

DRAFT COMMUNICATIONS PROTOCOL

Blue Lake Hydroelectric Project License Amendment Application

FERC No. 2230

City and Borough of Sitka Electric Department

March, 2008

INTRODUCTION

The City and Borough of Sitka Electric Department (“City”) is in the process of applying for an amendment to Federal Energy Regulatory Commission (FERC, Commission) license for the Blue Lake Hydroelectric Project (“Project”), FERC No. 2230. The amendment would address the City’s proposals to expand the Project’s generating capacity by 1) adding a third generating turbine; and 2) raising the Project dam height to increase reservoir storage and hydraulic head. These actions would warrant a “capacity-related” amendment to the Project FERC license, requiring a 3-Stage consultation and amendment application process.

The Commission has informed the City that it may request use of the Alternative Licensing Procedures (ALP) to conduct pre-filing activities for the amendment application. An applicant’s request for use of ALP must demonstrate that Project Stakeholders have approved both ALP use and a Communications Protocol (CP) governing communications during the pre-filing period. This draft CP fulfills the initial stage of that requirement.

DESCRIPTION of ALP

As part of the alternative licensing process, an applicant can:

- Tailor the pre-filing consultation process to the circumstances of each case;
- Combine into a single process the pre-filing consultation process and environmental review processes under the National Environmental Policy Act and other statutes; and
- Allow for preparation of a Preliminary Draft Environmental Assessment (PDEA) by the applicant or an Environmental Impact Statement (EIS) by a contractor approved by the Commission and funded by the applicant.

Having successfully utilized the ALP for the Blue Lake Project relicensing, the City believes that the process can be efficiently implemented and will save time and expense in the amendment application period.

Under the ALP, the City would, with FERC direction and approval, conduct **NEPA Scoping** (the public participation process to solicit comments on environmental issues) and prepare and submit a PDEA with the amendment application. The **Final EA**, which will serve as the basis for conditions of the amendment, will be prepared by the FERC after their independent review of the PDEA and other application material.

PARTICIPATING in the AMENDMENT APPLICATION PROCESS

Under the ALP, the amendment application process is open to the general public and their participation is encouraged. A Participant List will be compiled by the City and expanded as new Participants request inclusion in the ALP.

The ALP affords Participants the opportunity to interact with the amendment application process at several distinct points, including: 1) public meetings; 2) coordinated meetings 3) document review and comment; and 4) access to general information regarding process, schedule, and status. The City will use several means to assure access to amendment process and application material, as described in the following sections.

PUBLIC REFERENCE FILES

There will be two public reference files, one in Sitka and the other at the Commission offices in Washington D.C. The reference files will be maintained on a monthly basis and will include, but not be limited to: semi-annual progress reports (described below), study plans and reports, preliminary data files, meeting announcements, agendas and summaries, draft and final technical reports, draft and final EA's and amendment applications, written correspondence and telephone discussion notes. The addresses of the Public Reference Files are:

City and Borough of Sitka Electric Department
105 Jarvis Street
Sitka, Alaska, 99835

and

Federal Energy Regulatory Commission
Public Reference Room, Room 2-A
Attn: Secretary
888 First Street, N.E.
Washington, D.C. 20426

All materials in the reference files will be available for review and copying by request. All communications added to the Public Reference File will be available to the public consistent with the public records procedures set forth in the Freedom of Information Act. Most materials will also be available on the FERC website (www.ferc.gov). Individual project information is available on the FERC website at the **elibrary** link by inputting the Project number (P-2230)

THE BLUE LAKE PROJECT LICENSE AMENDMENT WEBSITE

The City will develop and maintain a Blue Lake Project License Amendment Website at which most Project material be made available. This Website (cityofsitka.com/bluelake/amendment) will be called the “Amendment Website” and will be separate from the existing “Relicensing Website” (cityofsitka.com/relicensing) which was developed for the Project relicensing. The Amendment Website will contain:

- Description of the Proposed Action;
- Description of the amendment application Process and ALP;
- Amendment Application Milestones
- Amendment Application Schedule;
- Notices of Public and Coordinated Meetings;
- Notices of Availability of Documents for Participant Review;
- Semi-Annual Progress Reports;
- Current Participant List;
- Tracking File (record of all relevant amendment application transactions)
- Other features, as deemed necessary.

MAJOR MEETINGS and SITE VISITS

The City will conduct meetings to present information and obtain comments from the public and stakeholders. The City will conduct two sets of public meetings: 1) “Initial Stage Consultation” meetings, one in Juneau and one in Sitka, during April, 2008; and 2) Scoping Meetings, one in Juneau and one in Sitka, plus a site visit, in late summer or fall, 2008.

The City will place notice of all meetings and the site visit in the Sitka Sentinel and the Juneau Empire newspapers at least 15 days prior to the events. The Commission will also publish notice of the Scoping meeting and site visit in the Federal Register. The City will also serve notification of the Scoping meeting and site visit via e-mail to all those on the Project's Participant List.

The City will professionally videotape these major meetings and will make a DVD available to all who request them. The City will also transcribe the videotapes and site visit notes into written records and distribute them to members of the Participant List on request. After these meetings, attendees will have 30 days to comment on the meeting transactions and any associated documents.

COORDINATED MEETINGS

Meetings between and among licensing Participants may occur on an "as needed" basis. In such meetings, a FERC representative will normally be invited to participate by teleconference or onsite. The City will distribute Draft agendas for such meetings at least 14 days prior to the meetings. If a City representative is present at the meeting, the City will prepare a meeting summary. If the City is not present at the meeting, the person who requested the meeting will prepare the meeting summary.

MEETING SUMMARIES

Draft Meeting Summaries for all public and coordinated meetings will be circulated to all meeting Participants for review and comment within 15 days after the meeting. Comments will be incorporated into a Final Meeting Summary, with the goal of agreement among all Participants on its content. Deadlines for preparation of drafts, returning comments, and submittal of a final summary will be agreed upon by Participants at each meeting. Final Meeting Summaries should be mailed to the City at the contact address on page 6, for inclusion in the City's Tracking File and Licensing Website. All Draft and Final Meeting Summaries will be available on the Licensing Website and in hard copy by request.

DOCUMENT AVAILABILITY

MAJOR DOCUMENTS

Throughout the licensing process, Participants will be afforded opportunity to review and comment on documents prepared in the course of the licensing process. While it is not possible to envision an exact list of documents for review, the City expects to prepare and distribute the major documents shown in Table 1 prior to the amendment application.

Most written material will be available in electronic format and will be electronically distributed directly to Participants via email with attachment. Documents will be in MS Word and/or Adobe pdf format. Much of the same material will be available through the Amendment Website. In all cases, however, Participants may request printed copies of major documents. Printed copies of Scoping Documents, the Draft Application, Preliminary Draft EA or EIS, FERC Draft EA and FERC Order Issuing Amendment will also be available at the public library in Sitka.

Most major documents will be available in either text, MS Word or Adobe pdf. format on the FERC website. To access documents on this website, go to ferc.us.gov and then to "elibrary" on the home page. This will open a search page offering several search options.

The review period for major documents will be no less than 30 days unless longer periods are required by FERC regulations or if individuals formally request more review time.

Table 1. Major documents to be made available for review during Blue Lake License Amendment Application

Document Name	Expected Date of Issue	Description
Initial Consultation Document (ICD)	March, 2008	Document with Project description, amendment application schedule and preliminary resource issues.
Study Plans	Spring, 2008	Describe detailed objectives, methods and required reporting for various environmental field and office studies
Scoping Document I (SDI)	Fall, 2008	A document describing the Project, licensing process, and environmental and economic issues related to licensing
Scoping Document II (SDII)	Fall, 2008	Revision of SDI incorporating comments into a final issues list.
Study Reports	2008-2009	Present results of the environmental studies, usually on an annual basis
Draft Amendment Application	January, 2009	Documents describing various design and operation aspects of the project, as proposed for licensing
Preliminary Draft EA	January, 2009	Accompanies Draft Amendment Application, describes existing environment, licensing impacts and mitigation proposals.
Final Amendment Application, including Final Draft EA	May, 2009	Incorporates all agency comments and presents Applicant's Preferred Alternative and proposed PM&E measures.
FERC Draft EA	September, 2009	FERC-prepared EA noting issues, impacts, mitigation

		and recommendations.
FERC Order Issuing Amendment	March, 2010	Contains FERC's Final EA and Order Issuing Amendment as well as Amendment Articles and other Conditions.

MINOR DOCUMENTS and CORRESPONDENCE

Throughout the amendment application process, the City will communicate frequently with Participants, individually and collectively. These communications may include written material such as meeting notices and summaries or other small documents relevant to the communications. Minor documents (with exception of Status Reports) will become part of the public record after review, editing and approval by participating parties. Transfer of minor documents will be primarily in the form of e-mail, often with attached files, and via the Licensing Website. The City will follow certain e-mail transmittals with a phone message check to assure that the messages were received and in readable format.

COMMUNICATIONS PROTOCOLS

In this section, we describe conditions governing communications among licensing Participants. The Protocols are intended to assure that interactions are appropriate, effective and properly documented.

ASSIGNED CONTACTS

Each participating agency or organization will designate an individual to serve as the point of contact for the City throughout the amendment application process. These individuals will distribute documents, announcements, and other written and verbal communications to others in the agency or organization they represent. The City will honor requests to copy other agency or organization individuals on communications, but the assigned contact will be responsible for response to distributed documents, needs for agency or organization review or other queries from the City, other participants, or FERC.

Immediately after initiation of this CP, each agency or organization will designate, in written communication to the City, the name and contact information of the assigned contact. If an agency or organization wishes to change assigned contact, they should distribute in writing to all parties the name and contact information of the new contact.

WRITTEN COMMUNICATIONS

All written communications that need to be part of the public record, including comment letters, progress reports, fax communications, meeting summaries, and teleconference

summaries, or in which any party intends to become part of the formal record, should be mailed to:

City and Borough of Sitka Electric Department
Attn: Charlie Walls, Utility Director
105 Jarvis Street
Sitka, Alaska, 99835
Phone: 907-747-1870
Fax: 907-747-3208
Email: charlie@cityofsitka.com

with a cc to:

City and Borough of Sitka Electric Department
Attn: Dean Orbison, Engineer
105 Jarvis Street
Sitka, Alaska, 99835
Phone: 907-747-1827
Fax: 907-747-3208
Email: deano@cityofsitka.com

All written communications must have the following clearly displayed on the first page, preferably in the “Subject” line of the correspondence:

Blue Lake Hydroelectric Project (FERC No. 2230) License Amendment

Written communications must display deadlines for comments or other actions (when applicable) and should reference the corresponding activity of the licensing process associated with the written communication (for example., “Comments on Scoping Document I”, “Summary of Study Planning Meeting”, etc.) in the “Subject” line of the correspondence. Communications must indicate where to submit responses, when applicable. Copies of all written communications will be placed in the Public Reference File. A distribution mailing list will be sent with each formal correspondence or document that shows all recipients who were sent a copy.

The Commission will from time to time advance the number following the Project number to indicate a different licensing action phase (for example, FERC No. 2230-034, 2230-035, etc.) Participants should check Commission and the City correspondence closely to assure that the proper Project numbers are identified when referencing a particular document.

TELECONFERENCE COMMUNICATIONS

Periodic teleconference calls among licensing Participants may occur on an “as-needed basis”. The City will prepare written summaries of teleconference calls between an Agency and the City. Participants will be noticed and given the opportunity to participate in any communications the City makes with FERC on substantive matters concerning the licensing. Documentation of teleconference calls between the City and the Commission will be included in the Public Reference File.

INTER/INTRA RESOURCE AGENCY STAFF COMMUNICATIONS

Written communications, meetings, telephone conversations, or other types of communications within or between State or Federal resource agency staff concerning the Blue Lake License amendment application are not subject to the scheduling, notification, and documentation requirements of previous sections this CP. It is understood that such communications will not be part of the licensing record unless they are submitted to the Commission by a participating agency. However, in the spirit of openness reflected in this CP, the City encourages agencies to submit records of such meetings and communications to the Contact Address on page 6 as often as possible during the licensing.

COMMUNICATION WITH COMMISSION STAFF

The Commission recently revised its ex-parte rules (88 FERC para. 61,225) and determined that the rule prohibiting off-the-record communications does not apply to interactions during the ALP. This is because all actions under ALP occur before an amendment application is filed, prior to the Noticed “licensing procedure” at the Commission. However, in this CP’s spirit of open interaction, oral communications by any participant with FERC staff should be summarized in a written memorandum prepared by a Participant agreed upon among those involved in the communication, and distributed to the Project Participant list for review.

ORAL COMMUNICATIONS AND E-MAILS

Oral communications (i.e. telephone conversations) between the City and any Participant will be documented in writing (see “Contact Logs”, below) if communications regard substantive aspects of the project licensing. Similarly, e-mails between the City and any Participant on substantive Project issues will also be documented. All written communications distributed by parties to the CP shall enclose or attach a distribution list for that communication that identifies all recipients of that communication. The cc list on an e-mail message can serve as the distribution list.

STATEMENTS to the MEDIA

Communications by the participants to the media will generally not be maintained in the

Public Reference File. No person or entity involved in the alternative licensing process is authorized to make a statement on behalf of any other person or entity to any media person or entity with regard to the process or any substantive issue affecting the relicensing application. When a representative for a participant speaks to the media about the Project process, s/he should preface comments with: "I speak only for _____ and not for any other participant in the Blue Lake Project License Amendment Application process."

DURATION OF COMMUNICATIONS PROTOCOL CONDITIONS

This CP shall become effective upon the Commission's approval of the City's request to use the Alternative Licensing Process. Until then, the City and the participants shall act in good faith to recognize the likely future acceptance of this Protocol and its obligations. This Protocol will remain in effect until the Commission notifies the City the Preliminary Draft Environmental Review Document and Final Amendment application are accepted for filing with the Commission or until termination of the ALP. Participants may elect by consensus, including unanimous consent of the Resource Parties, to extend the duration of this Protocol until amendment order issuance.

RESERVATION of RIGHTS

This Protocol is made (and filed with the Commission), and the collaborative process is undertaken, without prejudice as to any rights or interests of any participant and with a full reservation of rights by and on behalf of any and all participants. No participant shall be deemed to have waived any legal right or evidentiary claim or privilege by participation, statement or act in this process by the participant or its representatives. Nothing in this Protocol shall be construed to limit any governmental agency from complying with its obligations under applicable laws or from considering public comments received in any environmental review or other regulatory process. This process shall not be interpreted to in any manner predispose or predetermine the outcome of any permit or environmental review process.

CONTACT LOGS

Contact log sheets will be utilized to document substantive oral communications among the Participants, the City or the Commission. Contact log sheets will include: individual(s) involved; title(s); date of communication; subject of communication; issues discussed; and action(s) to be taken.

REVISIONS of the CP

Upon written approval by the City and the signatories, this CP may be revised as deemed appropriate throughout the licensing period. No changes will be made to the CP without notification of all Participants. All proposed procedural changes will be distributed in writing to all Participants for review and comment. If comments represent a consensus of opinion on the proposed change(s), the Protocol will be modified, and the revised version

distributed to the Participants list. In case of a dispute over proposed changes, the City will convene a meeting or teleconference among affected participants.

SEMI-ANNUAL PROGRESS REPORTS

The City will file with the Commission every six (6) months, a progress report that will summarize the Project status at the end of the previous 6-month reporting period. Each report will include the following for the forgoing 6-month period:

- An updated log of oral and written communications;
- Descriptions of all major action taken on the project;
- Copies of all comment letters and other written correspondence, including those with the Commission staff;
- Copies of all meeting summaries and teleconferences call records, including those with Commission staff;
- Schedule for the next 6-month licensing period, including action items;
- Other information pertinent to the licensing.

Each 6-month progress report will be placed in the Project Public Reference Files and on the Licensing Website. Each Participant will receive a copy of the cover letter submitting the progress report to the Commission along with a log of all communications filed for that period. Any Participant may request a copy of any item on the log from the City.

COMMUNICATIONS PROTOCOL APPROVAL

**BLUE LAKE HYDROELECTRIC PROJECT
LICENSE AMENDMENT**

FERC No. 2230

I have read and agree to follow this Communications Protocol proposed by the City and Borough of Sitka Electric Department to guide communications and information exchange between the Participants in the ALP for the Project .

SIGNATURE

AGENCY/ORGANIZATION

DATE

I accept the conditions of this communication protocol

I do not accept the conditions of this communication protocol

Reasons, if any: _____

Please mail to:

Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE.,
Washington, DC 20426

and

City and Borough of Sitka Electric Department
Attn: Charlie Walls, Utility Director
105 Jarvis St. Sitka, AK, 99835
charlie@cityofsitka.com and
cc deano@cityofsitka.com