

**BEFORE THE
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

Cascade Creek Hydroelectric Project

FERC Project No. 12495

**APPLICATION FOR LICENSE FOR
A MAJOR UNCONSTRUCTED PROJECT**

INITIAL STATEMENT

1. Cascade Creek, LLC (Applicant) applies to the Federal Energy Regulatory Commission (FERC) for a new license for the Cascade Creek Hydroelectric Project (Project), FERC No. 12495), as described in the attached exhibits.

2. The location of the Project is:

State:	Alaska
County:	Located in Unorganized Borough
Nearby town:	City of Petersburg
Stream or other body of water:	Swan Lake and Cascade Creek

3. The exact name, address, and telephone number of the Applicant is:

Cascade Creek, LLC
3633 Alderwood Avenue
Bellingham, WA 98225
Phone: (360) 738-9999

4. Cascade Creek, LLC is a domestic corporation and is not claiming preference under section 7(a) of the Federal Power Act.

5. The statutory and regulatory requirements of the State of Alaska in which the Project would be located and that affect the project as proposed with respect to bed and banks and the appropriation, diversion and use of water for power purposes, and with respect to the right to engage in the business of developing, transmitting, and distributing power and in any other business necessary to accomplish the purpose of the license under the Federal Power Act are:

- a. Section 4(e) of the Federal Power Act. FERC is authorized to issue licenses. Applicant is engaged in consultation with FERC staff.
- b. Section 10(j) of the Federal Power Act. State and Federal Fish & Wildlife Agencies are authorized to recommend conditions to protect those resources. This DLA provides the listed agencies with information that can be used to identify any measures that will be presented under Section 10(j) of the FPA.

- c. Section 18 of the Federal Power Act. FERC is required to include in a license any fishways prescribed by the FWS and/or NMFS. This DLA provides the listed agencies with information that can be used to identify any fishways prescribed under Section 18 of the FPA.
- d. Section 7 of the Endangered Species Act. FERC is required to confer with FWS or NMFS to determine whether a proposed project would affect candidate or listed species. The Applicant has requested to be designated as the non-federal representative to conduct informal consultation with the FWS, NMFS, and the SHPO.
- e. Fish and Wildlife Coordination Act (FWCA). FERC is required to consult with the ADF&G, FWS, and NMFS. This DLA provides the listed agencies with information that can be used to identify any measures that will be presented under the FWCA and/or Section 10(j) of the FPA.
- f. Section 305(b)(2) of the Magnuson – Stevens Fishery Conservation and Management Act. FERC is required to consult with the NMFS regarding any adverse effects on essential fish habitat. This DLA provides the NMFS with information that can be used to identify any measures that will be presented under Section 305 of the Manguson – Stevens Fishery Conservation and Management Act.
- g. Section 401 of the Clean Water Act (CWA). The Applicant will submit a request for 401 Certification in conjunction with Section 404 permit application.
- h. Section 404 of the Clean Water Act (CWA). Alaska Pollutant Discharge Elimination System (APDES) and Section 404 discharge to navigable waters or wetlands. Applicants for license are required to prepare required plans. The Applicant will prepare a request to the USACE for a Nationwide Permit that includes compliance with Section 404 of the CWA. The Applicant will prepare plans to protect waterways and wetlands during construction and any protective measures to be implemented following completion of construction as required by it permit.
- i. Section 307 of the Coastal Zone Management Act (CZMA). Authorizes states to review proposed federal action affecting resources within the Coastal Zone and defined in a Coastal Zone Management Plan (CZMP). The Applicant is in consultation with the ADNR-DCOM and other affected agencies. The Applicant will prepare the required Coastal Project Questionnaire in consultation with ADNR-DCOM and other agencies.
- j. Section 106 of the National Historic Preservation Act (NHPA). The NHPA requires FERC to take into account the effect of license issuance on cultural, archeological, and historic properties. Applicants for license are required to conduct studies to identify the presence of such properties and prepare required documents. The Applicant has completed initial consultation with the USFS and SHPO. A draft report is included in this PDEA/DLA. As identified in this document, the Applicant intends to enter into a Programmatic Agreement related to further archaeological studies within the Project's APE and construction footprint.

- k. National Wild and Scenic Rivers Act. There are no candidates or designated wilderness areas in the vicinity of the proposed Project. No action is required.
 - l. U.S. Forest Service - Special Use Permit. In order to occupy, use, or build on USFS land, project proponents must seek approval through application for a Special Use Permit. The Applicant has been in ongoing consultation with the USFS and intends to apply for such permission as necessary to construct and operate the Project.
 - m. Alaska National Interests Lands Conservation Act (ANILCA). The purpose of the ANILCA is to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes. The proposed Project will be in accordance with the purposes outlined in the ANILCA. Under Title 17 of the Alaska Administrative Codes, the Applicant will, as needed, seek approval for use of federal and/or state lands for utility transmission.
 - n. Section 46.15 of the Alaska Water Use Act. A project proponent proposing diversion, impoundment, or withdrawal of water from a specific water source is required to seek a water right from the ADNR. Upon License application acceptance by the Commission, the Applicant will seek such rights through permit application.
 - o. Title 16 of the Alaska Fishway Act. Title 16 requires notification and application for authorization from the ADFG for activities within or across a stream used by fish. The Applicant intends to consult with ADFG regarding the need for such authorization and will submit such accordingly.
6. The names of every person, citizen, association of citizens, domestic corporation, municipality, or state that has or intends to obtain and will maintain any proprietary right necessary to construct, operate, or maintain the Project are as follows:
- State of Alaska
 - City of Petersburg
 - Southeast Alaska Power Agency
 - Point Agassiz South HES Group
 - Jean Louise Ellis
 - Mill Inc.
 - Robert & Gina Thorstenson
 - Mark & Pat Weaver
 - First Bank
 - Lee & Kathleen Gilpin
 - Raymond, Jr. & Pam Olsen
 - Phyllis H. Hernandez
 - Island Ventures, LLC
 - Linda J. Reller
 - Tongass Cutting, LLC
 - Robert L. Byers

- David L Israelson & E. Rodriguez
- Richard & Bridgett Walsh
- Reid Bros. Logging & Const.

7. The names and mailing addresses of potentially interested parties are as follows:

- (i) Every county in which any part of the project, and any Federal facilities that would be used by the project, would be located: None – The Project is located in an Unorganized Borough in Southeast Alaska.
- (ii) Every city, town, similar local political subdivision:
 - (A) In which any part of the Project, and any Federal facilities that would be used by the Project, would be located: None.
 - (B) That has a population of 5,000 or more people and is located within 15 miles of the project dam: None.
- (iii) Every irrigation district, drainage district, or similar special purpose political subdivision:
 - (A) In which any part of the Project, and any Federal facilities that would be used by the Project, would be located: None.
 - (B) That owns, operates, maintains, or uses any project facilities or any Federal facilities that would be used by the project: None.
- (iv) Every other political subdivision in the general area of the project that there is reason to believe would likely be interested in, or affected by, the application:

City of Petersburg
 Kathy O’Rear, City Clerk
 P.O. Box 329
 Petersburg, AK 99833
 (907)772-4519

City of Wrangell
 Christine Jamison, City Clerk
 P.O. Box 531
 Wrangell, AK 99929
 (907)874-2381

City of Kake
 Mayor Henrich Kadake
 P.O. Box 500
 Kake, AK 99830
 (907)785-3804

City of Ketchikan
 Ketchikan Public Utilities
 Karl Amylon
 334 Front Street

Ketchikan, AK 99901
(907)874-2381

City of Angoon
Mayor Albert Howard
P.O. Box 189
Angoon, AK 99820

Southeast Alaska Power Agency
Dave Carlson
P.O. Box 110987
Anchorage, AK 99511-0987

Thomas Bay Power Authority
Steve Henson, President
PO Box 1318
4.5 Mile Zimovia Highway
Wrangell, AK 99929

- (v) All Indian tribes that may be affected by the Project:

Organized Village of Kake
Gary Williams, Executive Director
P.O. Box 316
Kake, AK 99830-0316

Wrangell Cooperative Association
Tom Gillen Sr., President
PO Box 868
Wrangell, AK 99829

Petersburg Indian Association
Will Ware, Tribal Administrator
P.O. Box 1418
Petersburg, AK 99833

Central Council Tlingit and Haida Tribes of Alaska
Edward K. Thomas, President
320 W. Willoughby Ave., Suite 300
Juneau, AK 99801

Sealaska Heritage Institute
Dr. Rosita Worl, President
One Sealaska Plaza, Suite 301
Juneau, AK 99801

Sealaska Corporation
Chris E. McNeil, Jr., President
One Sealaska Plaza, Suite 400

Juneau, AK 99801

Kootznoowoo Incorporated
Peter Naoroz, General Manager
8585 Old Dairy Road, Suite 201
Juneau, Alaska 99801

Kake Tribal Corporation
Howard Martin, President
P.O. Box 263
Kake, AK 99830

8. The following exhibits are filed herewith and are hereby made a part of this Application:

Exhibit A	Project Description
Exhibit B	Project Operation and Resource Utilization
Exhibit C	Proposed Construction Schedule
Exhibit D	Costs and Financing
Exhibit F	General Design Drawings
Exhibit G	Project Boundary Maps
Appendices	Draft Environmental Assessment, in lieu of Exhibit E, Environmental Report

SUBSCRIPTION AND VERIFICATION

This Application is executed in the State of Washington, County of Whatcom.

By:
Cascade Creek, LLC
3633 Alderwood Avenue
Bellingham, WA 98225

Christian Spens, being duly sworn, deposes, and says that he is the authorized agent for the Applicant, and says the contents of this Application are true, to the best of his knowledge and belief. The undersigned has signed this Application this _____ day of _____, 2011.

By: _____
Christian Spens, Project Manager

Subscribed and sworn to me, a Notary Public of the State of Washington this _____ day of _____, 2011.

Notary Public

My Commission Expires: _____

/Seal (if any)