



Brian Schweitzer, Governor

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December 4, 2009

Steven C. Marmon
Project Manager
Gibson Dam Hydroelectric Co., LLC
3633 Alderwood Ave
Bellingham, WA 98225

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RE: Notice of §401 certification with conditions for the Gibson Dam Hydroelectric Project (FERC No. 12478-003).

Dear Mr. Marmon;

On September 17, 2009, the Department of Environmental Quality (Department) received a request from Gibson Dam Hydroelectric Co., LLC (GDHC) for §401 certification of the FERC license for the Gibson Dam Hydroelectric Project (Project), which has been assigned FERC number 12478-003.

The Department provided you a letter, dated October 16, 2009, indicating its tentative §401 certification decision and conditions. Subsequently, the public was informed of and provided an opportunity to comment on the Department's tentative determination, per Montana regulation (ARM 17.30.108). No public comments were received by the Department regarding the Project.

The Department has now completed its review of the application.

Based upon the Gibson Dam Hydroelectric Project license application, and other information supplied by GDHC prior to its certification request, the Department has determined that there is reasonable assurance that project activities, as conditioned, will not violate applicable water quality standards and other appropriate requirements of state law.

The information supplied by GDHC indicates that the following conditions are necessary to ensure that Montana's water quality standards will not be violated.

The following conditions are hereby included in this certification:

1. GDHC shall implement the construction water quality monitoring plan, which is found in Volume 3 of GDHC's application for their FERC license. GDHC shall follow all provisions and reporting requirements therein.
2. In the first July to September period following project startup, GDHC shall implement the post construction water quality monitoring plan, which is found in Volume 3 of GDHC's application for their FERC license. GDHC shall follow all provisions and reporting requirements therein. After completing three years of dissolved oxygen monitoring, as described in the plan, a final report shall be submitted to the Department within four months of the completion of monitoring. The need for

401 Certification

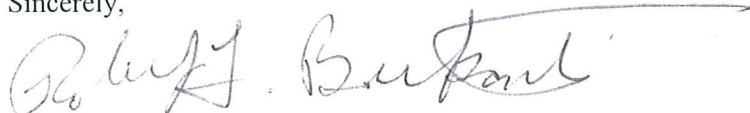
Gibson Dam Hydroelectric Project – Notice of §401 Certification

December 4, 2009

any action(s) by GDHC to enhance dissolved oxygen levels in the Sun River below Gibson Dam will be determined by the Department, based on the Department's review of the three-year DO monitoring program and resulting final report.

3. If dissolved oxygen enhancement in the Sun River is required, as determined by condition 2 above, GDHC shall, in consultation with the Department, develop a new dissolved oxygen monitoring plan (DO plan 2) to assess the success of the dissolved oxygen enhancement measures. DO plan 2 shall be based on the post construction water quality monitoring plan, with additional sampling requirements included only on an as-needed basis. DO plan 2 and the dissolved oxygen enhancement measures shall be implemented at the beginning of the next July to September period following the Department's determination of need.
4. GDHC shall notify the Department and the Montana Department of Fish, Wildlife and Parks in writing not less than two weeks prior to commencing any construction activity within the Project boundary which may result in a discharge of pollutants to state waters and notify the Departments within seven (7) days after completion of any construction activity.
5. GDHC shall notify the Department and the Montana Department of Fish, Wildlife and Parks within twenty-four (24) hours of any un-authorized discharge of pollutants to state waters within the Project boundary.
6. GDHC shall allow the Department reasonable entry and access to the Project and review of appropriate records in order to determine compliance with conditions of this certification.
7. GDHC shall obtain all permits, authorizations and certifications required by federal, state or local laws, regulations or ordinances prior to the commencement of any activity that could violate Montana's water quality standards. The Department reserves the authority under this certification to require plans, corrective actions and monitoring necessary to correct water quality violations that may result from operation, maintenance or construction associated with the Project.
8. Should the Project be found, at any time, not to be in compliance with any of the conditions of this certification, or should the permittee construct or operate this project in any way other than as specified in the application or supporting documents, as modified by the conditions of this certification, then the terms of this certification shall be considered to have been violated.
9. This certification shall expire upon the assignment or transfer of the property covered by this certification unless the new owner submits to the Department a written consent to all the terms and conditions of this certification.

Sincerely,



Bob Bukantis

Water Quality Standards

Montana Department of Environmental Quality

cc: Ms. Kimberly Bose, Federal Energy Regulatory Commission
Ms. Carol Rushin, Administrator EPA Region 8