

September 29, 2005

Ms. Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: FERC Project No. P-12495 (Cascade Creek Hydroelectric Project)
SUB: Second Six Month Progress Report

Dear MS. Salas:

This letter is submitted in compliance to Article 4 of the preliminary permit for the above referenced project.

Second Six Month Progress Report

The second six months involved the following work:

1. Provide drawings and information to the “Southeast Conference” in Alaska about the proposed Alaska – British Columbia Intertie.
2. Consult with the “Southeast Conference” Energy Committee regarding the revenue implications of an Alaska – British Columbia intertie
3. Consult with “Powerex”, BC Hydro, BCTC, and Puget Sound Energy regarding export of Alaskan Hydropower.
4. Consult with the State of Alaska regarding an Alaska – British Columbia intertie.
5. Consult with proposed mining operations in Northern British Columbia regarding projected electrical loads.

The next six month period will consist of the following work:

1. Perform a feasibility study of the generation project and subsequent transmission line construction & transmission upgrade.
2. Perform the necessary information to complete a Pre-Application Document.

Cascade Creek, LLC
3633 Alderwood Ave., Bellingham, WA 98225
(360) 738-9999 ph (360) 733-3056 fax

If there are any questions or need for additional information, please call Richard Rosenberg at (360) 738-9999, ext. 129.

Sincerely,

Steven C. Marmon
Manager