



Upper Peninsula Power Company
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March 25, 2016

FERC Project No. 10855

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

Dear Secretary Bose:

Dead River Hydroelectric Project – Hoist Development
Article 402 – Notification of Planned Headwater Deviations

In accordance with Article 402 of the Order Issuing License for the Dead River Hydroelectric Project dated October 4, 2002 as amended on September 1, 2011, the licensee is required to report to the Federal Energy Regulatory Commission (FERC) any deviations associated with elevations and the steps used to mitigate them. Please consider this letter as fulfillment of the reporting requirements.

Also, in accordance with Article 402, storage basin elevations may be modified upon mutual agreement among the licensee, the Michigan Department of Environmental Quality (MDEQ), the Michigan Department of Natural Resources (MDNR), the U.S. Fish and Wildlife Service (USFWS).

On March 17, 2016, UPPCO requested to enter into a planned deviation of the Hoist Basin headwater elevation requirements and change the April start of month target elevation from 1337.5 feet NGVD to 1340.0 feet NGVD. UPPCO also requested to change the May and June start of month target elevations to 1342.0 feet NGVD. UPPCO requested to enter into planned start of month target deviations in an effort to be proactive in storing inflows into the Hoist Basin for the summer recreation season.

UPPCO is concerned if it operates the Hoist Basin to the April start of month target elevation (1337.5 feet NGVD) it will be unable to recover from the 1337.5 feet NGVD requirements during the late spring and early summer season runoff. This concern is supported by weak snowpack conditions in the headwaters of the Dead River and an early run-off season that is believed to have already occurred during unseasonable high temperatures in mid-March.

Regarding the planned start of month target deviations for May & June, UPPCO is concerned about Hoist basin elevations during the recreation season. The Silver Lake Storage Basin (SLSB) underwent a drawdown for construction in 2015 and it has not returned to its required elevations for the 2016 season. Therefore, it will be unavailable to augment flows into the Hoist Basin during the 2016 recreation season.

Ms. Kimberly D. Bose
March 25, 2016
Page 2 of 2

As part of this request, UPPCO consulted with the MDEQ, the MDNR, the USFWS, the Keweenaw Bay Indian Community (KBIC), and the Dead River Campers Inc. (DRCI) by email on March 17, 2016.

Additionally, on March 22, 2016, UPPCO organized a conference call with the MDEQ, the MDNR, and the USFWS to further discuss the planned deviation request. The MDEQ and MDNR agreed that the proactive nature of this request was reasonable and had no objections to the request. The USFWS did not call into the meeting and did not provide any comment on the request.

In a follow-up email on March 23, 2016, the MDEQ supported the request and requested UPPCO send monthly status updates on the headwater elevations at the Dead River Developments. The KBIC responded with no objections to the planned deviation request and the DRCI is in support of the planned deviation. Documentation of all consultation is included in Appendix A.

On March 22, 2016, UPPCO adjusted its operation of the Hoist Basin by targeting headwater elevation of 1340.0 feet NGVD for the start of April and will continue to move towards a target elevation for spring runoff of 1342.0 feet NGVD. Lastly, UPPCO will resume operation according to Article 402 by targeting 1341.0 feet for July 1.

No adverse environmental impacts have been observed or are expected as a result of these deviations. UPPCO will supply the project stakeholders with monthly updates on operations for the duration of this planned deviation. If you have any questions regarding this letter, please contact Robert Meyers at (906)485-2419 or Jarrod Nelson at (906) 232-1433.

Sincerely,



Virgil Schlorke
Director – Generation and Environmental Services

JFN/ebr

Enc. Appendix A: Documentation of Agency Consultation

cc:	Ms. Koran Carpenter, MDEQ	Mr. Robert Meyers, UPPCO
	Mr. Burr Fisher, USFWS	Mr. Keith Moyle, UPPCO
	Mr. Jim Grundstrom, DRCI	Mr. Jarrod Nelson, UPPCO
	Mr. Gary Kohlhepp, MDEQ	Mr. David Tripp, UPPCO
	Mr. Kyle Kruger, MDNR	Mr. John Zygaj, FERC (CRO)
	Mr. Gene Mensch, KBIC	