

PUBLIC NOTICE

On August 6, 2009 Kenai Hydro, LLC (KHL) will file with the Federal Energy Regulatory Commission (FERC): 1) a Notice of Intent (NOI) to file an application for original license under Part I of the Federal Power Act for the Grant Lake/Falls Creek Hydropower Project (FERC No. 13211/13212); 2) a Pre-Application Document (PAD) which summarizes existing information on the Project, describes a proposed environmental study program to determine potential Project impacts, and identifies steps to developing appropriate protection, mitigation, and enhancement measures for inclusion in the license application; and 3) a request to use a Traditional Licensing Process for the Project.

The proposed Project will be located on Grant Creek, near the outlet of Grant Lake, and on Falls Creek. The proposed Project would be located near the community of Moose Pass, Alaska, approximately 25 miles north of Seward, Alaska, and just east of the Seward Highway (State Route 9). The proposed Project location is in the Kenai Peninsula Borough.

KHL is proposing to use the Traditional Licensing Process (TLP). The proposed Grant Lake/Falls Creek Project is a new, relatively small (4.5 MW) conventional hydropower project. As proposed the Project would affect flows in less than one mile of Grant Creek and less than two miles of Falls Creek and would change water levels in existing Grant Lake. The overall footprint of the proposed Project is a relatively small geographic area. KHL believes that the TLP (more than the default Integrated Licensing Process) allows for the licensing process to be scaled appropriately to the potential impacts of the proposed Project and size of the proposed Project area. KHL must effectively manage the schedule of its licensing, studies and engineering/design efforts to allow the Project to be constructed and power brought on line in an expeditious and cost effective fashion. The TLP and communications protocol proposed by KHL for the Project allows for this flexibility, and acknowledges the need to take advantage of the relatively short windows of time for field work in the Project area, while still allowing for timely filing of a license application.

Comments on the request to use the TLP are due to the Commission and to KHL no later than 30 days following the filing date identified in this notice. Responses must reference Kenai Hydro, LLC as the applicant and FERC Project No. 13211/13212, and should address, as appropriate to the circumstances of the request, the: (A) Likelihood of timely license issuance; (B) Complexity of the resource issues; (C) Level of anticipated controversy; (D) Relative cost of the traditional process compared to the integrated process; (E) The amount of available information and potential for significant disputes over studies; and (F) Other factors believed by the commenter to be pertinent. Respondents must submit an electronic filing with FERC (www.ferc.gov) pursuant to § 385.2003(c) or an original and eight copies of their comments to the Office of the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426.

Inquiries about the Project should be directed to:

Steve Gilbert
Manager
Kenai Hydro, LLC
6921 Howard Ave.
Anchorage, Alaska 99504
907-333-0810

Brad Zubeck
Project Engineer
Kenai Hydro, LLC
280 Airport Way
Kenai, Alaska 99611
907-335-6204

or by email to comments@kenaihydro.com.

The Pre-Application Document is available for inspection and reproduction at the office locations and at local libraries near the Project area identified below, and for download at www.kenaihydro.com.

Locations where the Pre-Application Document is available:

Kenai Hydro, LLC
2525 C Street, Suite 500
Anchorage, Alaska 99504

Kenai Hydro, LLC
280 Airport Way
Kenai, Alaska 99611

Moose Pass Public Library
Mile 30 Seward Hwy
Moose Pass, AK 99631-0154

Cooper Landing Community Library
Mile 0.8 Bean Creek Road
Cooper Landing, AK 99572