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October 7, 2011

Below sets forward an update to Juneau Hydropower Inc.'s Alternative Licensing Process Progress report for the period ending 9-30-11.

This ALP progress report is to supplement the 6 month Preliminary Permit report required by the Federal Energy Regulatory Commission for all preliminary permit applicants.

Per our approved ALP Communications Protocol, JHI shall provide:

An updated log of oral and written communications;

- *Descriptions of all major action taken on the project;*
- *Copies of all comment letters and other written correspondence, including those with the Commission staff;*
- *Copies of all meeting summaries and teleconferences call records, including those with Commission staff;*
- *Schedule for the next 6-month licensing period, including action items;*
- *Other information pertinent to the licensing.*

1. An updated log of oral and written communications.

JHI has had oral and written communications with stakeholders and agencies related to the planning and scheduling of Sweetheart Lake Hydroelectric Project scoping meetings held on September 7, 2011.

JHI has had oral communications with USFS personnel related to special use permits and allowing field operations in and around Sweetheart Lake.

JHI has had oral communications with Juneau based ADFG personnel related to Fish and Game concerns to be incorporated in Wildlife, Terrestrial and Aquatic studies.

JHI has also had oral and written communications with ADFG staff in preparing, submitting and gaining approval for a 2011 Research Fisheries Permit.

2. Description of all major actions taken on the project.

In the last 6 months:

JHI has conducted an agency and public scoping meeting dated September 7, 2011.

Submitted and received ADFG Research Fisheries Permit

Conducted various aspects of studies to include: Installation of stream gages in Lower Sweetheart Lake and Sweetheart Creek; Conducted baseline fisheries and aquatic life studies as permitted under our ADFG Research Fisheries Permit to include a month long study of fisheries presence in Lower Sweetheart Lake, installing Stream and lake temperature gages, taking water samples and photo documenting all streams that enter Lower Sweetheart Lake.

3. Copies of all comment letters and other written correspondence, including those with the Commission staff;

The only written correspondence that we have received or sent is related to our USFS special use permits, ADFG Fisheries Research Permit, and FERC staff correspondence on Scoping Document to include correspondence on FERC employee site visit travel arrangements.

On September 7, 2011 an agency and public scoping meeting was held in Juneau, Alaska. Transcripts of those meetings are posted on E-Library and can be found under P-13563-001 of the same date.

4. Copies of all meeting summaries and teleconferences call records, including those with Commission staff;

On August 1, 2011 JHI Business Manager had a teleconference with FERC staff to discuss Scoping Document 1 and to review draft document to date. The summary and outcome of the meeting was to establish proper wording for bullet points under each of the study areas.

On August 12, 2011, JHI Business Manager met with Shawn Johnson, ADFG to go over JHI draft Aquatics study plan. The summary and outcome of the meeting was a revision of the draft JHI Aquatics study plan.

5. Schedule for the next 6-month licensing period, including action items;

JHI will continue to issue and execute study plans in order to submit a draft environmental assessment and license application in November 2012. These action items include: continued stream gage monitoring and discharge measurements; terrestrial and wildlife study investigations; aquatics and fisheries study investigations; geology and engineering plan refinements; socioeconomic study investigations.

6. Other information pertinent to the licensing.

JHI recently held an Agency and Public Scoping Meeting on September 7 and conducted an agency site visit on September 8, 2011. The meetings were well attended and well received. Comments and statements from these scoping meetings will be used to better develop study plans, investigations and the applicant prepared Environmental Assessment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Duff W. Mitchell', written over a horizontal line.

Duff W. Mitchell
Business Manager