



Juneau Hydropower, Inc.  
PO Box 22775  
Juneau, AK 99802  
[www.juneauhydro.com](http://www.juneauhydro.com)  
Telephone: (907) 789-2775  
Fax: (907) 375-2973

December 1, 2010

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 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 December 14, 2009, please find enclosed for this filing the Second 6-Month Progress Report covering the period of June 2010 through November 2010.

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  
November 30, 2010  
Project No. 13563  
Juneau Hydropower Inc.

1. General

This six month progress report is prepared in accordance with the requirements of Article 4 of the Preliminary Permit issued to Juneau Hydropower Inc by the Federal Energy Regulatory Commission (FERC) on December 14, 2009. This report documents licensing activities for the Sweetheart Lake Hydroelectric Project during the Period June 2010 through November 2010

2. Project background

The Project would be an approximately 30 megawatt (MW) installation located at Sweetheart Lake and Sweetheart Creek, southeast of Juneau, Alaska. Details of the proposal are in the Permit Application, filed with the Commission on August 4, 2009.

3. Point of Contact

The FERC Point of Contact for the Sweetheart Lake Hydroelectric Project is:

Duff Mitchell, 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 December 1, 2012.

5. Summary of Consultation During Last Period:

- Filed Pre Application Document, Notice of Intent, and Request for using Alternative Licensing Process on July 27, 2010. Noticed and sent to Stakeholder list.
- JHI received Designation as nonfederal representative for ESA and Magnuson Stevens Act on August 13, 2010.
- JHI Section 106 , National Historic Preservation Act Authorization August 24, 2010.
- FERC approval to use Alternative Licensing Process and communications protocol. September 14, 2010.

- Agency meeting announcement September 28, 2010.
- USFS approves Special Use Permit for authorization to install stream gage equipment and to conduct initial non-invasive engineering, environmental and other investigations.
- Initial Agency Meeting October 28, 2010. JHI received agency comments which it is now using to develop study plans in the following areas:
  - Geology and Soils
  - Fisheries and Aquatic Resources
  - Wildlife
  - Botanical resources
  - Water Quantity
  - Water Quality
  - Cultural
  - Scenic and Aesthetic Resources
  - Socioeconomics
  - Threatened and Endangered Species
  - Subsistence Resources

A video link of the October 28<sup>th</sup> meeting can be temporarily found at:

<http://www.vimeo.com/17309631>

- JHI has communicated with and obtained initial data and pictures from NSRAA (Northern Southeast Regional Aquaculture Association) regarding their Deer Lake salmon fry outmigration system. JHI presented this information at the Initial Agency Meeting held on October 28, 2010. NSRAA provided additional schematics of screen trap and engineering description and fabrication notes.
- JHI has communicated and consulted with federal and state agencies and Tribes on various aspects of the project and its development over the last six months.

#### 6. Studies conducted During Last Period:

JHI conducted ground reconnaissance of power site location and evaluation of sockeye and pink salmon run in early August 2010. JHI conducted photography of area as a part of this reconnaissance. Pictures were presented to Agency meeting and will be posted on JHI website.

JHI received US Forest Service Special use permit at end of October and plans to emplace stream gage(s) in the near future and as weather permits. JHI has been discussing scopes of work and detailed study plans with selected contractors. At present, JHI is waiting for written comments from certain agencies in order to finalize fisheries scope of work and Scoping Document 1.

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

Project feasibility will continue to be assessed along with developing a study plan for seasonal investigations that will commence in early 2011. JHI has initiated contacts and has communicated privately and publicly with several agencies and affected Tribes. A bathymetric study of the Sweetheart Lake is scheduled in 2011.

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

JHI will continue to work with and engage regulatory agencies on an as needed basis in preparation of study plans and Scoping Document #1.

Upon approval of Scoping Document #1 JHI will initiate field studies with selected contractors for specific study areas.

Attachments: Project Pictures



Sweetheart Creek first falls





Sweetheart Creek Barrier Falls



Gilbert Bay