

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Williams River Electric Corporation) Project No. 3131-002

ORDER AMENDING LICENSE AND GRANTING
REQUEST FOR EXTENSION OF TIME

(Issued December 4, 1984)

On October 3, 1984, the Williams River Electric Corporation (Licensee) filed a request for a two-year extension to comply with Article 19 of the license for the Brockways Mills Hydro Project No. 3131, issued on January 20, 1983. ^{1/} Article 19 requires the Licensee to commence construction of the project within two years of issuance of the license and to complete construction within two years from the start of construction.

The Licensee stated that timely commencement of construction is not possible because of the delays of the Vermont Public Service Board (VPSB) and the temporary refusal of major Vermont utilities to enter into power purchase contracts with small power producers. The Licensee negotiated with Green Mountain Power Company, the interconnecting utility, but could not agree upon acceptable terms for a power sales contract. The Vermont PURPA proceedings establishing long term rates and the power sales contracts for small power producers have now extended in excess of two years and while now appear to be nearing the point where power sales contracts can be executed in the near future, the Licensee will not be able to start construction of the proposed project in the Fall of 1984 as planned, but must wait until the spring runoff has subsided. The license requires the Licensee to begin construction by January 20, 1985.

^{1/} Authority to act on this matter is delegated to the Director, Office of Hydropower Licensing, under §375.314 of the Commission's regulations, 49 Fed. Reg. 29,369 (1984) (Errata issued July 27, 1984), (to be codified at 18 C.F.R. §375.314). This action may be appealed to the Commission by any party within 30 days of the issuance date of this letter pursuant to Rule 1902, 18 C.F.R. §385.1902 (1983). Filing an appeal and final Commission action on that appeal are prerequisites for filing an application for rehearing as provided in Section 313(a) of the Act. Filing an appeal does not operate as a stay of the effective date of this letter or of any other date specified in this letter, except as specifically directed by the Commission.

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The Licensee stated that it will not be able to execute a power sales contract with the Vermont Power Exchange, until the Vermont Public Service Board rules that the Licensee is eligible for long-term levelized PURPA rates. ^{2/} When the power sales contract is executed, the Licensee can finalize its financing and proceed to order equipment and schedule construction. Although the Licensee is hopeful of starting construction by May 1985, the Licensee has no estimate of the length of time that the VPSB will take to process its petition for determination of eligibility for Rule 4.100 rates.

Apart from the power sales contract issue, additional time is also required to redesign the powerhouse for generating units from a new supplier. The project was designed around turbines to be supplied by the James Leffel Company. In June 1984, the James Leffel company ceased to take orders, and in August the decision was made to redesign the powerhouse for turbine/generators supplied by another manufacturer. The redesign will begin when equipment is selected and then resubmitted to the Commission for review.

Pursuant to Rule 2008 of the Commission's regulations, ^{3/} the Commission may, for good cause shown, extend the time by which any person is required to act under any statute, rule, or order. In order to properly evaluate an assertion of good cause, it is necessary for the Commission to review carefully the facts surrounding each formal request for an extension.

The circumstances leading to the requested extension could not have been anticipated by the Licensee. The Licensee has diligently pursued its obligations under the terms of the license. Besides the power sales contract, the Licensee has: 1) obtained a preliminary financing commitment; 2) submitted design drawings and specifications to the Commission; and 3) produced an aesthetic design plan for the project that is compatible with the environment and has been agreed to by the State. Therefore, good cause exists for granting the extension. The extension of time to commence construction is an administrative action and is in the public interest.

^{2/} The Vermont Power Exchange was created as the agent for the state of Vermont to carry out the intent of PURPA and Vermont Public Service Board Rule 4.100 to implement PURPA rates.

^{3/} 18 C.F.R. §385.2008, 47 Fed. Reg. 19049 (May 1982).

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 Brockways Mills



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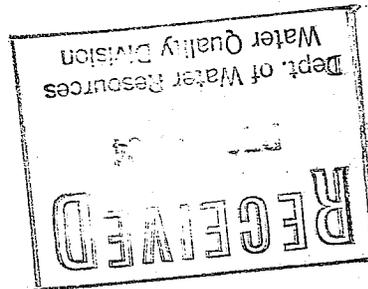
The Licensee is put on notice that Section 13 of the Federal Power Act allows for only one extension of time to commence construction, not to exceed two additional years.

It is ordered that:

- (A) The request filed by Williams River Electric Corporation for an extension of time is approved.
- (B) Article 19 of the Order Issuing License for Project No. 3131 issued January 20, 1983, is amended to read as follows:

Article 19. Licensee shall commence construction of the proposed project within four years of the date of issuance of the license and shall complete construction within two years from the start of construction.

Quentin A. Edson
Director, Office of
Hydropower Licensing



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