November 16, 2012

Ms. Kimberly Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: Juneau Hydropower Inc. informs the FERC and JHI stakeholders that it has filed for an interconnection request on the 138 kV Snettisham Transmission Line for transmission capacity and services for Project FERC P-13563

Dear Secretary Bose,

On October 17, 2012 Juneau Hydropower, Inc (JHI) filed an Interconnection Request and Transmission Service Request for the Sweetheart Lake Hydroelectric Project to the Alaska Industrial Development and Export Authority (AIDEA). JHI has subsequently held separate meetings with Susan Bell, Commissioner of Commerce and Ted Leonard, Executive Directors of AIDEA on JHI’s Snettisham Transmission Line interconnection request. JHI is now following guidance with AIDEA to mutually work with Alaska Electric Light & Power, who is the operator and manager of the publicly owned Snettisham Transmission Line, to mutually develop an interconnection agreement.

Sincerely,

Duff W. Mitchell
VP & Business Manager

Attachment:
JHI AIDEA Snettisham Transmission Line Interconnection Request
October 17, 2012

Via E-mail and Overnight Courier

Brian Carey
Alaska Industrial Development and Export Agency (“AIDEA”)
Snettisham Project Manager
813 West Northern Lights Blvd.
Anchorage, Alaska 99503

Re: Interconnection Request and Transmission Service Request for Sweetheart Lake Hydroelectric Project

Dear Mr. Carey,

Juneau Hydropower, Inc. (“JHI”) hereby submits this request (this “Request”) to interconnect the Project (as defined below) with the Snettisham Transmission Line at the Point of Interconnection (as defined below), and for transmission service from the Point of Interconnection across the Snettisham Transmission Line to the Point of Delivery (as defined below). Pursuant to our telephone conversation on the morning of October 16, 2012, we understand that formal processes for interconnection and transmission service requests have not been established for the Snettisham Transmission Line, and at your instruction, we hereby submit this letter Request, effective as of the date hereof.

1. Request

The Sweetheart Lake Hydroelectric Project is a proposed new hydroelectric generation project that will be located at the confluence of Sweetheart Creek and Gilbert Bay, approximately 30 air miles and 33 nautical miles southeast of the City of Juneau, Alaska (the “Project”). The Project is anticipated to have a nameplate generating capacity of approximately nineteen and eight tenths (19.8) MW upon achievement of commercial operation, and during an average rain year is anticipated to produce approximately 111 GWh of electricity. The Project will be eligible to be, and is expected to apply to become a Qualifying Facility under the Public Utility Regulatory Policies Act of 1978.

JHI requests to interconnect the Project at the terminus of the Snettisham Transmission Line, at a point north of Mist Island on the northern shore of Port Snettisham as identified in JHI FERC Exhibit G-4B Map (the “Point of Interconnection”). JHI requests interconnection service that allows JHI to integrate the full capacity of the Project with AIDEA’s transmission system in a manner comparable to that in which AIDEA integrates its generating facilities to serve native load customers. The Project is anticipated to require interconnection service as early as 4th quarter, 2015, and JHI request such interconnection service for a term of not less than the licensing period for the Project, as such license may be renewed.

JHI also requests 19.8 MW of firm point-to-point transmission service across the Snettisham Transmission Line, commencing at the Point of Interconnection and delivering at the Juneau side of
the Thane transformer building infrastructure (the “Point of Delivery”) or to such further point that the State of Alaska transmission line assets extends toward Juneau. The Project is anticipated to require transmission service as early as 4th quarter 2015, and JHI requests such transmission service for a term of not less than the licensing period for the Project, as such license may be renewed.

II. Additional Background

If additional information to supplement this Request would be useful, please let us know at your earliest convenience. Below please find further context regarding ourselves and the Project.

Juneau Hydropower, Inc. is an Alaskan registered corporation with Alaskan investors. We are an independent power producer that seeks to provide Juneau, Alaska with energy security and energy capacity, and to promote the economic development, energy security, and energy well-being of our Southeast community through the private development, licensing and construction of the Project.

The Sweetheart Lake Hydroelectric Project is currently proceeding through the federal licensing process. On August 31, 2012, JHI submitted a Draft License Application and Preliminary Draft Environmental Assessment to the Federal Energy Regulatory Commission (“FERC”), and FERC has issued a Notice seeking comments from agencies and public regarding the same. JHI expects to file a license application and to begin construction financing and construction after receipt of this license. JHI’s filings to FERC regarding the Project, and additional information regarding ourselves, can be found on our website: www.juneauhydro.com.

The Project and this Request are submitted in furtherance of Alaska’s State Energy Policy (HB 306). In particular, the State Energy Policy provides that:

“...it is the policy of the state to... encourage economic development by:

(A) promoting the development of renewable and alternative energy resources, including geothermal, wind, solar, hydroelectric, hydrokinetic, tidal, and biomass energy, for use by Alaskans;

(B) promoting the development, transport, and efficient use of nonrenewable and alternative energy resources, including natural gas, coal, oil, gas hydrates, heavy oil, and nuclear energy, for use by Alaskans and for export;

(C) working to identify and assist with development of the most cost-effective, long-term sources of energy for each community statewide;

(D) creating and maintaining a state fiscal regime and permitting and regulatory processes that encourages private sector development of the state’s energy resources;

In addition, it is likely that the Project will consider availing itself of the SB 25 ASSET program being developed by AIDEA. We therefore look forward to working with AIDEA on multiple fronts, to ensure that the Sweetheart Lake Hydroelectric Project comes to fruition with open, non-discriminatory, and cost-effective interconnection and transmission access.
Juneau Hydropower Inc.
October 17, 2012

If you have any questions regarding this Request, please contact Duff Mitchell at the address or telephone number listed above, or via email at duff.mitchell@juneauhydro.com. We look forward to speaking with you regarding next steps to completing interconnection and securing transmission service to serve the citizens of the State of Alaska and the economic development and energy security for City and Borough of Juneau.

Respectfully,

JUNEAU HYDROPOWER, INC.

By:
Name: Duff W. Mitchell
Title: VP & Business Manager

Attachment: JHI FERC Ex. G-4