

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D. C. 20426

September 15, 2009

OFFICE OF ENERGY PROJECTS

Project No. 13212-001 and 13211-001
– Alaska
Grant Lake/Falls Creek Hydroelectric
Project
Kenai Hydro, L.L.C.

Steve Gilbert, Manager
Kenai Hydro, L.L.C.
6921 Howard Avenue
Anchorage, AK 99504

Reference: Authorization to Use the Traditional Licensing Process

Dear Mr. Gilbert:

In a letter filed August 6, 2009, you requested to use the Traditional Licensing Process (TLP) in preparing a license application for the proposed 4.5-megawatt Grant Lake/Falls Creek Hydroelectric Project, which would be located on Grant Lake, Grant Creek and Falls Creek on the Kenai Peninsula, near the community of Moose Pass, Alaska. On August 6, 2009, you filed a notice of intent and pre-application document (PAD) for the proposed project.

On August 7, 2009, you filed documentation that you published notice of your request to use the TLP in editions of the Anchorage Daily News, Peninsula Clarion and Homer Tribune. Your notice contained the information required in 18 C.F.R. § 5.3(d)(2) of the Commission's regulations, including a statement requesting that comments on the request to use the TLP be filed with the Commission within 30 days of the date of the notice, which was by September 5, 2009.

The U.S. Forest Service (Forest Service) and Alaska Department of Fish and Game (Alaska DFG) filed comments September 4 and 8, 2009, respectfully, supporting the use of the TLP, with the request that scoping be held early in the licensing process to advance timely study development and provide time for analysis of results. The Kenaitze Indian Tribe, filed comments September 4, 2009, expressing no opposition to the use of the TLP.

Comments from Michael Cooney and the Sierra Club Alaska Chapter, filed September 8, and 10, 2009, respectfully, expressed concerns with the use of the TLP, particularly that the process does not afford adequate public involvement in which to voice environmental concerns. The Sierra Club also expressed concerns that the Integrated License Process (ILP), the Commission's default license process, would need to be modified through lengthened timeframes, to ensure adequate study development and deployment.

Also, comments from the Alaska Center for the Environment, filed September 8, 2009, while not advocating one process over the other, do express the different advantages of the ILP and TLP, noting that early scoping is one benefit of the ILP.

Holding scoping early in the licensing process, as suggested by the Forest Service and the Alaska DFG, would provide early identification of issues by all interested parties, which would help to foster the development of any needed studies. Kenai Hydro, L.L.C., in a comment filed September 10, 2009, expressed support of the TLP with early scoping and requested agencies and interested parties to consider this as an option when filing their comments. Early scoping also addresses some of the concerns of the Sierra Club Alaska Chapter and the Alaska Center for the Environment. In consideration of the above, I am granting your request to use the TLP with early scoping.

If you have any questions, please contact Joseph Adamson at (202) 502-8085 or via email at joseph.adamson@ferc.gov.

Sincerely,

Ann F. Miles, Director
Division of Hydropower
Licensing

cc: Mailing List
Public Files

Brad Zubeck, Project Engineer
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