

Petersburg Municipal Power & Light**ORIGINAL****P.O. Box 329****Petersburg, Alaska 99833****Phone: 907-772-4203**

November 18, 2010

Chris Spens, Project Manager
 Cascade Creek LLC
 3633 Alderwood Ave.
 Bellingham, WA 98225

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 SECRETARY OF THE
 COMMISSION
 2010 DEC - 1 P 2: 04
 FEDERAL ENERGY
 REGULATORY COMMISSION

Dear Mr. Spens:

I'm providing comments in my capacity as Power Superintendent, Petersburg Municipal Power & Light (PMP&L) as well as Chairman of the Board, Southeast Alaska Power Agency (SEAPA). These comments are in addition to those provided previously, which have only been addressed in part.

**Comments on the Scoping Document 2
 Cascade Creek Hydroelectric Project (FERC No. 12495-002)**

COMMENT NO. 1:

The overhead transmission line on Mitkof Island cannot be constructed as proposed because:

- FAA will not allow overhead powerlines adjacent to or near the airport, as shown in Figure 2, Appendix E.
- PMP&L will not allow overbuild of existing 24.9 kV distribution circuits, as indicated in Figure 2, Appendix E.

The transmission line must be located/routed further southeast along the base of the mountain to a point immediately east of the existing SEAPA owned Petersburg Substation, then turn west to intercept the existing SEAPA transmission line. Consultation with the City of Petersburg, the U.S. Forest Service, and private parties will be necessary before a transmission line corridor can be established. Private land would have to be purchased for the point of interconnection switching station, since the existing land holdings by SEAPA and PMP&L are fully utilized.

COMMENT NO. 2:

There is presently, and into the foreseeable future, no market for the power from the proposed project. The communities of Petersburg and Wrangell have their present and future needs met for at least the next decade. The City of Petersburg is also pursuing its own solution to meet the need for stand-by power, and has had no discussions with CCLLC concerning a power sales agreement of any sort. The small amount of power needed for the Kake community (approximately 500 kW or ½ MW) when it's interconnected, can be easily met with existing resources. Ketchikan is the only community where additional hydropower is potentially needed, but they are developing their own new resource. Where is this 70 megawatts of power supposed to go, and to whom?

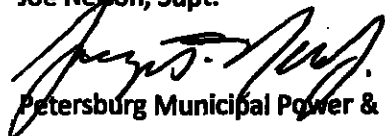
COMMENT NO. 3:

The interconnection of this project's output into the SEAPA grid is an extremely critical issue – essentially a go/no go situation. Yet, there have been no format discussions or consultation between CCLLC and SEAPA. I find this astounding. The existing SEAPA grid was not designed to transmit 70 megawatts of power, so would have to be substantially upgraded between Petersburg and the Tyee plant, a distance of approximately 73 miles. This scoping document ignores this critical, high cost issue.

Additionally, SEAPA has not been contacted regarding interconnect and system stability requirements – another major, major issue.

Thank you for the opportunity to comment. We look forward to your next public meeting in Petersburg, as well as your official notice to SEAPA that you intend to connect to, and utilize our grid system.

Joe Nelson, Supt.



Petersburg Municipal Power & Light

cc: Secretary Kimberly Bose ✓
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