

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

August 27, 2010

OFFICE OF ENERGY PROJECTS

Project No. 13563-001 – Alaska
Sweetheart Lake Hydroelectric Project
Juneau Hydropower, Inc.

J.Gary Droubay, President and CEO
Goldbelt, Incorporated
3075 Vintage Blvd, Suite 200
Juneau, AK 99801

Reference: Consultation with Goldbelt, Incorporated

Dear President Droubay:

The Federal Energy Regulatory Commission (Commission) authorizes the construction and operation of non-federal hydropower projects. On December 14, 2009, the Commission issued a Preliminary Permit (permit) to Juneau Hydropower, Inc. to study the feasibility of developing a hydroelectric project on Lower Sweetheart Lake and Sweetheart Creek near Gilbert Bay, in the City and Borough of Juneau, Alaska. The permit provides the applicant protection under the Federal Power Act from competitive applications while conducting the studies and processes necessary to complete an application for license. In its Notice of Intent, filed on July 28, 2010,¹ the applicant said that it expects to file a license application with the Commission by November 30, 2012.

The purpose of this letter is to determine the extent of the tribe's interest in the resources that this project has the potential to affect and whether Goldbelt, Incorporated desires to participate in the licensing effort for this project.

The project would consist of: (1) a 1,635-acre impoundment; (2) a new concrete and rock-faced dam approximately 500-feet-long, 90-feet-high at the outlet of Lower Sweetheart Lake; (3) a new 9-foot-diameter, 1,650-foot-long penstock connecting to the powerhouse; (4) a new powerhouse containing two new generating units having an installed capacity of 30 megawatts; (5) a new tailrace returning flows to Sweetheart

¹ The applicant has requested to use the Commission's Alternative Licensing Process for the project.

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Creek; (6) a new 138-kilovolt transmission line that would be either 8.9 miles overhead, or 0.4 miles overhead and 8.0 miles buried; and (7) appurtenant facilities.

To ensure that you are fully aware of your role in the licensing process and, just as importantly, to ensure that issues of concern to you are being addressed in the current pre-filing phase of the process, it may be appropriate for Commission staff to meet with you at this time. Any such meeting can be limited to members of our respective staff, or it can include other tribes,² Juneau Hydropower, Inc., or any other licensing participants, depending on your preference. Any sensitive tribal information discussed at the meeting, and likewise discussed throughout the entire licensing process, will be kept strictly confidential. We would also appreciate being advised if you do not have an interest in this project.

Please note that once a license application is filed with the Commission, our rules generally prohibit off-the-record communications between Commission employees and those outside of the Commission, where such communications are relevant to the merits of a contested on-the-record proceeding.³

If at all possible, we would appreciate your response by September 24, 2010. Please file your response electronically via the Internet. See 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site (<http://www.ferc.gov/docs-filing/efiling.asp>). For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov; call toll-free at (866) 208-3676; or, for TTY, contact (202) 502-8659. Although the Commission strongly encourages electronic filings, your response may also be paper filed. To paper file, mail an original and seven copies to: Kimberly D. Bose, Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426. Please put the docket number P-13563-001 on the first page of your response. Also you may also register online at: <http://www.ferc.gov/esubscribenow.htm> to be notified via email of new filings and issuances related to this or other pending projects.

² Commission staff is inviting the following tribes or tribal corporations to participate in the licensing process: Central Council Tlingit & Haida Indian Tribes of Alaska; Douglas Indian Association; Goldbelt, Incorporated; and Sealaska Corporation.

³18 CFR § 385.2201.

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If you have any questions or comments, please contact Dr. Mark Ivy, at (202) 502-6156 or mark.ivy@ferc.gov. Dr. Ivy will contact your office shortly to follow-up on this letter.

Sincerely,

Jennifer Hill, Chief
Northwest Branch
Division of Hydropower Licensing

cc: Mailing List
Public Files

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