

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Joseph T. Kelliher, and Suedeem G. Kelly.

Ford Motor Company

Project No. 362-006

ORDER ON REHEARING

(Issued March 4, 2005)

1. Ford Motor Company (Company) seeks rehearing and clarification of an order of the Director, Office of Energy Projects (Director), issuing a new license for the continued operation of the 17.92-megawatt Ford Project No. 362.<sup>1</sup> The project is located at a U.S. Army Corps of Engineers (Corps) dam on the Mississippi River, in the City of St. Paul, Minnesota. For the reasons discussed below, we deny the Company's rehearing request and clarify a requirement of the new license. This order is in the public interest because it clarifies the Company's obligations under its license.

**Background**

2. The project boundary encompasses a total area of 13.8 acres, of which 11.2 acres are lands owned by the Corps. The Company constructed the project at the Corps' navigation dam in 1923-24. Two navigation locks and the dam are owned, operated, and maintained by the Corps and are not part of the project works. The project is located within the Mississippi National River and Recreation Area (Mississippi Recreation Area).

3. The powerhouse is located in the City of St. Paul. It is a four-unit, run-of-river generating facility that supplies power for use in the Company's vehicle assembly plant. Power produced at the project that is not consumed by the Company is sold to Xcel Energy, and power is purchased from Xcel Energy when project generation is insufficient to meet the Company's demand.

---

<sup>1</sup> *Ford Motor Company*, 109 FERC ¶ 62,102 (2004).

4. The original fifty-year license for the Ford Project was issued in 1923, and expired on June 6, 1973.<sup>2</sup> In 1980, a new license was issued for the continued operation of the project.<sup>3</sup> The license expired on June 6, 2003, and the Company operated the project under an annual license until its new license was issued on November 18, 2004, for a 30-year term.

5. On rehearing, the Company asks for: (1) a longer license term; (2) revisions to the recreation management plan requirement of Article 405, to allow the Company to make an annual payment in lieu of preparing the plan; and (3) corrections to the consultation requirements of two license articles.

## **Discussion**

### **A. Request for a 40-Year License Term**

6. The Company contends that a 40-year license term is appropriate for the project, arguing that the Director should have considered operational improvements to the project, and extensive shoreline restoration and protection measures voluntarily performed by the Company during and immediately preceding the relicensing application proceedings. The Company states it invested \$12.3 million since 1993 on project rehabilitation, upgrades, and relicensing costs. The Company also contends the Director did not consider the bluff stabilization, rehabilitation, and security improvements that were mandated under the prior license. The Company states that these investments were made in addition to the normal project maintenance costs. The Company concludes that its investments leading up to the relicensing constitute moderate redevelopment; and therefore, the Commission should modify the term of the license and issue the license for a 40-year term.

7. Section 15(e) of the Federal Power Act (FPA)<sup>4</sup> provides that any new license issued shall be for a term that the Commission determines to be in the public interest, but not less than 30 years or more than 50 years from the date on which the license is issued. Our policy is to relate the length of the new license term for a project to the amount of redevelopment, new construction, new capacity, or environmental mitigation and enhancement measures that are authorized or required under the license.<sup>5</sup>

---

<sup>2</sup> Third Federal Power Commission Annual Report, at 263 (1923).

<sup>3</sup> 12 FERC ¶ 62,002.

<sup>4</sup> 16 U.S.C. § 808 (e).

<sup>5</sup> See *Southern California Edison*, 77 FERC ¶ 61,313 at 62,435 (1996).

8. The Company's relicense application did not propose, nor does the new license require, any redevelopment, significant new construction, or new capacity that would warrant a license term of greater than 30 years. Because these expenditures were not part of our comprehensive development determination under section 10(a) (1) of the FPA, they have no bearing on the length of the license. Therefore, for the foregoing reasons, we deny the Company's request to extend the license term to 40 years.

**B. Request to Modify License Article 405**

9. Article 405 of the license requires the Company to prepare and file for Commission approval a recreational management plan, and to update the plan every six years. Specifically, the article provides:

Article 405. Recreational Management Plan. Within one year from the date of issuance of this license, the licensee shall file with the Commission, for approval, a plan for providing the following project-related recreational enhancements at the project. At a minimum, the plan shall include the following:

A) a provision for information brochures, signage, and websites designed to furnish information and direction for water-oriented recreational users in the project vicinity;

B) a final estimate of construction, or development, and O&M costs for providing and maintaining the information brochures, signage, and websites;

C) an implementation schedule;

D) a provision to update the recreation management plan every 6 years to coincide with the filing of the FERC Form 80; and

E) a discussion of how the needs of the disabled were considered in the planning and design of the information brochures, signage, and websites.

The recreation management plan shall be developed in consultation with the National Park Service (Mississippi National River and Recreation Area), Minnesota Department of Natural Resources, the city of Minneapolis, and the Minneapolis Parks and Recreation Board.

The licensee shall include with the plan, documentation of agency consultations, copies of agency comments and recommendations on the

plan and specific descriptions of how the agencies' comments are accommodated by the plan. The licensee shall allow a minimum of 30 days for the agencies to comment and to make recommendations, before filing the plan with the Commission. If the licensee does not adopt an agency's recommendation, the filing shall state the licensee's reasons, based on project-specific information.

The Commission reserves the right to require changes to the plan. The plan shall not be implemented until the licensee is notified that the plan is approved. Upon Commission approval, the licensee shall implement the plan according to the approved schedule, including any changes required by the Commission.

10. On rehearing, the Company argues it should not be required to prepare and periodically update such a plan for the project. It contends that this requirement is burdensome, unnecessary, and a waste of resources. The Company points out that, since no recreational opportunities exist within the project boundaries,<sup>6</sup> the only issue to be addressed by a Recreational Management Plan is the requirement to provide brochures, signage, and websites designed to provide information to water-oriented recreational users in the vicinity of the project.

11. The Company contends that a function of the National Park Service (Mississippi Recreation Area) and the Minnesota Department of Natural Resources (Minnesota DNR) is to provide such information in a format and at locations that are effective, and that the agencies currently publish informational brochures, which are distributed through visitor and informational centers. These agencies also maintain informational signage within recreational areas along the river corridor and operate informational websites frequented by recreational users. The Company states that it does not have the expertise for determining the type of information needed or the best medium for communicating information or distributing the information to users in the project vicinity.

---

<sup>6</sup> See Commission staff's September 16, 2004 Environmental Assessment for the project, at 26-32.

12. The Company instead proposes to make annual payments to the National Park Service's Mississippi Recreation Area of \$2,500, which is almost double the annualized cost of \$1,330 estimated in the Environmental Assessment for the project.<sup>7</sup> The agency could use these funds to provide any needed water-oriented recreational information in the project vicinity.

13. We will simplify the Article 405 requirement, but will not modify it in the manner requested by the Company. The Company, while bearing the ultimate responsibility for providing the required information, may work with appropriate agencies and entities in carrying out its responsibilities. Indeed, in appropriate circumstances, we expect our licensees to encourage relevant agencies and entities to assist in carrying out the project's plans for recreation.<sup>8</sup> We believe however that the licensee can effectively carry out the essential requirement of this article (to prepare and disseminate information to the public on water-based recreation opportunities in the project vicinity) without the need to prepare and file for Commission approval a Recreation Management Plan. Accordingly, we will revise Article 405 to simplify it while retaining its informational requirements.

**C. Clarification of Agency and City References**

14. The Company points out two instances where consulting requirements in license articles are incorrect. We agree, and accordingly the revised Article 405 replaces the City of Minneapolis with the City of St. Paul, and Article 406 is amended to delete the City of Minneapolis as an entity to be consulted on the article's trash removal plan.

The Commission orders:

(A) The request for rehearing filed on December 20, 2004, is granted to the extent discussed in this order and is denied in all other respects.

---

<sup>7</sup> The Company states that it has had discussions with the Mississippi Recreation Area and has offered to contribute an amount not exceeding \$100,000 over the life of the license to support the establishment of a recreational fund.

<sup>8</sup> See the Commission's policy for recreational development at licensed projects, section 2.7(c) and (d) of the regulations, 18 C.F.R. § 2.7(c) and (d) (2004).

(B) Article 405 is amended to read as follows:

Article 405. *Information on Water-Based Recreation Opportunities.* The licensee, in consultation with the National Park Service (Mississippi National River and Recreation Area), Minnesota Department of Natural Resources, the City of St. Paul, and the Minneapolis Parks and Recreation Board, shall make available to the public information brochures, signage, and websites on water-oriented recreational uses in the project vicinity. It is estimated that this effort will cost no more than \$2,500 annually.

(C) Article 406 is amended to delete the City of Minneapolis as an entity to be consulted on the development of the Trash Removal Plan.

By the Commission. Commissioner Brownell not participating.

( S E A L )

Magalie R. Salas,  
Secretary.