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April, 1, 2014

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: Second 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 Second 6-Month Progress Report covering the period of October 2013 through March 2014. This report is due on April 1, 2014.

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", is written over a horizontal line.

Duff W. Mitchell
Business Manager
Juneau Hydropower Inc.

Encl.

SWEETHEART LAKE HYDROELECTRIC PROJECT
SECOND PROGRESS REPORT
April 1, 2014
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 October 2013 through April 2014.

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 is under an approved communications protocol with the Alternative License Process.

JHI filed a prior Draft License Application (DLA) and Preliminary Draft Environmental Assessment (PDEA) on August 31, 2012 and conducted a 2013 study plan meeting on January 31, 2013 and February 1, 2013. JHI filed a successive Draft License Application and a successive Preliminary Draft Environmental Application on October 11, 2013 and held a public meeting in Juneau to provide a detailed overview of the Project to agencies and members of the public. JHI received comments on its successive DLA and PDEA from the Forest Service, Alaska DFG, National Park Service and AEL&P.

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

(907) 723-2481

3. Schedule of Submitting License Application

JHI anticipates that a final license application and applicant prepared Preliminary Draft Environmental Assessment will be filed imminently. JHI is in the process of formatting the final application documents and exhibits.

4. Summary of Consultation During Last Period:

Since October 1, 2013 JHI has had the following Consultations:

Upon filing of the successive Draft License Application and successive Preliminary Draft Environmental Assessment on October 11, 2013 JHI had multiple conversations with the former (now retired) Forest Service Hydropower Coordinator, Barbara Stanley related to clarifying items and issues within the DLA and PDEA.

Forest Service Consultations have further included successive Special Use Permit application and discussions; DLA and PDEA comments; Recreation Management Plan and exhibits; Wildlife Analysis and Wildlife Mitigation and Monitoring Plan; wildlife, botanical, and fisheries related comments and issues.

Alaska DFG consultations have included conversations and discussions related to fisheries, habitat and wildlife matters to include Bear Hair DNA sampling, Wildlife Mitigation and Monitoring Plan, and off license agreement.

Alaska DNR consultation have included conversations and discussion related to tideland lease, easements and hydrology.

NMFS consultations have included conversations and correspondence on Marine Mammal Protection measures and Essential Fish Habitat.

Army COE consultation included conversations on delineation reports and status of Preliminary Jurisdictional Determination.

Meetings:

Cultural Studies Working Group Meeting December 10 to cover Cultural Studies Addendum

DLA and PDEA Agency Meeting December 11 to cover full day presentational overview of successive Draft License Application and PDEA

Wildlife Working Group Meeting January 3, 2014 to cover Wildlife Analysis update and feedback

Cultural Studies Work Group Meeting January 16, 2014 to cover status of Section 106 process and cover study methodology and survey intensity.

Forest Service Meeting with Acting Juneau District Ranger providing Project update, Special Use Permit update, and request for Ranger District assistance on working with commenters on PDEA questions and comments.

Wildlife Working Group Meeting February 7, 2014 to go over Marine Mammal Protection consultation

Alaska DFG Meeting. February 12, 2014 Covered and discussed full day on Alaska DFG PDEA comments, concerns and advice for resolving outstanding issues related to bypass reach instream flows, sedimentation, and other issues raised in PDEA comments. Discussed off license agreement.

Forest Service Meeting with incoming Ranger and staff of Juneau Ranger District. Provided PowerPoint overview of Project and update on Project status and PDEA.

Army COE. March 28, 2014. Received Wetland Preliminary Jurisdictional Determination dated March 26, 2014 and discussed wetland issues. Received Army COE guidelines for Wetland mitigation.

Studies conducted During Last Period:

Initiated and completed Final Project Effects Analysis on Threatened, Endangered and Candidate Species; Sensitive Species; Management Indicator Species; Migratory Birds; and Subsistence Species.

Bypass Reach Canyon Reach Suitability Assessment

Sedimentation and gravel augmentation analysis and assessment

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

Additional engineering consultation and analysis was conducted for submarine transmission construction for the Gilbert Bay and Port Snettisham transmission segment crossings.

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

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

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

JHI plans to continue to work with Agencies to consult and finalize Operational Plans as outlined by the Forest Service Preliminary Condition 22.

JHI plans to submit 404 Permit application to the ACOE and continue wetland consultations.

JHI plans to consult and finalize off license agreement with Alaska DFG.

JHI plans to review and file any agency permit necessary and required to allow construction activity to commence shortly thereafter successful license issuance.

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