



December 16, 2015

File: 2002916

NI Hydro Holding Corp.
3463 Beach Avenue
Roberts Creek BC V0N 2W2

Dear Sir or Madam:

Re: Water Licence Application WLA0Z122774-0001

Please find enclosed a copy of your Conditional Water Licence C131287 and Plat. Please read the documents carefully. Any error(s) in these documents should be brought to the attention of this office as soon as possible.

Ramping issues can be mitigated by the proper selection of equipment or infrastructure capable of meeting the worst-case scenarios for changes in flow. Generally, this would require the plant to be conservatively designed and equipped to ramp down as long as required; e.g. this may be 10 plus hours for Chickwat Creek. Ramping scenarios are to include the following flow cases: plant shutdown with no flow in the diversion reach; plant startup with inflows equal to IFR plus minimum turbine flows; and plant startup with inflows equal to IFR plus maximum flow diversion. The proper selection of equipment is of importance in balancing the desired flow control with the economics and feasibility of the project. If there are constraints in obtaining this balance, this is to be brought to our attention before requesting you're Leave to Commence Construction.

It is our understanding that the transmission line to the Ruby Lake Substation would be jointly shared by four waterpower projects in which you hold a water licence, or are an applicant for a water licence: Tyson Creek, Chickwat Creek, Ramona Creek, and Ramona Lake.

Due to the volume of the Chickwat Creek headpond, this intake is to be regulated as a dam. This will require you to prepare an Emergency Preparedness Plan (EPP) and an Operation, Maintenance and Surveillance (OMS) Manual for these works.

We have agreed that statistical analysis of the Coastal Tailed Frogs baseline data is not required for Chickwat Creek, but you are required to report sightings of this species.

As part of your Leave to Commence Diversion, we have agreed that you are to present the power analysis based on two years of baseline data collected for macroinvertebrates. At that time, we have agreed to make a decision regarding this study, either concluding the monitoring

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of macroinvertebrates, or the inclusion of macroinvertebrates into the OEMP monitoring program.

In my October 23, 2015 email, in which I discussed acceptable losses of anadromous fish habitat, and required additional minimum flows in the diversion reach upstream of the powerhouse. After review, this resulted in your water licence containing an Adaptive Management Plan clause. The Adaptive Management Plan requires the assessment of four fish abundance metrics, in determining whether additional flow is required in the diversion reach. Your licence requires the Adaptive Management Plan to be in place (implemented) before you commence the first generation of power from the Chickwat Creek Powerhouse. We have agreed that the installation of an IFR Diversion Pump may be deferred until the Adaptive Management Plan requires minimum flows to be added to the diversion reach.

The Interim Operational Environmental Management Plan, to be submitted prior to a Leave to Commence Construction being issued, is to include the measures for the 4 metrics and associated monitoring plan for the collection of additional baseline data prior to the commissioning of the project, as well as for the operational monitoring. Before the issuance of the Leave to Commence Diversion, an updated Adaptive Management Plan should be submitted for acceptance; this plan should at least include the Abundance Action Thresholds for the actual measures for the 4 defined metrics.

As part of this water licence adjudication, I am approving the Chickwat Creek Adaptive Management Plan that you have provided.

Permission for crossing roads or lands under the jurisdiction of any Government Agency must be obtained from the agency concerned.

Please note the following:

- 1) Water licences do not authorize entry on privately owned land for the construction of works, or flooding. Permission of the affected landowner must be obtained or an easement expropriated. For your protection, permission should be in writing and registered with the appropriate Land Title Office.
- 2) Permission for installing works on lands or roadways which are under the jurisdiction of any government agency, must be obtained from the agency concerned.

Please contact FrontCounter BC to assist you with notifications and any applications required if:

- a) there is any change in your mailing address;
- b) you sell the land to which the licence is appurtenant;
- c) you propose to subdivide the land to which the licence is appurtenant; or
- d) you propose to alter the works authorized under the licence.

In order for you to keep your water licence in good standing, the following must be observed:

- a) continued beneficial use of water, as authorized under your licence;
- b) payment of annual rentals;
- c) compliance with the terms of your licence; and
- d) compliance with the terms of the Water Act.

The Water Act gives the recipient of this notice the right to appeal my decision. Information on filing an appeal can be found on the Environmental Appeal Board Website at:

<http://www.eab.gov.bc.ca/>. A right of appeal from my decision lies to the Environmental Appeal Board. Notice of any appeal must (1) be in writing; (2) include grounds for the appeal; (3) be directed by registered mail to the Chair, Environmental Appeal Board, PO Box 9425 Stn Prov Govt., V8W 9V1 or personally delivered to the office of the Board at 4th Floor, 747 Fort Street in Victoria, BC V8W 3E9; (4) be delivered within 30 days of receiving this letter, and (5) be accompanied by a fee of \$25.00, payable to the Minister of Finance.

If you have any questions or concerns, please contact this office.

Yours truly,



Remko Rosenboom, M.Sc., A.Ag.
Regional Water Manager

Enclosure(s)