

November 14, 2010
PO Box 1331
Petersburg, AK 99833

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

cc:
Secretary Kimberly Bose
Federal Energy Regulatory Commission (FERC)
888 First Street, N.E.
Washington, D.C. 20426

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

Thank you for the opportunity to provide planning input to the proposed Swan Lake/Cascade Creek Hydroelectric Project. Cascade Creek LLC (CC LLC) currently holds a preliminary permit to develop hydropower resources in the project area. Following are my comments to the Scoping Document 2 (SD2) for the project.

Statement of Interest

I am a resident of Petersburg, Alaska located near Cascade Creek and Swan Lake. My family sports and commercial fishes in the waters of the project area often recreate there including hiking the Cascade Creek trail which parallels the route of possible hydro infrastructure below Swan Lake. My family has harvested several deer and dozens of ducks from lands in the project area. The area is accessible by skiff from Petersburg, which also makes it an ideal location for subsistence use by local residents to recreate and sport fish, which they have done for generations. The quality of the recreational experience is currently unparalleled. I am also a ratepayer for electrical use in Petersburg. I have a direct interest in the proposed project.

Please note that because most of my previous comments to the first scoping document (SD1) dated November 24, 2007 and later revision dated July 20, 2009 were not addressed I incorporate them here by reference. You were previously provided them through the FERC process. I understand the proposed project has changed in certain respects since re-issuance of the preliminary permit however many of the issues raised in my previous comments to the PAD continue to apply to SD2. It is incumbent that the project applicant address these comments rather than ignore them or pass them on to other agencies for future consideration.

Those issues include but are not limited to:

1. The continued need for a cumulative impacts analysis;

2. The need to complete a full Environmental Impact Statement;
3. Need for a credible recreation analysis;
4. Need for a credible aesthetic analysis including visual as well as noise impacts within and outside Thomas Bay proper.
5. Need for field studies spanning an entire year under all weather conditions and not just during fair weather intervals;

In particular, I remain concerned that the so-called "outlet control structure" at the outfall of Swan Lake is in reality a damn since according to your document it will:

"provide for minimum in-stream flow contribution if required, facilitate lake level management by adding the ability to store or release water as necessary in drought or flood conditions to help maintain the desired lake level, and allow for emergency overflow discharge to the stream outlet of Swan Lake"

Is this not a perfect description of a damn?

What is to prevent the damn/outlet control structure height from increasing once the project is licensed?

My remaining comments generally concern the recreation survey, for which the results were not even considered in the SD2.

1. Flawed Process Used to Solicit Impacts to Recreation Resource.

During the last month my post office box received no less than four different large mailings and one postcard from Kleinschmidt consultants, who are subcontractors for the project applicants and are conducting various environmental analysis for the project. These mailings pertained to recreational surveys intended to assess existing recreational uses and potential project impacts on those uses, as well as a scoping document.

The first survey mailing, postmarked Oct. 12 was in error since its cover showed it was intended for boater/pilots yet the questions inside were geared for outfitter/guides. Numerous Petersburg residents I spoke with were confused with the mailing, especially since most could only answer the first question in the mailing and were instructed to proceed no further since they were not commercial operators. This confused and put off many potential respondents as they felt their input was being ignored.

The next mailing, dated October 18, was a postcard asking the respondent to complete the Boater/Pilot survey as soon as possible. This was impossible since the Boater/Pilot Survey had in fact, not been received.

Another large mailing, postmarked October 18, included a copy of a cover letter to FERC with an attached mail list and a CD enclosed with the 463 page Scoping Document 2. Nowhere in the cover letter or document could I find a public comment deadline although some in Petersburg believe the deadline to be Nov. 15, thus these comments.

The next mailing, dated Oct. 20 included a Boater/Pilot survey with a cover letter instructing respondents to ignore the previous outfitter/guide survey if they do not provide commercial transportation/recreation services in the project area. It however asked them to complete the enclosed Boater/Pilot survey as soon as possible if they do provide such services.

The fifth and latest mailing dated November 4 contained yet another duplicate Boater/Pilot survey with a different cover letter than previously mailed asking respondents to reply since no response had been received.

Are you confused? Welcome to the club! If the overall Cascade Creek/Swan Lake project analysis is being conducted in a manner similar to the haphazard manner in which the recreation survey was, then validity of the entire analysis must be called into question.

I personally witnessed, on nearly every visit to our local post office in the last few weeks, numerous unopened and discarded Kleinschmidt envelopes in Post Office waste receptacles. Perhaps the discards represented disinterest in the content of the mailings, but it most certainly represented confusion regarding the surveys as well. If the goal was to discourage public input, I can think of no better way than to introduce confusion with multiple duplicate mailings and contradictory instructions.

Given that Cascade Creek LLC has had nearly six years in which to complete a recreation analysis (and other field studies), as well as adequate time to complete the Scoping Document 2 I find unacceptable that the public was provided such a short and confusing time span of two to three weeks in which to return completed surveys, etc. Many of the "boaters" I know are commercial fishermen, my husband included, and they are often away from Petersburg for a week or more. Their fishing season has not yet concluded. The last thing on their mind as they finish up their fishing seasons is responding to surveys whose architects have dragged their feet for years and now expect a quick turnaround. It is especially odd that the surveys were expected to be turned around so quickly when the results of the survey were not even incorporated into the SD2. What's up with that?

If Kleinschmidt had provided a less confusing and longer comment period in which to complete these surveys they may have had a greater response. While the recreation survey is flawed for a variety of reasons, it is doubtful that the quantity and quality of the recreation information you garner from your recall survey will be statistically valid.

2. Recreational Survey Failed to Separate Respondents by Community.

Although the CC LLC mail list enclosed with the Scoping Document 2 does not include individuals from other communities with the exception of a couple of pro-hydro development types and organizations, I understand, the recreational recall survey was indeed mailed to residents of Kake and Wrangell. Is this true?

These communities are located far from the project area and their residents seldom, if ever, recreate in the project area. Why did you include these communities in the project recreational analysis? Could their inclusion be an attempt to dilute the documented recreational use of the area? I request that your revised recreation survey separate responses by community in order to credibly access existing uses of the area and impacts to those uses by community.

3. Recreational Survey Failed Sample Recreation Use Throughout the Year.

Early spring is an important recreation use time for the Cascade Creek/Falls Lake/Swan Lake area. It appears from review of FERC progress reports that recreational field studies did not begin until well after this heavy spring use period. When exactly did recreation field studies commence for 2010? If not until late in the season, will you be returning to complete gaps in this data

collection not just for the early spring but also for the entire year? Were trail counters installed to quantify the use of the Cascade Creek trailhead, Cascade Creek Falls, Swan Lake and Falls Lake? If not, how can you claim to have adequately documented use of these important recreation destinations?

4. Recreational Survey Failed to Accurately Depict Cascade Creek “Average” Fall Flow.

The month of September, 2010 experienced unseasonably warm and dry conditions in SE Alaska. It is my understanding that the photos depicting “average” fall water flow were taken during this period. Consequently, responses to questions in your recall survey pertaining to this photo will be based on erroneous data and should be deleted.

5. Recreation Survey Failed to Consider Impacts to Recreation Outside Thomas Bay.

While the proposed project impacts to recreation in the Thomas Bay area are unacceptable for a variety of reasons, it is noteworthy that project recreation impacts from associated infrastructure will extend into Frederick Sound and to the shores of Mitkof and Kupreanof Island. There was no ability for respondents to address these impacts in your survey. Such impacts include but are not limited to conflicts with transmission lines and their infringement on private and City owned properties. Please include this in further analysis. Also, please include a map of the project area including Frederick Sound and beyond so respondents can orient themselves when answering survey questions. Such a map was glaringly absent from the survey.

6. Recreational Survey/Analysis Failed to Consider Impacts to Recreational Clients of Outfitter Guides or Users of FS Facilities.

Considering that there are potentially hundreds of users of the project area that have at some time been outfitter/guide clients your survey failed to capture their response. And considering that many of these clients return more than once to the services of the outfitter guide they may well have valuable input on the recreational experience before and after project completion.

Additionally, I know of many longtime users of USFS cabins in the area that if your mail list is accurate, did not receive a copy of the SD2 and likely the survey as well. Such a list, I would think, is easily attainable from the Forest Service. Additionally, I know of individuals who supplied comments at various stages of project planning in the past but did not appear on the list. Please review and revise your mailing list to include ALL individuals who have participated in this process and include these individuals in your revised and improved recreation survey assessment.

I also note that no questions were asked about impacts to the marine mammal haulout in Thomas Bay. How will viewing of these animals (from a distance) be affected? This haulout IS a recreation resource.

7. Recreation Survey Failed to Include Adequate Queries Regarding Aesthetic Resources.

The aesthetic resources of the project area are world class. Your survey reduced those resources to three sets of narrow, constricted before-and- after photos that are of poor quality and fail to accurately depict the scenic resources of the area. Additionally, impacts from noise generate during construction and operations were not considered in your analysis. Please, as previously requested in my 2007 comments consider:

“The scenic and aesthetic resources of the project area are spectacular and when considered together with the abundant wildlife, topography, and wildness make Thomas Bay a huge draw to tourists and locals alike. Scenery Cove as the name implies is just that. In fact the scenic resources of the area are what caused two of the three creeks to be eligible for inclusion in the Wild and Scenic River System.

Metal buildings, clearings, rock pads, noise from construction and operation, roads, penstocks along the Cascade trail and associated roads will all result in a complete reversal of the character of Thomas Bay from pristine and wild to resembling that of an industrial park. Transmission lines, including possible blinking lights for low flying aircraft, that alter the landscape in both the near and far distance as seen from Petersburg and other scenic value points within the project area, will dramatically reduce the visual quality of scenic resources there. The irreplaceable qualities of peace, solitude, and outstandingly remarkable resources will be permanently lost and current users will no longer chose to go there. Amazingly the PAD limited its discussion of impacts regarding scenic resources in the project area to only two sentences. Please thoroughly study and disclose the effect on scenic resources of the TBED to the commercial and non-commercial uses of the bay. Also please explain how the project complies with even the least conservative land use designations, i.e “providing for a predominantly natural setting for semi-primitive types of recreation and tourism and to provide for closeness to nature...” when the area has been turned into an industrial park.”

I understand that the project design has changed somewhat since these comments were written, however you completely failed again to adequately access the above noted impacts.

8. FERC Should Apply the “Strict Scrutiny Approach” the Cascade Creek Project.

It is my belief that CC LLC has failed to meet the minimum requirements of their SECOND preliminary permit and no further time should be extended to the applicants. However, if FERC capitulates and as I requested three years ago, the “strict scrutiny” approach should be applied to this project immediately.

The “strict scrutiny” approach was developed by FERC in respect to preliminary permit applications for hydropower projects involving new technology methods such as wave, current and instream methods to develop hydropower. I formally request that this approach also be applied to the TBED project.

According to the strict scrutiny approach,

*“... to ensure that the permit holders are actively pursuing project exploration, the Commission would carefully scrutinize the reports that permit holders are required to file on a semi-annual basis, and would, **where sufficient progress was not shown consider canceling the permit.** Stricter scrutiny could entail requirements such as reports on public outreach and agency consultation, development of study plans, and deadlines for filing a notice of intent to file a license application and a preliminary application document. This approach could reduce site banking, providing a disincentive for developers to seek permits for projects they are not ready to pursue. ... This approach would encourage more thoughtful development of permit applications*

as well as competition.”¹

If semi-annual progress reports are currently mandatory along with supporting documentation as outlined in the approved communications protocol, then shouldn't the reports comply with existing agency requirements just like the strict scrutiny approach? Shouldn't FERC take steps to insure they are accurate and claimed “progress” is verifiable, regardless if the proposed project is new technology or otherwise? If they are not taken seriously, then why are they required? Had FERC applied this approach three years ago, perhaps CC LLC would have completed the studies necessary to meet their obligations for the preliminary permit by now.

9. Cascade Creek LLC Failed to Meet the Minimum Standards as Stipulated in the Multiple-Project Draft Communications Protocol.

There is no public file available at the Petersburg Public Library! The absence of this file fails to meet the minimum requirements as set forth in the Communications Protocol.

First a little history: I received a copy of the Scoping Document 2 in the form of a CD. It is particularly difficult to navigate since it is not paginated. It is next to impossible to cross reference CC LLC responses to public comments or other important information in the absence of page numbering. Consequently, the reviewer must scroll back and forth to cross-reference and locate information contained therein. This is extremely frustrating and a huge waste of reviewers time. After nearly six hours of scrolling back and forth on my personal weekend time I finally gave up. If the intent of project applicants was to disenfranchise reviewers with the confusing SD2 they certainly succeeded. A revised SD2 should include a Table of Contents with page numbering instead of chapter references as well as a hard copy of the document to reviewers so they can effectively review and mark up their copy.

In the midst of my frustration I went to my local library to find a copy of the SD2 and supporting documentation however it was unavailable. Apparently, our small public library could not accommodate a request by CC LLC to maintain a public record. If the library could not accommodate this request then there are other public venues that may. Where there any attempts to locate a different space? Not everyone has access to a computer or the FERC online project record so access to this information is vital. This is a reasonable request and in fact such availability is not discretionary. According to the FERC approved Communications Protocol the “Project Public Reference Files” are to be located in Petersburg and Washington, DC and on the licensing website... and all materials in the reference file will be available for review and copying by request.”

CC LLC failed to meet these requirements.

Conclusion

Nowhere in the SD2 could I find a deadline for public comments, so in the absence of such

¹See US Federal Energy Regulatory Commission, Preliminary Permits for Wave, Current, and Instream New Technologies Hydropower Projects, Docket Number RM07-8-000, Notice of Inquiry and Interim Statement of Policy, February 15, 2007.

information I concluded that the rumored Nov. 15 deadline was accurate. While I am unable to adequately review the entire 463 page Scoping Document 2 in this time frame, I can only conclude from review of just the recreation survey, which was not even incorporated in the SD2, that there is much analysis that has yet to be completed prior to licensing.

The failure of Cascade Creek LLC to complete these studies was likely due in large part to cash flow problems including multiple failed attempts and nearly six years of scrambling to find funders willing to back the project. The history of this venture is replete with attempts to secure such funding including solicitation of various municipal governments and native organizations, stabs at State of Alaska and Alaska Energy Authority grants and even federal legislation (SB 851)² introduced on September 6, 2006 by Senator Lisa Murkowski. Although the legislation failed, it would have extended the time period an additional three years before the federal permit for the project would have expired. The Senator's floor statement in support expressed confidence that project applicants could meet the requirements set forth in the preliminary permit with the extension. It is noteworthy that even with the full six years CC LLC failed to meet the minimum requirements for a credible analysis. I therefore request that any further FERC extensions and/or licensing be denied to Cascade Creek LLC.

Thank you,

Rebecca Knight
Petersburg, Alaska

² See Senator Murkowski's US Senate Floor Statement Introducing SB 851, September 6, 2006.

Document Content(s)

Comments CC LC Kleinschmidt SD2.DOC.....1-7

30 January 2011

Electronic Filing

Kimberly D. Bose, Secretary
 Federal Energy Regulatory Commission
 888 First Street, N.E.
 Washington, D.C. 20426

Subject: PROTEST COMMENTS TO:
 Cascade Creek Hydroelectric Project - Scoping Document 2
 FERC No. 12495-002

Dear Secretary Bose:

1. I as a ratepayer of Petersburg Municipal Power & Light protest, and contest, the Alternative Licensing Permit process by which Cascade Creek, LLC/Alaska Hydro Corporation has been allowed to pursue under FERC authority. The very apparent lack of oversight by FERC to hold Cascade Creek, LLC/Alaska Hydro Corporation to the letter of the licensing process on such a controversial plan robs me of my right to comment on such a controversial project. Despite the myriad filed comments to FERC from the Alaska Department of Fish and Game/Sport Fish Division, a government agency tasked with the oversight and protection of the Thomas Bay environment, FERC has not blinked in their continued approval of an ever-changing scoping plan, especially **when there is no local need for additional hydropower like CCLLC/Alaska Hydro Corporation is seeking to develop.**
2. Petersburg is a remote rural Southeast Alaska island community with no road access. Cascade Creek, LLC (CCLLC)/Alaska Hydro Corporation has failed to maintain a public reading file in Petersburg, as initially agreed upon in the Multiple-Project Draft Communications Protocol. CCLLC/Alaska Hydro Corporation conducted no public meeting to introduce their Scoping Document 2, a total diversion from their past plans. Thus, there was no solicitation of public comment.
3. My early September 2010 Google search of CCLLC found "Thomson Financial Mergers and Acquisitions Project Finance Corp. Acquires Cascade Creek LLC" which included the following "business transaction":

SDC Deal Number: 2135607020;
Date Announced 07 Dec 09;
Date Effective: 03 Sept 10;
Status: Completed;
% Sought: 100.00000;
% Shares Acquired: 100.00000;
Cross Border?: Y [Yes]
Target: Cascade Creek LLC

Business Description: *Cascade Creek, LLC, headquartered in Bellingham, Washington, is a hydroelectric utility company. It provides electric power utility services in the state of Alaska.*
Acquirer: *Project Finance Corp*

Business Description: *Project Finance Corp, located in Vancouver, British Columbia, is an investment company. It is also a capital pool company that identifies and evaluates businesses and asset with a view to completing a Qualifying Transaction. The company was founded in 2006.*

As of: Sep 23 2010:

US - Project Finance Corp (PFC) of Canada acquired the entire share capital of Cascade Creek LLC, a Bellingham-based hydroelectric utility company, for USD 3.024 mil. The consideration consisted of USD 0.024 mil in cash plus the issuance of 30 mil new PFC common shares valued at USD 3 mil. The shares were valued based on PFC's closing stock price of USD 0.1 on 6 December 2006, the last full trading day prior to the transaction."

2. (NOTE: Alaska Hydro Inc., formerly Project Finance Corp, formerly Cascade Creek, LLC, is now traded on the Toronto Stock exchange.)

3. A Google search for Alaska Hydro Corporation found:

Company Description:

Alaska Hydro Corporation owns and operates Cascade Creek hydroelectric project on Swan Lake in the Thomas Bay area of Alaska. The Cascade Creek project has a design capacity of 70 megawatts and generation potential of 205 gigawatt hours of electricity. The company was formerly known as Cascade Creek LLC and changed its name to Alaska Hydro Corporation in September 2010. The company is based in Juneau, Alaska. Alaska Hydro Corporation operates as a subsidiary of Tollhouse Energy Company.

4. I offer these Google finds and question why there is an industry review and comment phase of the CCLLC/Alaska Hydro Corporation Scoping Document 2 as it appears CCLLC/Alaska Hydro Corporation has incorrectly identified themselves in print as **"owns and operates Cascade Creek hydroelectric project on Swan Lake in the Thomas Bay area of Alaska"**. False representation? I also question whether they have successfully field-tested the "existing" Tyee utility infrastructure on Mitkof Island, or the City/Borough of Wrangell or Ketchikan to absorb the added electrical flow of "a design capacity of 70 megawatts and generation potential of 205 gigawatt hours of electricity"? Did they share their findings with the Petersburg Municipal Power & Light (PMP&L) management, or that of the City and Borough of Wrangell or Ketchikan, or the Southeast Alaska Power Agency (SEAPA)?

5. Where are the elements describing Mitkof Island landfall of the CCLLC/Alaska Hydro Corporation's project powerlines? Additionally, where is the public communication, and municipal communications looking into how they would hoop up things to the existing Petersburg Municipal Power & Light power station at Scow Bay? Where are studies to look at impacts by this part of the project-ranging from shorelines, near shore recreation, impact on landowners or potential landowners of City of Petersburg lands that may be zoned for residential development (off Frederick Point Road), issues with overhead lines adjacent to airport runway and safety buffer?

6. The 463-page "Scoping Document 2" is a curious read. CCLLC/Alaska Hydro Corporation has obviously failed to read and comprehend the wealth of technical data presented by the Alaska-based state and federal agencies, as well as the breadth of questions posed by them and the public, or to realize they (CCLLC/Alaska Hydro Corporation) should terminate their pursuit of a hydroelectric facility at Swan Lake. I can only hope that some competent administrator at FERC sits down and absorbs the comprehensive public and Alaska-based state and federal agency documentation provided in this Scoping Document 2, and mandates an immediate and comprehensive Environmental Impact Study (EIS). This process of requests for public and Alaska-based state and federal agency testimony, and public and Alaska-based state and federal agency comments to FERC has aided the applicant to "make it up as they go along" for their pie-in-the-sky hydro application and is shining a less than favorable light on the FERC review and licensing process.

7. My previous testimony and that of others to FERC noted that CCLLC failed in its two attempts to provide a record verbatim testimony from their Fall 2007 Petersburg visit. The audience in attendance included representatives of many Alaska-based federal and state agencies; commercial, sport, and subsistence fishermen; subsistence and guided hunters; and small charter operators collectively presenting

a wealth of detail, questions, and scientific knowledge all garnered from real-life experiences throughout Thomas Bay.

8. Additionally, there was passionate testimony from a member of the Tlingit community about the horrific landslide that killed hundreds of his Tlingit ancestors in Thomas Bay. A Google search of “Thomas Bay” includes:

“In 1750, a native (Tlingit) village on Thomas Bay was completely buried by a large landslide. Over 500 native people died in the natural disaster. From that day on the bay was dubbed “The Bay of Death” or “Geey Nana” in Tlingit.”

9. I searched the Scoping Document 2 and found no CCLLC/Alaska Hydro Corporation reference to seismic evaluations, geologic transects, landslide scars, or faults. My review of the 1978 US Department of Interior Geologic Survey, “Reconnaissance Engineering Geology of the Petersburg Area, Southeastern Alaska, with Emphasis on Geologic Hazards” provides some historic data and insight on Thomas Bay. CCLLC/Alaska Hydro Corporation who projects spending \$170 million in constructing their Swan Lake, Thomas Bay facility has not identified how their plan mitigates, limits or eliminates structural liabilities in this rugged and often unforgiving environment.

10. Additionally, Page 325 of the Scoping Document 2 includes the Petersburg Indian Association Resolution 2009-10-09 which states:

“WHEREAS: The Tribe has identified the areas of Thomas Bay and Frederick Sound scheduled for development in the proposed Cascade Creek Project, FERC No. 12495, encompass ancient village sites, sacred and traditional native grounds.”

11. However, there appears to be no reference or acknowledgment by CCLLC/Alaska Hydro Corporation in addressing the historical use and authority in Thomas Bay by the Tlingit Indians, a recognized major contributor and partner in Petersburg. Six years into the licensing process, where is FERC oversight mandating ALP compliance for Indian tribes?

12. Review of the CCLLC/Alaska Hydro Corporation Scoping Document 2 did not include any glaciological, climatological, or hydrological studies of the ice cap as it contributes to upper and lower Cascade Creek and Swan Lake? It is obvious to an alert observer that the ice is rapidly disappearing, and while it may not be possible to accurately gauge future rainfall and snow pack, if the ice melts completely it is unlikely that CCLLC will be able to generate 70 megawatts (MW) of hydroelectric power without damming up Swan Lake at its outlet. In low temperature and freezing winters where water-flow is restricted to no flow or during minimal to no precipitation summers how will CCLLC/Alaska Hydro Corporation retain its 70 MW of hydroelectric power, especially with their latest change to a “run of the river” operation model in a non-river environment? Additionally, how will CCLLC/Alaska Hydro Corporation maintain its gauging equipment and power facility? The 2009-2010 winter left the stream gauges totally exposed and some 45-feet out of the water thus totally ineffective. Does CCLLC/Alaska Hydro Corporation intend to modify its project with a dam, or sill (both a dam and a sill have been identified in previous plans), after it is licensed thus avoiding public and Alaska-based state and federal agency review and comment? An Environmental Impact Study (EIS) is required to detail the impact on marine life in Swan Lake and the greater Thomas Bay.

13. Swan Lake and its watershed along with Thomas Bay, have been used for decades, (if not centuries by the Tlingit Indians) in its natural state. CCLLC/Alaska Hydro Corporation is a late-comer as a potential user, yet will have the biggest impact upon Cascade Creek and Swan Lake of any current or prior users, which will have negative consequences for everyone except CCLLC/Alaska Hydro Corporation.

14. A Google search of “Thom Fischer” (CCLLC/Alaska Hydro Corporation’s CEO, and President of both Tollhouse Energy Company and Whitewater Engineering Corp.) on projects throughout Alaska, includes loss of employee life on job sites in Cordova, Alaska, and Wrangell, Alaska:

“This matter arises from a fatal industrial accident on April 15, 1999, involving an employee of [Thom Fischer’s] Whitewater Engineering Corporation, Inc. (Whitewater) at the Power Creek Hydroelectric Project near Cordova, Alaska.

STATE OF ALASKA, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, DIVISION OF LABOR STANDARDS AND SAFETY, OCCUPATIONAL SAFETY AND HEALTH SECTION
Docket No. 99-2131 / Inspection No. 301266516, Page 40-41 includes:

Based on our review of the entire record in this matter, we conclude that Whitewater’s noncompliance with the cited OSHA laws and standards was willful. In our opinion, Whitewater demonstrated a reckless disregard for employee safety and the requirements of the OSHA Act. Whitewater consciously disregarded the advice of its own avalanche consultant David Hamre and substituted its own admittedly inexpert judgment regarding the avalanche hazards at the Power Creek site. Whitewater president Thom Fischer and superintendent Dick Potter were keenly aware of the avalanche hazards at the site and admitted they did not have any specialized training or knowledge about avalanche safety prior to the accident. David Hamre provided an avalanche hazard evaluation and made several key recommendations, including the development of a written avalanche safety plan; the training of employees in recognition and avoidance of avalanche hazards; the hiring of a trained avalanche forecaster to make daily safety determinations; and the use of techniques such as blasting to mitigate the avalanche risk. Despite having this specific guidance from its own expert, Whitewater completely failed to implement or follow through on Hamre’s recommendations.

It is apparent to us that Thom Fischer acted willfully in failing to implement Hamre’s advice and recommendations. Fischer, who had no avalanche training himself, candidly stated that he regarded most avalanche experts as “ski bums” and did not believe that hiring a professional avalanche forecaster would make the worksite any safer. Fischer appears to have been more interested in avalanche expertise for the purpose of constructing the powerhouse to withstand avalanches than for protecting the safety of employees. Fischer made clear that it was important to him to complete the construction of the permanent bridge in the spring of 1999 before the water level was too high and that he regarded the environmental compliance monitoring by Jeff Davis as an impediment to the construction work. In deciding to go forward with the bridge construction work in April 1999, Fischer relied primarily on the average snowfall statistics for Cordova but ignored the high rainfall average for the month of April contained in the same statistics.

Fischer was in regular communication with the job site and received daily weather and construction reports, yet he allowed his employees to keep working on days with bad weather and high avalanche risk. Fischer also announced plans to conduct helicopter blasting as early as January 1999, but failed to follow through with blasting or other mitigation techniques even though he knew from Hamre that “if the snow cornices were knocked down, this would mitigate 95% of the avalanche risk.”

In our judgment, it was indefensible for Thom Fischer and Whitewater to consciously ignore the avalanche safety advice received from David Hamre. Whitewater’s efforts to mitigate the avalanche risk and protect employees were cursory at best and far short of what Hamre recommended. Under these circumstances, we conclude that Whitewater’s conduct demonstrated reckless disregard of employee safety. Therefore we conclude that each of the alleged violations was properly classified as willful.”

15. Another Google search included a March 14, 2001 “Kenai Peninsula Online” post:

[Thom Fischer’s Whitewater Engineering] Corporation pleads no contest in death of worker -- In addition to the suit filed by Stone’s family [Power Creek hydroelectric project in Cordova, Alaska], Fischer’s company is being sued by the family of a Whitewater worker in Wrangell [Alaska] who was electrocuted a few weeks after Stone’s death while working on a project in Southeast Alaska.

16. Collectively, these past incidents do not promote confidence that CCLLC/Alaska Hydro Corporation President, CEO, and Director Fischer will design, build, and operate the Swan Lake facility in a manner which will ensure environmental compliance or for the safety and welfare of fishermen, hunters, and visitors to the region.

17. Petersburg Municipal Power & Light (PMPL), a public utility, has been supplying hydroelectric power to Petersburg residents since the 1920’s through its locally operated and maintained Crystal Lake Hydro Facility, and since the 1980’s from the Tyee Lake Hydro Facility (jointly owned by Petersburg, a member utility, along with the communities of Wrangell and Ketchikan, and overseen by the management of the Southeast Alaska Power Agency (SEAPA) (formerly the Four Dam Pool prior to divestiture).

18. CCLLC/Alaska Hydro has left no community unsolicited in their quest for total private industry control of all hydroelectric power development at Thomas Bay. Their earliest attempts at developing Thomas Bay resulted in three expired Preliminary Permits for Swan Lake (Cascade Creek Project P-12495 and P-13048), Ruth Lake (P-12619), and Scenery Lake P-12621). Their attempt to enjoin Whatcom County, Bellingham, Washington in their Thomas Bay development scheme is detailed in the following articles found through Google:

“NO ONE ASKED US” SAY RESIDENTS OF SMALL ALASKA TOWN



Chris Spens, Environmental Manager for Cascade Creek LLC whose headquarters are in Bellingham, Washington thought the project made sense.

The city of Bellingham decided it wanted to purchase only green power. The Swan Lake project would offset a whale of a lot of diesel fuel every year. Sounds pretty cool.

Well, not to the slightly more than 3,000 residents of Petersburg, Alaska (pictured here) where the green power would originate in a to be built hydroelectric plant at a pristine lake near town. Unfortunately, no one thought to ask them what they thought about the whole idea.

Keep in mind, as you continue reading, there is no local need for the additional power in their area.

The Petersburg Pilot reports local residents are having a difficult time finding any benefits for residents of Petersburg, who often use the Thomas Bay area for recreation and sustenance activities. Several local businesses also use the scenic spot to attract tourists during summer months.

Writes the Pilot:

"Concerns have also mounted over the negative effects that could stem from developing Thomas Bay. Several members of Alaska Department of Fish and Game have stated their concerns over the detrimental effect the projects could have on the area's fish and wildlife populations."

"It is possible that there may be profound impacts on well-established shellfish fisheries in Thomas Bay and Fredrick Sound," Theresa Stolpe, a Fish and Wildlife Technician recently told local residents. She mentioned a study performed in the mid-80s that noted the increased amount of fresh water entering Thomas Bay from hydro facilities could impact larval and juvenile crab and shrimp. Doug Fleming, Sport Fish Area Biologist, raised concerns over the water levels being reduced in areas surrounding the projects. Reduced levels of water, according to Fleming, could mean that trout and salmon populations would dwindle due to a change in their spawning areas.

Some area residents have expressed fear of the use of eminent domain to seize their properties.

There are also concerns with the company which is developing the project. At a local meeting much time was taken up with just trying to figure out who in the hell they were. Again from the Pilot:

Although the company holds pre-application licensing for the Thomas Bay area, Thom Fischer, the company's director, introduced a member of Kake Tribal Corporation and mentioned that they were interested in purchasing the project. Concerns were raised over the fact that Cascade Creek is a sister company to Whitewater Engineering, a company that was pardoned by former Alaska State Governor [Frank] Murkowski after being charged with criminally negligent homicide for the death of a worker. "I guess ethics don't play any role in this process," said one audience member, "but I don't understand how your company can come back to Alaska and do business."

Maybe some of these issues can be worked out, maybe not. But the kicker remains that until a couple of weeks ago no one even bothered with talking to residents of the area.. Isn't that too often the case when dealing with government or big corporations. They just look out for themselves, residents be damned.

That kind of attitude is especially not appreciated in the state of Alaska where citizens expect to have control over their lives and their property.

Martha Smith addressed a recent council meeting which took up the issue. She stated that she would like the city to respond to the proposed projects. "Lots of questions and concerns were raised," she informed the council, "and we were responded to with evasion, incomplete and incorrect information, as well as disdain for our perspectives. It was, however, made clear that Cascade Creek, LLC has big plans for big profits."

"Big Plans for Big Profits" would make a good replacement for "In God We Trust."

The following is from the Bellingham Herald (Washington [State]):

Power project creates uproar / Council hearing from town in Alaska
[by] SAM TAYLOR

Residents of Petersburg, Alaska, are hammering local officials' e-mail inboxes about a proposed hydroelectric power project in their mostly pristine area.

They're not happy, and neither are some Whatcom County Council members.

Petersburg locals want to stop Whatcom County and a private company from looking into the potential of harnessing the power of a high-elevation lake 15 miles north of their city.

County Executive Pete Kremen and his staff asked the federal government for permission to explore the project, which may have the potential to transport power south to Whatcom.

"This proposed project has caused uproar in our town of 3,000 individuals," Petersburg resident Becky Knight wrote to Whatcom County Council members in an email.

Knight, whose children attend Western Washington University, said in a phone interview there is near-consensus in the small town — referred to as "Alaska's Little Norway" on the city's Web site — that the project should be killed.

The Swan Lake project is one of three various projects in the proposed Thomas Bay Energy Development being sought by Cascade Creek LLC, a subsidiary of Whatcom County-based Tollhouse Energy, which is owned by Thom Fischer. Whatcom County is only involved in the Swan Lake proposal.

A hole would be drilled in the lake bed and water sent down a pipe into a powerhouse from the high-elevation lake. The pressure is so great, Fischer previously said, that the amount of energy produced is equivalent to one turbine on a dam like the Snake River, which generally has more like six turbines on it, but with far less water flowing through.

The amount of energy produced would offset about 15 million gallons of diesel fuel per year, Fischer said.

"I don't know if this is part of an election stunt or not, but no one here in Petersburg knew about Whatcom County's involvement," Knight said, pointing out that County Executive Kremen is seeking re-election. "We're fired up."

Kremen did not return a call seeking comment about the reaction from Petersburg, instead asking a Puget Sound Energy spokesman to call The Herald. PSE has nothing to do with the Swan Lake project.

Kremen also had his administrative assistant forward several e-mails to a reporter pointing out the benefits of the proposed project. Councilwoman Barbara Brenner said she's angry that Whatcom County officials never contacted the Alaskan residents about the project, nor did they inform council members, who learned of the project from Alaskan media.

Cascade Creek did have a public hearing in the town recently that is required by the Federal Energy Regulatory Commission, which governs such projects.

"I think it's so rude that nobody who was applying even contacted — nobody from the county — even contacted them," Brenner said. "I think it's so disrespectful."

Other council members said they wished they knew earlier, but they will wait to hear more since the process is in a preliminary stage.

Petersburg residents don't think the project is green at all, said Mayor Al Dwyer, who also contacted County Council members via e-mail.

"There's nothing in it for Petersburg, and it's going to destroy a pristine area," he said by phone.

Project coordinators and county administrators caution that the applications to FERC are preliminary and do not mean anything will happen. If it does, said project manager Chris Spens, a former senior environmental planner for the city of Bellingham, it's years away.

Spens told County Council members during a recent information presentation on the proposed project that he believed the public's concerns would be answered before anything happens.

Petersburg is working on a letter to send to FERC, Dwyer said.

That city generates twice as much power as it needs, and a plan is already in place to send its additional power to Ketchikan, Alaska. In 40 to 50 years, if more power is needed in Petersburg, he said, there are several sources other than the Swan Lake proposal that can be looked at.

"I appreciate their concern," he said of County Council members. "They seem to be sympathetic to our position.

19. [NOTE: Whatcom County board members subsequently rescinded their application and relationship with CCLLC for hydroelectric development at Thomas Bay.]

20. CCLLC's Preliminary Permit application for Ruth Lake at Thomas Bay expired so they shopped around until contracting with the City and Borough of Wrangell, Alaska, with expectations of tapping into possible state funding. Wrangell has no hands-on experience with hydroelectric facility management. They receive their hydroelectric power through the Tyee hydro facility managed by SEAPA, described earlier. Rather than producing their own original Preliminary Permit Application for Ruth Lake, Wrangell officials were provided with CCLLC's original application document along with a new title page featuring Wrangell's name, and upon submission awarded FERC's Project No. 13363-000. Wrangell and CCLLC officials jointly signed a confidential non-circumvention power agreement; Wrangell gave \$250,000 to CCLLC to secure hydroelectric power at a more favorable rate in the future if CCLLC's Thomas Bay project is developed.

21. Simultaneously and unbeknownst to Wrangell, CCLLC also produced an identical Preliminary Permit Application for Ruth Lake with Angoon, Alaska, which upon submission received FERC Project No. 13366-000.

22. Additionally, CCLLC swapped out their own cover page on their expiring Scenery Lake Preliminary Permit application, added the City of Angoon's name and upon submission Angoon received FERC Project No. 13365-00.

23. The October 28, 2010 "Wrangell Sentinel" article "Alaska Hydro (Cascade Creek, LLC) updates Assembly" states:

Former Wrangell Mayor and the Mayor--who presided over the initial Wrangell investment of \$250,000 in Cascade Creek [Wrangell funds given to CCLLC/Alaska Hydro Corporation] in exchange for a guarantee of one percent of the project power for 25 years after it is online -- questioned why Wrangell had not been informed of the change in the company's name, its status with regards to going public, or any general updates on the progress of the projects.

"My question is that if we are so important to this project why were we not informed of the name change of the project, why were we not informed of the different markets and going on the stock exchange?" asked McConachie.

24. Rylan Long's November 4, 2010 "Wrangell Sentinel" article "Wrangell Assembly discusses CCLLC ties at meeting" states:

After Cascade Creek LLC's Licensing Manager Chris Spens' presentation on Oct. 26, man on the Wrangell Borough Assembly remained unconvinced that future ties with the organization are in Wrangell's best interest.

"I would like to see our attorney look into this and see if we cannot get ourselves out of this organization. That's just my personal opinion," Assembly member Bill Privett said.

Assembly member Mike Symons agreed with Privett, and added that if the project could be built by the public that it would better serve the public's best interests.

"Obviously hydropower is going to be one of our best and cheapest resources in Southeast Alaska. I also realize that if we could do this in a public way without the private entity that we could serve these communities better and cheaper," Symons said.

"My gut feeling is we shouldn't be doing business with this particular company. I'm with Privett on this," Symons said.

At the Oct. 28 meeting the Assembly approved a motion to instruct the borough attorney to review the contract and possibly getting Wrangell's \$250,000 back [from CLLC]. It had invested the \$250,000 in exchange for the right to one percent of the generated power of the Thomas Bay Projects for 25 years. The motion was made by Privett and seconded by Jack.

25. Keith Chaplin's September 30, 2010 "Petersburg Pilot" article, "Cascade Creek LLC bought by Canadian company" states:

"Cascade Creek formerly had a person in their employ by the name of Duff Mitchell," Spens said. "Whom is no longer an authorized representative for Cascade Creek."

According to the July 22, 2010 filing records, Mitchell is still a shareholder, which Spens acknowledged. According to the filing statement, Mitchell owns 400,000 shares of the company [Alaska Hydro Corporation] with just over 200,000 of those exchangeable."

26. A Google search for Duff Mitchell, CLLC's former Business Development Director, and Alaska Hydro Corporation's former Vice President Business Development, included:

Electrical Distributors, Inc. [EDI] v. SFR, Inc., QED, Inc. v. Ronald [Duff] Mitchell and B. Jon Mitchell" cited as 96-4198 -- Electrical Distributors Inc. v. SFR Inc. -- 01/28/1999;

27. Page 5 of 16 includes:

The judge found that shortly after receiving the \$750,000 note, Duff Mitchell prepared a "sham note." This second document changed the principal sum to \$550,000, shortened the note term to July 31, 1999 [previously March 31, 2001 as noted on Page 4 of 16], and reduced the number of monthly payments to 55 [previously 75 months as noted on Page 4 of 16]. The document was found to bear a forged signature of Dean Stauffer. The judge found that evidence presented at trial indicated that Duff Mitchell created the second note because he believed he was entitled to more than a one-third share of the \$750,000 note. Duff Mitchell represented to Jon Mitchell and Heaps that the fake \$550,000 note was, in fact, the note received from SFR. Duff Mitchell delivered a copy of the phony note to Heaps, and Duff Mitchell never disclosed to SFR his creation of the \$550,000 note, his representations to Jon Mitchell and Heaps, or his delivery of the sham note to Heaps. Both Jon Mitchell and Heaps subsequently learned of the existence of the original \$750,000 note, which remains in its original condition. The judge found that the \$750,000 note has never been altered or changed, and no writing or marking has been made on it. Id. At 130.

28. While my protest testimony here on the past actions of Thom Fischer, and Duff Mitchell may seem irrelevant to the CLLC/Alaska Hydro Corporation's Scoping Document 2, I as a Petersburg Municipal Power & Light ratepayer expect my public utility management to be beyond reproach, have an impeccable résumé with relevant professional qualifications and training, possess and demonstrate superior management and communication skills, exercise sound moral and ethical judgment when developing future local projects, and to present a plan in a true and honest manner versus the CLLC Alaska Hydro Corporation "wolf in sheep's clothing" or "Trojan Horse" manner. I should not have to worry that questionable character, corporate economic gain, stock price fluctuations, etc. may negatively impact me as a ratepayer or my community, jeopardize Petersburg Municipal Power & Light which is a City of Petersburg enterprise fund, or compromise the integrity of the Southeast Alaska Power Agency (SEAPA), or the future of Southeast Alaska's hydroelectric grid. I should feel confident that FERC, is competent and possesses a healthy curiosity to investigate, oversee and safeguard remote rural Alaska communities against unnecessary, unproven and ever-changing scoping plans **when there is no local need for additional hydropower like CLLC is seeking to develop.** However, by FERC allowing CLLC to proceed under its Alternative Licensing Plan (ALP) with a controversial hydro development plan, I feel as a ratepayer of Petersburg Municipal Power & Light that my concerns, and other ratepayers

in my community, have been ignored. FERC has been informed over time that the ALP was not working for the public on this project. Why has FERC not mandated an Integrated Licensing Process which has far more structured communications, etc., necessary in such a controversial project?

1. I highly recommend the thorough review of the Alaska Department of Fish & Game/Division of Sport Fish's December 22, 2010 letter to FERC "Protest of changes comments in Communications Protocol"; and the US Forest Service's January 18, 2011 "Comments on Scoping Document 2 for the Cascade Creek Hydroelectric Project / FERC Project No. 12495-002". Both agencies' continued oversight and review safeguards the Thomas Bay environment.

2. Review of the CCLLC/Alaska Hydro Corporation's "Cascade Creek Hydroelectric Project — Scoping Document 2 (FERC No. 12495-002), has failed to convince me, a ratepayer, of the applicant's ability, their readiness, or that they are worthy of receiving a Final Licensing Permit from FERC for developing a 70 MW hydroelectric power facility at Swan Lake in Thomas Bay. **This project should not be granted a license by FERC.**

Signed,

Suzanne West
P.O. Box 383
Petersburg, Alaska 99833-0383
907-772-3480

Document Content(s)

Protest Comments to CCLLC Scoping Document 2, 12495-002.PDF.....1-10

30 January 2011

Amended Electronic Filing

Kimberly D. Bose, Secretary
 Federal Energy Regulatory Commission
 888 First Street, N.E.
 Washington, D.C. 20426

Subject: PROTEST COMMENTS TO:
 Cascade Creek Hydroelectric Project - Scoping Document 2
 FERC No. 12495-002

Dear Secretary Bose:

My filing yesterday included Item 27. Duff Mitchell, formerly of Cascade Creek, LLC, called my residence today several times and advised I should remove this item as the "Duff Mitchell" referenced was not as he stated "him". I, therefore, am refiling my Protest Comments intact except for the removal of the contents of Item 27. Any misunderstanding on my part was unintentional. My interest is solely in the the Cascade Creek, LLC/Alaska Hydro Corporation interests in Swan Lake, FERC No. 12495-002 which Mr. Mitchell is no longer associated with.

1. I as a ratepayer of Petersburg Municipal Power & Light protest, and contest, the Alternative Licensing Permit process by which Cascade Creek, LLC/Alaska Hydro Corporation has been allowed to pursue under FERC authority. The very apparent lack of oversight by FERC to hold Cascade Creek, LLC/Alaska Hydro Corporation to the letter of the licensing process on such a controversial plan robs me of my right to comment on such a controversial project. Despite the myriad filed comments to FERC from the Alaska Department of Fish and Game/Sport Fish Division, a government agency tasked with the oversight and protection of the Thomas Bay environment, FERC has not blinked in their continued approval of an ever-changing scoping plan, especially **when there is no local need for additional hydropower like CCLLC/Alaska Hydro Corporation is seeking to develop.**
2. Petersburg is a remote rural Southeast Alaska island community with no road access. Cascade Creek, LLC (CCLLC)/Alaska Hydro Corporation has failed to maintain a public reading file in Petersburg, as initially agreed upon in the Multiple-Project Draft Communications Protocol. CCLLC/Alaska Hydro Corporation conducted no public meeting to introduce their Scoping Document 2, a total diversion from their past plans. Thus, there was no solicitation of public comment.
3. My early September 2010 Google search of CCLLC found "Thomson Financial Mergers and Acquisitions Project Finance Corp. Acquires Cascade Creek LLC" which included the following "business transaction":

SDC Deal Number: 2135607020;
Date Announced 07 Dec 09;
Date Effective: 03 Sept 10;
Status: Completed;
% Sought: 100.00000;
% Shares Acquired: 100.00000;
Cross Border?: Y [Yes]
Target: Cascade Creek LLC

Business Description: *Cascade Creek, LLC, headquartered in Bellingham, Washington, is a hydroelectric utility company. It provides electric power utility services in the state of Alaska."*

Acquirer: Project Finance Corp

Business Description: Project Finance Corp, located in Vancouver, British Columbia, is an investment company. It is also a capital pool company that identifies and evaluates businesses and asset with a view to completing a Qualifying Transaction. The company was founded in 2006.

As of: Sep 23 2010:

US - Project Finance Corp (PFC) of Canada acquired the entire share capital of Cascade Creek LLC, a Bellingham-based hydroelectric utility company, for USD 3.024 mil. The consideration consisted of USD 0.024 mil in cash plus the issuance of 30 mil new PFC common shares valued at USD 3 mil. The shares were valued based on PFC's closing stock price of USD 0.1 on 6 December 2006, the last full trading day prior to the transaction."

2. (NOTE: Alaska Hydro Inc., formerly Project Finance Corp, formerly Cascade Creek, LLC, is now traded on the Toronto Stock exchange.)

3. A Google search for Alaska Hydro Corporation found:

Company Description:

Alaska Hydro Corporation owns and operates Cascade Creek hydroelectric project on Swan Lake in the Thomas Bay area of Alaska. The Cascade Creek project has a design capacity of 70 megawatts and generation potential of 205 gigawatt hours of electricity. The company was formerly known as Cascade Creek LLC and changed its name to Alaska Hydro Corporation in September 2010. The company is based in Juneau, Alaska. Alaska Hydro Corporation operates as a subsidiary of Tollhouse Energy Company.

4. I offer these Google finds and question why there is an industry review and comment phase of the CCLLC/Alaska Hydro Corporation Scoping Document 2 as it appears CCLLC/Alaska Hydro Corporation has incorrectly identified themselves in print as **“owns and operates Cascade Creek hydroelectric project on Swan Lake in the Thomas Bay area of Alaska”**. False representation? I also question whether they have successfully field-tested the “existing” Tyee utility infrastructure on Mitkof Island, or the City/Borough of Wrangell or Ketchikan to absorb the added electrical flow of “a design capacity of 70 megawatts and generation potential of 205 gigawatt hours of electricity”? Did they share their findings with the Petersburg Municipal Power & Light (PMP&L) management, or that of the City and Borough of Wrangell or Ketchikan, or the Southeast Alaska Power Agency (SEAPA)?

5. Where are the elements describing Mitkof Island landfall of the CCLLC/Alaska Hydro Corporation's project powerlines? Additionally, where is the public communication, and municipal communications looking into how they would hoop up things to the existing Petersburg Municipal Power & Light power station at Scow Bay? Where are studies to look at impacts by this part of the project-ranging from shorelines, near shore recreation, impact on landowners or potential landowners of City of Petersburg lands that may be zoned for residential development (off Frederick Point Road), issues with overhead lines adjacent to airport runway and safety buffer?

6. The 463-page “Scoping Document 2” is a curious read. CCLLC/Alaska Hydro Corporation has obviously failed to read and comprehend the wealth of technical data presented by the Alaska-based state and federal agencies, as well as the breadth of questions posed by them and the public, or to realize they (CCLLC/Alaska Hydro Corporation) should terminate their pursuit of a hydroelectric facility at Swan Lake. I can only hope that some competent administrator at FERC sits down and absorbs the comprehensive public and Alaska-based state and federal agency documentation provided in this Scoping Document 2, and mandates an immediate and comprehensive Environmental Impact Study (EIS). This process of requests for public and Alaska-based state and federal agency testimony, and public and Alaska-based state and federal agency comments to FERC has aided the applicant to “make it up as they go along” for their pie-in-the-sky hydro application and is shining a less than favorable light on the FERC review and licensing process.

7. My previous testimony and that of others to FERC noted that CCLLC failed in its two attempts to provide a record verbatim testimony from their Fall 2007 Petersburg visit. The audience in attendance included representatives of many Alaska-based federal and state agencies; commercial, sport, and subsistence fishermen; subsistence and guided hunters; and small charter operators collectively presenting a wealth of detail, questions, and scientific knowledge all garnered from real-life experiences throughout Thomas Bay.

8. Additionally, there was passionate testimony from a member of the Tlingit community about the horrific landslide that killed hundreds of his Tlingit ancestors in Thomas Bay. A Google search of “Thomas Bay” includes:

“In 1750, a native (Tlingit) village on Thomas Bay was completely buried by a large landslide. Over 500 native people died in the natural disaster. From that day on the bay was dubbed “The Bay of Death” or “Geey Nana” in Tlingit.”

9. I searched the Scoping Document 2 and found no CCLLC/Alaska Hydro Corporation reference to seismic evaluations, geologic transects, landslide scars, or faults. My review of the 1978 US Department of Interior Geologic Survey, “Reconnaissance Engineering Geology of the Petersburg Area, Southeastern Alaska, with Emphasis on Geologic Hazards” provides some historic data and insight on Thomas Bay. CCLLC/Alaska Hydro Corporation who projects spending \$170 million in constructing their Swan Lake, Thomas Bay facility has not identified how their plan mitigates, limits or eliminates structural liabilities in this rugged and often unforgiving environment.

10. Additionally, Page 325 of the Scoping Document 2 includes the Petersburg Indian Association Resolution 2009-10-09 which states:

“WHEREAS: The Tribe has identified the areas of Thomas Bay and Frederick Sound scheduled for development in the proposed Cascade Creek Project, FERC No. 12495, encompass ancient village sites, sacred and traditional native grounds.”

11. However, there appears to be no reference or acknowledgment by CCLLC/Alaska Hydro Corporation in addressing the historical use and authority in Thomas Bay by the Tlingit Indians, a recognized major contributor and partner in Petersburg. Six years into the licensing process, where is FERC oversight mandating ALP compliance for Indian tribes?

12. Review of the CCLLC/Alaska Hydro Corporation Scoping Document 2 did not include any glaciological, climatological, or hydrological studies of the ice cap as it contributes to upper and lower Cascade Creek and Swan Lake? It is obvious to an alert observer that the ice is rapidly disappearing, and while it may not be possible to accurately gauge future rainfall and snow pack, if the ice melts completely it is unlikely that CCLLC will be able to generate 70 megawatts (MW) of hydroelectric power without damming up Swan Lake at its outlet. In low temperature and freezing winters where water-flow is restricted to no flow or during minimal to no precipitation summers how will CCLLC/Alaska Hydro Corporation retain its 70 MW of hydroelectric power, especially with their latest change to a “run of the river” operation model in a non-river environment? Additionally, how will CCLLC/Alaska Hydro Corporation maintain its gauging equipment and power facility? The 2009-2010 winter left the stream gauges totally exposed and some 45-feet out of the water thus totally ineffective. Does CCLLC/Alaska Hydro Corporation intend to modify its project with a dam, or sill (both a dam and a sill have been identified in previous plans), after it is licensed thus avoiding public and Alaska-based state and federal agency review and comment? An Environmental Impact Study (EIS) is required to detail the impact on marine life in Swan Lake and the greater Thomas Bay.

13. Swan Lake and its watershed along with Thomas Bay, have been used for decades, (if not centuries by the Tlingit Indians) in its natural state. CCLLC/Alaska Hydro Corporation is a late-comer as a potential user, yet will have the biggest impact upon Cascade Creek and Swan Lake of any current or prior users, which will have negative consequences for everyone except CCLLC/Alaska Hydro Corporation.

14. A Google search of “Thom Fischer” (CCLLC/Alaska Hydro Corporation’s CEO, and President of both Tollhouse Energy Company and Whitewater Engineering Corp.) on projects throughout Alaska, includes loss of employee life on job sites in Cordova, Alaska, and Wrangell, Alaska:

“This matter arises from a fatal industrial accident on April 15, 1999, involving an employee of [Thom Fischer’s] Whitewater Engineering Corporation, Inc. (Whitewater) at the Power Creek Hydroelectric Project near Cordova, Alaska.

STATE OF ALASKA, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, DIVISION OF LABOR STANDARDS AND SAFETY, OCCUPATIONAL SAFETY AND HEALTH SECTION
Docket No. 99-2131 / Inspection No. 301266516, Page 40-41 includes:

Based on our review of the entire record in this matter, we conclude that Whitewater’s noncompliance with the cited OSHA laws and standards was willful. In our opinion, Whitewater demonstrated a reckless disregard for employee safety and the requirements of the OSHA Act. Whitewater consciously disregarded the advice of its own avalanche consultant David Hamre and substituted its own admittedly inept judgment regarding the avalanche hazards at the Power Creek site. Whitewater president Thom Fischer and superintendent Dick Potter were keenly aware of the avalanche hazards at the site and admitted they did not have any specialized training or knowledge about avalanche safety prior to the accident. David Hamre provided an avalanche hazard evaluation and made several key recommendations, including the development of a written avalanche safety plan; the training of employees in recognition and avoidance of avalanche hazards; the hiring of a trained avalanche forecaster to make daily safety determinations; and the use of techniques such as blasting to mitigate the avalanche risk. Despite having this specific guidance from its own expert, Whitewater completely failed to implement or follow through on Hamre’s recommendations.

It is apparent to us that Thom Fischer acted willfully in failing to implement Hamre’s advice and recommendations. Fischer, who had no avalanche training himself, candidly stated that he regarded most avalanche experts as “ski bums” and did not believe that hiring a professional avalanche forecaster would make the worksite any safer. Fischer appears to have been more interested in avalanche expertise for the purpose of constructing the powerhouse to withstand avalanches than for protecting the safety of employees. Fischer made clear that it was important to him to complete the construction of the permanent bridge in the spring of 1999 before the water level was too high and that he regarded the environmental compliance monitoring by Jeff Davis as an impediment to the construction work. In deciding to go forward with the bridge construction work in April 1999, Fischer relied primarily on the average snowfall statistics for Cordova but ignored the high rainfall average for the month of April contained in the same statistics.

Fischer was in regular communication with the job site and received daily weather and construction reports, yet he allowed his employees to keep working on days with bad weather and high avalanche risk. Fischer also announced plans to conduct helicopter blasting as early as January 1999, but failed to follow through with blasting or other mitigation techniques even though he knew from Hamre that “if the snow cornices were knocked down, this would mitigate 95% of the avalanche risk.”

In our judgment, it was indefensible for Thom Fischer and Whitewater to

consciously ignore the avalanche safety advice received from David Hamre. Whitewater's efforts to mitigate the avalanche risk and protect employees were cursory at best and far short of what Hamre recommended. Under these circumstances, we conclude that Whitewater's conduct demonstrated reckless disregard of employee safety. Therefore we conclude that each of the alleged violations was properly classified as willful."

15. Another Google search included a March 14, 2001 "Kenai Peninsula Online" post:

[Thom Fischer's Whitewater Engineering] Corporation pleads no contest in death of worker -- In addition to the suit filed by Stone's family [Power Creek hydroelectric project in Cordova, Alaska], Fischer's company is being sued by the family of a Whitewater worker in Wrangell [Alaska] who was electrocuted a few weeks after Stone's death while working on a project in Southeast Alaska.

16. Collectively, these past incidents do not promote confidence that CCLLC/Alaska Hydro Corporation President, CEO, and Director Fischer will design, build, and operate the Swan Lake facility in a manner which will ensure environmental compliance or for the safety and welfare of fishermen, hunters, and visitors to the region.

17. Petersburg Municipal Power & Light (PMPL), a public utility, has been supplying hydroelectric power to Petersburg residents since the 1920's through its locally operated and maintained Crystal Lake Hydro Facility, and since the 1980's from the Tyee Lake Hydro Facility (jointly owned by Petersburg, a member utility, along with the communities of Wrangell and Ketchikan, and overseen by the management of the Southeast Alaska Power Agency (SEAPA) (formerly the Four Dam Pool prior to divestiture).

18. CCLLC/Alaska Hydro has left no community unsolicited in their quest for total private industry control of all hydroelectric power development at Thomas Bay. Their earliest attempts at developing Thomas Bay resulted in three expired Preliminary Permits for Swan Lake (Cascade Creek Project P-12495 and P-13048), Ruth Lake (P-12619), and Scenery Lake P-12621). Their attempt to enjoin Whatcom County, Bellingham, Washington in their Thomas Bay development scheme is detailed in the following articles found through Google:

"NO ONE ASKED US" SAY RESIDENTS OF SMALL ALASKA TOWN



Chris Spens, Environmental Manager for Cascade Creek LLC whose headquarters are in Bellingham, Washington thought the project made sense.

The city of Bellingham decided it wanted to purchase only green power. The Swan Lake project would offset a whale of a lot of diesel fuel every year. Sounds pretty cool.

Well, not to the slightly more than 3,000 residents of Petersburg, Alaska (pictured here) where the green power would originate in a to be built hydroelectric plant at a pristine lake near town. Unfortunately, no one thought to ask them what they thought about the whole idea.

Keep in mind, as you continue reading, there is no local need for the additional power in their area.

The Petersburg Pilot reports local residents are having a difficult time finding any benefits for residents of Petersburg, who often use the Thomas Bay area for recreation and sustenance activities. Several local businesses also use the scenic spot to attract tourists during summer months.

Writes the Pilot:

"Concerns have also mounted over the negative effects that could stem from developing Thomas Bay. Several members of Alaska Department of Fish and Game have stated their concerns over the detrimental effect the projects could have on the area's fish and wildlife populations."

"It is possible that there may be profound impacts on well-established shellfish fisheries in Thomas Bay and Fredrick Sound," Theresa Stolpe, a Fish and Wildlife Technician recently told local residents. She mentioned a study performed in the mid-80s that noted the increased amount of fresh water entering Thomas Bay from hydro facilities could impact larval and juvenile crab and shrimp. Doug Fleming, Sport Fish Area Biologist, raised concerns over the water levels being reduced in areas surrounding the projects. Reduced levels of water, according to Fleming, could mean that trout and salmon populations would dwindle due to a change in their spawning areas.

Some area residents have expressed fear of the use of eminent domain to seize their properties.

There are also concerns with the company which is developing the project. At a local meeting much time was taken up with just trying to figure out who in the hell they were. Again from the Pilot:

Although the company holds pre-application licensing for the Thomas Bay area, Thom Fischer, the company's director, introduced a member of Kake Tribal Corporation and mentioned that they were interested in purchasing the project. Concerns were raised over the fact that Cascade Creek is a sister company to Whitewater Engineering, a company that was pardoned by former Alaska State Governor [Frank] Murkowski after being charged with criminally negligent homicide for the death of a worker. "I guess ethics don't play any role in this process," said one audience member, "but I don't understand how your company can come back to Alaska and do business."

Maybe some of these issues can be worked out, maybe not. But the kicker remains that until a couple of weeks ago no one even bothered with talking to residents of the area.. Isn't that too often the case when dealing with government or big corporations. They just look out for themselves, residents be damned.

That kind of attitude is especially not appreciated in the state of Alaska where citizens expect to have control over their lives and their property.

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"Big Plans for Big Profits" would make a good replacement for "In God We Trust."

The following is from the Bellingham Herald (Washington [State]):

Power project creates uproar / Council hearing from town in Alaska
[by] SAM TAYLOR

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They're not happy, and neither are some Whatcom County Council members.

Petersburg locals want to stop Whatcom County and a private company from looking into the potential of harnessing the power of a high-elevation lake 15 miles north of their city.

County Executive Pete Kremen and his staff asked the federal government for permission to explore the project, which may have the potential to transport power south to Whatcom.

"This proposed project has caused uproar in our town of 3,000 individuals," Petersburg resident Becky Knight wrote to Whatcom County Council members in an email.

Knight, whose children attend Western Washington University, said in a phone interview there is near-consensus in the small town — referred to as "Alaska's Little Norway" on the city's Web site — that the project should be killed.

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The amount of energy produced would offset about 15 million gallons of diesel fuel per year, Fischer said.

"I don't know if this is part of an election stunt or not, but no one here in Petersburg knew about Whatcom County's involvement," Knight said, pointing out that County Executive Kremen is seeking re-election. "We're fired up."

Kremen did not return a call seeking comment about the reaction from Petersburg, instead asking a Puget Sound Energy spokesman to call The Herald. PSE has nothing to do with the Swan Lake project.

Kremen also had his administrative assistant forward several e-mails to a reporter pointing out the benefits of the proposed project.

Councilwoman Barbara Brenner said she's angry that Whatcom County officials never contacted the Alaskan residents about the project, nor did they inform council members, who learned of the project from Alaskan media.

Cascade Creek did have a public hearing in the town recently that is required by the Federal Energy Regulatory Commission, which governs such projects.

"I think it's so rude that nobody who was applying even contacted — nobody from the county — even contacted them," Brenner said. "I think it's so disrespectful."

Other council members said they wished they knew earlier, but they will wait to hear more since the process is in a preliminary stage.

Petersburg residents don't think the project is green at all, said Mayor Al Dwyer, who also contacted County Council members via e-mail.

"There's nothing in it for Petersburg, and it's going to destroy a pristine area," he said by phone.

Project coordinators and county administrators caution that the applications to FERC are preliminary and do not mean anything will happen. If it does, said project manager Chris Spens, a former senior environmental planner for the city of Bellingham, it's years away.

Spens told County Council members during a recent information presentation on the proposed project that he believed the public's concerns would be answered before anything happens.

Petersburg is working on a letter to send to FERC, Dwyer said.

That city generates twice as much power as it needs, and a plan is already in place to send its additional power to Ketchikan, Alaska. In 40 to 50 years, if more power is needed in Petersburg, he said, there are several sources other than the Swan Lake proposal that can be looked at.

"I appreciate their concern," he said of County Council members. "They seem to be sympathetic to our position.

19. [NOTE: Whatcom County board members subsequently rescinded their application and relationship with CCLLC for hydroelectric development at Thomas Bay.]

20. CCLLC's Preliminary Permit application for Ruth Lake at Thomas Bay expired so they shopped around until contracting with the City and Borough of Wrangell, Alaska, with expectations of tapping into possible state funding. Wrangell has no hands-on experience with hydroelectric facility management. They receive their hydroelectric power through the Tyee hydro facility managed by SEAPA, described earlier. Rather than producing their own original Preliminary Permit Application for Ruth Lake, Wrangell officials were provided with CCLLC's original application document along with a new title page featuring Wrangell's name, and upon submission awarded FERC's Project No. 13363-000. Wrangell and CCLLC officials jointly signed a confidential non-circumvention power agreement; Wrangell gave \$250,000 to CCLLC to secure hydroelectric power at a more favorable rate in the future if CCLLC's Thomas Bay project is developed.

21. Simultaneously and unbeknownst to Wrangell, CCLLC also produced an identical Preliminary Permit Application for Ruth Lake with Angoon, Alaska, which upon submission received FERC Project No. 13366-000.

22. Additionally, CCLLC swapped out their own cover page on their expiring Scenery Lake Preliminary Permit application, added the City of Angoon's name and upon submission Angoon received FERC Project No. 13365-00.

23. The October 28, 2010 "Wrangell Sentinel" article "Alaska Hydro (Cascade Creek, LLC) updates Assembly" states:

Former Wrangell Mayor and the Mayor--who presided over the initial Wrangell investment of \$250,000 in Cascade Creek [Wrangell funds given to CCLLC/Alaska Hydro Corporation] in exchange for a guarantee of one percent of the project power for 25 years after it is online -- questioned why Wrangell had not been informed of the change in the company's name, its status with regards to going public, or any general updates on the progress of the projects.

"My question is that if we are so important to this project why were we not informed of the name change of the project, why were we not informed of the different markets and going on the stock exchange?" asked McConachie.

24. Rylan Long's November 4, 2010 "Wrangell Sentinel" article "Wrangell Assembly discusses CCLLC ties at meeting" states:

After Cascade Creek LLC's Licensing Manager Chris Spens' presentation on Oct. 26, man on the Wrangell Borough Assembly remained unconvinced that future ties with the organization are in Wrangell's best interest.

"I would like to see our attorney look into this and see if we cannot get ourselves out of this organization. That's just my personal opinion," Assembly member Bill Privett said.

Assembly member Mike Symons agreed with Privett, and added that if the project could be built by the public that it would better serve the public's best interests.

"Obviously hydropower is going to be one of our best and cheapest resources in Southeast Alaska. I also realize that if we could do this in a public way without the private entity that we could serve these communities better and cheaper," Symons said.

"My gut feeling is we shouldn't be doing business with this particular company. I'm with Privett on this," Symons said.

At the Oct. 28 meeting the Assembly approved a motion to instruct the borough attorney to review the contract and possibly getting Wrangell's \$250,000 back [from CCLLC]. It had invested the \$250,000 in exchange for the right to one percent of the generated power of the Thomas Bay Projects for 25 years. The motion was made by Privett and seconded by Jack.

25. Keith Chaplin's September 30, 2010 "Petersburg Pilot" article, "Cascade Creek LLC bought by Canadian company" states:

"Cascade Creek formerly had a person in their employ by the name of Duff Mitchell," Spens said. "Whom is no longer an authorized representative for Cascade Creek."

According to the July 22, 2010 filing records, Mitchell is still a shareholder, which Spens acknowledged. According to the filing statement, Mitchell owns 400,000 shares of the company [Alaska Hydro Corporation] with just over 200,000 of those exchangeable."

26. A Google search for Duff Mitchell, CCLLC's former Business Development Director, and Alaska Hydro Corporation's former Vice President Business Development, included:

Electrical Distributors, Inc. [EDI] v. SFR, Inc., QED, Inc. v. Ronald [Duff] Mitchell and B. Jon Mitchell" cited as 96-4198 -- Electrical Distributors Inc. v. SFR Inc. -- 01/28/1999;

27. Removed at the request of Duff Mitchell on January 31, 2011.

28. While my protest testimony here on the past actions of Thom Fischer, and Duff Mitchell may seem irrelevant to the CCLLC/Alaska Hydro Corporation's Scoping Document 2, I as a Petersburg Municipal Power & Light ratepayer expect my public utility management to be beyond reproach, have an impeccable résumé with relevant professional qualifications and training, possess and demonstrate superior management and communication skills, exercise sound moral and ethical judgment when developing future local projects, and to present a plan in a true and honest manner versus the CCLLC Alaska Hydro Corporation "wolf in sheep's clothing" or "Trojan Horse" manner. I should not have to worry that questionable character, corporate economic gain, stock price fluctuations, etc. may negatively impact me as a ratepayer or my community, jeopardize Petersburg Municipal Power & Light which is a City of Petersburg enterprise fund, or compromise the integrity of the Southeast Alaska Power Agency (SEAPA), or the future of Southeast Alaska's hydroelectric grid. I should feel confident that FERC, is competent and possesses a healthy curiosity to investigate, oversee and safeguard remote rural Alaska communities against unnecessary, unproven and ever-changing scoping plans **when there is no local need for additional hydropower like CCLLC is seeking to develop**. However, by FERC allowing CCLLC to proceed under its Alternative Licensing Plan (ALP) with a controversial hydro development plan, I feel as a ratepayer of Petersburg Municipal Power & Light that my concerns, and other ratepayers in my community, have been ignored. FERC has been informed over time that the ALP was not working for the public on this project. Why has FERC not mandated an Integrated Licensing Process which has far more structured communications, etc., necessary in such a controversial project?

29. I highly recommend the thorough review of the Alaska Department of Fish & Game/Division of Sport Fish's December 22, 2010 letter to FERC "Protest of changes comments in Communications Protocol"; and the US Forest Service's January 18, 2011 "Comments on Scoping Document 2 for the Cascade Creek Hydroelectric Project / FERC Project No. 12495-002". Both agencies' continued oversight and review safeguards the Thomas Bay environment.

30. Review of the CLLC/Alaska Hydro Corporation's "Cascade Creek Hydroelectric Project — Scoping Document 2 (FERC No. 12495-002), has failed to convince me, a ratepayer, of the applicant's ability, their readiness, or that they are worthy of receiving a Final Licensing Permit from FERC for developing a 70 MW hydroelectric power facility at Swan Lake in Thomas Bay. **This project should not be granted a license by FERC.**

Signed,

Suzanne West
P.O. Box 383
Petersburg, Alaska 99833-0383
907-772-3480

Document Content(s)

Protest Comments to CCLLC Scoping Document 2, 12495-002.PDF.....1-10

May 16, 2011

Electronic Filing

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Subject: PROTEST COMMENTS TO:
Cascade Creek Hydroelectric Project - Scoping Document 2
FERC No. 12495-002

Dear Secretary Bose:

1. This document includes protest comments previously submitted to you on January 31, 2011, the deadline for comments on Cascade Creek, LLC/Alaska Hydro Corporation's "Cascade Creek Hydroelectric Project — Scoping Document 2 (FERC No. 12495-002) for a third preliminary permit from FERC for developing a 70 MW hydroelectric power facility at Swan Lake in Thomas Bay near Petersburg, Alaska. To date, I as a ratepayer of Petersburg Municipal Power & Light have not been advised of any public meetings since 2007. There still have been no meaningful field study reports or environmental assessments to inform ratepayers on the impact their every-changing (dam, sill, run-of-the river, syphon) plans for development in such an environmentally sensitive location that has historically nourished two productive marine bodies of water.
2. Additionally, Cascade Creek, LLC/Alaska Hydro Corporation have now engaged the services of Kleinschmidt Association of Pittsfield, Maine to package their proposal, in addition to several attempts to engage the public in polling purposes by return mail question.
3. As to the latest document distributed by Kleinschmidt, the only difference I can see is the formatting is more polished, and voluminous. The actual hands-on reading of this document is tedious going from one page to then searching for the supposed answer to the ratepayer and agency questions, which are in actuality less than informational.
4. Considering this is Cascade Creek, LLC/Alaska Hydro Corporation's third preliminary permit application, I as a ratepayer expected to read a document with serious focus on addressing agency and ratepayer queries on field tests to date, climate change, impacts to the environment and marine habitat, etc. Additionally, the document did not address infrastructure or project interface with the two other projects that Cascade Creek, LLC currently submits FERC progress reports for on behalf of the City of Angoon, specifically Ruth Lake (FERC No. 13366) and Scenery Lake (FERC No. 13365).
5. Currently, when reviewing Cascade Creek, LLC/Alaska Hydro Corporation's FERC mandated progress reports on Angoon's hydroelectric projects at Ruth Lake and Scenery Lake, which are written and signed off by Cascade Creek, LLC/Alaska Hydro Corporation, there are no facts, only generic boiler plate text void of any appreciable progress. They are similar to progress reports previously submitted by Cascade Creek, LLC/Alaska Hydro Corporation's on Swan Lake that lacked intent, specifics, and focus.
6. I, as a ratepayer of Petersburg Municipal Power & Light protest, and contest, the Alternative Licensing Permit process by which Cascade Creek, LLC/Alaska Hydro Corporation has been allowed to pursue under FERC authority. The very apparent lack of oversight by FERC to hold Cascade Creek, LLC/Alaska Hydro Corporation to the letter of the licensing process on such a controversial plan robs me of my right to comment on such a controversial project. Despite the myriad filed comments to FERC from the Alaska Department of Fish and Game/Sport Fish Division, a

government agency tasked with the oversight and protection of the Thomas Bay environment, FERC has not blinked in their continued approval of an ever-changing scoping plan, especially **when there is no local need for additional hydropower like CCLLC/Alaska Hydro Corporation is seeking to develop.**

7. Petersburg is a remote rural Southeast Alaska island community with no road access. Cascade Creek, LLC (CCLLC)/Alaska Hydro Corporation has failed to maintain a public reading file in Petersburg, as initially agreed upon in the Multiple-Project Draft Communications Protocol. CCLLC/Alaska Hydro Corporation conducted no public meeting to introduce their Scoping Document 2, a total diversion from their past plans. Thus, there was no solicitation of public comment.
8. My early September 2010 Google search of CCLLC found “Thomson Financial Mergers and Acquisitions Project Finance Corp. Acquires Cascade Creek LLC” which included the following “business transaction”:

*SDC Deal Number: 2135607020;
Date Announced 07 Dec 09;
Date Effective: 03 Sept 10;
Status: Completed;
% Sought: 100.00000;
% Shares Acquired: 100.00000;
Cross Border?: Y [Yes]
Target: Cascade Creek LLC*

Business Description: *Cascade Creek, LLC, headquartered in Bellingham, Washington, is a hydroelectric utility company. It provides electric power utility services in the state of Alaska.
Acquirer: Project Finance Corp*

Business Description: *Project Finance Corp, located in Vancouver, British Columbia, is an investment company. It is also a capital pool company that identifies and evaluates businesses and asset with a view to completing a Qualifying Transaction. The company was founded in 2006.*

As of: Sep 23 2010:

US - Project Finance Corp (PFC) of Canada acquired the entire share capital of Cascade Creek LLC, a Bellingham-based hydroelectric utility company, for USD 3.024 mil. The consideration consisted of USD 0.024 mil in cash plus the issuance of 30 mil new PFC common shares valued at USD 3 mil. The shares were valued based on PFC's closing stock price of USD 0.1 on 6 December 2006, the last full trading day prior to the transaction.”

9. (NOTE: Alaska Hydro Inc., formerly Project Finance Corp, formerly Cascade Creek, LLC, is now traded on the Toronto Stock exchange.)

10. A Google search for Alaska Hydro Corporation found:

Company Description:

Alaska Hydro Corporation owns and operates Cascade Creek hydroelectric project on Swan Lake in the Thomas Bay area of Alaska. The Cascade Creek project has a design capacity of 70 megawatts and generation potential of 205 gigawatt hours of electricity. The company was formerly known as Cascade Creek LLC and changed its name to Alaska Hydro Corporation in September 2010. The company is based in Juneau, Alaska. Alaska Hydro Corporation operates as a subsidiary of Tollhouse Energy Company.

11. I offer these Google finds and question why there is an industry review and comment phase of the CCLLC/Alaska Hydro Corporation Scoping Document 2 as it appears CCLLC/Alaska Hydro Corporation has incorrectly identified themselves in print as **“owns and operates Cascade Creek hydroelectric project on Swan Lake in the Thomas Bay area of Alaska”**. False representation? I also question

whether they have successfully field-tested the “existing” Tyee utility infrastructure on Mitkof Island, or the City/Borough of Wrangell or Ketchikan to absorb the added electrical flow of “a design capacity of 70 megawatts and generation potential of 205 gigawatt hours of electricity”? Did they share their findings with the Petersburg Municipal Power & Light (PMP&L) management, or that of the City and Borough of Wrangell or Ketchikan, or the Southeast Alaska Power Agency (SEAPA)?

12. Where are the elements describing Mitkof Island landfall of the CCLLC/Alaska Hydro Corporation’s project powerlines? Additionally, where is the public communication, and municipal communications looking into how they would hoop up things to the existing Petersburg Municipal Power & Light power station at Scow Bay? Where are studies to look at impacts by this part of the project—ranging from shorelines, near shore recreation, impact on landowners or potential landowners of City of Petersburg lands that may be zoned for residential development (off Frederick Point Road), issues with overhead lines adjacent to airport runway and safety buffer?

13. The 463-page “Scoping Document 2” is a curious read. CCLLC/Alaska Hydro Corporation has obviously failed to read and comprehend the wealth of technical data presented by the Alaska-based state and federal agencies, as well as the breadth of questions posed by them and the public, or to realize they (CCLLC/Alaska Hydro Corporation) should terminate their pursuit of a hydroelectric facility at Swan Lake. I can only hope that some competent administrator at FERC sits down and absorbs the comprehensive public and Alaska-based state and federal agency documentation provided in this Scoping Document 2, and mandates an immediate and comprehensive Environmental Impact Study (EIS). This process of requests for public and Alaska-based state and federal agency testimony, and public and Alaska-based state and federal agency comments to FERC has aided the applicant to “make it up as they go along” for their pie-in-the-sky hydro application and is shining a less than favorable light on the FERC review and licensing process.

14. My previous testimony and that of others to FERC noted that CCLLC failed in its two attempts to provide a record verbatim testimony from their Fall 2007 Petersburg visit. The audience in attendance included representatives of many Alaska-based federal and state agencies; commercial, sport, and subsistence fishermen; subsistence and guided hunters; and small charter operators collectively presenting a wealth of detail, questions, and scientific knowledge all garnered from real-life experiences throughout Thomas Bay.

15. Additionally, there was passionate testimony from a member of the Tlingit community about the horrific landslide that killed hundreds of his Tlingit ancestors in Thomas Bay. A Google search of “Thomas Bay” includes:

“In 1750, a native (Tlingit) village on Thomas Bay was completely buried by a large landslide. Over 500 native people died in the natural disaster. From that day on the bay was dubbed “The Bay of Death” or “Geey Nana” in Tlingit.”

16. I searched the Scoping Document 2 and found no CCLLC/Alaska Hydro Corporation reference to seismic evaluations, geologic transects, landslide scars, or faults. My review of the 1978 US Department of Interior Geologic Survey, “Reconnaissance Engineering Geology of the Petersburg Area, Southeastern Alaska, with Emphasis on Geologic Hazards” provides some historic data and insight on Thomas Bay. CCLLC/Alaska Hydro Corporation who projects spending \$170 million in constructing their Swan Lake, Thomas Bay facility has not identified how their plan mitigates, limits or eliminates structural liabilities in this rugged and often unforgiving environment.

17. Additionally, Page 325 of the Scoping Document 2 includes the Petersburg Indian Association Resolution 2009-10-09 which states:

“WHEREAS: The Tribe has identified the areas of Thomas Bay and Frederick Sound scheduled for development in the proposed Cascade Creek Project, FERC No. 12495, encompass ancient village sites, sacred and traditional native grounds.”

18. However, there appears to be no reference or acknowledgment by CCLLC/Alaska Hydro Corporation in addressing the historical use and authority in Thomas Bay by the Tlingit Indians, a recognized major contributor and partner in Petersburg. Six years into the licensing process, where is FERC oversight mandating ALP compliance for Indian tribes?

19. Review of the CCLLC/Alaska Hydro Corporation Scoping Document 2 did not include any glaciological, climatological, or hydrological studies of the ice cap as it contributes to upper and lower Cascade Creek and Swan Lake? It is obvious to an alert observer that the ice is rapidly disappearing, and while it may not be possible to accurately gauge future rainfall and snow pack, if the ice melts completely it is unlikely that CCLLC will be able to generate 70 megawatts (MW) of hydroelectric power without damming up Swan Lake at its outlet. In low temperature and freezing winters where water-flow is restricted to no flow or during minimal to no precipitation summers how will CCLLC/Alaska Hydro Corporation retain its 70 MW of hydroelectric power, especially with their latest change to a “run of the river” operation model in a non-river environment? Additionally, how will CCLLC/Alaska Hydro Corporation maintain its gauging equipment and power facility? The 2009-2010 winter left the stream gauges totally exposed and some 45-feet out of the water thus totally ineffective. Does CCLLC/Alaska Hydro Corporation intend to modify its project with a dam, or sill (both a dam and a sill have been identified in previous plans), after it is licensed thus avoiding public and Alaska-based state and federal agency review and comment? An Environmental Impact Study (EIS) is required to detail the impact on marine life in Swan Lake and the greater Thomas Bay.

20. Swan Lake and its watershed along with Thomas Bay, have been used for decades, (if not centuries by the Tlingit Indians) in its natural state. CCLLC/Alaska Hydro Corporation is a late-comer as a potential user, yet will have the biggest impact upon Cascade Creek and Swan Lake of any current or prior users, which will have negative consequences for everyone except CCLLC/Alaska Hydro Corporation.

21. A Google search of “Thom Fischer” (CCLLC/Alaska Hydro Corporation’s CEO, and President of both Tollhouse Energy Company and Whitewater Engineering Corp.) on projects throughout Alaska, includes loss of employee life on job sites in Cordova, Alaska, and Wrangell, Alaska:

“This matter arises from a fatal industrial accident on April 15, 1999, involving an employee of [Thom Fischer’s] Whitewater Engineering Corporation, Inc. (Whitewater) at the Power Creek Hydroelectric Project near Cordova, Alaska.

STATE OF ALASKA, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, DIVISION OF LABOR STANDARDS AND SAFETY, OCCUPATIONAL SAFETY AND HEALTH SECTION
Docket No. 99-2131 / Inspection No. 301266516, Page 40-41 includes:

Based on our review of the entire record in this matter, we conclude that Whitewater’s noncompliance with the cited OSHA laws and standards was willful. In our opinion, Whitewater demonstrated a reckless disregard for employee safety and the requirements of the OSHA Act. Whitewater consciously disregarded the advice of its own avalanche consultant David Hamre and substituted its own admittedly inexpert judgment regarding the avalanche hazards at the Power Creek site. Whitewater president Thom Fischer and superintendent Dick Potter were keenly aware of the avalanche hazards at the site and admitted they did not have any specialized training or knowledge about avalanche safety prior to the accident. David Hamre provided an avalanche hazard evaluation and made several key recommendations, including the development of a written avalanche safety plan; the training of employees in recognition and avoidance of avalanche hazards; the hiring

of a trained avalanche forecaster to make daily safety determinations; and the use of techniques such as blasting to mitigate the avalanche risk. Despite having this specific guidance from its own expert, Whitewater completely failed to implement or follow through on Hamre's recommendations.

It is apparent to us that Thom Fischer acted willfully in failing to implement Hamre's advice and recommendations. Fischer, who had no avalanche training himself, candidly stated that he regarded most avalanche experts as "ski bums" and did not believe that hiring a professional avalanche forecaster would make the worksite any safer. Fischer appears to have been more interested in avalanche expertise for the purpose of constructing the powerhouse to withstand avalanches than for protecting the safety of employees. Fischer made clear that it was important to him to complete the construction of the permanent bridge in the spring of 1999 before the water level was too high and that he regarded the environmental compliance monitoring by Jeff Davis as an impediment to the construction work. In deciding to go forward with the bridge construction work in April 1999, Fischer relied primarily on the average snowfall statistics for Cordova but ignored the high rainfall average for the month of April contained in the same statistics.

Fischer was in regular communication with the job site and received daily weather and construction reports, yet he allowed his employees to keep working on days with bad weather and high avalanche risk. Fischer also announced plans to conduct helicopter blasting as early as January 1999, but failed to follow through with blasting or other mitigation techniques even though he knew from Hamre that "if the snow cornices were knocked down, this would mitigate 95% of the avalanche risk."

In our judgment, it was indefensible for Thom Fischer and Whitewater to consciously ignore the avalanche safety advice received from David Hamre. Whitewater's efforts to mitigate the avalanche risk and protect employees were cursory at best and far short of what Hamre recommended. Under these circumstances, we conclude that Whitewater's conduct demonstrated reckless disregard of employee safety. Therefore we conclude that each of the alleged violations was properly classified as willful."

22. Another Google search included a March 14, 2001 "Kenai Peninsula Online" post:

[Thom Fischer's Whitewater Engineering] Corporation pleads no contest in death of worker -- In addition to the suit filed by Stone's family [Power Creek hydroelectric project in Cordova, Alaska], Fischer's company is being sued by the family of a Whitewater worker in Wrangell [Alaska] who was electrocuted a few weeks after Stone's death while working on a project in Southeast Alaska.

23. Collectively, these past incidents do not promote confidence that CCLLC/Alaska Hydro Corporation President, CEO, and Director Fischer will design, build, and operate the Swan Lake facility in a manner which will ensure environmental compliance or for the safety and welfare of fishermen, hunters, and visitors to the region.

24. Petersburg Municipal Power & Light (PMPL), a public utility, has been supplying hydroelectric power to Petersburg residents since the 1920's through its locally operated and maintained Crystal Lake Hydro Facility, and since the 1980's from the Tyee Lake Hydro Facility (jointly owned by Petersburg, a member utility, along with the communities of Wrangell and Ketchikan, and overseen by the management of the Southeast Alaska Power Agency (SEAPA) (formerly the Four Dam Pool prior to divestiture).

25. CCLLC/Alaska Hydro has left no community unsolicited in their quest for total private industry control of all hydroelectric power development at Thomas Bay. Their earliest attempts at developing Thomas Bay resulted in three expired Preliminary Permits for Swan Lake (Cascade Creek Project P-12495 and P-13048), Ruth Lake (P-12619), and Scenery Lake P-12621). Their attempt to enjoin

Whatcom County, Bellingham, Washington in their Thomas Bay development scheme is detailed in the following articles found through Google:

"NO ONE ASKED US" SAY RESIDENTS OF SMALL ALASKA TOWN



Chris Spens, Environmental Manager for Cascade Creek LLC whose headquarters are in Bellingham, Washington thought the project made sense.

The city of Bellingham decided it wanted to purchase only green power. The Swan Lake project would offset a whale of a lot of diesel fuel every year. Sounds pretty cool.

Well, not to the slightly more than 3,000 residents of Petersburg, Alaska (pictured here) where the green power would originate in a to be built hydroelectric plant at a pristine lake near town. Unfortunately, no one thought to ask them what they thought about the whole idea.

Keep in mind, as you continue reading, there is no local need for the additional power in their area.

The Petersburg Pilot reports local residents are having a difficult time finding any benefits for residents of Petersburg, who often use the Thomas Bay area for recreation and sustenance activities. Several local businesses also use the scenic spot to attract tourists during summer months.

Writes the Pilot:

"Concerns have also mounted over the negative effects that could stem from developing Thomas Bay. Several members of Alaska Department of Fish and Game have stated their concerns over the detrimental effect the projects could have on the area's fish and wildlife populations."

"It is possible that there may be profound impacts on well-established shellfish fisheries in Thomas Bay and Fredrick Sound," Theresa Stolpe, a Fish and Wildlife Technician recently told local residents. She mentioned a study performed in the mid-80s that noted the increased amount of fresh water entering Thomas Bay from hydro facilities could impact larval and juvenile crab and shrimp. Doug Fleming, Sport Fish Area Biologist, raised concerns over the water levels being reduced in areas surrounding the projects. Reduced levels of water, according to Fleming, could mean that trout and salmon populations would dwindle due to a change in their spawning areas.

Some area residents have expressed fear of the use of eminent domain to seize their properties.

There are also concerns with the company which is developing the project. At a local meeting much time was taken up with just trying to figure out who in the hell they were. Again from the Pilot:

Although the company holds pre-application licensing for the Thomas Bay area, Thom Fischer, the company's director, introduced a member of Kake Tribal Corporation and mentioned that they were interested in purchasing the project. Concerns were raised over the fact that Cascade Creek is a sister

company to Whitewater Engineering, a company that was pardoned by former Alaska State Governor [Frank] Murkowski after being charged with criminally negligent homicide for the death of a worker. "I guess ethics don't play any role in this process," said one audience member, "but I don't understand how your company can come back to Alaska and do business."

Maybe some of these issues can be worked out, maybe not. But the kicker remains that until a couple of weeks ago no one even bothered with talking to residents of the area.. Isn't that too often the case when dealing with government or big corporations. They just look out for themselves, residents be damned.

That kind of attitude is especially not appreciated in the state of Alaska where citizens expect to have control over their lives and their property.

Martha Smith addressed a recent council meeting which took up the issue. She stated that she would like the city to respond to the proposed projects. "Lots of questions and concerns were raised," she informed the council, "and we were responded to with evasion, incomplete and incorrect information, as well as disdain for our perspectives. It was, however, made clear that Cascade Creek, LLC has big plans for big profits."

"Big Plans for Big Profits" would make a good replacement for "In God We Trust."

The following is from the Bellingham Herald (Washington [State]):

Power project creates uproar / Council hearing from town in Alaska
[by] SAM TAYLOR

Residents of Petersburg, Alaska, are hammering local officials' e-mail inboxes about a proposed hydroelectric power project in their mostly pristine area.

They're not happy, and neither are some Whatcom County Council members.

Petersburg locals want to stop Whatcom County and a private company from looking into the potential of harnessing the power of a high-elevation lake 15 miles north of their city.

County Executive Pete Kremen and his staff asked the federal government for permission to explore the project, which may have the potential to transport power south to Whatcom.

"This proposed project has caused uproar in our town of 3,000 individuals," Petersburg resident Becky Knight wrote to Whatcom County Council members in an email.

Knight, whose children attend Western Washington University, said in a phone interview there is near-consensus in the small town — referred to as "Alaska's Little Norway" on the city's Web site — that the project should be killed.

The Swan Lake project is one of three various projects in the proposed Thomas Bay Energy Development being sought by Cascade Creek LLC, a subsidiary of Whatcom County-based Tollhouse Energy, which is owned by Thom Fischer. Whatcom County is only involved in the Swan Lake proposal.

A hole would be drilled in the lake bed and water sent down a pipe into a powerhouse from the high-elevation lake. The pressure is so great, Fischer previously said, that the amount of energy produced is equivalent to one turbine on a dam like the Snake River, which generally has more like six turbines on it, but with far less water flowing through.

The amount of energy produced would offset about 15 million gallons of diesel fuel per year, Fischer said.

"I don't know if this is part of an election stunt or not, but no one here in Petersburg knew about Whatcom County's involvement," Knight said, pointing out that County Executive Kremen is seeking re-election. "We're fired up."

Kremen did not return a call seeking comment about the reaction from Petersburg, instead asking a Puget Sound Energy spokesman to call The Herald. PSE has nothing to do with the Swan Lake project.

Kremen also had his administrative assistant forward several e-mails to a reporter pointing out the benefits of the proposed project.

Councilwoman Barbara Brenner said she's angry that Whatcom County officials never contacted the Alaskan residents about the project, nor did they inform council members, who learned of the project from Alaskan media.

Cascade Creek did have a public hearing in the town recently that is required by the Federal Energy Regulatory Commission, which governs such projects.

"I think it's so rude that nobody who was applying even contacted — nobody from the county — even contacted them," Brenner said. "I think it's so disrespectful."

Other council members said they wished they knew earlier, but they will wait to hear more since the process is in a preliminary stage.

Petersburg residents don't think the project is green at all, said Mayor Al Dwyer, who also contacted County Council members via e-mail.

"There's nothing in it for Petersburg, and it's going to destroy a pristine area," he said by phone.

Project coordinators and county administrators caution that the applications to FERC are preliminary and do not mean anything will happen. If it does, said project manager Chris Spens, a former senior environmental planner for the city of Bellingham, it's years away.

Spens told County Council members during a recent information presentation on the proposed project that he believed the public's concerns would be answered before anything happens.

Petersburg is working on a letter to send to FERC, Dwyer said.

That city generates twice as much power as it needs, and a plan is already in place to send its additional power to Ketchikan, Alaska. In 40 to 50 years, if more power is needed in Petersburg, he said, there are several sources other than the Swan Lake proposal that can be looked at.

"I appreciate their concern," he said of County Council members. "They seem to be sympathetic to our position."

26. [NOTE: Whatcom County board members subsequently rescinded their application and relationship with CCLLC for hydroelectric development at Thomas Bay.]

27. CCLLC's Preliminary Permit application for Ruth Lake at Thomas Bay expired so they shopped around until contracting with the City and Borough of Wrangell, Alaska, with expectations of tapping into possible state funding. Wrangell has no hands-on experience with hydroelectric facility management. They receive their hydroelectric power through the Tyee hydro facility managed by SEAPA, described earlier. Rather than producing their own original Preliminary Permit Application for Ruth Lake, Wrangell officials were provided with CCLLC's original application document along with a new title page featuring Wrangell's name, and upon submission awarded FERC's Project No. 13363-000. Wrangell and CCLLC officials jointly signed a confidential non-circumvention power agreement; Wrangell gave \$250,000 to CCLLC to secure hydroelectric power at a more favorable rate in the future if CCLLC's Thomas Bay project is developed.

28. Simultaneously and unbeknownst to Wrangell, CCLLC also produced an identical Preliminary Permit Application for Ruth Lake with Angoon, Alaska, which upon submission received FERC Project No. 13366-000.

29. Additionally, CCLLC swapped out their own cover page on their expiring Scenery Lake Preliminary Permit application, added the City of Angoon's name and upon submission Angoon received FERC Project No. 13365-00.

30. The October 28, 2010 "Wrangell Sentinel" article "Alaska Hydro (Cascade Creek, LLC) updates Assembly" states:

Former Wrangell Mayor and the Mayor--who presided over the initial Wrangell investment of \$250,000 in Cascade Creek [Wrangell funds given to CCLLC/Alaska Hydro Corporation] in exchange for a guarantee of one percent of the project power for 25 years after it is online -- questioned why Wrangell had not been informed of the change in the company's name, its status with regards to going public, or any general updates on the progress of the projects.

"My question is that if we are so important to this project why were we not informed of the name change of the project, why were we not informed of the different markets and going on the stock exchange?" asked McConachie.

31. Rylan Long's November 4, 2010 "Wrangell Sentinel" article "Wrangell Assembly discusses CCLLC ties at meeting" states:

After Cascade Creek LLC's Licensing Manager Chris Spens' presentation on Oct. 26, man on the Wrangell Borough Assembly remained unconvinced that future ties with the organization are in Wrangell's best interest.

"I would like to see our attorney look into this and see if we cannot get ourselves out of this organization. That's just my personal opinion," Assembly member Bill Privett said.

Assembly member Mike Symons agreed with Privett, and added that if the project could be built by the public that it would better serve the public's best interests.

"Obviously hydropower is going to be one of our best and cheapest resources in Southeast Alaska. I also realize that if we could do this in a public way without the private entity that we could serve these communities better and cheaper," Symons said.

"My gut feeling is we shouldn't be doing business with this particular company. I'm with Privett on this," Symons said.

At the Oct. 28 meeting the Assembly approved a motion to instruct the borough attorney to review the contract and possibly getting Wrangell's \$250,000 back [from CCLLC]. It had invested the \$250,000 in exchange for the right to one percent of the generated power of the Thomas Bay Projects for 25 years. The motion was made by Privett and seconded by Jack.

32. While my protest testimony here on the past actions of Thom Fischer may seem irrelevant to the CCLLC/Alaska Hydro Corporation's Scoping Document 2, I as a Petersburg Municipal Power & Light ratepayer expect my public utility management to be beyond reproach, have an impeccable résumé with relevant professional qualifications and training, possess and demonstrate superior management and communication skills, exercise sound moral and ethical judgment when developing future local projects, and to present a plan in a true and honest manner versus the CCLLC Alaska Hydro Corporation "wolf in sheep's clothing" or "Trojan Horse" manner. I should not have to worry that questionable character, corporate economic gain, stock price fluctuations, etc. may negatively impact me as a ratepayer or my community, jeopardize Petersburg Municipal Power & Light which is a City of Petersburg enterprise fund, or compromise the integrity of the Southeast Alaska Power Agency (SEAPA), or the future of Southeast Alaska's hydroelectric grid. I should feel confident that FERC, is competent and possesses a healthy curiosity to investigate, oversee and safeguard remote rural Alaska communities against unnecessary, unproven and ever-changing scoping plans **when there is no local need for additional hydropower like CCLLC is seeking to develop.** However, by FERC allowing CCLLC to proceed under

its Alternative Licensing Plan (ALP) with a controversial hydro development plan, I feel as a ratepayer of Petersburg Municipal Power & Light that my concerns, and other ratepayers in my community, have been ignored. FERC has been informed over time that the ALP was not working for the public on this project. Why has FERC not mandated an Integrated Licensing Process which has far more structured communications, etc., necessary in such a controversial project?

33. I highly recommend the thorough review of the Alaska Department of Fish & Game/Division of Sport Fish's December 22, 2010 letter to FERC "Protest of changes comments in Communications Protocol"; and the US Forest Service's January 18, 2011 "Comments on Scoping Document 2 for the Cascade Creek Hydroelectric Project / FERC Project No. 12495-002". Both agencies' continued oversight and review safeguards the Thomas Bay environment.

34. As stated in my January 31, 2011 letter to you and still appropriate today, my review of the CCLLC/Alaska Hydro Corporation's "Cascade Creek Hydroelectric Project — Scoping Document 2 (FERC No. 12495-002), has failed to convince me, a ratepayer of Petersburg Municipal Power & Light, of the applicant's ability, their readiness, or that they are worthy of receiving a third consecutive preliminary permit or a Final Licensing Permit from FERC for developing a 70 MW hydroelectric power facility at Swan Lake in Thomas Bay. **This project should not be granted a license by FERC.**

Signed,

/s/

Suzanne West
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Petersburg, Alaska 99833-0383
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Document Content(s)

SW - Protest Comments to FERC No. 12495.PDF.....1-10

31 January 2011

Electronic Filing

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Subject: PROTEST COMMENTS TO:
Cascade Creek Hydroelectric Project - Scoping Document 2
FERC No. 12495-002

Dear Secretary Bose:

1. Cascade Creek, LLC/Alaska Hydro ("Company") has not fully informed the public as to its progress with government agency requirements or of its hydrological findings. What was the condition of its stream gauging stations during periods of low water flow? The company has not conducted a public meeting since 10 August 2009 so the public has been kept out of the process even though the Company intends to submit its application for licensing its project to FERC in January 2011 leaving the public out of the loop as far as commenting on the missing hydrological findings.
2. Because Swan Lake/Cascade Creek have low water periods, and the Company currently does not envision a dam or sill on the lake's outlet, how then does the Company plan on producing a constant 70 megawatts (MW) on a "run of the river" generation system? How is this possible without a serious drawdown of Swan Lake? Is it not probable that the reason for a 40-foot deep intake is the necessity to produce 70 MW of power during low water periods would demand a lake drawdown in excess of a "run of the river" project? Shouldn't the Company not ask to license its project at a lesser output (less than 70 MW) which would logically conform to natural flow rates associated with a "run of the river" project?
3. Has the Company completed all of its bathymetric and fish surveys which I commented on previously? While I visited, and fished in Thomas Bay this year, I did not encounter any field work where reasons for my activity could have been noted by the Company. This could have added to the Company's ability to account for visitors recreation activities for those of us who did not receive their second mailed survey.
4. There is currently enough produced and envisioned public hydroelectric energy generation within the region to satisfy current future demand. The nearest community to this project, Petersburg, is about 15 northeast miles away, yet has expressed little interest in purchasing power from the Company.
5. There is no market for the Company's hydroelectric power unless a transmission system is built capable of delivering power out of the region. The most logical market,

which has been publicly discussed, is the mineral rich area of British Columbia, Canada, where at least 25 large mines have been proposed.

6. Because of the likelihood of large mine developments made possible by power from Swan Lake at Thomas Bay, the impact to the region of mine waste and tailings runoff calls for an environmental impact study (EIS). An environmental assessment (EA) preferred by the Company is insufficient and will not fully illuminate the potential pollution to the marine life rich Stikine River and its tributaries which Swan Lake power will ensure. Furthermore, power generated by this project will have far reaching impacts which will affect citizens of the United States, Canada, and Tahltan Nation, so for FERC not to require the company to complete an EIS is a failure of oversight.

7. I had earlier been told in a telephone conversation with Kleinschmidt & Associates that I would have time to comment on this project up to the end of March 2011. Now I've been told that I have to have my comments on this project in by today, 31 January 2011. I have seen no public notices to clarify this, nor has there been the promised public meeting with CCLLC. I have to say that FERC has allowed its ALP process in this case to turn into a farce. The public has been for the most part, completely disenfranchised. As a ratepayer of Petersburg Municipal Power & Light, I feel as though I can have no confidence in FERC regulations or FERC personnel.

8. My concerns about this project evolve from both my usage of Thomas Bay and Swan Lake and the surrounding area including the Stikine River system for recreation and as a commercial salmon troller and halibut longliner, but also as a ratepayer of Petersburg Municipal Power & Light. **Cascade Creek, LLC/Alaska Hydro's project is unnecessary and should not be licensed or built.**

9. My comments here in no way should be considered complete but are being submitted at what I have been informed to be "at the last minute".

Respectfully,

Charles E. Wood
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Petersburg, AK 99833-0383
907-772-3480

Document Content(s)

Protest Comments to CCLLC Scoping Document 2, 12495-002.PDF.....1-2

16 May 2011

Electronic Filing

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Subject: PROTEST COMMENTS TO:
Cascade Creek Hydroelectric Project - Scoping Document 2
FERC No. 12495-002

Dear Secretary Bose:

1. As a ratepayer of Petersburg (Petersburg Municipal Power & Light) I oppose the issuance to Cascade Creek, LLC (Alaska Hydro Corporation) its third consecutive preliminary permit for Swan Lake (FERC No. 12495).
2. Development of this project is likely to have unknown, but far reaching impacts to traditional uses of Thomas Bay and the Stikine River drainages and estuaries, as well as ratepayers of Petersburg Municipal Power & Light and users of the Swan-Tyee transmission system.
3. Further, preliminary permitting should not be given to the development towards licensing of this project.

Respectfully,

/s/

Charles E. Wood
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Petersburg, AK 99833-0383
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