

**BEFORE THE
PUBLIC SERVICE COMMISSION
STATE OF NEW YORK**

In the Matter of the Joint Verified Petition of	x	
WPS Empire State, Inc., WPS Beaver Falls	)	
Generation, LLC, WPS Syracuse Generation,	)	
LLC, and Lakeside New York, LLC for	)	
Expedited Approval Pursuant to Section 70	)	Case 12-_____
and Section 83 of the Public Service Law for	)	
Proposed Transfer of Ownership Interests in	)	
WPS Beaver Falls Generation, LLC and WPS	)	
Syracuse Generation, LLC and Related	)	
Approvals	)	
	x	

**JOINT VERIFIED PETITION OF WPS EMPIRE STATE, INC.,
WPS BEAVER FALLS GENERATION, LLC, WPS SYRACUSE
GENERATION, LLC, AND LAKESIDE NEW YORK, LLC FOR EXPEDITED
APPROVAL PURSUANT TO SECTION 70 AND SECTION 83 OF THE PUBLIC
SERVICE LAW AND RELATED APPROVALS**

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WPS Syracuse Generation, LLC

Attorneys for Lakeside New York, LLC

October 24, 2012

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Approvals	)	
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**JOINT VERIFIED PETITION OF WPS EMPIRE STATE, INC.,
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GENERATION, LLC, AND LAKESIDE NEW YORK, LLC FOR EXPEDITED
APPROVAL PURSUANT TO SECTION 70 OF THE PUBLIC SERVICE LAW AND
RELATED APPROVALS**

WPS Beaver Falls Generation, LLC (“WPS Beaver Falls”), WPS Syracuse Generation, LLC (“WPS Syracuse” and together with WPS Beaver Falls, the “WPS Generators”), WPS Empire State, Inc. (“WPS Empire State” and together with the WPS Generators, the “WPS Entities”), and Lakeside New York, LLC (“Lakeside New York” and together with the WPS Entities, the “Petitioners”) jointly submit this Verified Request for an expedited order approving the transfer of all the membership interests of the WPS Generators from WPS Empire to Lakeside New York pursuant to Section 70 and Section 83 of the New York Public Service Law (“PSL”) together with other related approvals. Expedited action by the New York Public Service Commission (“Commission”) is required to provide a final Commission Order on or before December 13, 2012, in time to permit the transaction to be consummated this year.

COMMUNICATIONS

Communication regarding this filing should be directed to:

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Inc., WPS Beaver Falls Generation,
LLC, and WPS Syracuse
Generation, LLC

Attorneys for Lakeside New York,
LLC

INTRODUCTION AND SUMMARY OF POSITION

WPS Beaver Falls owns and operates an approximately 95 MW electric generation facility in Beaver Falls, New York, which also includes steam plant used to serve two customers, and WPS Syracuse owns and operates an approximately 109 MW electric generation facility in Solvay, New York. Both WPS Beaver Falls and WPS Syracuse are currently wholly owned by WPS Empire State. Lakeside New York and its affiliates currently own no generation facilities in New York. The Petitioners hereby seek Commission authorization under Sections 70 and 83 of the PSL to transfer all of the ownership interests of the WPS Generators from WPS Empire State to Lakeside New York. The Petitioners further request that the lightened regulatory

treatment now applicable to the WPS Generators continue to apply under the ownership of Lakeside New York and that the Commission determine that the transfer of the WPS Generators from WPS Empire State to Lakeside New York will not have a significant impact on the environment.

I. THE PETITIONERS

A. Lakeside New York, LLC

Lakeside New York is a Delaware limited liability company and a wholly owned subsidiary of Lakeside Energy LLC (“Lakeside Energy”), a private equity firm committed to providing capital to create profitable growth by acquiring, financing, owning, and operating energy companies and assets in North America.¹ Lakeside New York is a special-purpose entity created for purposes of facilitating the Transaction and does not currently own or control any generation, transmission, or distribution facilities.

B. WPS Entities

WPS Empire State is a New York corporation and a wholly owned subsidiary of WPS Power Development, LLC, which in turn is a wholly owned subsidiary of Integrys Energy Services, Inc. (“Integrys Energy”).

Integrys Energy is an energy marketing and services company which, through various subsidiaries, offers energy and related services to wholesale and retail customers in the United States. Integrys Energy indirectly owns, and operates through its subsidiaries, electric generation facilities in Wisconsin, Illinois, Pennsylvania, and New York. Integrys Energy in turn is an indirect subsidiary of Integrys Energy Group, Inc., an electric and natural gas utility holding

¹ Lakeside Energy is owned by American Securities Partners IV, L.P. and other affiliated funds managed by American Securities LLC, a leading U.S. private equity firm. Other than the facilities identified and described in this Joint Petition, Lakeside Energy is not affiliated with any entity that owns or controls generation or transmission facilities.

company headquartered in Chicago, Illinois. Its subsidiaries include Wisconsin Public Service Corporation, a regulated electric and gas utility serving retail customers in Wisconsin and Upper Michigan, and Upper Peninsula Power Company, a regulated electric utility serving customers in Michigan's Upper Peninsula. Integrys Energy Group also owns a number of regulated natural gas utilities in the Midwest. An Integrys Energy subsidiary, Integrys Energy Services of New York, Inc. ("IESNY"), is a licensed Energy Services Company ("ESCO") authorized to provide retail electric service in New York.

Further, WPS Empire State owns all of the membership interests in WPS Beaver Falls and WPS Syracuse, but does not own directly any generation, transmission, or distribution facilities.² The Commission has previously approved transactions involving the WPS Entities.³

WPS Beaver Falls is a Delaware limited liability company and a wholly owned subsidiary of WPS Empire State. WPS Beaver Falls owns and operates an approximately 95 MW combined-cycle generating facility located in Beaver Falls, New York (the "Beaver Falls Generating Facility"). WPS Beaver Falls is an EWG⁴ and is authorized to sell power at market-based rates.⁵ WPS Beaver Falls also provides steam to two customers, Interface Solutions, Inc.

² In 2010, FERC accepted a notice of cancellation of WPS Empire State's market-based rate tariff. *WPS Empire State, Inc.*, Docket No. ER10-928-000 (May 12, 2010) (unpublished letter order).

³ See, e.g., Case 02-M-0094, *WPS Power Development, Inc.*, Order Approving Transfers, Providing for Lightened and Incidental Regulation, and Granting a Certificate of Public Convenience and Necessity (issued Apr. 26, 2002) ("April 26, 2002 Order"); Case 02-M-1215, *WPS Empire State, Inc.*, Petition for Expedited Approvals of Proposed Mergers and Transfers of Ownership of Certain Electric Generation and Steam Facilities (issued Dec. 26, 2002) ("December 26, 2002 Order").

⁴ *WPS Beaver Falls Generation, LLC, WPS Niagara Generation, LLC and WPS Syracuse Generation, LLC*, 101 FERC ¶ 62,157 (2002).

⁵ *WPS Beaver Falls Generation, LLC, WPS Niagara Generation, LLC and WPS Syracuse Generation, LLC*, Docket Nos. ER03-54-000, ER03-55-000, ER03-56-000 (Dec. 3, 2002) (unpublished letter order) (accepting market-based rate tariff).

and Omniafiltra, LLC. WPS Beaver Falls has been afforded lightened regulation by the Commission.⁶

WPS Syracuse is a Delaware limited liability company and a wholly owned subsidiary of WPS Empire State. WPS Syracuse owns and operates an approximately 109 MW combined-cycle facility located in Solway, New York. WPS Syracuse is an exempt wholesale generator⁷ and is authorized to sell power at market-based rates.⁸ WPS Syracuse has been afforded lightened regulation by the Commission.⁹

II. THE TRANSACTION

The terms of the Transaction are set forth in the Purchase and Sale Agreement by and Between Lakeside New York and WPS Empire State, dated October 22, 2012 (the “Agreement”). The Agreement provides that WPS Empire State will sell to Lakeside New York 100% of the membership interests in WPS Beaver Falls and WPS Syracuse. Upon closing of the Transaction, WPS Beaver Falls and WPS Syracuse will be direct subsidiaries of Lakeside New York and will be wholly-owned, indirect subsidiaries of Lakeside Energy.

⁶ See e.g., Case 02-M-1215, *WPS Empire State, Inc., Petition for Expedited Approvals of Proposed Mergers and Transfers of Ownership of Certain Electric Generation and Steam Facilities*, slip op at 7 (issued Dec. 26, 2002). The Commission also approved the continued lightened and incidental regulation of a former affiliate of the WPS Generators when it was sold to a third party. See Case 06-E-1301, *WPS Empire State, Inc., WPS Niagara Generation LLC and USRG Niagara Biomass LLC Joint Petition for Expedited Approval of the Transfer of All Membership Interests*, (issued January 22, 2007) (“January 22, 2007 Order”).

⁷ *WPS Beaver Falls Generation, LLC, WPS Niagara Generation, LLC and WPS Syracuse Generation, LLC*, 101 FERC ¶ 62,157 (2002).

⁸ *WPS Beaver Falls Generation, LLC, WPS Niagara Generation, LLC and WPS Syracuse Generation, LLC*, Docket Nos. ER03-54-000, ER03-55-000, ER03-56-000 (Dec. 3, 2002) (unpublished letter order) (accepting market-based rate tariff).

⁹ See January 22, 2007 Order.

III. REQUEST FOR APPROVAL UNDER SECTIONS 70 AND 83 OF THE PSL

Sections 70 and 83 of the PSL require the Commission's authorization for the upstream transfer of control of an electric and steam corporation.¹⁰

A. Section 70

When reviewing a petition involving the disposition of lightly regulated entities pursuant to Section 70 of the PSL, the Commission considers whether: (i) the transaction will result in concentration of wholesale generation market ownership that might enable the exercise of horizontal market power post-closing; (ii) the acquiring entity is affiliated with entities that own or control traditional public utilities, electric transmission facilities, or fuel inputs into generation that operates in markets affecting New York; and (iii) the assets involved will be safely and adequately operated.¹¹ "In conducting a review under § 70 that pertains to an electric corporation operating in competitive markets," the Commission examines "any affiliations with fully-regulated New York utilities or power marketers that might afford opportunities for the exercise of market power or pose the potential for other transactions detrimental to captive ratepayer interests."¹²

The proposed ownership transfer is in the public interest. First, with regard to the effect on horizontal market power, neither Lakeside New York nor its affiliates currently own or control generation assets in New York, and after the Transaction, Lakeside New York's total

¹⁰ See, e.g., *April 26, 2002 Order*.

¹¹ See, e.g., *Re Orion Power Holdings, Inc.*, 2004 WL 2640358, at 7 (N.Y.P.S.C. 2004).

¹² Case 04-E-0630, *Joint Petition of Atlantic Renewable Projects, LLC, Zilkha Renewable Energy, LLC, Constellation Generation Group, Inc., Flat Rock Windpower LLC and Flat Rock Windpower II LLC for Approval of the Transfer of Ownership Interests in an Electric Corporation and of the Transfer of Assets of an Electric Corporation* (issued May 22, 2006); see also, Case 05-E-1341, *Orion Power Holdings, Inc., et al., Petition for Authority to Transfer Ownership Interests and to Issue Corporate Debt* (Issued Feb. 15, 2006).

share of any potential relevant wholesale electric market¹³ will be less than 2%, which the Commission has previously found to be a *de minimus* level that would not affect competition in any wholesale market.¹⁴

As for adjacent markets, Lakeside New York is affiliated with Lakeside Hazleton LLC (“Lakeside Hazleton”), which owns, operates, and maintains a 150 MW natural gas and oil-fueled generating facility located in Hazle Township, Pennsylvania, in PJM.¹⁵ This facility represents a *de minimus* amount of PJM’s announced generation capacity, which PJM described as 185,180 MW available for summer 2012.¹⁶ The fact that Lakeside New York is affiliated with Lakeside Hazleton does not pose the potential for the exercise of market power because Lakeside Hazleton operates in PJM, a separate geographic market, and the combined generation capacity will be *de minimus* when compared to the total generation capacity of both markets. Commission has previously held that a *de minimus* level of generation owned in an adjacent

¹³ The amount of capacity subject to the Transaction, 204 MW, which represents approximately 0.005% of the 38,902 MW of existing generating facilities in NYISO’s control area. Measuring only existing generating facilities is a conservative approach. According to New York ISO, the New York Control Area resource capability for 2012 Summer Capability period is projected to be 41,735 MW, which is comprised of existing facilities (38,902 MW), Special Case Resources (2,165 MW), and Additions and Reratings (668 MW). If Net Purchases and Sales from external areas (1,951 MW) are added to this total, the Total Resource Capability available to meet summer peak demand is 43,686 MW. 2012 Load and Capacity Data, “Gold Book”, prepared by the NYISO, at 26. http://www.nyiso.com/public/webdocs/services/planning/planning_data_reference_documents/2012_GoldBook.pdf.

¹⁴ See April 26, 2002 Order (granting approval of the transfer of WPS Niagara from CH Resources, Inc. to WPS Empire).

¹⁵ Lakeside Hazleton is an EWG, *Williams Generation Company - Hazelton*, 81 FERC ¶ 62,095 (1997), and is authorized to sell power at market-based rates. *Williams Generation Company - Hazelton*, Docket No. ER97-4587-000 (Oct. 23, 1997).

¹⁶ See *PJM READY FOR HOT SUMMER WEATHER ELECTRICITY DEMAND*, PJM Interconnection, LLC (May 23, 2012), available at <http://www.pjm.com/~media/about-pjm/newsroom/2012-releases/20120523-pjmsummer-assessment-2012.ashx>; and Company Overview, PJM Interconnection, LLC (2012) (last visited October 18, 2012) (stating also that, “the company dispatches about 185,600 megawatts (MW) of generating capacity over 65,441 miles of transmission lines.”)

market would not affect competition.¹⁷ Thus, the acquisition of the WPS Generators by Lakeside New York will not result in a new combination of wholesale generation market ownership that would enable the exercise of horizontal market power.

Second, vertical market power concerns also are absent. Lakeside New York has no affiliation with entities that own or control traditional public utilities or electric transmission other than interconnection facilities, or fuel inputs into generation, and it is not affiliated with any New York ESCO. The WPS Generators are affiliated with IESNY, a New York ESCO authorized to provide retail electric service in New York. As such, the transfer of the WPS Generators to Lakeside New York will have no adverse effect on vertical market power and in fact will serve to reduce the vertical market affiliations of the WPS Generators.

Third, with regard to the effect on retail rates, the Transaction will not adversely affect captive ratepayers, because Petitioners do not have any captive customers and the Transaction does not pose the potential for the exercise of market power as discussed above. Under the ownership of Lakeside New York, the WPS Generators will continue to sell the electricity in the same competitive wholesale markets as is currently the case under the ownership of WPS Empire State. The Transaction will have no impact on the retail customers of IESNY. Accordingly, the Transaction will have no adverse effect on retail rates.

Finally, Lakeside New York is qualified to own and operate the WPS Generators safely and reliably. As noted, Lakeside New York is a special purpose subsidiary of Lakeside Energy. The Lakeside Energy management team is primarily comprised of senior managers from Primary Energy Ventures LLC, a portfolio company that through the acquisition of 14 generation and

¹⁷ Case 11-E-0181, *ReEnergy Black River LLC et al, Joint Petition for an Order Approving Transfer Pursuant to Public Service Law 70 and Approving Lightened Regulatory Regime* (issued August 23, 2011).

energy assets grew from a start-up company into an operating energy business with an enterprise value of approximately \$1 billion. Lakeside Energy will staff the WPS Generators with capable personnel skilled in the operation of electric generation facilities and has the financial resources necessary to comply with all state and federal operational requirements. Accordingly, Lakeside New York has the requisite experience to own and operate the WPS Generators.

B. Section 83

Similarly, the Commission should approve the Transaction as to WPS Beaver Falls pursuant to Section 83. The Commission has previously approved the transfer of combined steam and electric generating facilities by reviewing primarily the Section 70 analysis as provided above.¹⁸ While the Section 70 analysis above is thus applicable, a more direct precedent also applies. In the *April 26, 2002 Order*, the Commission reviewed under Section 83 a transfer involving the same WPS Beaver Falls steam plant and operations subject to the Transaction.¹⁹ The same relevant facts are present here. The buyer, Lakeside New York, is capable of and can be expected to operate the steam plant reliably, efficiently, and in accordance with applicable law.²⁰ The steam plant and the electric generation facilities continue to be substantially integrated, requiring that they be transferred together.²¹ Moreover, this transfer does not pose the risk of harm to captive ratepayers, because the two steam customers are sophisticated business entities capable of protecting their own interests and can avail themselves

¹⁸ See, e.g., Case 05-E-0746, *Power City Partners, LP and AG-Energy, LP Joint Petition for Approval of the Transfer of Ownership Interests in Electric and Steam Generating Facilities* (issued September 7, 2005).

¹⁹ See *April 26, 2002 Order*, at 7-8.

²⁰ *Id.*

²¹ *Id.*

of competitive alternatives.²² As the same relevant facts are present now as in the *April 26, 2002 Order*, the Transaction should be approved under Section 83.

IV. REQUEST FOR CONTINUED LIGHTENED REGULATION FOR THE WPS GENERATORS

In an order issued on December 26, 2002, approving an internal reorganization of WPS Empire, the Commission granted WPS Empire's request for continued lightened and incidental regulation of the WPS Generators.²³ The Petitioners request that the Commission reaffirm lightened regulation of the WPS Generators under the proposed new ownership.

Under the proposed new ownership, the WPS Generators will continue to be operated exclusively in the competitive wholesale electric generation market as before, and WPS Beaver Falls will continue to offer steam service to sophisticated customers. Thus, the WPS Generators will continue to qualify for and the Commission should confirm that the WPS Generators will continue to be subject to lightened and incidental regulation under the ownership of Lakeside New York.

V. ENVIRONMENTAL ASSESSMENT

Under the State Environmental Quality Review Act ("SEQR"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617 and 16 NYCRR Part 7), the Commission must determine whether its actions may have a significant impact on the environment. Short Environmental Assessment Forms and required addendums for each of the WPS Generators are provided as Attachments B and C of this application.

The proposed action does not meet the definition of Type 1 or Type 2 actions listed in 6 NYCRR §§ 617.4, 617.5, and 16 NYCRR § 7.2 and is, therefore, classified as an "unlisted"

²² *Id.*

²³ *See January 22, 2007 Order.*

action requiring SEQR review. The Commission previously determined that the transfer of the membership interests in the WPS Generators and a former affiliate would not involve changes to the operation of the relevant facilities and, therefore, would not result in any adverse environmental impacts.²⁴ As no operational changes are planned as part of the Transaction, the Commission should make the same finding here.

Thus Petitioners request a Commission determination that the proposed action will not have a significant impact on the environment and adopt a negative declaration pursuant to SEQR.

VI. CONCLUSION

WHEREFORE, for the above-stated reasons. Lakeside New York and the WPS Entities respectfully request that the Commission grant an expedited order on or before December 13, 2012:

(1) approving the transfer by WPS Empire State, Inc. of all ownership interests in WPS Beaver Falls Generation, LLC and WPS Syracuse Generation LLC to Lakeside New York, LLC, pursuant to Section 70 of the PSL;

(2) approving the transfer by WPS Empire State, Inc. of all ownership interests in WPS Beaver Falls Generation, LLC to Lakeside New York, LLC, pursuant to Section 83 of the PSL;

(3) confirming that WPS Beaver Falls Generation, LLC and WPS Syracuse Generation, LLC will continue to be subject to lightened and incidental regulation; and

²⁴ See April 26, 2002 Order; December 26, 2002 Order; January 22, 2007 Order.

(4) determining that the transfer of WPS Beaver Falls Generation, LLC and WPS Syracuse Generation, LLC from WPS Empire State, Inc. to Lakeside New York, LLC will not have a significant impact on the environment.

Respectfully submitted,

/s/ James T. Tynion III

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/s/ William F. Henze II

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Attorneys for Lakeside New York,
LLC

Dated: October 24, 2012

ATTACHMENT A
VERIFICATIONS

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Proposed Transfer of Ownership Interests in	)	
WPS Beaver Falls Generation, LLC and WPS	)	
Syracuse Generation, LLC and Related	)	
Approvals	)	
-----	X	

I, Martin Collins, Executive Vice President of Lakeside Energy LLC, in the above entitled proceeding, have read the foregoing petition and know the contents thereof and that the same is true and accurate to the best of my knowledge, information and belief.



Martin Collins
Executive Vice President, Lakeside Energy LLC

Sworn to before me this
24th day of October, 2012



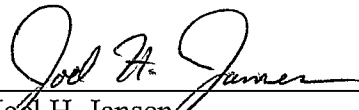
Andrew Bell

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Proposed Transfer of Ownership Interests in	)	
WPS Beaver Falls Generation, LLC and WPS	)	
Syracuse Generation, LLC and Related	)	
Approvals	)	
-----	X	

VERIFICATION

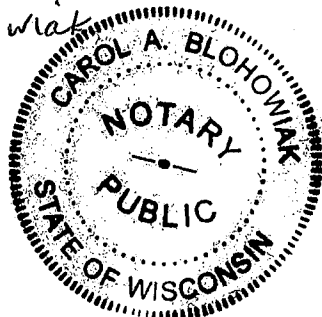
I, Joel H. Jansen, Vice President of WPS Empire State, Inc., WPS Beaver Falls Generation, LLC, WPS Syracuse Generation, LLC, have read the foregoing petition and know the contents thereof and that the same is true and accurate to the best of my knowledge, information and belief.



Joel H. Jansen
Managing Director
Energy Assets, Integrys Energy Services

Sworn to before me this
24th day of October __, 2012


Carol A. Blohowiak



ATTACHMENT B

ENVIRONMENTAL ASSESSMENT FORM

WPS EMPIRE STATE, INC. – WPS BEAVER FALLS FACILITY

Appendix C

State Environmental Quality Review

SHORT ENVIRONMENTAL ASSESSMENT FORM

For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT/SPONSOR WPS Empire State, LLC	2. PROJECT NAME WPS Beaver Falls Generation, LLC
3. PROJECT LOCATION: Municipality <u>Beaver Falls</u> County <u>Lewis</u>	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) <u>9644 Main Street, Beaver Falls, New York</u>	
5. PROPOSED ACTION IS: ☐ New ☐ Expansion ☐ Modification/alteration <u>Other - Transfer of Facility</u>	
6. DESCRIBE PROJECT BRIEFLY: <u>Lakeside New York, LLC is acquiring the WPS Beaver Falls Generation, LLC facility from WPS Empire State.</u>	
7. AMOUNT OF LAND AFFECTED: Initially <u>11.75</u> acres Ultimately <u>11.75</u> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? ☒ Yes ☐ No If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? ☒ Residential ☒ Industrial ☐ Commercial ☐ Agriculture ☐ Park/Forest/Open Space ☐ Other Describe: <u>There is a residence across the street from the facility and there are paper mills on either side of the facility. The facility is also bounded by the Beaver River</u>	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? ☒ Yes ☐ No If Yes, list agency(s) name and permit/approvals: <u>See attached</u>	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? ☒ Yes ☐ No If Yes, list agency(s) name and permit/approvals: <u>See attached</u>	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? ☐ Yes ☒ No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: <u>WPS Empire State, LLC</u> Date: <u>October 24, 2012</u> Signature: <u>Joel H. Jansen</u>	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

PART II - IMPACT ASSESSMENT (To be completed by Lead Agency)

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.4? ☐ Yes ☐ No	If yes, coordinate the review process and use the FULL EAF.
B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency. ☐ Yes ☐ No	
C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)	
C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic pattern, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:	
C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:	
C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:	
C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly:	
C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly:	
C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly:	
C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly:	
D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CRITICAL ENVIRONMENTAL AREA (CEA)? ☐ Yes ☐ No If Yes, explain briefly:	
E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS? ☐ Yes ☐ No If Yes, explain briefly:	

PART III - DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed. If question D of Part II was checked yes, the determination of significance must evaluate the potential impact of the proposed action on the environmental characteristics of the CEA.

☐ Check this box if you have identified one or more potentially large or significant adverse impacts which MAY occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.	
☐ Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action WILL NOT result in any significant adverse environmental impacts AND provide, on attachments as necessary, the reasons supporting this determination.	
_____ Name of Lead Agency	_____ Date
_____ Print or Type Name of Responsible Officer in Lead Agency	_____ Title of Responsible Officer
_____ Signature of Responsible Officer in Lead Agency	_____ Signature of Preparer (If different from responsible officer)

Reset

Environmental Assessment Form-Addendum A
Beaver Falls Generating Facility

Applicant/Sponsor; WPS Empire State, Inc.

WPS Empire State, Inc., (“WPS Empire”) and its wholly owned subsidiaries, WPS Beaver Falls Generation, LLC (“WPS Beaver Falls”) and WPS Syracuse Generation, LLC (“WPS Syracuse”) have filed a petition seeking an Expedited Order Approving the Sale of Electric Generating Facilities pursuant to Public Service Law §§70 and 16 NYCRR § 3.5. WPS Empire is the beneficial owner of two electric generating facilities in New York State referred to as follows: the Beaver Falls Generating Facility and the Syracuse Generating Facility.

Empire will transfer all of the assets and liabilities associated with the WPS Beaver Falls to Lakeside New York, LLC (“Lakeside New York”). Lakeside New York currently does not have any plans to modify or change the operations of the existing facility, and intends to operate the facility in accordance with the environmental permits currently issued by the state and federal authorities. The approval of this project by the Public Service Commission will not result in the need for the preparation and filing of an Environmental Impact Statement because of the reasons which follow:

1. There is no expected change in the operation of the facilities; and
2. There is no expected change in the use of the facilities

Environmental Assessment Form-Addendum B
Beaver Falls Generating Facility

Applicant/Sponsor: WPS Empire State, Inc.

Approval of FERC under Section 203 of the Federal Power Act.

Consent to upstream transfer of control of Federal Communications Commission business radio license.

Environmental Assessment Form-Addendum C
Beaver Falls Generating Facility

Applicant/Sponsor: WPS Empire State, Inc.

U.S. EPA

CAMD Emission Allowance Account Number 010617 FACILITY.

EPA Hazardous Waste Activity ID No. NY 0000559187.

NYSDEC

Title V Operating Permit, ID# 6-2320-00018/00010.

SPDES Discharge Permit, ID# NY 023 6101.

Petroleum Bulk Storage Registration Certificate, ID# 6-600340.

Chemical Bulk Storage Registration Certificate, ID# 6-000158.

Great Lakes Water Withdrawal Registration Certificate, ID# NYGL10203.

Miscellaneous

Federal Communications Commission business radio license.

Certificates of Occupancy/Compliance issued by Lewis County Planning Department as of 01/30/96:

- Permit No. FC64A-93 (No. 1 Piling)
- Permit No. FC 64B-1-93 (HSRG & gas turbine foundation)
- Permit No. FC 64B-2-93 (concrete retaining wall)
- Permit No. FC 64B-3-93 (main building foundations)
- Permit No. FC 64B-4-93 (remaining foundations & poured retaining wall)
- Permit No. FC 6-94 (structural steel)
- Permit No. FC 7-94 (major equipment)
- Permit No. FC 27-94 (architectural construction)
- Permit No. FC 28-94 (pump house intake structure)
- Permit No. FC 208-94 (exterior piping)
- Permit No. FC 209-94 (interior piping)
- Permit No. FC 210-94 (electrical)
- Permit No. FC 27-95 (fire protection)
- Permit No. FC 28-95 (fire alarm)
- Permit No. FC 293-95 (oil/water separator building)

Appendix C

State Environmental Quality Review

SHORT ENVIRONMENTAL ASSESSMENT FORM

For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project Sponsor)

1. APPLICANT/SPONSOR WPS Empire State LLC	2. PROJECT NAME WPS Syracuse Generation, LLC
3. PROJECT LOCATION: Municipality <u>Solvay</u> County <u>Onondaga</u>	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) <u>300 Gere Lock Road, Solvay, New York</u>	
5. PROPOSED ACTION IS: ☐ New ☐ Expansion ☐ Modification/alteration <u>Other - Transfer of Facility</u>	
6. DESCRIBE PROJECT BRIEFLY: <u>Lakeside New York, LLC is acquiring the WPS Syracuse Generation, LLC facility from WPS Empire State.</u>	
7. AMOUNT OF LAND AFFECTED: Initially <u>5</u> acres Ultimately <u>5</u> acres	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? ☒ Yes ☐ No If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? ☐ Residential ☒ Industrial ☒ Commercial ☐ Agriculture ☐ Park/Forest/Open Space ☐ Other Describe: <u>The New York State Fairgrounds are located behind the facility and there are industrial properties on the other 3 sides.</u>	
10. DOES ACTION INVOLVE A PERMIT APPROVAL, OR FUNDING, NOW OR ULTIMATELY FROM ANY OTHER GOVERNMENTAL AGENCY (FEDERAL, STATE OR LOCAL)? ☒ Yes ☐ No If Yes, list agency(s) name and permit/approvals: <u>See attached</u>	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? ☒ Yes ☐ No If Yes, list agency(s) name and permit/approvals: <u>See attached</u>	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? ☐ Yes ☒ No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor name: <u>WPS Empire State, LLC</u> Date: <u>October 24, 2012</u> Signature: <u>Joel H. Jansen</u>	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

PART II - IMPACT ASSESSMENT (To be completed by Lead Agency)

A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.4? ☐ Yes ☐ No	If yes, coordinate the review process and use the FULL EAF.
B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTIONS IN 6 NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency. ☐ Yes ☐ No	
C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible) C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic pattern, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly: C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly: C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly: C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain briefly: C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly: C6. Long term, short term, cumulative, or other effects not identified in C1-C5? Explain briefly: C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly:	
D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CRITICAL ENVIRONMENTAL AREA (CEA)? ☐ Yes ☐ No If Yes, explain briefly:	
E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS? ☐ Yes ☐ No If Yes, explain briefly:	

PART III - DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probability of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference supporting materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed. If question D of Part II was checked yes, the determination of significance must evaluate the potential impact of the proposed action on the environmental characteristics of the CEA.

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_____ Name of Lead Agency	_____ Date
_____ Print or Type Name of Responsible Officer in Lead Agency	_____ Title of Responsible Officer
_____ Signature of Responsible Officer in Lead Agency	_____ Signature of Preparer (If different from responsible officer)

Reset

Environmental Assessment Form-Addendum A
Syracuse Generating Facility

Applicant/Sponsor; WPS Empire State, Inc.

WPS Empire State, Inc., (“WPS Empire”) and its wholly owned subsidiaries, WPS Beaver Falls Generation, LLC (“WPS Beaver Falls”) and WPS Syracuse Generation, LLC (“WPS Syracuse”) have filed a petition seeking an Expedited Order Approving the Sale of Electric Generating Facilities pursuant to Public Service Law §§70 and 16 NYCRR § 3.5. WPS Empire is the beneficial owner of two electric generating facilities in New York State referred to as follows: the Beaver Falls Generating Facility and the Syracuse Generating Facility.

Empire will transfer all of the assets and liabilities associated with the WPS Syracuse to Lakeside New York, LLC (“Lakeside New York”). Lakeside New York currently does not have any plans to modify or change the operations of the existing facility, and intends to operate the facility in accordance with the environmental permits currently issued by the state and federal authorities. The approval of this project by the Public Service Commission will not result in the need for the preparation and filing of an Environmental Impact Statement because of the reasons which follow:

1. There is no expected change in the operation of the facilities; and
2. There is no expected change in the use of the facilities

Environmental Assessment Form-Addendum B
Syracuse Generating Facility

Applicant/Sponsor: WPS Empire State, Inc.

Approval of FERC under Section 203 of the Federal Power Act.

Consent to upstream transfer of control of Federal Communications Commission business radio license.

Environmental Assessment Form-Addendum C
Syracuse Generating Facility

Applicant/Sponsor: WPS Empire State, Inc.

U.S. EPA

CAMD Emission Allowance Account Number 010621 FACLTU.

EPA Hazardous Waste Activity ID No. NYD987036696.

NYSDEC

Title V Operating Permit, ID# 7-3132-00035/00034.

SPDES Discharge Permit, ID# NY 023 1681.

Petroleum Bulk Storage Registration Certificate, ID# 7-600165.

Chemical Bulk Storage Registration Certificate, ID# 7-000244.

Miscellaneous

Building Code Certificate of Occupancy, No. 207.

RGGI Account Number NY10106.

Federal Communications Commission business radio license.