



BILLING CODE 6717-01-P

DEPARTMENT OF ENERGY
FEDERAL ENERGY REGULATORY COMMISSION

Crown Hydro LLC

Project No. 11175-024

NOTICE OF INITIATION OF PROCEEDING TO TERMINATE LICENSE BY
IMPLIED SURRENDER AND SOLICITING COMMENTS AND MOTIONS TO
INTERVENE

Take notice that the following hydroelectric proceeding has been initiated by the Commission:

- a. Types of Proceeding: Termination of License by Implied Surrender
- b. Project No.: 11175-024
- c. Date Initiated: June 14, 2012
- d. Licensee: Crown Hydro, LLC
- e. Name and Location of Project: The 3.4-Megawatt (MW) Crown Mill Hydroelectric Project is located at the Upper St Anthony Falls Dam on the Mississippi River in the City of Minneapolis, Hennepin County, Minnesota.
- f. Proceeding Initiated Pursuant to: Standard Article 35 of the Project's license
- g. FERC Contact: Mrs. Anumzziatta Purchiaroni, (202) 502-6191, anumzziatta.purchiaroni@Ferc.gov
- h. Deadline for filing comments, protest, and motions to intervene: July 19, 2012

Comments, Motions to Intervene, and Protests may be filed electronically via the Internet. See, 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "eFiling" link. Include the project number (P-11175-024) on any documents or motions filed. To paper-file, an original and eight copies should be mailed to: Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. For more information on how to submit these types of filings, please go to the Commission's website located at <http://www.ferc.gov/filing-comments.asp>.

The Commission's Rules of Practice and Procedure require all intervenors filing documents with the Commission to serve a copy of that document on each person in the official service list for the project. Further, if an intervenor files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency.

i. Description of Existing Facilities: The licensee has performed no on-site construction or ground-disturbing activities.¹

j. Description of Proceeding:

The Commission has initiated this Termination of License by Implied Surrender proceeding for the Crown Mill Hydroelectric Project No. 11175 because over 13 years have passed since the issuance of the license, the licensee has failed to complete construction of the project as licensed, and its filings fail to show it can do so in the near future.

In 1999 the Commission issued a major license for the 3.4-megawatt (MW) Crown Mill Hydroelectric Project. The authorized project includes: a reconstructed upper canal and intake tunnel; a powerhouse located at the basement of the Crown Roller Mill Building and containing two hydropower units with a total capacity of 3.4 MW; an existing tailrace tunnel and a reconstructed tailrace canal; and an underground transmission line.

Standard Article 35 of the license for Project No. 11175 provides, in pertinent part:

If the licensee shall cause or suffer essential project property to be removed or destroyed or to become unfit for use, without adequate replacement, or shall abandon or discontinue good faith operation of the project or refuse or neglect to comply with the terms of the license and the lawful orders of the Commission mailed to the record address of the Licensee or its agent, the

¹ The licensee met the March 2003 deadline to commence project construction by initiating turbine manufacture. See June 19, 2003 letter from Commission staff.

Commission will deem it to be the intent of the Licensee to surrender the license.²

In 2002, the licensee filed an application to amend the license to relocate the powerhouse to the east side of the West River Parkway in the footprint of the remains of the Holly and Cataract Mill Foundation owned by the Minneapolis Park and Recreation Board (Park Board) because it stated it could not secure a lease agreement with the owner of the Crown Roller Building and, therefore, it could not construct the project as licensed. In 2005, the Commission dismissed the licensee's amendment application on the grounds that the licensee could not show that it could obtain the necessary property rights from the Park Board.³

On May 25, 2011, Commission staff sent the licensee a letter stating that the staff considered the project to have been abandoned and that it was the licensee's intent to surrender the license and asking the licensee to show cause why the Commission, based upon these conclusions, should not terminate the license. The licensee responded on June 23, 2011, stating its intent to file yet another amendment application to develop a substantially different project that would be located in the headrace canal adjacent to the U.S. Army Corps of Engineers (USACE) Lock and Dam and on USACE lands. This response and subsequent filings of the licensee indicates that it is in the very early stages of preparing a license amendment application that will materially alter the project facilities and their locations from those as originally licensed. After more than 13 years since the issuance of the license, there is still no expectation that the licensee will complete construction of the project in the foreseeable future.

k. Individuals desiring to be included on the Commission's mailing list for this proceeding should so indicate by writing to the Secretary of the Commission.

l. Filing and Service of Responsive Documents: Any filing must bear in all capital letters the title "COMMENTS", "PROTEST", or "MOTION TO INTERVENE", as applicable, and the Project Number of the proceeding (P-11175-024).

² *Crown Hydro Co.*, 86 FERC ¶ 62, 209, at 64,289, incorporating by reference form L-6 (Revised Oct. 1975), entitled "Terms and Conditions of License for Unconstructed Major Project Affecting Navigable Waters and Lands of the United States," 54 F.P.C. 1792 (1975).

³ *See Crown Hydro LLC*, 110 FERC ¶ 62,121 (2005), *order denying reh'g and request for abeyance*, 111 FERC ¶ 61,315 (2005).

m. Agency Comments – Federal, states, and local agencies are invited to file comments on the described proceeding. If an agency does not file comments within the time specified for filing comments, it will be presumed to have no comments.

Dated: June 14, 2012

Kimberly D. Bose,
Secretary.