

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

ALLETE, Inc.

Project Nos. 2360-167 and 172

ORDER ON REHEARING AND RESCINDING
ORDER APPROVING OPERATING PLAN

(Issued April 6, 2007)

1. On February 1, 2007, an order was issued approving an operating plan filed by ALLETE, Inc. pursuant to Article 413 of its license for the 87.6-megawatt St. Louis Project No. 2360, located in the St. Louis River Basin, in St. Louis and Carlton Counties, Minnesota, and in part on the Fond du Lac Indian Reservation.¹ The approved plan made a number of changes to license requirements concerning minimum flows, reservoir drawdowns, ramping rates, and flood control measures.

2. Barb Leuelling, a private landowner along the Whiteface River, downstream of the project's Whiteface development,² timely filed a motion to intervene and a request for rehearing of the February 1 Order.³ Leuelling maintains that the operating plan for the

¹118 FERC ¶ 62,099 (2007). The project consists of five headwater storage reservoirs and four hydroelectric developments. Article 413 states that the plan is intended to accommodate operational complexities, information gained from additional gauging and monitoring, changing conditions, and multipurpose resource demands that could not be foreseen at the time of license issuance. *See* 72 FERC ¶ 61,028 (1995).

² Some of ALLETE's headwater reservoirs are located on various tributaries to the St. Louis River, and are used to control flows in the St. Louis River Basin.

³ The intervention is permissible and timely because requirements of the approved plan entail material changes to existing license requirements, and there was no earlier opportunity to intervene. *See Pacific Gas & Electric Company*, 40 FERC ¶ 61,035 (1987).

Whiteface River should address flood control downstream of the Whiteface Reservoir, taking into account the effects of drawdown and refill (as well as the effects of their timing) on private landowners. She also maintains there is a need to assess the effect of flood waters on erosion, and for gauges to assess river conditions along areas where homeowners are experiencing frequent flooding.

3. Upon consideration of the record in this proceeding, including representations made in the request for rehearing, there appears to be a need for further review of the plan filed pursuant to Article 413 of the license. Accordingly, the request for rehearing is granted in part. We are rescinding the order approving the plan and remanding the proceeding to Commission staff for further action.

The Commission orders:

(A) The request for rehearing filed by Barb Leuelling on March 2, 2007, in this proceeding is granted to the extent discussed in the text of the order.

(B) The order approving the operating plan issued in this proceeding on February 1, 2007, is rescinded.

(C) The proceeding is remanded to Commission staff for further action.

By the Commission.

(S E A L)

Philis J. Posey,
Acting Secretary.