



North American Hydro Holdings, Inc. — Plant Operations:
116 State Street, P.O. Box 187, Neeshkora, WI 54980 USA
Tel 920-293-4828 Fax 920-293-8087 Email nah@nahydro.com Web www.nahydro.com

Engineering & Manufacturing:
6310 Technology Drive, Weston, WI 54478 USA
Tel 715-359-0209 Fax 715-359-1049 Email schofield@nahydro.com Web www.nahydro.com

August 18, 2008



Ms. Peggy Harding, P.E
Regional Engineer
Federal Energy and Regulatory Commission
230 Dearborn Street, Suite 3130
Chicago, Il 60604

**Re: Hatfield Hydroelectric Project FERC Project No. P-10805
Midwest Hydraulic Company
August 1, 2008 Dam Safety Inspection
August 6, 2008 Follow up letter to Hatfield Hydro Annual
Dam Safety Inspection**

Dear Ms. Harding:

As discussed with the Commissions Mr. John Breslin during this years Dam Safety Inspection at the Hatfield Project P-10805 on August 1, 2008, the water that has “ponded” at the downstream toe of the power canal’s left embankment between STA 15+50 and 18+00 needs to be investigated. Per the Commission request, this investigation will need to take place prior to the refilling of the power canal to its normal operating elevation of 879.0 feet NGVD. Through this investigation we will attempt to gain an understanding as to the origin of seepage whether it be seepage through the canal, runoff from adjacent high ground, groundwater recharge from the city’s water treatment ponds or a combination of the afore mentioned. This investigation plan will include but not be limited to the following action items:

- Notify the Lake Association as well as residents on the “backwater” of the power canal that a temporary drawdown will take place during this investigation phase and may continue into any possible remediation phases of the embankment.
- Contact the City’s Operations Manager of the adjacent water treatment ponds to gather information with regards to elevation data that may assist with any possible relationship with the ponding occurring at the toe of the left embankment.



- **Begin a 1 foot drawdown of the power canal in increments of 1/10 feet per day to an elevation of aprox. 875.0 NGVD. This elevation includes the three feet that the canal has been lowered to facilitate the projects spillway upgrade. The current elevation is at 876.0 NVGD.**
- **Included if deemed necessary a drawdown of the ponded area to assist in the determination of the origin of seepage into the ponded area.**
- **Continue vegetation clearing around the area of ponding (STA 15+50 to 18+00) to enhance visual monitoring.**

During the investigation phase, daily monitoring will take place that will include but not be limited to:

- **Daily Piezometer readings that will be used to monitor phreatic levels in the embankment as well as any elevation changes in the wells.**
- **Monitor and document precipitation and incorporate amounts into other data being collected.**
- **Daily monitoring and documentation of power canal seepage staff gage readings.**
- **Continued daily visual monitoring of the left embankment for any seepage, changes in surface saturation, boils, sloughing, slumping, sliding or any other signs of embankment instability.**

As discussed, any remediation efforts are to be determined by the outcome of this investigation phase and will be forwarded to the Commission as well as the WDNR for review and approval. Additionally, any issues that may arise during the investigation phase that would threaten the integrity of the embankment will be immediately reported to the Commission.

We plan to start this investigation phase immediately so we would greatly appreciate your approval of the above proposed plan.



If there are any questions concerning this matter please contact John McCutcheon at North American Hydro Holdings Corporate offices at (920)-293-4628, ext. 35 or E-mail at john.mccutcheon@nahydro.com

Sincerely,
North American Hydro Holdings
Agent for Midwest Hydraulic Co.

A handwritten signature in black ink that reads "John McCutcheon". The signature is written in a cursive, flowing style.

For
Chuck Alsberg
Executive Vice President

Cc: Charles Meeks, West Central Regional Manager

NAHH file