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UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

PPL Montana, LLC and Confederated Salish and Kootenai Tribes of the Flathead Nation Project No. 5-055

ORDER APPROVING AMENDMENT TO ORDERING PARAGRAPH (C)(2) AND LICENSE ARTICLES 59, 64, 65, 66, AND 67, AND MEASURES RELATED TO ENDANGERED SPECIES

(Issued December 14, 2000)

On April 21, 2000, PPL Montana, LLC (PPLM) and the Confederated Salish and Kootenai Tribes of the Flathead Nation (Tribes), co-licensees of the Kerr Hydroelectric Project, and the U.S. Department of the Interior (Interior) filed an application to amend ordering paragraph (C)(2) and articles 59, 64, 65, 66, and 67 (Appendix A) of the project license, in order to facilitate settlement of litigation pending with respect to certain license conditions promulgated by Interior and adopted by the Commission in its orders of June 25, 1997¹ and October 30, 1998.² The project is located on the Flathead River in Lake and Flathead Counties, Montana and partially on lands within the Flathead Indian Reservation.

BACKGROUND

The Kerr project was issued an initial 50-year license by the Federal Power Commission to a predecessor to the Montana Power Company (MPC) in May 1930. The license was transferred to MPC in 1938 and expired on May 22, 1980. On June 1, 1976, MPC applied for a new license to operate the project. The Tribes filed a competing application on July 2, 1976. From 1980 to 1985, MPC operated the project under annual licenses pending the outcome of the license proceeding.

In March 1985, the Tribes, Interior and the MPC entered into a settlement that provided for MPC to operate the project for the first 30 years of a new 50-year license and the Tribes would, at their option, take over the project for the remainder of the

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¹ 79 FERC ¶ 61,376 (1997)

² 85 FERC ¶ 61,164 (1998)