migrate to the inundated portion of reservoir as the drawdown proceeds.

To further reduce impacts to fisheries, UPPCO is proposing to complete stranded organism surveys. Surveys will be completed every 2.0 feet up to the 9.5 feet below the current pool elevation or until the reservoir is drawn down to the natural river channel. Organisms identified during the surveys will be returned to the inundated portion of the reservoir.

Additionally, UPPCO will institute measures to reduce downstream fisheries impacts during the drawdown. UPPCO is anticipating that the units will continue to operate and downstream flows will remain consistent while the reservoir is drawn down. This will help to ensure any sediment passed downstream will be minimal.

To minimize the passage of predator fish downstream, UPPCO will be installing a ¼ inch mesh fish barriers on the intake structures.

In addition, downstream augmentation will continue as approved in the FERC Order Approving Flow Augmentation Plan dated July 15, 1997. With the deep water intakes at the Boney Falls Hydroelectric Project, augmentation activities will still result in cold water releases downstream.

UPPCO is anticipating that the units will be able to continue to generate and UPPCO will continue run of river operations as outlined in Article 401 and 408 of the current FERC license dated July 13, 1995.

Secretary Kimberly D. Bose May 8, 2012 Page 3

Recreational activities at the Boney Falls Hydroelectric Project will also observe short term impacts. The boat landing on the west side of Boney Falls Hydroelectric Project may become unusable by larger boats because of the drawdown. A campground located near the boat landing will not be closed, however water recreational opportunities will be reduced.

The overall recreational use of the area will be impacted by the drawdown of the reservoir. However, any recreational impacts will be temporary and will be returned to current usage upon completion of the Boney Falls Seepage Remediation Project.

UPPCO will also develop a communication plan, providing a media release and public signage prior to beginning the Boney Falls Seepage Remediation Project. Communication will include the location of the impacted recreational sites and anticipated duration of the drawdown. The public signage will be placed at the affected sites.

According to the FERC modified and approved Reservoir Drawdown Plan dated January 9, 1997, UPPCO is to submit a drawdown plan to the resource agencies and provide 30 days for comment prior to the submittal of the plan for FERC approval. The Boney Falls Seepage Remediation Drawdown Plan is included as Appendix C.

UPPCO has contacted the resource agency representatives via telephone to discuss the project. UPPCO has provided a summary of the project and the critical natural of this work. Because of this, UPPCO requested that the resource agencies provided comments on the drawdown within fifteen (15) days of receiving the information, instead of the standard thirty (30) days as indicated in the approved drawdown plan. On April 23, 2012, UPPCO provided the drawdown plan and cover letter to the Michigan Department of Natural Resources (MDNR) and U.S. Fish & Wildlife Service (USFWS). On May 7, 2012, UPPCO also provided an electronic mail to the MDNR and USFWS providing a change in the drawdown schedule. In the April 23, 2012 submittal, UPPCO had indicated that the drawdown is to start no earlier than June 1, 2012. In further conservations internally and with FERC staff, UPPCO believes the start of the drawdown would be more likely after July 15, 2012. This change has been updated in the drawdown plan to FERC. The MDNR provided comments on May 2 and May 7, 2012. The USFWS provided comments on May 8, 2012. Documentation of consultation is provided in Appendix D.

Should you have any questions relative to this material, please do not hesitate to call Jamie Nuthals at (920) 433-1460.

Sincerely,

Terry P. Jensky

Vice President – Generation Assets

for Wisconsin Public Service

cc: Mr. Robert Meyers, UPPCO

Mr. Benedict Trotter, IBS

Mr. John Myers, WPS

Mr. Virgil Schlorke, UPPCO

Mr. Gil Snyder, WPS

Mr. Peter Chapman, FERC Chicago

APPENDIX C

BONEY FALLS SEEPAGE REMEDIATION PROJECT DRAWDOWN PLAN

Introduction:

The Federal Energy Regulatory Commission (FERC) has required Upper Peninsula Power Company (UPPCO) to complete work at the Boney Falls Hydroelectric Project to address potential downstream impacts.

UPPCO is proposing to address the issue by capping the sinkholes observed upstream of the right embankment with the addition of concrete in the sinkholes. The capping of the sinkhole should reduce the flows observed under the right embankment foundation. In order to address the seepage flows, access the sinkholes and apply the concrete, UPPCO must drawdown the reservoir.

Drawdown:

UPPCO will need to draw down the Boney Falls reservoir no greater than 9.5 feet below the existing pool level. The drawdown in total would be no greater than 14.17 feet from normal pool elevation, including the current 4.67 foot drawdown. The total drawdown from normal pool elevation would then be no greater than 14.17 feet or to an elevation of 892.0 ± 0.3 feet local USGS.

UPPCO will also submit an application to the Michigan Department of Environmental Quality (MDEQ) under Part 301 to draw down the reservoir to the necessary level.

Drawdown Schedule and Rate of Drawdown:

The drawdown is scheduled to begin as soon as FERC approval is received, but is proposed no earlier than July 15, 2012. The maximum drawdown rate is 0.5 feet per day. Drawdown will occur while releasing water through the turbines, and possibly the spillway gates.

UPPCO is anticipating that the units will be able to continue to generate and downstream flows will remain consistent while the reservoir is drawn down. This should help to ensure that if any sediment is passed downstream, it is minimal.

Project Schedule:

Construction is anticipated to begin as soon as FERC approval is received and be complete no later than November 30, 2012.

Refill Schedule and Rate:

Refilling of the reservoir will begin no later than November 30, 2012. Refilling of the reservoir shall occur while releasing from the project, a minimum of 60 percent inflow based upon an adjusted flow at the Cornell USGS gage or 500 cfs whichever is less. The reservoir will be refilled at no greater than 1.0 foot per day. The reservoir will then be returned to the current elevation of 901.5± 0.3 feet local USGS, no later than December 31, 2012 provided normal inflows are observed.

Stranded Aquatic Organism Monitoring Efforts:

UPPCO is proposing to complete stranded organism surveys. Survey will be completed every 2.0 feet down to the 9.5 feet below normal pool elevation or until the reservoir is drawdown to the natural river channel. Organisms identified during the surveys will be returned to the inundated portion of the reservoir.

Records of the identified organisms, including survey date, species type and number of species stranded will be provided to the Michigan Department of Natural Resources (MDNR) within 30 days of the

completion of the surveys. Records will also be provided to the FERC and other resource agencies upon their request.

Agency Contact and Participation:

UPPCO has contacted the resource agency representatives via telephone to discuss the project. UPPCO has provided a summary of the project and the critical natural of this work. Because of this, UPPCO requested that the resource agencies provided comments on the drawdown within fifteen (15) days of receiving the information, instead of the standard thirty (30) days as indicated in the approved drawdown plan. On April 23, 2012, UPPCO provided the drawdown plan and cover letter to the Michigan Department of Natural Resources (MDNR) and U.S. Fish & Wildlife Service (USFWS). On May 7, 2012, UPPCO also provided an electronic mail to the MDNR and USFWS providing a change in the drawdown schedule. In the April 23, 2012 submittal, UPPCO had indicated that the drawdown is to start no earlier than June 1, 2012. In further conservations internally and with FERC staff, UPPCO believes the start of the drawdown would be more likely after July 15, 2012. This change has been updated in the drawdown plan to FERC. The MDNR provided comments on May 2 and May 7, 2012. The USFWS provided comments on May 8, 2012.

APPENDIX D

Documentation of Consultation



Upper Peninsula Power Company

700 North Adams Street P.O. Box 19001 Green Bay, WI 54307-9001 www.uppco.com

April 23, 2012

Mr. Kyle Kruger Michigan Department of Natural Resources Mio Field Office 191 S. Mt. Tom Rd Mio, MI 48647

Dear Mr. Kruger:

Boney Falls Project Seepage Remediation Project

On March 26, 2012, the Federal Energy Regulatory Commission (FERC) provided a response to the Upper Peninsula Power Company (UPPCO)'s February 13, 2012 letter and March 6, 2012 electronic mail requesting an extension of time to submit a redesign report for the Boney Falls Hydroelectric Project. UPPCO requested an extension of time for the design and construction of the project that would address seepage at the right embankment. The FERC did not approve UPPCO's request for extension and instead is requiring UPPCO to conduct work at the Boney Falls Hydroelectric Project to mitigate risk with foundation seepage under the right embankment in 2012. FERC indicated that they have concerns with potential downstream impacts. A copy of March 26, 2012 FERC Letter is included in Appendix A.

The Boney Falls Hydroelectric Project is located on the Escanaba River approximately 22 miles upstream from the City of Escanaba Michigan. Please reference Figure 1.

UPPCO is proposing to address the issue by capping larger sinkholes observed upstream of the right embankment. The sinkholes are thought to be a contributor to the seepage flows and UPPCO believes that by capping the sinkholes, the seepage concerns can be adequately addressed. UPPCO is proposing to excavate sediment in the sinkholes and add concrete into the sinkhole. UPPCO will then add earthen material on top of the concrete. The sinkhole locations are included in Figure 2.

In order to reduce the seepage flows, access the sinkholes and apply the concrete, UPPCO will need to drawdown the Boney Falls reservoir. The drawdown will be no greater than 9.5 feet below the existing pool level. The current pool is drawndown 4.67 feet from normal pool elevation. The total drawdown from normal pool elevation including the 9.5 feet, would be no greater than 14.17 feet or to an elevation of 892.0 ± 0.3 feet local USGS.

To plug the sinkholes, UPPCO proposes to mobilize equipment that will be applying concrete. The concrete will be placed in the excavated sinkhole. Once adequate coverage is in the sinkholes, UPPCO proposes to add earthen material. The lowest elevation of the sinkholes is 892 feet local USGS; the requested drawdown depth.

During the drawdown activities, UPPCO is also proposing to remove an existing timber crib that was constructed in the 1930's. A portion of the timber crib is located on top of one of the sinkholes on the up river portion of the embankment. The design of the timber crib may be creating a funneling effect and increasing the flows coming into the largest sinkhole. To alleviate this issue, UPPCO is proposing to remove a portion of the timber crib. The wood will be removed from the reservoir and the rocks will be left in the

Mr. Kyle Krueger April 23, 2012 Page 2

reservoir bottom. The timber crib excavation will be no greater than 1,500 square feet. Photographs of the sinkhole and timber are included in Appendix B.

UPPCO will be submitting an application to the Michigan Department of Environmental Quality (MDEQ) under Part 301 to draw down the reservoir and for the work being completed on the floor of the reservoir.

The construction area will encompass less than 1.0 acre, therefore UPPCO will not need to apply for a sediment control permit.

FERC has required that some work be completed in 2012 to address potential downstream impacts. Because of this, UPPCO must complete the work as soon as FERC approval is received. UPPCO is proposing to draw down the reservoir no earlier than June 1, 2012 which could be during the spawning activity of some species of fish. However, well above normal temperatures have been observed throughout the Upper Peninsula of Michigan and fish spawning has begun weeks earlier for some species, therefore it is anticipated that impacts to spawning fish maybe reduced due to the warmer than normal temperature conditions.

In addition, UPPCO provides funding for fish mitigation through the Fish Mitigation and Management Plan. This fund is intended to act as mitigation for any unintended impacts to the fisheries during the operation of the Boney Falls Hydroelectric Project. Drawdowns are a normal part of the operation of the Boney Falls Hydroelectric Project. As a result, the requirements of the current Fish Mitigation and Management Plan have already addressed impacts due to drawdowns.

To help reduce some fisheries concerns during the drawdown, UPPCO is proposing to lower the reservoir at a rate not to exceed 0.5 feet per day, even though the approved drawdown plan allows for a maximum drawdown rate of 2.0 feet per day. UPPCO has observed during the 2008 drawdown that at this rate most aquatic organisms can migrate to the inundated portion of reservoir as the drawdown proceeds.

To further reduce impacts to fisheries, UPPCO is proposing to complete stranded organism surveys. Surveys will be completed every 2.0 feet up to the 9.5 feet below the current pool elevation or until the reservoir is drawn down to the natural river channel. Organisms identified during the surveys will be returned to the inundated portion of the reservoir.

Additionally, UPPCO will institute measures to reduce downstream fisheries impacts during the drawdown. UPPCO is anticipating that the units will continue to generate and downstream flows will remain consistent while the reservoir is drawn down. This will help to ensure any sediment passed downstream will be minimal.

To minimize the passage of predator fish downstream, UPPCO will be installing a ¼ inch mesh fish barriers on the intake structures.

In addition, downstream augmentation will continue as approved in the FERC Order Approving Flow Augmentation Plan dated July 15, 1997. With the deep water intakes at the Boney Falls Hydroelectric Project, augmentation activities will still result in cold water releases downstream.

UPPCO is anticipating that the units will be able to continue to generate and UPPCO will continue run of river operations as outlined in Article 401 and 408 of the current FERC license dated July 13, 1995.

Mr. Kyle Krueger April 23, 2012 Page 3

Recreational activities at the Boney Falls Hydroelectric Project will also observe short term impacts. The boat landing on the west side of Boney Falls Hydroelectric Project may become unusable by larger boats because of the drawdown. A campground located near the boat landing will not be closed, however water recreational opportunities will be reduced.

The overall recreational use of the area will be impacted by the drawdown of the reservoir. However, any recreational impacts will be temporary and will be returned to current usage upon completion of the Boney Falls Seepage Remediation Project.

UPPCO will also develop a communication plan, providing a media release and public signage prior to beginning the Boney Falls Seepage Remediation Project. Communication will include the location of the impacted recreational sites and anticipated duration of the drawdown. The public signage will be placed at the affected sites.

According to the FERC modified and approved Reservoir Drawdown Plan dated January 9, 1997, UPPCO is to submit a drawdown plan to the resource agencies and provide 30 days for comment prior to the submittal of the plan for FERC approval. The Boney Falls Seepage Remediation Drawdown Plan is included as Appendix C.

UPPCO has contacted the resource agency representatives via telephone to discuss the project. UPPCO has provided a summary of the project and the critical natural of this work. Because of this, UPPCO is requesting that the resource agencies provided comments on the drawdown within fifteen (15) days of receiving the information, instead of the standard thirty (30) days as indicated in the approved drawdown plan.

Should you have any questions relative to this material, please do not hesitate to contact me at (920) 433-1460.

Sincerely,

Jamie Nuthals

Environmental Services
Natural Resource Management

Telephone: (920) 433-1460

Enc.



April 23, 2012

Upper Peninsula Power Company

700 North Adams Street P.O. Box 19001 Green Bay, WI 54307-9001 www.uppco.com

Mr. James Bettaso
U.S. Fish & Wildlife Service
East Lansing Field Office
2651 Coolidge Road
East Lansing, MI 48823

Dear Mr. Bettaso:

Boney Falls Project Seepage Remediation Project

On March 26, 2012, the Federal Energy Regulatory Commission (FERC) provided a response to the Upper Peninsula Power Company (UPPCO)'s February 13, 2012 letter and March 6, 2012 electronic mail requesting an extension of time to submit a redesign report for the Boney Falls Hydroelectric Project. UPPCO requested an extension of time for the design and construction of the project that would address seepage at the right embankment. The FERC did not approve UPPCO's request for extension and instead is requiring UPPCO to conduct work at the Boney Falls Hydroelectric Project to mitigate risk with foundation seepage under the right embankment in 2012. FERC indicated that they have concerns with potential downstream impacts. A copy of March 26, 2012 FERC Letter is included in Appendix A.

The Boney Falls Hydroelectric Project is located on the Escanaba River approximately 22 miles upstream from the City of Escanaba Michigan. Please reference Figure 1.

UPPCO is proposing to address the issue by capping larger sinkholes observed upstream of the right embankment. The sinkholes are thought to be a contributor to the seepage flows and UPPCO believes that by capping the sinkholes, the seepage concerns can be adequately addressed. UPPCO is proposing to excavate sediment in the sinkholes and add concrete into the sinkhole. UPPCO will then add earthen material on top of the concrete. The sinkhole locations are included in Figure 2.

In order to reduce the seepage flows, access the sinkholes and apply the concrete, UPPCO will need to drawdown the Boney Falls reservoir. The drawdown will be no greater than 9.5 feet below the existing pool level. The current pool is drawndown 4.67 feet from normal pool elevation. The total drawdown from normal pool elevation including the 9.5 feet, would be no greater than 14.17 feet or to an elevation of 892.0 ± 0.3 feet local USGS.

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During the drawdown activities, UPPCO is also proposing to remove an existing timber crib that was constructed in the 1930's. A portion of the timber crib is located on top of one of the sinkholes on the up river portion of the embankment. The design of the timber crib may be creating a funneling effect and increasing the flows coming into the largest sinkhole. To alleviate this issue, UPPCO is proposing to remove a

Mr. James Bettaso April 23, 2012 Page 3

UPPCO is anticipating that the units will be able to continue to generate and UPPCO will continue run of river operations as outlined in Article 401 and 408 of the current FERC license dated July 13, 1995.

Recreational activities at the Boney Falls Hydroelectric Project will also observe short term impacts. The boat landing on the west side of Boney Falls Hydroelectric Project may become unusable by larger boats because of the drawdown. A campground located near the boat landing will not be closed, however water recreational opportunities will be reduced.

The overall recreational use of the area will be impacted by the drawdown of the reservoir. However, any recreational impacts will be temporary and will be returned to current usage upon completion of the Boney Falls Seepage Remediation Project.

UPPCO will also develop a communication plan, providing a media release and public signage prior to beginning the Boney Falls Seepage Remediation Project. Communication will include the location of the impacted recreational sites and anticipated duration of the drawdown. The public signage will be placed at the affected sites.

According to the FERC modified and approved Reservoir Drawdown Plan dated January 9, 1997, UPPCO is to submit a drawdown plan to the resource agencies and provide 30 days for comment prior to the submittal of the plan for FERC approval. The Boney Falls Seepage Remediation Drawdown Plan is included as Appendix C.

UPPCO has contacted the resource agency representatives via telephone to discuss the project. UPPCO has provided a summary of the project and the critical natural of this work. Because of this, UPPCO is requesting that the resource agencies provided comments on the drawdown within fifteen (15) days of receiving the information, instead of the standard thirty (30) days as indicated in the approved drawdown plan.

Should you have any questions relative to this material, please do not hesitate to contact me at (920) 433-1460.

Sincerely,

Jamie Nuthals

Environmental Services Natural Resource Management

Telephone: (920) 433-1460

Enc.

APPENDICES AND FIGURES PROVIDED TO THE RESOURCE
AGENCIES ARE THE SAME APPENDICES AND FIGURES
INCLUDED IN THIS FERC SUBMITTAL. UPPCO HAS NOT
INCLUDED THE APPENDICES AND FIGURES IN AN EFFORT TO
REDUCE THE OVERALL SIZE OF THE DOCUMENT

MDNR COMMENTS



STATE OF MICHIGAN DEPARTMENT OF NATURAL RESOURCES LANSING



May 2, 2012

Jamie Nuthals
Environmental Services
Natural Resources Management
Upper Peninsula Power Company
700 N. Adams St.
Box 19001
Green Bay, WI 54307-9001

RE: BONEY FALLS PROJECT (FERC NO. 2506) RESERVIOR DRAWDOWN PLAN FOR SEEPAGE REPAIRS TO THE RIGHT EMBANKMENT

Dear Mr. Nuthals,

The Michigan Department of Natural Resources (Department) has reviewed your proposed Reservoir Drawdown Plan and we do have some comments. The drawdown rate and refill rate are acceptable. The Department appreciates UPPCO proactively including a stranded organism survey to monitor for impacted organisms during the drawdown. If possible the Department would prefer to see the refill date moved to an earlier date in the fall. Many organisms use the bottom sediments of the impoundment for overwintering and refill during December may negatively affect those organisms by having the sediments dewatered when they attempt to begin hibernation. The Department does understand that making the embankments safe by minimizing seepage is critical and therefore needs to take precedent.

You indicated that the area of construction is less than one acre and therefore you do not need to apply for a soil erosion control permit. I believe that is incorrect. The Department's understanding is that a permit is required for earth disturbances greater than one acre *or* within 500 feet of a lake or river. Since you will be working within 500 feet of the river, a permit will be required. The Department recommends you correct this statement in the drawdown plan and make arrangements for your SESC plan and permit.

If you have any questions or comments, please feel free to contact me at:

MIO FIELD OFFICE MICHIGAN DEPARTMENT OF NATURAL RESOURCES 191 S MT. TOM RD MIO MI 48647 Mr. James Nuthals, UPPCO Boney Falls Drawdown Plan Comments May 2, 2012 Page 2

Sincerely,

Kyle Kruger

Senior Fisheries Biologist Habitat Assessment Sub-Unit FISHERIES DIVISION

(989) 826-3211 x 7073

cc James Bettaso, USFWS, E. Lansing Chris Freiburger, Fisheries, Lansing

Nuthals, James D

From:

Kruger, Kyle (DNR) [KRUGERK@michigan.gov]

Sent:

Monday, May 07, 2012 2:35 PM

To:

Nuthals, James D; 'James Bettaso@fws.gov'

Subject:

RE: Boney Falls Project Seepage Remediation Project Drawdown

The MDNR appreciates the opportunity to comment. As we discussed on the phone, the MDNR does not have any additional comments. UPPCO's proposed the end dates of the construction/repair work remain the same and if possible will complete prior to that. Since the overall window has not shifted, only the start date of the drawdown, we're still within what we commented on.

Please advise us when you have completed your filings and have received permission to move forward by FERC. Let me know if you have any questions.

Kyle

From: Nuthals, James D [mailto:JDNuthals@integrysgroup.com]

Sent: Monday, May 07, 2012 3:29 PM

To: Kruger, Kyle (DNR); 'James_Bettaso@fws.gov'

Subject: Boney Falls Project Seepage Remediation Project Drawdown

Greetings,

Kyle, per our conversation today, I am following up with an update on the proposed drawdown beginning date for the Boney Falls Project Seepage Remediation Project Drawdown Plan submitted to your attention on April 23, 2012. In addition, I spoke with Upper Peninsula Power Company (UPPCO)'s Director of Dam Safety and Project Manager for this project after our conversation today, and we discussed the project in greater detail and can state that UPPCO will be starting the drawdown no earlier than July 15, 2012.

This is a change from the no earlier than June 1, 2012 beginning of drawdown date provided in the April 23, 2012 submittal and different than the September 1, 2012 date, as discussed today. It is UPPCO's opinion, that by starting the drawdown no earlier than July 15, 2012, it should benefit spawning fish species and still provide a reasonable opportunity to obtain the Federal Energy Regulatory Commission (FERC) approval to begin the drawdown and try to refill the reservoir prior to use by those species who use the reservoir for hibernation.

Kyle and Jamie, can you please provide any questions or comments with this proposed change in date of beginning the drawdown.

Again, I appreciated your time in this matter.

Sincerely,

James D Nuthals

Natural Resource Management | Environmental Services | Integrys Business Support, LLC

920-433-1460

920-309-0741 cell (please note cell phone number change)

920-433-1176 fax

idnuthals@integrysgroup.com

www.integrysgroup.com

Providing support for Integrys Energy Group, Integrys Energy Services, Michigan Gas Utilities, Minnesota Energy Resources, North Shore Gas, Peoples Gas, Upper Peninsula Power Company, Wisconsin Public Service, and Wisconsin River Power.

Michigan Department of Natural Resources (MDNR) Comments and Upper Peninsula Power Company (UPPCO) Responses

May 2, 2012 Letter

MDNR Comment:

The drawdown rate and refill are acceptable.

UPPCO Response:

Comment Noted.

MDNR Comment:

If possible, the Department would prefer to see the refill date moved to an earlier date in the fall. Many organisms use the bottom sediments of the impoundment for overwintering and refill during December may negatively affect those organisms by having the sediments dewatered when they attempt to begin hibernation.

UPPCO Response:

The project schedule depends on the Federal Energy Regulatory Commission (FERC) approval to begin the drawdown and FERC must approve the refill of the project upon completion of the project which could include reservoir hold points. In addition, refilling of the reservoir is depended on reservoir inflows, higher inflows would allow for a more rapid reservoir refill.

UPPCO anticipates that the work should be no greater than two months in duration once the drawdown is complete, however the approval for the drawdown, the approval for refill of the reservoir and the amount of inflows coming into the reservoir are factors outside the control of UPPCO.

MDNR Comment:

The Department does understand that making the embankment safe by minimizing seepage is critical and therefore needs to take precedent.

UPPCO Response:

Comment Noted.

MDNR Comment:

You indicated that the area of construction is less than one acre and therefore you do not need to apply for a soil erosion control permit. I believe that is incorrect. The Department's understanding is that a permit is required for earth disturbances greater than one acre or within 500 feet of a lake or river. Since you will be working within 500 feet of a lake or river, a permit will be required. The Department

recommends you correct this statement in the drawdown plan and make arrangements for your SESC plan and permit.

UPPCO Response:

Comment Noted. The plan has been updated and UPPCO will submit for a Soil Erosion and Sediment Control Plan from the Delta County Conservation District.

The original plan called for work to be completed below the ordinary high watermark (OHWM) of the UPPCO Escanaba Hydroelectric Project Dam #4, therefore UPPCO's activities would be covered under a part 301 issued by the Michigan Department of Environmental Quality.

However, UPPCO may need to upgrade the staging area and access roads, which are located within 500 feet of the OHWM of the Escanaba Hydroelectric Project Dam #4. Therefore, UPPCO will submit for a Soil Erosion and Sediment Control Permit from the Delta County Conservation District.

May 7, 2012 Electronic Mail

MDNR Comment:

The MDNR appreciates the opportunity to comment. As we discussed on the phone, the MDNR does not have any additional comments. UPPCO's proposed the end dates of the construction/repair work remain the same and if possible will complete prior to that. Since the overall window has not shifted, only the start date of the drawdown, we're still within what we commented on.

UPPCO Response:

Comment Noted

MDNR Comment:

Please advise us when you have completed your filings and have received permission to move forward by FERC.

UPPCO Response:

UPPCO will inform the MDNR when the filings are complete and when we have received permission to move forward by FERC.

USFWS COMMENTS

Nuthals, James D

From:

James Bettaso@fws.gov

Sent:

Tuesday, May 08, 2012 8:42 AM

To:

Nuthals, James D

Subject:

RE: FW: Boney Falls Project Seepage Remediation Project Drawdown

Good morning Jamie,

No, we will not have any comments on the drawdowns for spring 2012. It sounded like general concerns for noting when Lake Sturgeon would be spawning and the time of hatch out is being considered.

If you have any questions that I may be able to answer, please feel free to contact me at this email or the phone number provided below.

Sincerely,

Jamie

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U.S. Fish & Wildlife Service (USFWS) Comments and Upper Peninsula Power Company (UPPCO) Responses

USFWS Comment:

No, we will not have any comments on the drawdowns for spring 2012. It sounded like general concerns for noting when Lake Sturgeon would be spawning and the time of hatch out is being considered.

UPPCO Response:

Comment Noted.

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