



Date: March 11, 2008

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

Subject: Request for Approval to use Alternative Licensing Procedures (ALP), Blue Lake Hydroelectric Project (FERC No. 2230) Amendment Application Process.

Ms. Bose:

This letter is a request for approval to use Alternative Licensing Procedures (ALP) for pre-filing consultation for an application for an amendment to the FERC license for the Subject Project.

Preceding this request was a Notice of Intent (NOI) to seek an amendment, submitted to the FERC by the City and Borough of Sitka Electric Department (“City”, “Applicant”) dated March 10, 2008. In a concurrent submittal to the Project Participant list is an Initial Consultation Document (ICD) describing the existing Project, proposed changes requiring the amendment, related developmental and non-developmental resources, preliminary issues and studies.

The City wishes to utilize the ALP on this project for two primary reasons:

1. The City has recently completed all substantive work on relicensing the Blue Lake Project using ALP. Use of ALP on this project was highly successful and created good working relationships and communications among the City and stakeholders, many of whom are the same offices or individuals with which we will conduct the amendment application process;
2. Increased electrical loads in the Project service area have created the need to proceed as rapidly as possible toward adding additional generation. Properly conducted, the ALP process affords a shorter overall time to decision without sacrificing necessary procedural steps.

The FERC regulations, 18 CFR Section 4.34(i)(3), require us to do the following prior to FERC’s acceptance of our request to use the ALP (the following is exact language from the federal regulations):

- 1) *“demonstrate that a reasonable effort has been made to contact all resource agencies, Indian tribes, citizens’ groups and other affected by your license proposal, and that a consensus exists that the use of the alternative procedures is appropriate under the circumstance;*
- 2) *submit a communications protocol, supported by interested entities, governing how you and other participants in the pre-filing consultation process, including the Commission staff, may communicate with each other regarding the merits of your proposal and proposal and recommendations of interested entities; and*
- 3) *serve a copy of the request on all affected resource agencies and Indian tribes and on all entities contacted by you that have expressed an interest in the alternative pre-filing consultation process.”*

In response to items 1 and 2, the City is distributing a Draft Communications Protocol (“CP”, Attachment I) concurrent with this request (email cover is Attachment II), to the Project Participant list. With the CP will be a request for recipients to state their position on use of the ALP for the Project licensing.

In response to item 3, above, we will send a copy of this request (minus Attachments), via e-mail to members of the Project Participant list.

Thanks for your prompt attention to this request. If you require any additional information, or if I can be of further assistance, please do not hesitate to contact me at 907-747-1870 or at charlie@cityofsitka.com, at your earliest convenience.

Sincerely,

A handwritten signature in black ink that reads "Charlie Walls". The signature is written in a cursive, flowing style.

Charlie Walls, Utility Director

cc: William Guey-Lee, FERC DHAC

1 attachment