

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Project No. 2438-232 and 2438-233 –
New York
Waterloo and Seneca Falls Project
C-S Canal Hydro, LLC

September 9, 2026

VIA FERC Service

Kelly Maloney
VP Regulatory Compliance
230 Park Ave, Suite 447
New York, NY 10169

Subject: Deviation Report – Article 405 and Project Operations Complaint

Dear Kelly Maloney:

This letter is in response to the Deviation Report for the month of July 2026, that you filed on August 10, 2026, for the Waterloo and Seneca Falls Hydroelectric Project No. 2438.¹ In addition, we address the complaint filed on August 13, 2026, by the Seneca Lake Pure Waters Association, Inc. (Association).² As discussed in more detail below, your report satisfies the filing requirements of Article 405 of the license, and we will not consider the deviations as violations of Article 405. We are requiring no additional actions in response to the complaint at this time.

Background

Article 405 of your license, as amended by the October 16, 2014 Order Amending License,³ in part, requires you to maintain the Seneca Lake impoundment within ± 0.3 foot of the seasonal target elevations of 446.0 feet Barge Canal Datum (BCD)

¹ *Seneca Falls Power Corporation*, 78 FERC ¶ 62,113 (1997).

² *See* FERC Accession No. 20260813-5163.

³ *Seneca Falls Power Corporation*, 149 FERC ¶ 62,030 (2014).

during the summer and 445.0 feet BCD during the winter. During flood control events the impoundment upper limit is +0.55 foot. The Seneca Lake transition from winter to summer takes place in a 20-day period beginning March 1 and from summer to winter in a 45-day period beginning November 1. For the transition periods the target increments of daily change in elevation are: summer +0.23 foot and winter -0.053 foot. The transitions are conditioned on any surplus or deficiency of precipitation.

In addition, you must maintain Van Cleef Lake impoundment at a target elevation of 430.5 feet BCD with a maximum daily water level fluctuation of ± 0.25 foot. During the non-navigation season (December 1 to April 30), when so requested by local authorities and after consultation with the New York State Canal Corporation (NYSCC) Van Cleef Lake may be drawn down to an absolute minimum of 425.5 feet BCD by the operation of the Seneca Falls powerhouse to aid local flood control. As needed, the Seneca Falls powerhouse will operate due to local runoff to control the navigation level of Van Cleef Lake.

At the Waterloo development you must maintain the Cayuga-Seneca Canal portion of the Waterloo impoundment as measured in close proximity to the powerhouse, at the location described in the approved flow monitoring plan required by section B.6 of the modified Water Quality Certification, such that the surface water elevation does not fluctuate more than 0.5 foot below the daily average surface elevation as measured at the New York State Canal Corporation (NYSCC) Geneva gage on Seneca Lake. The daily average surface elevation to be used is the average elevation of the previous calendar day at the Geneva gage.

You may vary from the recommended water level management regime for Seneca Lake, the Cayuga-Seneca Canal, and Van Cleef Lake due to circumstances beyond your control (flood control or emergency conditions) and for short periods of time upon mutual agreement with the NYSCC, with notification to the New York State Department of Environmental Conservation (New York DEC) Regional Permit Administrator within five days. If the water level management regime is so modified, you must notify the Commission as soon as possible, but not later than 10 calendar days after the end of the month in which each incident occurred. In addition to Article 405, your approved Project Operations and Monitoring Plan provides a detailed explanation of project operations and reporting protocols for deviations from license requirements.⁴

On July 17, 2026, you filed a Part 12.10 Incident Report that informed the Commission that the low-level gate #4 at the Seneca Falls Development is leaking.⁵ On

⁴ *Seneca Falls Power Corporation*, 156 FERC ¶ 62,076 (2016).

⁵ See FERC Accession Nos. 20260717-5196 (Public) and 20260717-5197 (Critical Energy Infrastructure Information).

July 23, 2026, the Commission's Division of Dam Safety and Inspections - New York Regional Office (D2SI-NYRO) issued a response letter that explains that you will develop a repair plan and perform the repairs in conjunction with the full reservoir drawdown scheduled for the Fall of 2026 after the end of the canal navigation season.⁶

Deviation Report

The July 2026 Deviation Report explains that you deviated from the minimum target elevation requirement for Seneca Lake beginning on approximately July 15 through the end of the month. The deviations were intermittent from July 15 through 22, when they became more consistent, but not constant, until July 25. The deviations were due to low regional precipitation, while you continued to maintain required minimum flows. You placed the Seneca Falls powerhouse in a no-discharge, non-power-generation status, and operated the Waterloo powerhouse to maintain the elevation of Van Cleef Lake.

You did not deviate from the daily average surface elevation requirement at the Cayuga-Seneca Canal and the target elevation requirements of Van Cleef Lake during the month. Van Cleef Lake is currently lowered approximately two feet to reduce the water surface elevation for an ongoing dam safety matter.⁷ The Deviation Report explains that the low-level gate #4 at the Seneca Falls Development is leaking approximately 164 cubic feet per second (cfs) due to misalignment or partially damaged gate panel. To mitigate losses to Van Cleef Lake and the Cayuga-Seneca Canal, and as required by license Article 405, you are releasing supplemental discharges from the Waterloo

⁶ See FERC Accession No. 20260723-3078.

⁷ More information on this event is available in the Commission's eLibrary system (<https://elibrary.ferc.gov/eLibrary/search>). Enter P-2438 in the Docket Number field. The licensee is working with D2SI-NYRO on this matter. On May 12, 2023, the licensee filed a request for a temporary variance and on May 2, 2024, Commission staff issued an Order Modifying and Approving Temporary Variance of Article 405 (*C-S Canal Hydro, LLC*, 187 FERC ¶ 62,078 (2024)). Commission staff extended the temporary variance several times to provide the licensee with additional time to continue the necessary repairs to address the ongoing dam safety matters at the project. See *C-S Canal Hydro, LLC*, Project No. 2438-200 (November 1, 2024) (delegated order), *C-S Canal Hydro, LLC*, Project No. 2438-200 (May 7, 2025) (delegated order), *C-S Canal Hydro, LLC*, Project No. 2438-200 (November 12, 2025) (delegated order). On May 1, 2026, Commission staff extended the temporary variance through October 22, 2026. *C-S Canal Hydro, LLC*, Project No. 2438-200 (May 1, 2026) (delegated order). The licensee cannot raise the reservoir elevation above the current two-foot drawdown without prior written authorization by the Commission's Division of Dam Safety and Inspections - New York Regional Engineer. See FERC Accession No. 20230508-3008.

Development to maintain the navigational elevations and the elevation of Van Cleef Lake.

Your report provides an explanation of your operations of the project in preparation and in response to the environmental conditions that you experienced during the month. You also include a discussion, with supporting documentation, of your communications with the U.S. Fish and Wildlife Service, the New York DEC, and NYSCC regarding project operations throughout the month. You did not observe any adverse environmental effects because of the deviations, and you provided a copy of your report to the resource agencies.

Project Operations Compliant

On August 13, 2026,⁸ the Association, on behalf of its affected lakeside property owners and members, filed a complaint regarding your operations subsequent to the leaking of the low-level gate #4 at the Seneca Falls Development. The Association states that hydrological calculations indicate that this unmitigated 164 cfs structural leak drains an additional 2 inches of depth per month directly from Seneca Lake beyond standard seasonal evaporative losses. The Association explains that deferring action until November will artificially reduce an additional 6-8 inches of water from the basin if summer/fall drought conditions persist as they have in the last two years. This timeline is entirely unacceptable to the community. The Association requests the Commission to: (1) Reopen the D2SI-NYRO review to order immediate emergency remediation; (2) Compel you to deploy temporary cofferdams, localized bulkheads, or mechanical seals at low-level gate #4 immediately to halt the 164 cfs leak; and (3) Order you to halt the artificial drawdowns of the Seneca Lake level until structural containment of the failure is achieved.

On September 2, 2026, we issued a letter explaining as is Commission practice with respect to allegations of non-compliance by hydropower licensees, the complaint has been referred to the Commission's Office of Energy Projects, Division of Hydropower Administration and Compliance, which is charged with ensuring compliance. As such, we are treating the subject filing as a non-compliance allegation of the project license. The provisions of Rule 206 will not apply to this proceeding.⁹ We will review the matter and request additional information, if necessary, and provide a written response concerning our findings regarding the allegations.¹⁰

⁸ See FERC Accession No. 20260813-5163.

⁹ Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.206 (2025).

¹⁰ See FERC Accession No. 20260902-3010.

Conclusion

The Deviation Report satisfies the filing requirement of Article 405 of your license. Based on the information provided, we will not consider the deviations identified in your report as violations of Article 405. The deviations at Seneca Lake were due to low precipitation and maintaining minimum flows at the project. There were no deviations at the Cayuga-Seneca Canal or Van Cleef Lake. You notified the agencies and did not observe any adverse environmental effects because of the deviations.

You stated that attempts were made to temporarily seal the gate but were unsuccessful. Additional attempts to seal the gate may inadvertently cause more damage, which may result in the loss of the reservoir during navigation season. Lastly, it is not safe to send a diver to determine the extent of the damage and perform repairs without a full reservoir drawdown. Therefore, you have proposed a full reservoir drawdown at the end of the navigation season for the gate repairs, which was previously accepted by D2SI-NYRO letter dated July 23, 2026. Considering repairs cannot be performed without full reservoir drawdown, there is no need to reconsider our previous acceptance as requested by the Association. The measures proposed by the Association to address the leaking gate are not warranted given the nature of the situation and the practicality of performing the repairs safely without a reservoir drawdown.

Thank you for filing the Deviation Report. If you have any questions regarding this letter, please contact Jeremy Jessup at (202) 502-6779 or Jeremy.Jessup@ferc.gov.

Sincerely,

Kelly Houff
Chief, Engineering Resources Branch
Division of Hydropower Administration
and Compliance

CC: VIA Electronic Mail
William H. Roege
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