

DRAFT COMMUNICATIONS PROTOCOL

Sweetheart Lake Hydroelectric Project

**FERC Permit No. 13563
Juneau Hydropower Inc.**

May, 2010

INTRODUCTION

The following protocol provides a framework for documenting consultation and coordination among participants (parties) in the licensing of the Sweetheart Lake Hydroelectric Project (“Project”, FERC No. 13563), located on Lower Sweetheart Lake and Sweetheart Creek southeast of Juneau, Alaska. The Project is a 30 megawatt of installed capacity generating facility proposed by Juneau Hydropower Inc (“JHI”). The Federal Energy Regulatory Commission (“FERC”, “Commission”) Preliminary Permit (“Permit”) preserves JHI rights to conduct feasibility studies for the Project for a period of 36 months beginning December 14, 2009, the Permit’s issuance date.

The Permit includes a JHI requirement to utilize the Commission’s Integrated Licensing Process (“ILP”) as described in 18 CFR, Chapter 1, Sections 5.5 and 5.6 of the Federal Regulations.

The Permit also states that an Applicant may utilize either of two other licensing methods, the Traditional Licensing Processes (“TLP”) or the Alternative Licensing Process (“ALP”) on approval by the Commission.

For the Project, JHI has decided to request use of the ALP. An applicant’s request for use of ALP must include documentation of approval by Project Stakeholders (“Participants”), of both the licensing process and a Communications Protocol (“CP”) governing communications during the pre-filing period.

LICENSING PROCESS DESCRIPTIONS

ILP

The efficiencies expected to be achieved through the ILP are founded in three fundamental principles:

- Early issue identification and resolution of studies needed to fill information gaps, avoiding studies post-filing;
- Integration of other stakeholder permitting process needs; and
- Established time frames to complete process steps for all stakeholders, including the Commission.

ALP

As part of the alternative licensing process, an applicant can:

- Tailor the pre-filing consultation process to the circumstances of each case;
- Combine into a single process the pre-filing consultation process and environmental review processes under the National Environmental Policy Act (“NEPA”) and other statutes; and
- Allow for preparation of a preliminary draft environmental assessment by an applicant or an environmental impact statement by a contractor chosen by the Commission and funded by the applicant.

Under the ALP, JHI would, with FERC direction and approval, conduct **NEPA Scoping** (the public participation process to solicit comments on environmental issues) and prepare and submit a **Preliminary Draft Environmental Assessment (“PDEA”)** with the license application. The **Final EA**, which will serve as the basis for conditions of the new license, will be prepared by the FERC after their independent review of the PDEA and project record.

This Communications Protocol is a requirement under the “Alternative Licensing Procedure” (ALP), an approved process for hydroelectric project licensing and relicensing intended to streamline the process (CFR 18, Section 4.34(i)). The communication procedures described in this document will be in effect until the Order Issuing a New License is issued by the Commission.

PARTICIPATING IN THE LICENSING PROCESS

Under the ALP, the licensing process is open to the general public and their participation is encouraged. A Participant List will be compiled by JHI and expanded as new Participants request inclusion in the ALP.

The ALP affords Participants the opportunity to interact with the licensing process at several distinct points, including: 1) public meetings; 2) coordinated meetings 3) document review and comment; and 4) access to general information regarding process, schedule, and status. JHI will use several means to assure access to licensing material, as described in the following sections.

PUBLIC REFERENCE FILES

There will be two public reference files, one in Juneau and the other at the Commission offices in Washington D.C. The reference files will be maintained on a monthly basis and will include, but not be limited to: semi-annual progress reports (described below), study plans and reports, preliminary data files, meeting announcements, agendas and summaries, draft and final technical reports, draft and final EA’s and license applications, written correspondence and telephone discussion notes. The addresses of the Public Reference Files are:

Juneau Public Library
292 Marine Way
Juneau, AK 99801

and:
Federal Energy Regulatory Commission
Public Reference Room, Room 2-A
Attn: Secretary
888 First Street, N.E.
Washington, D.C. 20426

All materials in the reference files will be available for review and copying by request. All communications added to the Public Reference File will be available to the public consistent with the public records procedures set forth in the Freedom of Information Act. Most materials will also be available on the FERC website (www.ferc.gov). Individual project information is available on the FERC website at the **elibrary** link by inputting the Project number P-13563.

THE SWEETHEART LAKE HYDROELECTRIC PROJECT WEBSITE

JHI will develop and maintain a Sweetheart Lake Project Licensing Website at which most Project material will be made available. The licensing Website, www.juneauhydro.com will contain:

- Individual Project Description for Sweetheart Lake Hydroelectric Project;
- Description of the licensing Process and ALP;
- Licensing Schedule;
- Notices of Public and Coordinated Meetings;
- Notices of Availability of Documents for Participant Review;
- Semi-Annual Progress Reports;
- Monthly Status Updates;
- Current Participant List;
- Tracking File (record of all licensing transactions); and
- Other features, as deemed necessary.

NEED FOR TIMELY NOTIFICATION AND REVIEW

For this process to succeed, it is important that the interaction opportunities are announced to the Participants and that the Participants provide timely comment and information at each opportunity. It is also important that Participants have sufficient access to general information. In the following, we describe the protocols to address these needs.

MEETINGS AND SITE VISITS

Two public meetings will be held during the Project licensing: 1) an Initial Consultation Meeting, to generally describe the project and acquaint participants with potentially-affected resources and the licensing schedule and milestones; and 2) a Scoping meeting, to describe the Project in more detail and to seek comment on issues to be evaluated in subsequent licensing documents.

The Initial Consultation meeting will tentatively be held following distribution of the Pre-Application Document (PAD) in summer, 2010. The Scoping meeting will be held during fall 2010, after initial field studies have been evaluated. A site visit to Sweetheart Lake and Sweetheart Creek will be held in association with the Scoping meeting, or at a time selected to reasonably assure access to the Project area.

Stakeholders will be notified of the meetings via email no less than 30 days prior to the meeting dates. The Commission will also publish notice of the Scoping meeting and site visit in the Federal Register. Notice of the meetings and site visit will be placed in the Juneau Empire newspaper no less than 15 days prior to the events.

JHI will arrange to have the Initial Consultation meeting professionally videotaped. Tape copies will be available to all Participants on request. JHI will prepare a draft summary of the Initial Consultation meeting and circulate it among attendees for review and comment.

The Scoping meeting will be recorded by a court reporter and the meeting transcription made available on request. All comments (verbal and written) will become part of the Commission's public record for the Project. Comments in the approved Scoping meeting summary will be considered the speaker's formal comments if they choose not to provide written comments. Scoping Participants will be given at least 30 days to provide written comments on the Scoping meeting and related written material.

COORDINATED MEETINGS

Meetings between and among licensing Participants may occur on an "as needed" basis. If a JHI representative is present at the meeting, JHI will prepare a meeting summary. If JHI is not present at the meeting, the person who requested the meeting will prepare the meeting summary.

MEETING SUMMARIES

Draft Meeting Summaries for all public and coordinated meetings will be circulated to all meeting Participants for review and comment within 15 days after the meeting. Comments will be incorporated into a Final Meeting Summary, with the goal of agreement among all

Participants on its content. Deadlines for preparation of drafts, returning comments, and submittal of a final summary will be agreed upon by Participants at each meeting. Final Meeting Summaries should be e-mailed to JHI at the contact address on page 7, for inclusion in JHI's Tracking File and Licensing Website. All Draft and Final Meeting Summaries will be available on the JHI Licensing Website and in hard copy by request

DOCUMENT AVAILABILITY

MAJOR DOCUMENTS

Throughout the licensing process, Participants will be afforded opportunity to review and comment on documents prepared in the course of the licensing process. While it is not possible to envision an exact list of documents, JHI expects to prepare and distribute the major documents shown in Table 1 prior to the application for license.

Most licensing-related written material will be available in electronic format and will be electronically distributed directly to Participants via email with attachment. JHI will follow certain e-mail transmittals with a phone message check to assure the message and documents were received and in a readable format.

Documents will be in MS Word or Adobe pdf format. Much of the same material will be available through the JHI Licensing Website. In all cases, however, Participants may request printed copies of major documents. Printed copies of Scoping Documents, the Draft Application, Preliminary Draft EA or EIS, FERC Draft EA, and FERC Order Issuing License will also be available at the public library in Juneau.

Most major documents will be available in either text or Adobe pdf on the FERC website. To access documents on this website, go to www.ferc.us.gov and then to "elibrary" on the home page. This will open a search page offering several search options.

The review period for major documents will be no less than 30 days, unless longer periods are required by FERC regulations, or if individual agencies formally request more review time.

Table 1. Major documents to be made available for review during JHI licensing.

Document Name	Expected Date of Issue	Description
Pre Application Document (PAD)	June, 2010	Document with Project description, licensing schedule and preliminary resource issues.
Study Plans	July 2010	Describe detailed objectives, methods and

		required reporting for various environmental field and office studies
Initial Consultation Meeting Minutes	July, 2010	Meeting to generally describe Project, resources and licensing schedule
Scoping Document I (SD1)	Fall, 2010	A document describing the Project, licensing process, and environmental and economic issues related to licensing
Scoping Meeting Minutes	Fall, 2010	Meeting to present project description and to take comment on resource issues.
Study Reports	2010-2011	Present results of the environmental studies, usually on an annual basis
Draft Application for License	Spring, 2012	Documents describing various design and operation aspects of the project, as proposed for licensing
Preliminary Draft EA	Spring, 2012	Accompanies Draft Application, describes existing environment, licensing impacts, and mitigation proposals
Final License Application	By November 30, 2012	Incorporates all agency comments and presents Applicant's Preferred Alternative and proposed PM&E measures
FERC Draft EA	2013 (Estimated)	FERC-prepared EA noting issues, impacts, mitigation, and recommendations
FERC Order Issuing License	2013 (Estimated)	Contains FERC's Final EA and Licensing Order as well as License Articles and other Conditions

MINOR DOCUMENTS AND CORRESPONDENCE

Throughout the licensing process, JHI will communicate frequently with Participants, individually and collectively. These communications may include written material such as meeting notices and summaries or other small documents relevant to the communications. Minor documents (with exception of Status Reports) will become part of the public record after review, editing, and approval by participating parties. Transfer of minor documents will be primarily in the form of e-mail, often with attached files, and via the JHI Licensing Website.

COMMUNICATIONS PROTOCOLS

In this section, we describe conditions governing communications among licensing Participants. The Protocols are intended to assure that interactions are appropriate, effective and properly documented.

WRITTEN COMMUNICATIONS

All written communications that need to be part of the public record, including comment letters, progress reports, fax communications, meeting summaries, and teleconference summaries, or in which any party intends to become part of the formal record, should be mailed or emailed to:

Juneau Hydropower Inc.
PO Box 22775
Juneau, AK 99802
(907) 789-2775
duff.mitchell@juneauhydro.com

All written communications must have the following clearly displayed on the first page, preferably in the “Subject” line of the correspondence:

Sweetheart Lake Hydroelectric Project (FERC No. 13563)

Written communications must display deadlines for comments or other actions (when applicable) and should reference the corresponding activity of the licensing process associated with the written communication (for example, “Comments on Scoping Document I”, “Summary of Study Planning Meeting”, etc.) in the “Subject” line of the correspondence. Communications must indicate where to submit responses, when applicable. Copies of all written communications will be placed in the Public Reference File. A distribution mailing list will be sent with each formal correspondence or document that shows all recipients who were sent a copy.

The Commission will from time to time advance the number following the Project number to indicate a different licensing action phase (for example, FERC No. 13563-001, 13562-002, etc.)

Participants should check Commission and the JHI correspondence closely to assure that the proper Project numbers are identified when referencing a particular document.

TELECONFERENCE COMMUNICATIONS

Periodic teleconference calls among licensing Participants may occur on an “as-needed basis”. If the communication is between an agency and either the JHI or the Commission, the party initiating the call will forward a written summary of the call to JHI at the contact address on page 7, to be included with the Public Reference File(s). Participants will be noticed and given the opportunity to participate in any communications JHI makes with FERC on substantive matters concerning the licensing. Documentation of teleconference calls between JHI and the Commission will be included in the Public Reference File, with a summary written by the party initiating the call.

INTER/INTRA RESOURCE AGENCY STAFF COMMUNICATIONS

Written communications, meetings, telephone conversations, or other types of communications within or between State or Federal resource agency staff concerning Sweetheart Lake Hydroelectric Project P-13563 licensing are not subject to the scheduling, notification, and documentation requirements of previous sections of this Communications Protocol. It is understood that such communications will not be part of the licensing record unless they are submitted to the Commission by a participating agency. However, in the spirit of openness reflected in this Communications Protocol, JHI encourages agencies to submit records of such meetings and communications to the Contact Address on page 7 as often as possible during the licensing.

COMMUNICATION WITH COMMISSION STAFF

The Commission recently revised its ex-parte rules (88 FERC para. 61,225) and determined that the rule prohibiting off-the-record communications does not apply to interactions during the ALP. This is because all actions under ALP occur before a license application is filed, prior to the Noticed “licensing procedure” at the Commission. However, in this Communication Protocol’s spirit of open interaction, oral communications by any participant with FERC staff should be summarized in a written memorandum prepared by a Participant agreed upon among those involved in the communication, and distributed to the Project Participant list for review.

ORAL COMMUNICATIONS AND E-MAILS

Oral communications (i.e. telephone conversations) between JHI and any Participant will be documented in writing (see “Contact Logs”, below) if communications regard substantive aspects of the project licensing. Similarly, e-mails between JHI and any Participant on substantive Project issues will also be documented. All written communications distributed by parties to the Communications Protocol shall enclose or attach a distribution list for that communication that identifies all recipients of that communication. The cc list on an e-mail message can serve as the distribution list.

DISPUTE RESOLUTION

Dispute prevention is preferable to dispute resolution. However, when disputes arise, it is intended that efforts to resolve a dispute focus on alternative dispute resolution methods. These may include the use of a facilitator, as described in the following:

-Compromise and Good Faith Efforts

In the interests of reaching agreement, Participants are expected to make compromises in some areas. This means that Participants will make good faith efforts to address the concerns of others so that most Participants can agree or live with the interim outcomes and do not object to the terms and conditions. It is recognized that each Participant may not find the resulting decision or settlement to be optimal in relation to their preferred outcome, but that the overall outcome will be beneficial to their interests as well as those of the other Participants.

-Informal Efforts to Resolve Disputes

If disputes arise and are not resolved through good faith efforts, a mutually agreed upon facilitator may be assigned. The facilitator and stakeholders should make every reasonable effort to resolve disputes amongst Participants including: facilitator’s use of alternative dispute resolution techniques, e.g., offline mediation by the facilitator; determining whether additional study or analysis could be undertaken to provide new information necessary to resolve the dispute; referring a technical matter to a third party expert or for peer review; identifying potential trade-offs to satisfy one of the disputing Participants; and, forming a workgroup to focus specifically on the matter in question.

Participants that are in substantive dispute will schedule a separate meeting/conference call, open to all interested parties, to discuss and resolve their differences. Unless the parties agree that it is unnecessary, a facilitator must be present at a meeting as an independent note taker.

STATEMENTS TO THE MEDIA

Communications by the participants to the media will generally not be maintained in the Public Reference File. No person or entity involved in the alternative licensing process is authorized to make a statement on behalf of any other person or entity to any media person or entity with regard to the process or any substantive issue affecting the relicensing application. When a representative for a participant speaks to the media about the Project process, s/he should preface comments with: "I speak only for _____ and not for any other participant in the Sweetheart Hydroelectric Project licensing process."

DURATION OF COMMUNICATIONS PROTOCOL CONDITIONS

This Communications Protocol shall become effective upon the Commission's approval of JHI's request to use the Alternative Licensing Process. Until then, JHI and the participants shall act in good faith to recognize the likely future acceptance of this Protocol and its obligations. This Protocol will remain in effect until the Commission notifies JHI the Preliminary Draft Environmental Review Document and Final License application are accepted for filing with the Commission or until termination of the ALP. Participants may elect by consensus, including unanimous consent of the Resource Parties, to extend the duration of this Protocol until license order issuance.

RESERVATION of RIGHTS

This Protocol is made (and filed with the Commission), and the collaborative process is undertaken, without prejudice as to any rights or interests of any participant and with a full reservation of rights by and on behalf of any and all participants. No participant shall be deemed to have waived any legal right or evidentiary claim or privilege by participation, statement or act in this process by the participant or its representatives. Nothing in this Protocol shall be construed to limit any governmental agency from complying with its obligations under applicable laws or from considering public comments received in any environmental review or other regulatory process. This process shall not be interpreted to in any manner predispose or predetermine the outcome of any permit or environmental review process.

CONTACT LOGS

Contact log sheets will be utilized to document substantive oral communications among the Participants, JHI, or the Commission. Contact log sheets will include: individual(s) involved;

title(s); date of communication; subject of communication; issues discussed; and action(s) to be taken.

REVISIONS OF THE COMMUNICATIONS PROTOCOL

Upon written approval by JHI and the signatories, this Communications Protocol may be revised as deemed appropriate throughout the licensing period. No changes will be made to the Communications Protocol without notification of all Participants. All proposed procedural changes will be distributed in writing to all Participants for review and comment. If comments represent a consensus of opinion on the proposed change(s), the Protocol will be modified, and the revised version distributed to the Participants list. In case of a dispute over proposed changes, JHI will convene a meeting or teleconference among affected participants.

SEMI-ANNUAL PROGRESS REPORTS

JHI will file with the Commission every six (6) months, a progress report for the Sweetheart Lake Hydroelectric Project that will summarize project status at the end of the previous 6-month reporting period. Each report will include the following for the forgoing 6-month period:

- 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.

Each 6-month progress report will be placed in the Project Public Reference Files and on the Licensing Website. Each Participant will receive a copy of the cover letter submitting the progress report to the Commission along with a log of all communications filed for that period. Any Participant may request a copy of any item on the log from JHI.

We would appreciate your also sending your approval to:
duff.mitchell@juneauhydro.com

You may also file your comments via email using FERC's "efiling" facility. To efile comments, log on to "ferc.gov" and follow the links to "efiling".

If you have questions on the efilng process, please contact Duff Mitchell at 907-789-2775 or via email at the above e-mail address