Ashuelot River Hydro, Inc. 42 Hurricane Road Keene, NH 03431 (603) 352-3444

September 22, 2009

Ashuelot River Local Advisory Committee c/o Barbara Skuly, Chairman 19 Spring St. Swanzey, NH 03446

RE: Response to your comments re LIHI Certification

Dear Barbara:

Thank you for the opportunity to meet with you and the Committee last Tuesday to discuss our application for LIHI certification of our Ashuelot and Lower Robertson hydroelectric projects. At that time, we discussed several issues raised in your insightful letter of August 30, 2009. This letter follows up on that discussion and responds to points raised in your letter.

River Flows

We believe as you do that local ownership will improve responsiveness to issues of all kinds at both plants. We do operate both plants run of river. In order to improve reliability of this operation, we have upgraded the automatic control system at Ashuelot. Lower Robertson will be upgraded this winter.

Water quality

We are half way through the phosphorous and chlorophyll monitoring required by NHDES. The five samples collected thus far show average phosphorous of 0.025 mg/L, or half NHDES's level of concern. Average chlorophyll is 0.0015 mg/L, which is an order of magnitude less than NHDES's level of concern. In consultation with Ted Walsh at NHDES, because of the cooler water temperatures at this time, we have agreed to take the final five water samples next summer. Ted also said that it would be fine to run the dissolved oxygen sampling (two weeks continuous at four sampling sites) next summer since this summer the flows never fell below his designated 147 cfs. Because of the significant rapids above and below both projects, we do not anticipate any problems with dissolved oxygen, but we will perform the testing as required next summer.

Fish passage and protection

We are committed to installing fish passage according to the USF&W triggers, at the latest. We have already put aside funds for fish passage construction, and we will be adding to this reserve account as time goes on. We are certainly not in theory opposed to

installing fish passage prior to the triggers being met. However, installation will be expensive, and thus we are open to alternative funding sources (to match our own funds) if we are to install passage prior to USF&W triggers.

Watershed protection

Thank you for your commendation regarding our contributions to land conservation in the watershed. We see many reasons to conserve land and biodiversity everywhere. Locally, however, I am reminded of the story of the Weeks Act of 1911, which formed the national forest system, starting with the White Mountain National Forest. After languishing for years, the legislation was finally pushed through when the politically connected mill owners of Manchester, Lowell and Lawrence realized the impact of clear cutting and erosion in the headwaters of the Merrimack River on their hydro power operations!

Regarding tree planting on the edges of the Lower Robertson pond, I showed you our property bound demonstrating that we do not own real property in that vicinity (rather we own flowage rights). Also, at other hydro projects we own, inspectors from the Federal Energy Regulatory Commission are continually asking us to remove trees from the banks for dike and dam safety reasons. I am in constant battle with them in my desire to retain existing trees for ecological and aesthetic reasons. They would not take kindly to a tree planting program close to a dam or embankment.

Threatened and Endangered species protection

As you requested, we looked at the NH Natural Heritage Inventory data base (using the buffered data) and found no instances of any state threatened or endangered species within the project bounds or impoundments.

Recreation

We are paddlers ourselves and have no objections to portages taking place at our dams as long as the paddlers respect the property and take proper care. I would be happy to speak with representatives upon receipt of a contact name and number. We were not aware of an old portage route on the left bank at Ashuelot, but we are willing to work with the paddlers to restore that path if it can be done safely and practically. We note that slope was completely rebuilt with heavy rip rap by Algonquin after the flood of 2005, so it may be challenging to cut a terraced trail, but we will do what we can to accommodate paddlers.

Again, thank you for your thoughtful consideration and input to this process.

Bob King, President Cc: Fred Ayer, LIHI