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October 6, 2013

Secretary Kimberly Bose
Federal Energy Regulatory Commission
ATTN: DHAC, PJ-12.2
888 First Street, N.E.
Washington, D.C. 20426

**Re: Project No. 13563-002 Alaska
Sweetheart Lake Hydroelectric Project
Juneau Hydropower Inc.
Subject: First Six Month Progress Report**

Dear Secretary Bose,

Pursuant to Article 4 of the Preliminary Permit issued to Juneau Hydropower Inc. (JHI) on April 11, 2013, please find enclosed for this filing the First 6-Month Progress Report covering the period of April 2013 through September 2013. This report was due on October 1, 2013, but was not filed timely due to the uncertainty and confusion of the federal government shutdown and if e-library would accept documents. It appears that the FERC e-library system is accepting documents so this report is now being filed.

This report has been prepared by Duff Mitchell, Business Manager, Juneau Hydropower Inc. All questions can be directed to Duff Mitchell at 907-789-2775.

Respectfully Submitted,

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

Duff W. Mitchell
Business Manager
Juneau Hydropower Inc.

Encl.

SWEETHEART LAKE HYDROELECTRIC PROJECT
FIRST PROGRESS REPORT
October 1, 2013
Project No. 13563-002
Juneau Hydropower Inc.

1. General

This six month progress report is prepared in accordance with the requirements of Article 4 of the successive Preliminary Permit issued to Juneau Hydropower Inc by the Federal Energy Regulatory Commission (FERC) on April 11, 2013. This report documents licensing activities for the Sweetheart Lake Hydroelectric Project during the Period April 2013 through October 2013.

2. Project background

The Project would be an approximately 19.8 megawatt (MW) installation located at Sweetheart Lake and Sweetheart Creek, southeast of Juneau, Alaska. Details of the proposal are in Juneau Hydropower, Inc.'s successive Permit Application, filed with the Commission on November 30, 2012 that was a basis for an Order on April 11, 2013 issuing a preliminary permit and granting priority to file a license application.

JHI filed a prior Draft License Application and Preliminary Draft Environmental Application on August 31, 2012 and conducted a 2013 study plan meeting on January 31, 2013 and February 1, 2013.

3. Point of Contact

The FERC Point of Contact for the Sweetheart Lake Hydroelectric Project is:
Duff Mitchell, VP & Business Manager
PO Box 22775
Juneau, AK 99802
(907) 789-2775

4. Schedule of Submitting License Application

JHI anticipates that a license application for the project will be submitted on or before April 1, 2015. JHI is in the process of preparing a successive Draft License Application (DLA) and a successive Preliminary Draft Environmental Assessment (PDEA) and anticipates that these documents shall be filed shortly.

5. Summary of Consultation During Last Period:

Since April 11, 2013 upon the issuance of a successive Preliminary Permit, JHI has had the following Consultations

On April 5, 2013, just prior to the issuance of Preliminary Permit, JHI filed a request for Jurisdictional Determination on Wetlands with the Alaska District, Army Corp of Engineers.

On April 24, 2013, JHI conducted a Wildlife Working Group Meeting with interested Agencies and stakeholders; report was filed with FERC on May 8, 2013.

On April 25, 2013 JHI filed the Final Terrestrial Study Reports: Biological Assessment for Sensitive Species; Invasive Species Risk Assessment; Botany Resource Report for Plant and Rare Species.

On April 30, 2013 JHI filed the 2013 Study Plan Meeting Summary that took place in Juneau Alaska with all agencies and interested stakeholders on January 31, 2013 and February 1, 2013.

On May 13, 2013, JHI conducted a Wildlife Working Group Meeting and filed with FERC on May 24th a meeting summary with supporting documents.

On May 24, 2013, JHI filed a Final Cultural Studies Report, Area of Potential Effects Addendum, and Correspondence Letter and SHPO Concurrence Letter on Area of Potential Effects. This final report follows the Cultural Work Group meeting that occurred on March 20, 2013.

On May 31, 2013 conducted a Wildlife Working Group Meeting. JHI filed a summary and meeting minutes with FERC e-library on June 14, 2013.

On June 20, 2013 conducted an Aquatic Work Group Meeting. JHI filed a summary and minutes with FERC e-library on July 10, 2013.

On June 21, 2013 conducted consultation meeting with FERC and National Marine Fisheries Service (NMFS) on Threatened and Endangered Species. JHI filed a summary and minutes of the meeting with FERC e-library on July 10, 2013

On August 9, 2013 JHI filed Alternative Licensing Process (ALP) progress report through July 2013 with FERC e-library.

On September 4, 2013 JHI filed a Fish Collection Barge System report with FERC e-library.

On September 4, 2013, JHI filed a Draft Scenery Resources Report with FERC e-library.

On September 9, 2013, JHI filed a 2013 Recreational Resources Report with FERC e-library.

On September 20, 2013, JHI filed Draft Project Effects Analysis on Threatened, Endangered and Candidate Species; Sensitive Species; Management Indicator Species; Migratory Birds, and Subsistence Species with FERC e-library.

On September 20, 2013, JHI filed the Hydrology Report for the Project with FERC e-library

On September 21, 2013, JHI filed 2013 Aquatic Research Activities Report with FERC e-library.

6. Studies conducted During Last Period:

Initiated and completed Recreational Study components, Scenery Study, 2013 Aquatic Study, 2013 Wildlife Study, 2013 Water Quality work, Salinity Investigation for Gilbert Bay, Hydrology study and downloaded weather station data.

Alaska DFG personnel from the Wildlife and Sport Fish Divisions made site visits to the Project during this period to coordinate and review on-going studies. JHI in collaboration with Alaska DFG Wildlife personnel conducted bear hair sampling over the summer of 2013.

Completed engineering activities on: Dam, Tunnel, Tailrace, Trail/Road, Marine Facilities, and Transmission.

7. Outline of Engineering, Environmental and Other Investigations to be Conducted during the Ensuing 6-Month Period:

JHI plans to file a successive Draft License Application and Preliminary Draft Environmental Assessment in the following week.

8. Summary of Consultations that will take place During Ensuing 6-month Period:

JHI plans to file a successive Draft License Application and Preliminary Draft Environmental Assessment in the following week.

JHI plans to conduct additional work group meetings to present 2013 study findings.

JHI will continue to work with regulatory agencies and stakeholders on all facets of the project.