

UNITED STATES OF AMERICA 116 FERC ¶62,031
FEDERAL ENERGY REGULATORY COMMISSION

Alaska Power & Telephone Company

Project No. 12615-000

ORDER ISSUING PRELIMINARY PERMIT

(Issued July 13, 2006)

On September 29, 2005, Alaska Power & Telephone Company (permittee) filed an application for a three-year preliminary permit under Section 4(f) of the Federal Power Act (FPA)¹ to study the proposed Soule River Water Project No.12615. The project would be located on the Soule River, within the Ketchikan Recording District, First Judicial District, near Hyder, AK. The proposed project would be located on federal land within the Tongass National Forest. The proposed project would consist of: (1) a proposed concrete dam with a maximum height of 150-200 feet; (2) a proposed storage reservoir with a normal water surface area of 917 acres, a gross storage capacity of approximately 74,000 acre-feet and an active storage capacity of approximately 60,000 acre-feet; (3) a proposed 12-foot-diameter, 12,100-foot-long tunnel; (4) a proposed powerhouse containing 2 generating units with a total installed capacity of 42 MW; (5) an open channel tailrace; (6) a 35-kV submarine cable approximately 9.72 miles long connected to an interconnection with the existing transmission system in Hyder, and (7) appurtenant facilities. The project would have an estimated annual generation of approximately 155 gigawatt-hours.

Public notice of the application was issued on April 5, 2006, and establishing June 5, 2006, as the deadline for filing comments, protests or motions to intervene. Comments were received from the Hyder Board of Trade, Inc., in support of the proposed project. The United States Department of the Interior (Interior) had no comments. The U.S. Department of the Army has preliminarily determined that the proposed project area may contain wetlands and does contain other waters of the U.S., and advises the permittee that a Department of Army permit is required for the placement or discharge of dredged and/or fill material into waters of the U.S., including wetlands. The U.S. Department of Agriculture advises that a Special Use Authorization from the Forest Service for occupancy of National Forest System lands during both the term of the preliminary permit and the license to operate is required. Motions to intervene were received from the National Marine Fisheries Service and the U.S.

¹ 16 U.S.C. § 797(f). Three years is the maximum term for a preliminary permit. See FPA Section 5, 16 U.S.C. 798.

Department of Agriculture requesting to become parties to the proceeding.² No protests have been received.

The purpose of the preliminary permit is to maintain priority of application for a license during the term of the permit while the applicant conducts investigations and secures data necessary, after consultation with the appropriate resource agencies, to determine the feasibility of the proposed project and prepares an acceptable development application. The permit confers no authority on the applicant to undertake construction of the proposed project or any part thereof,³ or to occupy or use lands or other property of the United States or of any other entity or individual.

If, during the course of the applicant's investigation into the feasibility of the proposal, the applicant decides to prepare a development application, it must first prepare a Notice of Intent (NOI) and Pre-Application Document (PAD) pursuant to Sections 5.5 and 5.6 of the Commission's Regulations. Pursuant to Part 5 of the Commission's Regulations, 18 C.F.R. Part 5, the applicant must use the Integrated Licensing Process unless the Commission grants a request to use an alternative process (Alternative or Traditional Licensing Process). Pursuant to Section 5.3, such a request must accompany the NOI and PAD and set forth specific information justifying the request.⁴ Should the applicant file a development application, notice of the application will be published, and interested persons and agencies will have an opportunity to intervene and to present their views concerning the project and the effects of its construction and operation.

A preliminary permit is not transferable. The named permittee is the only party entitled to the priority of the application for license afforded by this preliminary permit. In order to invoke permit-based priority in any subsequent licensing competition, the named permittee must file an application for license as the sole applicant, thereby evidencing its intent to be the sole licensee and to hold all proprietary rights necessary to construct, operate, and maintain the proposed project. Should any other parties intend to hold during the term of any license issued any of these proprietary rights necessary for project purposes, they must be included as joint applicants in any application for license filed. In such an instance, where parties other than the permittee are added as joint applicants for license, the joint application will not be eligible for any permit-based priority. See City of Fayetteville, 16 FERC ¶ 61,209 (1981).

² The motions to intervene were timely and unopposed and therefore, granted automatically, pursuant to 18 C.F.R. § 385.214 (C)(1)(2001).

³ Issuance of this preliminary permit is thus not a major federal action significantly affecting the quality of the human environment.

⁴ See Commission Order 2002, issued July 23, 2003.

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The Director orders:

(A) A preliminary permit is issued for this project to Alaska Power & Telephone Company effective the first day of the month in which this permit is issued, and ending either 36 months from the effective date or on the date that a development application submitted by the permittee has been accepted for filing, whichever occurs first.

(B) This preliminary permit is subject to the terms and conditions of Part I of the Federal Power Act and related regulations. The permit is also subject to Articles 1 through 4, set forth in the attached standard form P-1.

(C) This order is issued under authority delegated to the Director and constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days from the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

William Guey-Lee
Chief, Engineering and Jurisdiction Branch
Division of Hydropower Administration
and Compliance

Form P-1 (Revised March 2000)

FEDERAL ENERGY REGULATORY COMMISSION

**TERMS AND CONDITIONS OF
PRELIMINARY PERMIT**

Article 1. The purpose of the permit is to maintain priority of application for a license during the term of the permit while the Permittee conducts investigations and secures data necessary to determine the feasibility of the proposed project and, if said project is found to be feasible, prepares an acceptable application for license. In the course of whatever field studies the Permittee undertakes, the Permittee shall at all times exercise appropriate measures to prevent irreparable damage to the environment of the proposed project. All test sites shall be restored as closely as possible to their original condition and to the satisfaction of the Commission's authorized representative or, where federal lands are affected, to the satisfaction of the agency administering such lands.

Article 2. The permit is not transferable and may, after notice and opportunity for hearing, be canceled by order of the Commission upon failure of the Permittee to prosecute diligently the activities for which a permit is issued, or for any other good cause shown.

Article 3. The priority granted under the permit shall be lost if the permit is canceled pursuant to Article 2 of this permit, or if the Permittee fails, on or before the expiration date of the permit, to file with the Commission's rules and regulations then in effect.

Article 4. At the close of each six-month period from the effective date of this permit, the Permittee shall file four copies of a progress report with the Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426; and shall serve a copy on the interveners in this proceeding. The report shall describe, for that report period, the nature and timing of what the Permittee has done under the pre-filing requirements of 18 CFR 4.38 and other applicable regulations; and, where studies require access to and use of land not owned by the Permittee, the status of the Permittee's efforts to obtain permission.