

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Independence County, Arkansas

Project No. 4660-027

ORDER AMENDING LICENSE AND REVISING ANNUAL CHARGES
UNDER ARTICLE 29

(Issued August 29, 2001)

On April 26, 2001, the Law Offices of GKRSE, on behalf of Independence County, Arkansas (licensee), filed an application to amend the authorized capacity for the White River Lock and Dam No. 2 Project, FERC No. 4660. The project is to be located on the White River, in Independence County, Arkansas.

BACKGROUND

The original license for the project was issued on November 8, 1985,¹ and authorized the construction of a single powerhouse containing three generator - turbine units with a total capacity of 7,080 kW. On April 4, 1989,² the license was amended to reduce the number of generating units, from three to one, and to revise the total capacity of the project to 6,307 kW.

REVIEW

In the application, the licensee proposes to install a single 3,500 kW vertical Kaplan turbine instead of a single 6,307 kW horizontal Kaplan turbine at the project. The licensee plans to develop a project that is marketable from an economic perspective, and the lower installed capacity would yield in a lower cost per unit of energy produced by

¹ 33 FERC ¶ 62,182, Order Issuing License (Major).

² 47 FERC ¶ 62,003, Order Amending License and Revising Annual Charges.

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the project.³ A power purchaser has been identified that has expressed a willingness to sign a power purchase agreement based on the 3,500 kW development.

The licensee also indicates in the filing that the powerhouse configuration will remain the same. However, the design flow for the proposed unit will be reduced from 7,511 cfs to 3,180 cfs. The estimated average annual energy for the proposed unit would be 21,622 megawatt hours.

The following summarizes staff's review of the application:

A. Consultation:

On June 13, 2001, the Commission issued a public notice concerning the proposed amendment application. The deadline for filing comments or motions to intervene was July 3, 2001. In a letter filed July 5, 2001, the U.S. Department of the Interior indicated that they have reviewed the information provided and have no comment. No other comments or motions to intervene were received. The White River flow in excess of the proposed turbine flow will be discharged over Dam No. 2. The licensee has received a Section 404 permit from the U.S. Army Corps of Engineers, and a Section 401 permit from the Arkansas Department of Environmental Quality.

B. Environmental Impacts:

Construction and operation of the project, with the proposed smaller generating unit proposed herein, would not result in any additional adverse impacts to the environment over those identified in the Commission staff environmental assessment (EA), dated July 25, 1985, for the original application. With a 42% reduction in flow through the generator unit and increased duration of the spillage, it is expected that the proposed project change would result in less entrainment and impingement of reservoir fishes and less impact to downstream water quality than was identified during processing of the original application for license. With adherence to the existing license conditions, approval of the proposed action herein would not result in any significant impacts to the quality of the human environment.

³ In an unpublished order dated December 14, 1999, the Commission extended the start of construction to November 7, 2001.

C. Annual Charges

The proposed amendment would result in a reduction of the total authorized capacity of the project from 6,307 kW to 3,500 kW. Therefore, this order will revise Article 29 of the license regarding the annual charges for the purpose of reimbursement to the United States for the costs of administration of Part I of the Federal Power Act. The annual charges for the project will be based on an installed capacity of 3,500 kW, effective the first day of the month in which this order is issued.

The proposed amendment will revise ordering paragraph (B)(2), which will amend the rated capacity of the unit. The licensee should file for approval revised exhibits A and F upon completion of construction of the project in accordance with Article 34 of the license.

Staff concludes that the approval of the amendment application does not materially affect the Commission's determination that the White River Lock and Dam No. 2 Project is best adapted to the comprehensive development of the waterway. This order amends the license and revises the annual charges for the project.

The Director orders:

(A) The application for amendment of license for the White River Lock and Dam No. 2 Project, FERC 4660, filed April 26, 2001, is approved effective the date this order is issued.

(B) The project description in ordering paragraph (B)(2)(d) of the license is revised, in part, to read:

(d) a powerhouse containing a single generating unit rated at 3,500 kW;...

(C) Article 29 of the license is revised to read:

The licensee shall pay the United States the following annual charge, effective the first day of the month in which this order is issued.

(a) For the purpose of reimbursing the United States for the Commission's administrative costs, pursuant to Part I of the Federal Power Act, a reasonable amount as determined in accordance with the provisions of the Commission's regulations in effect from time to

time. The authorized existing installed capacity for that purpose is 3,500 kW.

(D) This order constitutes final agency action. Request for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. §385.713.



Mohamad Fayyad
Compliance Team Lead, Group 2
Division of Hydropower Administration
and Compliance