

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 12514-074 -- Indiana  
Norway-Oakdale Hydroelectric Project  
Northern Indiana Public Service  
Company

October 9, 2015

Mr. Scott Pruitt  
Field Supervisor  
Bloomington Field Office  
U.S. Fish and Wildlife Service  
620 S. Walker St.  
Bloomington, IN 47403

Subject: Request for concurrence under the Endangered Species Act

Dear Mr. Pruitt:

On October 2, 2014, Northern Indiana Public Service Company (NIPSCO or licensee) filed with the Federal Energy Regulatory Commission (Commission) an application to amend its license for the 16.4-megawatt (MW) Norway-Oakdale Project located on the Tippecanoe River in Carroll and White counties, Indiana. NIPSCO proposes to revise Article 403 of the project license issued on October 2, 2007<sup>1</sup> to include a low-flow definition of abnormal river conditions in order to implement the protocols outlined in the U.S. Fish and Wildlife Service's Technical Assistance Letter (TAL) dated August 13, 2014, also included as Exhibit A in the licensee's October 2, 2014 application. The purpose of the TAL is to avoid take of federally listed mussel species including the endangered clubshell (*Pleurobema clava*), rayed bean (*Villosa fabalis*), sheepnose (*Plethobasus cyphus*), snuffbox (*Epioblasma triquetra*), and fanshell (*Cyprogenia stegaria*), as well as the threatened rabbitsfoot (*Quadrula cylindrica cylindrical*), and its designated critical habitat.

---

<sup>1</sup> *Northern Indiana Public Service Company, Order Issuing Original License, 121 FERC ¶ 62,009 (2007).*

Under the TAL, a new abnormally low-flow (ALF) condition would be added to the definition of abnormal river conditions. ALF conditions would be defined as a 24-hour daily average of river flow of  $\leq 300$  cubic feet per second (cfs) as measured at the U.S. Geological Survey (USGS) Winamac gage (no. 03331753); or in the event of an equipment or operation issue at Oakdale Dam unrelated to upstream weather conditions, a 24-hour daily average river flow of  $\leq 570$  cfs at the USGS Oakdale gage (no. 03332605). When ALF conditions occur, the licensee would release from Oakdale Dam a flow equal to 1.9 times the previous day's flow measured at the Winamac gage in order to attempt to simulate run-of-river flow conditions. In addition to accommodate implementation of the TAL, the licensee proposes to maintain the fluctuation of Lake Shafer's surface elevation to within 0.75 foot above and 0.25 foot below elevation 647.47 feet National Geodetic Vertical Datum (NGVD), and Lake Freeman's surface elevation to within 0.75 foot above 612.45 feet NGVD. A detailed description of the licensee's proposal can be found in section 2.2.1 of our draft environmental assessment (EA) issued on October 9, 2015.

Our analysis indicates that several factors are likely to impede the effectiveness of the TAL in achieving its stated purpose. These factors relate primarily to inaccuracies associated with estimating inflows to the project using data from a stream gage that is located 45 miles upstream of the project, including changes in the accuracy of flow measurements over time, lag time for the measured flows to reach the project, and the influence of local hydrologic events. All of these factors would contribute to flow releases that are not representative of run-of-river conditions.

Removing the lower water surface elevation requirement at Lake Freeman would allow NIPSCO to use storage from Lake Freeman to comply with the flow releases from Oakdale dam required by the TAL. Our analysis provided in the draft EA indicates that the potential exists for Lake Freeman to be drawn down substantially during low-flow periods to meet the flows required by the TAL. Our analysis in the draft EA indicates that these drawdowns would result in frequent and substantial adverse effects on resources associated with Lake Freeman. Adverse effects could include: (a) impaired use of docks and boat lifts, (b) impaired public access at boat ramps, (c) the potential for hazardous boating conditions, (d) noxious odors due to mortality of fish and mussels in the lake, (e) diminished recreational experiences, and (f) potential exposure of cultural resources present in the lake.

We recommend our staff alternative. Under the staff alternative, as with the licensee's proposal, a new abnormally low-flow (ALF) definition would be added to the definition of abnormal river conditions. ALF conditions would be defined as a 24-hour daily average river flow of  $\leq 300$  cfs as measured at the Winamac gage; or in the event of an equipment or operation issue at Oakdale Dam unrelated to upstream weather conditions, a 24-hour daily average of river flow of  $\leq 500$  cfs at the USGS Oakdale gage.

When ALF conditions occur, the licensee would immediately cease generation at the Norway and Oakdale developments and operate the gates at each development to maintain the water surface elevations of Lakes Shafer and Freeman at the elevations occurring when the developments ceased generation. A detailed description of the staff alternative can be found in section 2.3 of our draft EA.

In the draft EA, we conclude that under the recommended staff alternative, flow fluctuations downstream of Oakdale dam associated with project operations would be eliminated by requiring that lake elevations be held constant during ALF conditions. This would enhance conditions for listed mussels downstream of the project compared to the conditions that have existed since the project was constructed more than 85 years ago by reducing flow fluctuations and the risk of the potential for mussel stranding, desiccation, and predation. In addition under the staff alternative, potential adverse effects on recreation, public access, cultural resources, tourism, and other economic effects in and around Lakes Shafer and Freeman would be avoided.

We conclude that our staff alternative would not likely adversely affect the clubshell, rayed bean, sheepsnose, snuffbox, fanshell, and the threatened rabbitsfoot, including its designated critical habitat. We also conclude that our staff alternative would not affect the Indiana or northern long-eared bat because the proposed action does not include any activities that would directly affect these species or their potential habitat, such as removal of vegetation or forests, or disturbance to the existing forested or riparian areas along the project reservoirs or Tippecanoe River.

A copy of NIPSCO's amendment application can be accessed using the Commission's eLibrary system or by following this link: <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13650302>. A copy of our draft EA is enclosed.

Please provide us with your concurrence with the above determinations within 30 days from the date of this letter. If you do not concur, please consider the draft EA as our Biological Assessment and this letter as our request for formal consultation. If formal consultation is necessary, we request a copy of the draft Biological Opinion in accordance with 50 CFR 402.14(g)(5).

The Commission strongly encourages electronic filing. Please file the requested information using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. For assistance, please contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov), (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, please send a paper copy to: Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, D.C. 20426. The first page of any filing should include docket number P-12514-074.

If you have any questions concerning this matter, please contact Mark Pawlowski at (202) 502-6052.

Sincerely,

*/for/*

Steve Hocking, Chief  
Environmental and Project Review Branch  
Division of Hydropower Administration and  
Compliance