



STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION
STATE HOUSE STATION 17 AUGUSTA, MAINE 04333

DEPARTMENT ORDER

IN THE MATTER OF

GNE, INC) SITE LOCATION OF DEVELOPMENT
East Millinocket, Penobscot County)
HYDRO-ELECTRIC DAM TRANSFER) TRANSFER
L-16637-20-Q-T (approval)) FINDINGS OF FACT AND ORDER

Pursuant to the provisions of 38 M.R.S.A. Sections 481 et seq. and 06-096 CMR 2.17, Rules Concerning the Processing of Applications, (August 1, 1994), the Department of Environmental Protection has considered the application of GNE, INC with the supportive data, agency review comments, and other related materials on file and FINDS THE FOLLOWING FACTS:

1. In Department Order #L-16637-20-A-N, dated December 20, 1989, the Department approved the development of Great Northern Paper Company's East Millinocket industrial modernization project. Subsequent to the original order, the Department approved multiple modifications. The development is located on Route 11 in the Town of East Millinocket.
2. The applicant has applied to transfer the hydro-electric dam and associated buildings and facilities portions of Department Order #L-16637-20-A-N, currently held by Great Northern Paper, INC (GNP, INC).

The properties to be transferred are shown map included with the application, entitled "GNP-GNE Ownership Plan of the East Millinocket Mill" prepared by GNP, INC., and as described in the "Membership Interests Purchase Agreement" between GNP, INC and Great Lakes Power, INC, dated October 9, 2001 for the East Millinocket Mill.

The portions of the Site Law license that are being transferred will now be regulated solely under the authority of the Maine Waterway Development and Conservation Act, 38 M.R.S.A. § 630-637 and Section 401 of the Federal Clean Water Act, PL 92-500, as amended.

3. The applicant has submitted the following information in support of this transfer request:
 - A. Transfer application dated February 8, 2002 and signed by Jeffrey Martin on behalf of GNE, INC and Brian Stetson on behalf of GNP, INC.
 - B. Financial Capacity: GNE, INC is a wholly-owned subsidiary of GNP, INC. At the time of this transfer, GNP, INC will sell its entire membership interest in GNE, INC to GNE Holding ULC, a Nova Scotia Unlimited Liability Company (GNEULC). GNEULC is a wholly-owned subsidiary of Brascan Corporation, which owns various Canadian power generating assets and U.S. generating assets through various special purpose subsidiaries, including Great Lakes Power, INC.

The applicant has submitted a copy of the Brascan Corporation year 2000 annual report indicating the Corporation has adequate funds available to operate these facilities

C. Technical Ability: The applicant has submitted adequate information regarding the technical ability of the applicant to operate and maintains the hydro-electric facilities.

BASED on the above findings of fact, the Department CONCLUDES that GNE, INC has provided adequate evidence of financial capacity and technical ability to comply with all conditions of Department Order #L-16637-20-A-N, and to satisfy all applicable statutory and regulatory criteria

THEREFORE, the Department APPROVES the above noted application of GNE, INC, for transfer of Department Order #L16637-20-A-N, SUBJECT TO THE FOLLOWING CONDITIONS and all applicable standards:

1. The Standard Conditions of Approval, a copy attached.
2. The original Department Order #L-16637-20-A-N, dated December 20, 1989, and all amendments and modifications thereto.

THIS APPROVAL DOES NOT CONSTITUTE OR SUBSTITUTE FOR ANY OTHER REQUIRED STATE, FEDERAL OR LOCAL APPROVALS NOR DOES IT VERIFY COMPLIANCE WITH ANY APPLICABLE SHORELAND ZONING ORDINANCES.

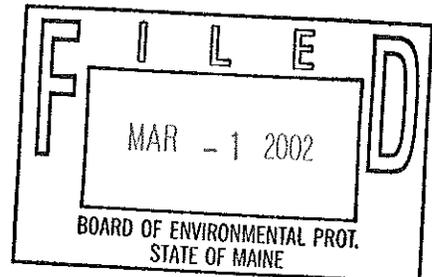
DONE AND DATED AT AUGUSTA, MAINE, THIS 28 DAY OF February, 2002.
DEPARTMENT OF ENVIRONMENTAL PROTECTION

By *[Signature]*
MARTHA G. KIRKPATRICK, COMMISSIONER

PLEASE NOTE THE ATTACHED SHEET FOR GUIDANCE ON APPEAL PROCEDURES...

Date of initial receipt of application February 15, 2002
Date of application acceptance February 27, 2002

Date filed with Board of Environmental Protection
RC/L16637QT



SITE LOCATION OF DEVELOPMENT (SITE)
STANDARD CONDITIONS

**STRICT CONFORMANCE WITH THE STANDARD AND SPECIAL CONDITIONS OF THIS APPROVAL
IS NECESSARY FOR THE PROJECT TO MEET THE STATUTORY CRITERIA FOR APPROVAL.**

- 1. This approval is dependent upon and limited to the proposals and plans contained in the application and supporting documents submitted and affirmed to by the applicant. Any variation from the plans, proposals and supporting documents is subject to the review and approval of the Board prior to implementation. Further subdivision of proposed lots by the applicant or future owners is specifically prohibited, without prior approval by the Board of Environmental Protection, and the applicant shall include deed restrictions to this effect.**
- 2. The applicant shall secure and comply with all applicable Federal, State and local licenses, permits, authorizations, conditions, agreements, and orders, prior to or during construction and operation as appropriate.**
- 3. The applicant shall submit all reports and information requested by the Board or Department demonstrating that the applicant has complied or will comply with all conditions of this approval. All preconstruction terms and conditions must be met before construction begins.**
- 4. Advertising relating to matters included in this application shall refer to this approval only if it notes that the approval has been granted WITH CONDITIONS, and indicates where copies of those conditions may be obtained.**
- 5. Unless otherwise provided in this approval, the applicant shall not sell, lease, assign or otherwise transfer the development or any portion thereof without prior written approval of the Board where the purpose or consequence of the transfer is to transfer any of the obligations of the developer as incorporated in this approval. Such approval shall be granted only if the applicant or transferee demonstrates to the Board that the transferee has the technical capacity and financial ability to comply with conditions of this approval and the proposals and plans contained in the application and supporting documents submitted by the applicant.**
- 6. If the construction or operation of the activity is not begun within two years, this approval shall lapse and the applicant shall reapply to the Board for a new approval. The applicant may not begin construction or operation of the development until a new approval is granted. Reapplications for approval shall state the reasons why the development was not begun within two years from the granting of the initial approval and the reasons why the applicant will be able to begin the activity within two years from the granting of a new approval, if granted. Reapplications for approval may include information submitted in the initial application by reference.**
- 7. If the approved development is not completed within five years from the date of the granting of approval, the Board may reexamine its approval and impose additional terms or conditions or prescribe other necessary corrective action to respond to significant changes in circumstances which may have occurred during the five-year period.**
- 8. A copy of this approval must be included in or attached to all contract bid specifications for the development.**
- 9. Work done by a contractor pursuant to this approval shall not begin before the contractor has been shown by the developer a copy of this approval.**

(2/81)/Revised November 1, 1979

DEPLW 148