

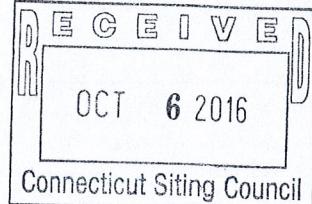


DYNEGY MILFORD POWER COMPANY, LLC
55 Shelland Street
Milford, CT 06461
203.647.1500

October 5, 2016

Mr. Robert Stein
Chairman
Connecticut Siting Council
Ten Franklin Square
New Britain, CT 06051

ORIGINAL



Subject: Milford Power Company, LLC – Annual Potable Water Consumption.

Dear Mr. Stein,

I write on behalf of Milford Power Company, LLC ("Milford Power", the "facility") to inform you of the current status of potable water usage as a cooling source to the facility. This status letter is in reference to Docket No. 187: Milford Power, LLC – Potable Water Consumption, which per paragraph 1 of the Decision and Order limits the facility's use of potable water to 15 percent of the annual average consumption of the facility's total water use. Advance approval from the Council is required to exceed the 15 percent annual limit.

The facility withdraws water for its cooling water system make-up from the Housatonic River in a location that is tidal influenced and thus is brackish water. As a result of the lack of rainfall in the past four months resulting in a lower than usual fresh water flow in the Housatonic River, the facility has seen a sustained higher conductivity (salinity) level in the river water due to the higher brackish condition at the point of withdrawal. This higher conductivity level in the river water has required the facility to use an increased amount of potable water to maintain the conductivity control point in the plant's cooling water below the maximum limit stated in the air emissions permit for the cooling tower. The level of the conductivity in the cooling water system and cooling tower basin directly relates to the particulate emissions from the cooling tower and compliance with the air emissions permit.

The following table summarizes the facility's cooling water usage as of October 5:

Summary of Milford Power Annual Cooling Water Usage	
Description	January 1, 2016 to October 5, 2016
Potable Water Usage, Gallons	100,002,389
River Water Usage, Gallons	566,960,012
Percentage Potable Water Use, Percent	14.99

The fresh water flow that lowers the conductivity level in the Housatonic River at the point of withdrawal has been extremely low. The Stevenson dam last released fresh water during power generation on August 22, but for only 4 hours. The dam has only released its minimum release water flow level since this date. The fresh water release events from the Stevenson dam have been infrequent since July 9. The fresh water flow in the Naugatuck River also has been extremely low for the past three months. These two rivers converge at Derby, CT upstream of Milford Power's point of withdrawal.

Milford Power will continue to closely manage and mitigate the use of potable water for supplemental cooling water make-up through the end of the year. Milford Power is not expected to exceed the 15 percent annual usage limit at this time. However, should this prediction change based on the continued drought conditions and lower than normal fresh water flow in the Housatonic River, I will immediately inform you of this change. At that time, Milford Power would seek an approval from the Siting Council to

increase the annual limit above 15 percent. The amount of the increase would not be anticipated to be more than an additional 2 percent; however this would be more definitively communicated at the time of the request.

Please feel free to contact me at (203) 647-1503 or via email at Thomas.padberg@dynegy.com if you have any questions or concerns about this matter.

Very truly yours,



Thomas J. Padberg
Managing Director

Cc: Cynthia Vodopivec
Christopher Mackay
Shahzad Khan