

CONNECTICUT LAKES

Supplementary Agreement

Final Conn. Lakes Supplementary Agreement
August 6, 1997

Supplementary Agreement

The parties to this Supplementary Agreement, dated this 14 day of August, 1997, are New England Power Company (New England Power), together with the following (collectively, the "Stakeholders"): The State of New Hampshire, by and through its Governor, its Fish and Game Department ("NHFGD"), and its Department of Environmental Services ("NHDES"); the State of Vermont, by and through its Governor and Agency of Natural Resources ("VANR"); the United States Fish and Wildlife Service ("USFWS"); the United States Environmental Protection Agency ("EPA"); the National Park Service ("NPS"); the Appalachian Mountain Club; the Connecticut River Joint Commissions; the Connecticut River Watershed Council; the New Hampshire Rivers Council; the North Country Council; the Northeastern Vermont Development Association; and the New Hampshire Council of Trout Unlimited.

I. Background

A. The parties have this day executed a Settlement Agreement which sets forth the operational terms and conditions and other commitments under which the parties will support the issuance of a new 40 year license for the Fifteen Mile Falls Project, L.P. No. 2077 (the "Project"). Both NEP and the Stakeholders have made substantial commitments to each other therein. NEP and the Stakeholders also recognize that substantial opportunity exists to preserve and further enhance the Upper Connecticut River Watershed consistent with the Settlement Agreement through the management and protection of the Connecticut Lakes. The parties have also this day executed a Memorandum of Agreement with New Hampshire providing identical operating conditions to those contained herein, which would be effective if NEP were to no longer control the water management of Lake Francis.

B. The Connecticut Lakes consist of:

Lake Francis, owned by New Hampshire. NEP has certain rights with respect to the rate of discharge under a Water Users Agreement with the New Hampshire Water Resources Council.

First Connecticut Lake, owned by NEP, that discharges into Lake Francis.

Second Connecticut Lake, owned by NEP, that discharges into First Connecticut Lake.

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In Consideration of the mutual covenants contained herein, the parties covenant and agree as follows:

II. Definitions

1. "NEP" shall mean New England Power Company and any successor owner of the First and Second Connecticut Lakes.
2. "Completion of Licensing" shall mean the date upon which all appeal periods have expired for the later occurring of; a) the issuance of a new federal license for the Project, consistent with the terms of this Agreement; b) the issuance of water quality certification by New Hampshire pursuant to §401 of the Clean Water Act, consistent with the terms of this Agreement; or c) the receipt of all federal and state approvals necessary for the transfer of the Project to a new owner.
3. "MSL" shall mean feet above mean sea level.

III. Water Management

A. NEP will provide minimum flow releases from each of the facilities as specified below:

	Second Conn. Lake	First Conn. Lake	Lake Francis
.5 CFSM or inflow, if less from 6/1 through 9/30	22.5 CFS	41.5 CFS	85 CFS
1.0 CFSM or inflow, if less from 10/1 through 5/31	45 CFS	83 CFS	170 CFS

B. NEP will continue to operate the reservoirs in the same fashion that is has historically. The historic operation is defined for Lake Francis, First Connecticut Lake, and Second Connecticut Lake by Attachments 1, 2, and 3, respectively. The operation of Second Connecticut Lake will continue to include the existing drawdown to elevation 1858 MSL by October 1 to protect lake trout spawning.

C. NEP's management of both the minimum flow and reservoir elevations at Lake Francis is based upon the existence of an agreement with New Hampshire authorizing NEP to exercise such control and NEP's commitments herein shall be in effect as long as that agreement remains in place.

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IV. Land Protection

A. NEP agrees that upon the Completion of Licensing, to donate permanent conservation easements on its land holdings around and in the vicinity of the Connecticut Lakes. The areas to be restricted are approximately shown on a map attached as Attachment 4.

B. Said permanent conservation easements shall serve the same purposes and have the same administration as the conservation easements provided for in the Settlement Agreement in Sections V.A.2 through V.A.5.

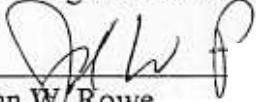
C. Forestry on the lands around the Connecticut Lakes will be conducted pursuant to plans consistent with the guidelines set forth in Appendix A to the Settlement Agreement

V. Term


A. This Supplementary Agreement shall remain in effect for the period that the Settlement Agreement remains in effect and for the period of a new license issued in conformance with the Settlement Agreement, and for any annual licenses issued subsequent thereto. In the event that for any reason the Settlement Agreement is terminated, this Supplementary Agreement shall terminate simultaneously.

Intending to be legally bound, the Parties have executed this Supplementary Agreement through their duly authorized representatives.

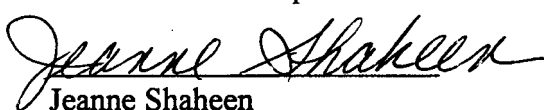
New England Power C


John W. Rowe
Chairman


New England Power Company


Lawrence E. Bailey
Vice President, Generation Operations

State of New Hampshire


Jeanne Shaheen
Governor of New Hampshire

State of Vermont


Howard Dean, M.D.
Governor of Vermont

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New Hampshire Fish and
Game Department

Wayne E Vetter
WAYNE E. VETTER
EXEC. DIRECTOR

Vermont Agency of
Natural Resources

Barbara Ripley
Secretary

New Hampshire Department of
Environmental Services
New Hampshire Water Resources
Council

Robert Varney
Chairman of the Council

United States Fish and
Wildlife Service

Ronald E. Lambertson
Ronald E. Lambertson
Regional Director, Northeast Region

United States Environmental
Protection Agency

National Park Service

Marie Rust
Field Director

Appalachian Mountain Club

Connecticut River Joint
Commissions

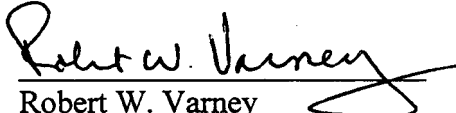
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New Hampshire Department of
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Robert W. Varney
Commissioner

United States Fish and
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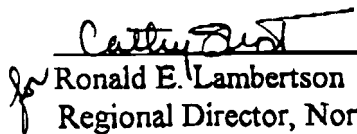
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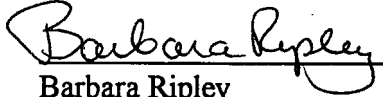
Connecticut River Joint
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Walter S. Graff
Deputy Director

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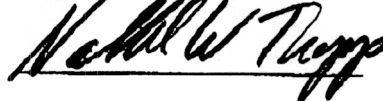
Ronald E. Lambertson
Regional Director, Northeast Region

National Park Service

Marie Rust
Field Director

Appalachian Mountain Club

Connecticut River Joint
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COMMISSIONER, CHAIR FME COM.

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Connecticut River Watershed Council



Tom Miner, Executive Director

New Hampshire Rivers Council

North Country Council

Northeastern Vermont
Development Association

New Hampshire Council of Trout Unlimited

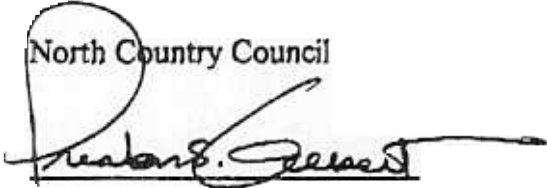
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Connecticut River Watershed Council

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EXECUTIVE DIRECTOR

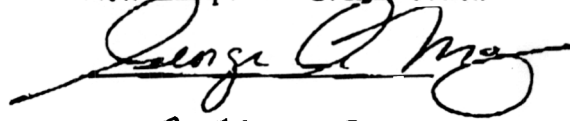
New Hampshire Council of Trout Unlimited

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Connecticut River Watershed Council

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New Hampshire Rivers Council



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Northeastern Vermont
Development Association

New Hampshire Council of Trout Unlimited

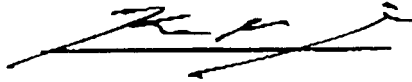
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A handwritten signature in dark ink, appearing to be "R. J. ...", written over a horizontal line.

New Hampshire Council of Trout Unlimited

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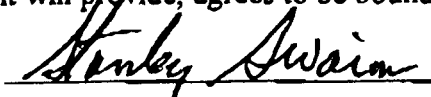
Dayton Goudie

DAYTON GOUDIE

COUNCIL REPRESENTATIVE

Final Conn. Lakes Supplementary Agreement
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The undersigned entity concurs with and endorses the Supplementary Agreement entered into in coordination with the Fifteen Mile Falls Settlement Agreement, and seeking to lend its support to the timely implementation of the Supplementary Agreement and to thereby share in the benefits the Supplementary Agreement will provide, agrees to be bound by its terms.



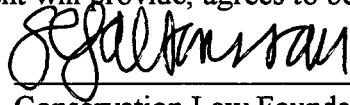
TROUT UNLIMITED

VERMONT

Date: 8 / 12 1997

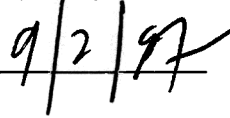
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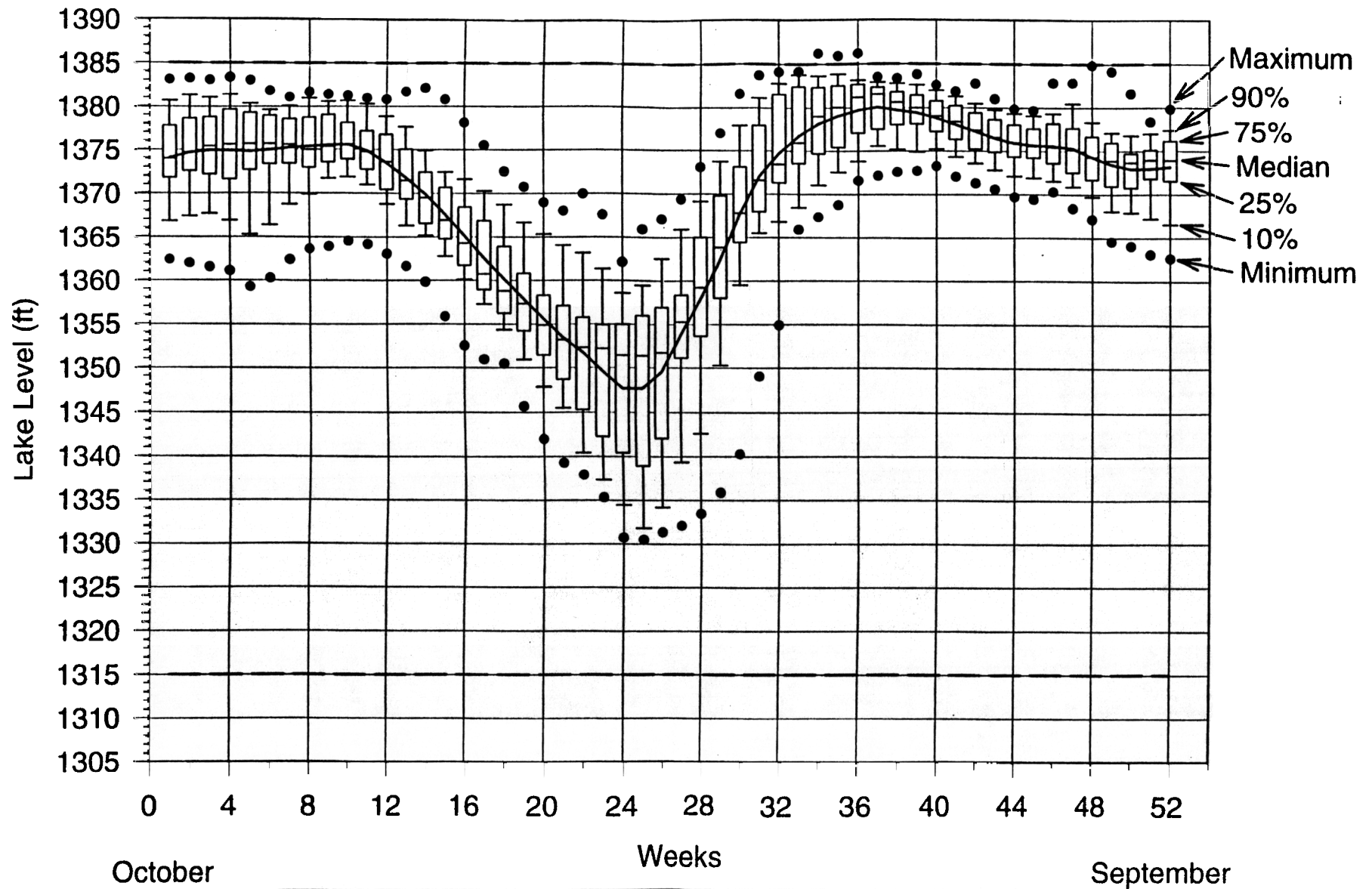
Conservation Law Foundation, by its
Attorney, Stephen L. Saltonstall

Date:



Lake Francis - Operating Levels 1975 to 1995

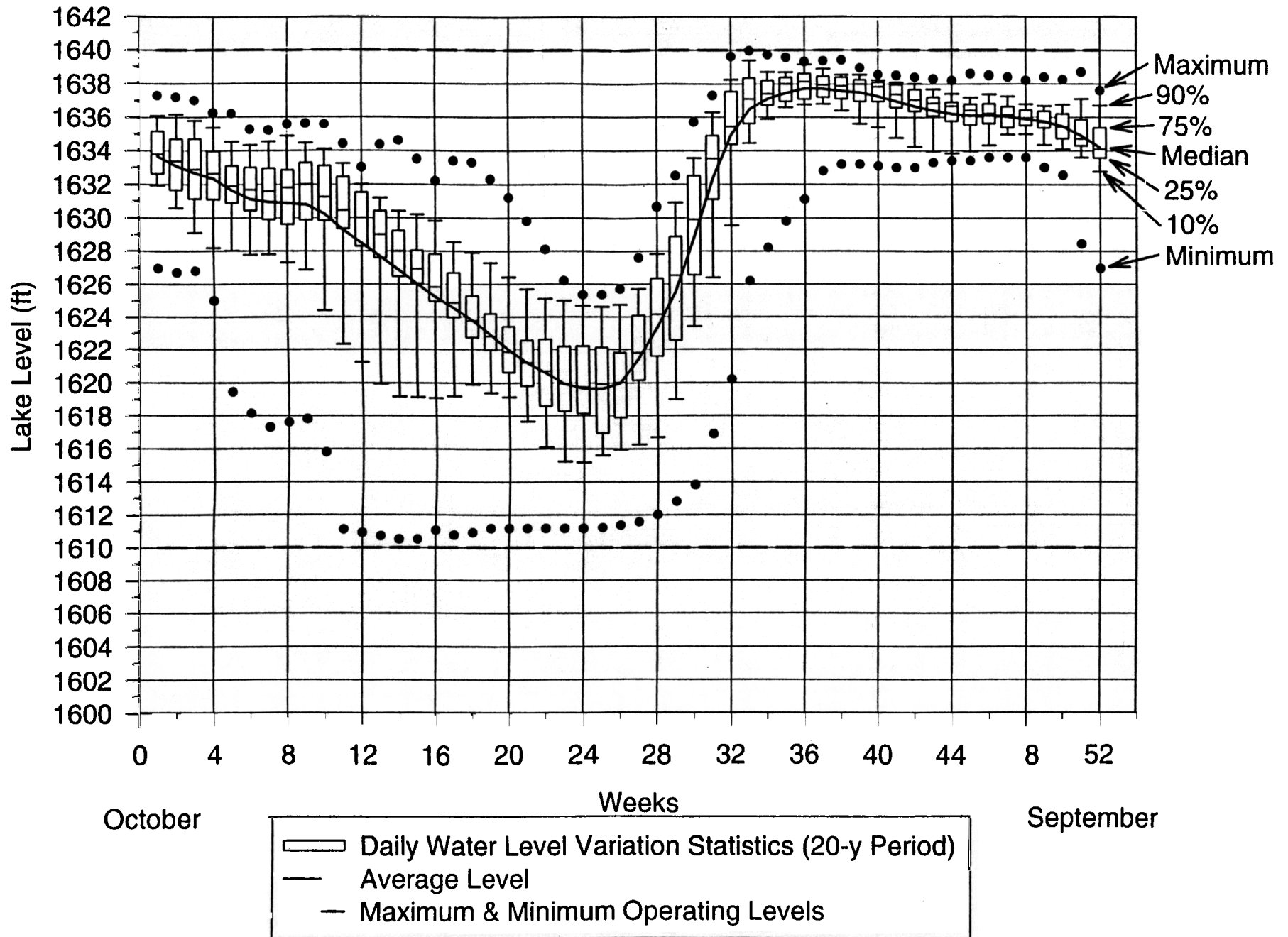
Conn Lakes
Attachment 1



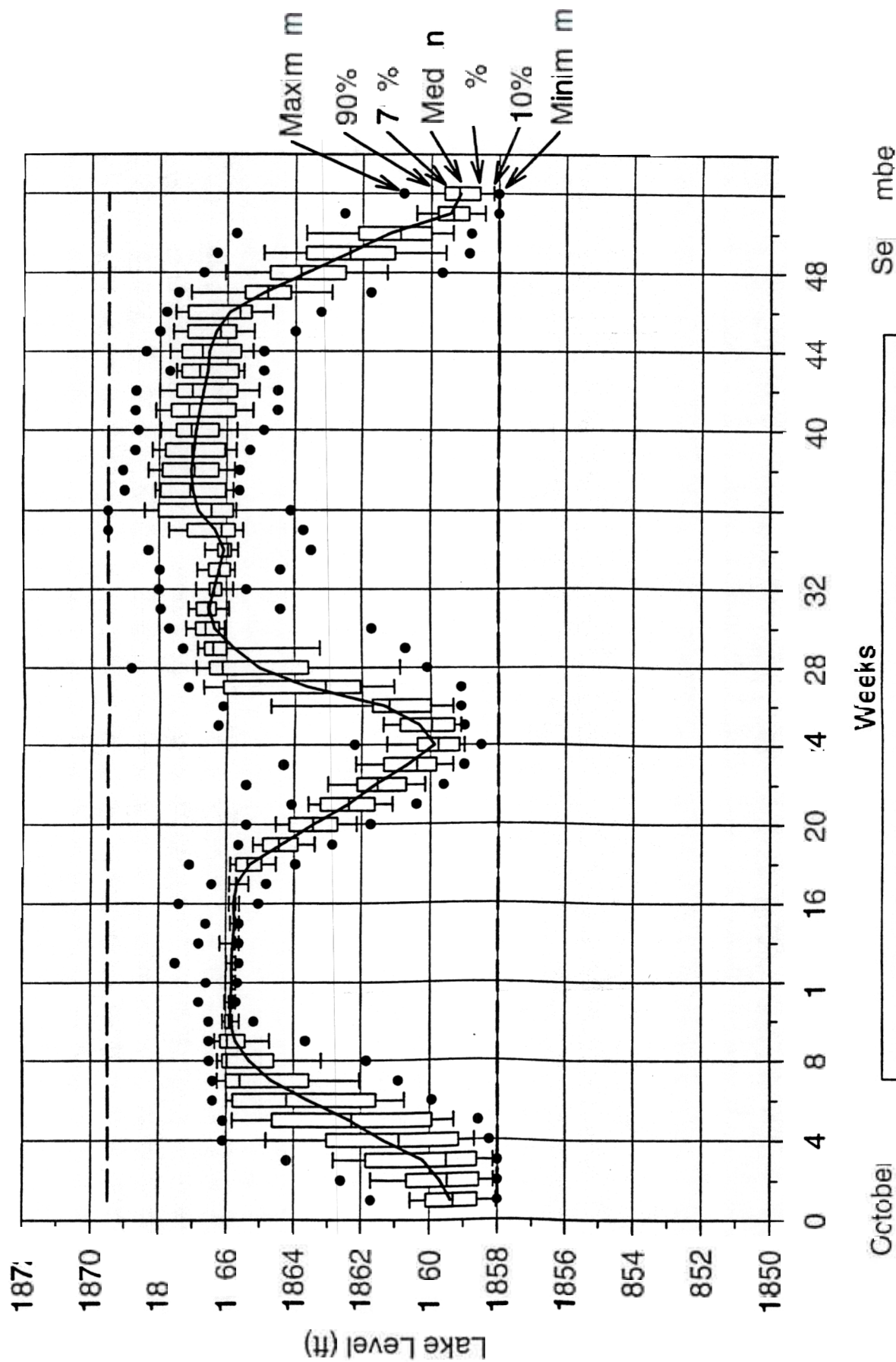
□ Daily Water Level Variation Statistics (20-y Period)
— Average Level
- - Maximum & Minimum Operating Levels

First Lake - Operating Levels 1975 to 1995

Conn Lakes
Attachment 2



Second Lake Operating Level 983 o 995



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October



Conn Lakes
Attachment 4

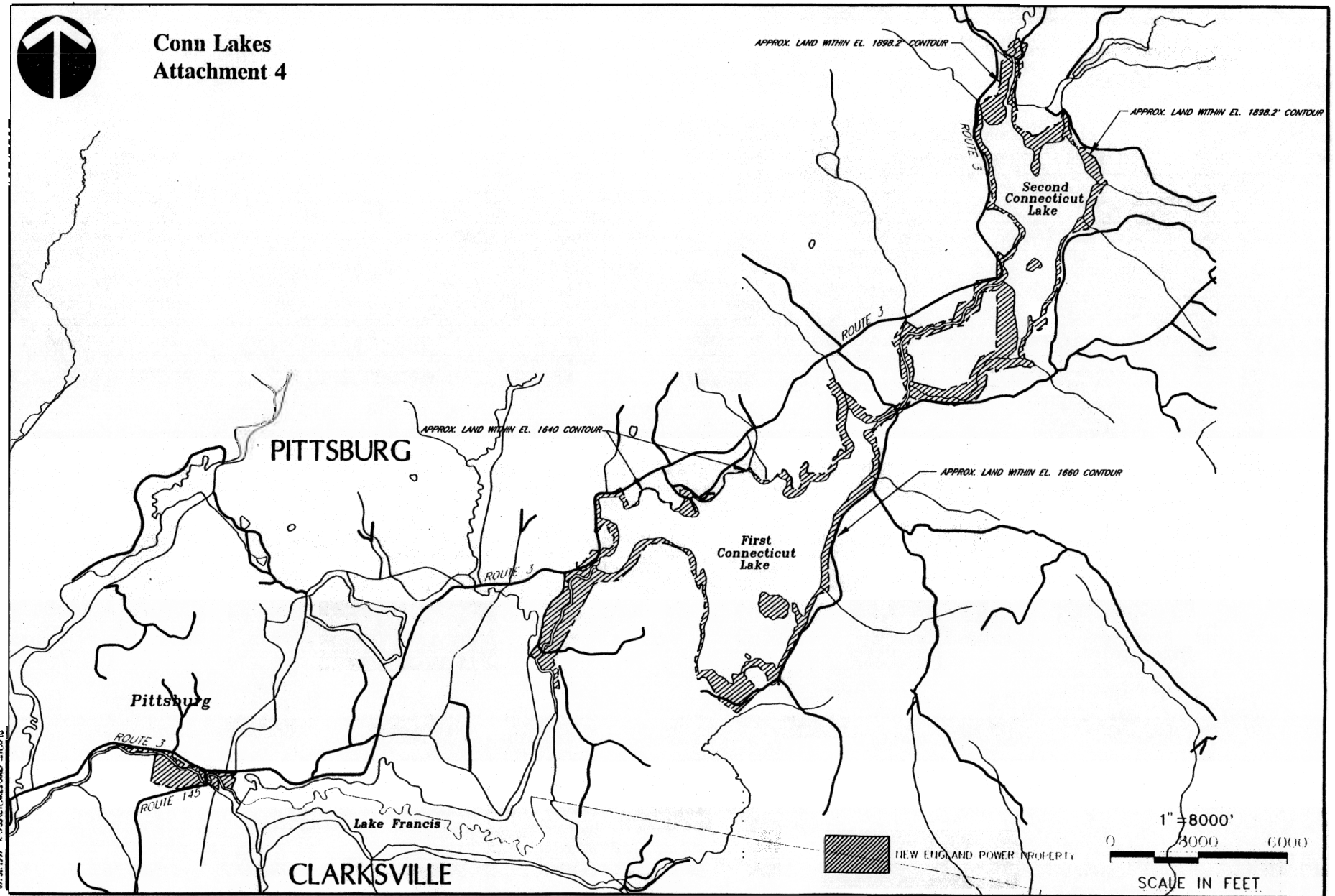


Figure No. _____
New England Power Lands to be Subject to C. _____
New England Power Co. - Connecticut Lak. _____
Orange Reservoirs _____

TES.

LOUIS BERGER &

