NO. 10440

ATTACHMENT 'F'

D. Watershed Protection

Although there is no formal watershed protection plan, the licensee meets annually with the U.S. Forest Service, Craig Ranger District (USFS) to discuss the Project, the environment, and any issues the USFS may have; a copy of the 2005 annual meeting confirmation letter from the USFS is enclosed. In this way the watershed is protected, both by having an annual meeting to discuss any issues and because of the lakes remote location, access is limited and development cannot take place without federal involvement. This provides a buffer from man and provides fish and wildlife habitat protection, maintains the aesthetics and has a minimum buffer of approximately 4 miles from development, other than the hydroelectric project.

The south half of Black Bear Lake is under federal management by the U.S. Forest Service (USFS). The northern half of the lake is under private ownership by the native corporation, SEALASKA; see the enclosed map. This remote alpine lake has a recreation cabin at the south end which is managed and maintained by the USFS. This is generally a fly-in destination, which is popular in S.E. Alaska because of the numerous private pilots there.

Originally, the recreation mitigation plan of the Project license involved constructing a recreation trail around one side of the lake from the Project headworks to the USFS cabin. However, once USFS personnel walked the route it was determined to be too steep and difficult and therefore cost prohibitive to construct a trail, particularly to USFS standards. Recreation mitigation was eventually moved off site and is currently proposed for the east side of Prince of Wales Island. A collection agreement was recently signed between the USFS and the licensee and funds transferred to the USFS to construct a cabin in 2006; a copy of which is enclosed.

USFS LETTER REGARDING 2005 ANNUAL MEETING



United States Forest Department of Service Agriculture Alaska Region Tongass National Forest Thorne Bay Ranger District P.O. Box 19001 Thorne Bay, AK 99919-0001 Phone: (907) 828-3304 Fax: (907) 828-3309

File Code: 2720-2 Date: January 17, 2006

Glen Martin Compliance Manager Alaska Power & Telephone P.O. Box 3228 Port Townsend, WA 98368

Dear Mr. Martin:

In November, 2005, Greg Nicholson of AP& T visited with the permit administrator of the Craig Ranger District to discuss the status of the project to mitigate the effects of the Black Bear Hydroelectric project on recreation at Black Bear Lake, as required by your FERC license.

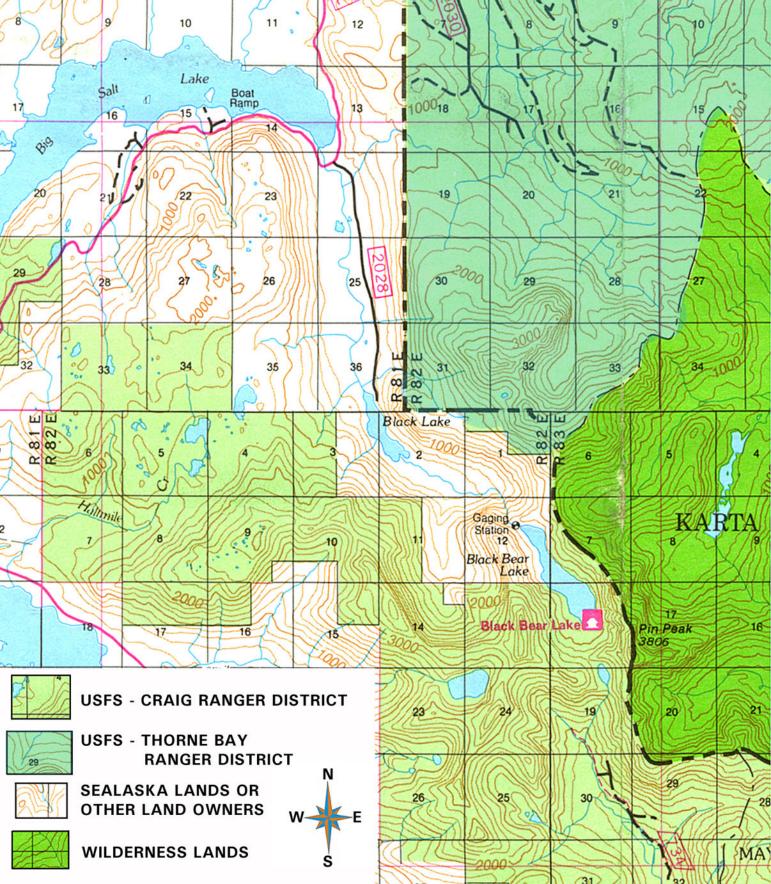
The Environmental Assessment (EA) for the new cabin on Twelvemile Arm has been completed and our engineers are currently putting together a design and construction package. This project is expected to be completed by September, 2006.

If you have any comments or questions, please contact Melanie Slayton at (907) 828-3249.

Sincerely,

JASON C. ANDERSON District Ranger

MAP OF LAND MANAGEMENT AROUND PROJECT



NO. 10440

ATTACHMENT 'G'

E. Threatened and Endangered Species Protection

Enclosed is the part of the Final Environmental Assessment dealing with Threatened and Endangered Species. No federally proposed or listed threatened or endangered species are known to occur in the project area.

In addition, enclosed is a FERC order approving the annual monitoring plan for spotted frogs that were to be studied to see if any existed in the Project area, being a sensitive species to the FS. The order states, "Because no spotted frogs were found in the project area, further protection plans and monitoring plans are not required at this time." The order also states, "Both FWS and the FS had no comments or suggestions as a result of the study according to letters dated January 4, 1994 and February 4, 1994, respectively."

Also enclosed is a copy of the January 2000 license amendment that reduces the transmission line length to 4.5 miles. The reason for this is that the transmission line grid on the island grew and became more than just the Project transmission line as diesel generation facilities also use these lines to supply power to remote communities connected to this grid.

NO. 10440

THREATENED & ENDANGERED SPECIES SECTION OF FINAL ENVIRONMENTAL ASSESSMENT be found only in the steep 0.8-mile bypass reach. Dippers forage in and nest along swift mountain streams that are below timberline. Project operations would dewater the bypass reach more than 90 percent of the time, thereby eliminating the area as suitable dipper habitat. Because dippers are fairly common in mountainous areas and habitat is widely available elsewhere on the island, the overall impact of this habitat loss is insignificant.

Unavoidable Adverse Impacts: Project construction would clear 16.3 acres of existing wildlife habitat and project facilities would permanently occupy 5.8 acres. Project operations would eliminate up to 0.8 mile of habitat for the American dipper.

6. Threatened and Endangered Species

Affected Environment: No federally proposed or listed threatened or endangered species are known to occur in the project area (Gates 1992). However, three candidate species for listing may occur there: the northern goshawk (Accipiter gentilis), the marbled murrelet (Brachyrampus marmoratus), and the spotted frog (Rana pretiosa). DOI says its unlikely that the proposed project would have any significant impact on the two bird species, but says its unclear whether the project would affect the spotted frog. DOI recommends surveys of the project area and, if necessary, appropriate measures to minimize adverse impacts.

The spotted frog is a primarily aquatic species that inhabits cold permanent water [Federal Register 54(199):42529]. It breeds in the spring in peripheral areas along flowing streams, backwater areas of major rivers, springs, and wetlands. Its range extends from the islands of southeast Alaska to scattered locations in Utah and Nevada. The species may be declining in Idaho, Nevada, Oregon, Utah, and Washington, but its status in Alaska is unknown.

Environmental Impacts and Recommendations: Project operations could affect the spotted frog, if present in Black Bear Creek, by decreasing spring flows while refilling Black Bear Lake, which could reduce the amount of peripheral shallow water breeding habitat. It's unlikely that project operations would substantially reduce habitat availability because the areas that spotted frogs might use for breeding are found below the project tailrace where several beaver dams maintain water surface elevations. We recommend monitoring and protection of the beaver population under "Effects of improved access" in the wildlife resources section. If present, we expect that the project would have little or no impact to spotted frogs. Because the spotted frog is a species of concern, however, we agree with DOI's recommendation to survey Black Bear Creek and, if necessary, formulate appropriate protection measures. This survey could coincide with the pre-construction beaver survey we recommend.

Unavoidable Adverse Impacts: None.

7. Recreation and Other Land and Water Uses

Affected Environment: Prince of Wales Island has few developed recreational facilities. The FS provides cabins, shelters, campgrounds, and small picnic areas at various locations on FS lands, and ther are some private campgrounds and lodges. Major recreational activities in the project area are dispersed fishing, hunting, hiking, and sight-seeing.

The only developed recreation facility in the project area is a 12-foot by 12-foot FS cabin at the southeast end of Black Bear Lake. Access to the cabin is achieved by float plane or float helicopter; however some people have hiked the steep slopes up to Black Bear Lake^{2/}. FS requires a \$20 registration fee per night to use the cabin and provides a lightweight skiff at the cabin for use on the lake (Alaska Power and Telephone Co. 1991). Recreationists use the cabin for fishing, hunting, and hiking. Fishing for rainbow trout--the only game fish present in Black Bear Lake--is considered poor to good.

FS records show little use of the cabin. During the past few years, only about 10 groups a year reserved the cabin; the total number of person days^{3/} has declined steadily--130 in 1987, 72 in 1988, 64 in 1989 (Alaska Power and Telephone Co. 1991). Public access and use in the project area is limited by remoteness, private land ownership, and steep and rugged topography.

Environmental Impacts and Recommendations: The project could have a minor effect on recreationists using the FS cabin at Black Bear Lake: fluctuations in the lake level, resulting from the project operations, might require users to pull the skiff further up or down the beach. FS has required AP&T to provide a floating dock to assist skiff users in accessing the lake (condition No. 7). FS has additionally required AP&T to restrict lake drawdown from occurring between June 1 and September 15, the

^{2/} Personal communication: Barbra Stanley, Recreation and Land Staff, Craig Ranger District, Forest Service, Craig, Alaska, March 24, 1992.

 $[\]frac{3}{2}$ We define a person day as a one-day stay for one person.

NO. 10440

ORDER APPROVING ANNUAL MONITORING PLAN FOR SPOTTED FROGS

UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Alaska Power & Telephone Co.

Project No. 10440-005 Alaska

ORDER APPROVING ANNUAL MONITORING PLAN FOR SPOTTED FROGS

(Issued March 16, 1994)

On February 16, 1994, Alaska Power & Telephone Co. (licensee) filed the results of a pre-construction survey for spotted frogs (<u>Rana pretiosa</u>), pursuant to Article 411 of the license for the Black Bear Lake Hydroelectric Project. Article 411 requires the licensee to file the results of a preconstruction survey as well as a protection plan and an annual monitoring plan with the Commission, along with the comments of the Alaska Department of Fish and Game, the U.S. Fish and Wildlife Service (FWS), and the U.S. Forest Service (FS).

In a pre-construction survey, no spotted frogs, tadpoles, or egg-masses were observed or heard. The study also indicated that, based on the best available literature, no spotted frogs have been observed on Prince of Wales Island.

Both FWS and the FS had no comments or suggestions as a result of the study according to letters dated January 4, 1994 and February 4, 1994, respectively.

Because no spotted frogs were found in the project area, further protection plans and monitoring plans are not required at this time.

The licensee's pre-construction survey for spotted frogs satisfies the requirements of Article 411. Implementation of this plan will provide adequate protection of spotted frogs in the project area; this plan should be approved.

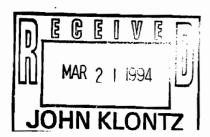
The Director orders:

(A) The pre-construction survey for spotted frogs filed on February 16, 1994, pursuant to Article 411, is approved.

(B) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 CFR § 385.713.

J. Mark Robinson

J. Mark Robinson Director, Division of Project Compliance and Administration



NO. 10440

ORDER AMENDING LICENSE FOR TRANSMISSION LINE LENGTH

JANUARY 2000

U. ... TED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

BBL Hydro, Inc.

Project No. 10440-051

ORDER AMENDING LICENSE AND APPROVING AS-BUILT EXHIBIT G

(Order Issued January 11, 2000)

On March 12, 1999, BBL Hydro, Inc. (BBL Hydro), licensee for the Black Bear Lake Project, FERC No. 10440, filed as-built exhibit G drawings-and an application to amend the license by proposing to remove the Big Salt Road portion of the transmission line from the project's license. The Black Bear Lake Project is located on Black Bear Lake, in the First Judicial District on Prince of Wales Island, Alaska.

BACKGROUND

In reviewing the as-built exhibits for the project submitted by BBL Hydro in 1995 and supplemented in 1996 and 1997, staff found that as-built exhibit G drawings do not correspond to those approved by the license ¹ and show a different transmission line alignment that correspond to the State of Alaska's proposed realignment of Big Salt Road. Ordering paragraph (E) of a Commission's order approving As-Built exhibits ², required BBL Hydro to file for Commission approval, revised exhibit G drawings showing the asbuilt conditions of the project, or an application to amend the license that includes exhibit G drawings showing any changes to the project boundary, site plan, and transmission line route that would result from the proposed re-alignment following the new state highway alignment.

BBL Hydro filed an application to amend the license on March 12, 1999, and a revised exhibit G-1, showing the facility location map with current ownership, and revised exhibit G-3 showing the transmission line route.

REVIEW

In its filing, BBL Hydro states the transmission line along the Big Salt Road shown in as-built exhibits G-3 and G-4 should be removed from the project's license

¹65 FERC ¶ 62,122 Order Issuing New License (Major), issued November 9, 1993, and 69 FERC ¶ 62,108 Order Amending License and Approving Revised Exhibits, issued November 4, 1994.

²82 FERC ¶ 62,080, issued February 8, 1998.

Project No. 10440-051

since it is a regional distribution line owned by Alaska Power Company. The line transmits power from various power plants along the route including BBL's Black Bear Lake Project. At Staff's request, on October 13, 1999, BBL Hydro filed a map showing the power generation sites that are currently interconnected with the Big Salt Road distribution line.

-2-

A public notice of BBL Hydro's proposal to remove the Big Salt Road portion of the transmission line from the license was issued on October 25,1999. No comments were received. This order removes the Big Salt Road portion of the transmission line from the Black Bear Lake Project's license and changes the project's description accordingly.

Staff reviewed the revised exhibits G-1, G-3 filed along with the license amendment application on March 12, 1999, and revised exhibit G-2 submitted along with a letter dated December 7, 1999, and found them to be in conformance with the Commission's rules and regulations. Since exhibit G-4 only contains the transmission line, and that line is no longer part of the project, the exhibit can be eliminated from the license. This order approves the exhibit drawings and assigns drawing numbers as described in ordering paragraph (C).

The Director orders

(A) The application for amendment of license for the Black Bear Lake Project, FERC No. 10440, filed on March 12, 1999, is approved effective the issuance date of this order.

(B)The project's description in Ordering Paragraph (B)(2) is revised in part to read as follows:

(2) Project works consisting of \dots (k) a 34.5 kV, 4.5 mile long transmission line from the powerhouse to the intersection with the Big Salt Road distribution line;...

(C) The exhibits G-1 and G-3 filed along with the amendment application on March 12,1999, and exhibit G-2 filed along with December 7, 1999 letter, conform to the Commission's rules and regulations. The order approves the filed exhibit drawings and assigns drawing numbers as shown below. Project No. 10440-051

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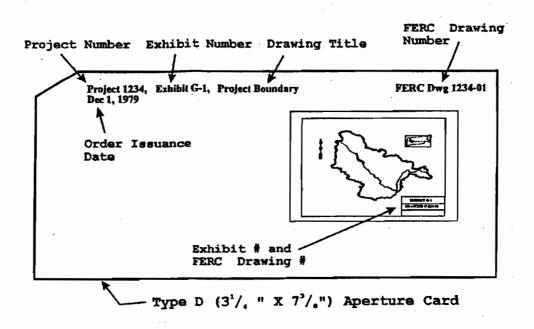
Exhibit	Assigned FERC Drawing No.	Title	Superseded Drawing No.
G-1	10440-57	Facility Location Map	10440-10
G-2	10440-58	Site Plan	10440-11
G-3	10440-59	Transmission Line Route	10440-12

(D) Exhibit G-4, FERC drawing No. 10440-13 is eliminated from the license.

(E) Within 90 days of the date of issuance of this order, the licensee shall file four original sets of aperture cards of the approved drawing reproduced on silver or gelatin 35 mm microfilm. All microfilm should be mounted on Type D $(3\frac{1}{4} \times 7\frac{3}{6})$ aperture cards.

Prior to microfilming, the FERC Drawing Numbers, (10440-57 thru 59), shall be shown in the margin below the title block of the approved drawing. After mounting, the FERC Drawing Number should be typed in the upper right corner of each aperture card. Additionally, the Project Number, FERC exhibit G(1 thru 3), Drawing Title, and date of this order should be typed in the upper left corner of each aperture card. See Figure 1.

Project No. 10440-051



-4-

Figure 1. Sample Aperture Card Format

The original and one duplicate set of aperture cards should be filed with the Secretary of the Commission. One duplicate set of aperture cards should be filed with the Commission's Portland Regional Office. The remaining set of cards, should be filed with the Bureau of Land Management's Alaska State Office at the Following address:

State Director Alaska State Office Bureau of Land Management 222 W 7th Avenue #13 Anchorage, AK 99513-7599

(F) This order constitutes final agency action. Requests for rehearing by the commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. §385.713.

Hossein Ildari Chief

Engineering Compliance Branch

NO. 10440

ATTACHMENT 'H'

F. Cultural Resource Protection

Enclosed is the Conclusions and Recommendations of the archaeological investigation report that was included in the license application appendices. No significant archaeological or historical sites were discovered either during the archaeological survey or during the pre-field literature search or during interviews held with several persons especially knowledgeable about area history. A cultural resource management plan would only have been developed if archaeological or historical sites were discovered, though none were.

NO. 10440

ARCHAEOLOGICAL INVESTIGATIONS REPORT FROM LICENSE APPLICATION APPENDICES – CONCLUSIONS AND RECOMMENDATIONS FINAL ARCHEOLOGICAL INVESTIGATIONS FOR THE PROPOSED BLACK BEAR LAKE HYDROELECTRIC PROJECT, PRINCE OF WALES ISLAND, ALASKA

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Report To

Harza Engineering Company 150 South Wacker Drive Chicago, Illinois 60606

Prepared By

Alaska Heritage Research Group, Inc. P.O. Box 397 Fairbanks, Alaska 99707

> Glenn Bacon Archeologist

August 1982

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CONCLUSIONS AND RECOMMENDATIONS

An intensive and careful archeological survey of three survey areas, all potentially impacted by development of the Black Bear Lake hydroelectric site, yielded evidence of only minor historical use of the land. Aside from logging roads, material remains consisted of a minor litter of trash and of several cut trees near Hydaburg.

The modern litter appeared to be randomly distributed over the landscape, but was clearly associated with the existing roadways. None of it is considered to possess necessary antiquity to be considered for inclusion in the National Register of Historic Places under criteria set forth in 36 CFR 800 FF. The cut trees near Hydaburg may represent harvest of construction or fuel materials, or they may be related to construction of a wooden aquaduct. None of this activity occurred early enough to be considered historically significant.

No significant archeological or historical sites were discovered either during the archeological survey or during the pre-field literature search or during interviews held with several person especially knowledgeable about area history. An earlier study of remaining portions of the potential impact area concluded that those areas contained no significant cultural material which would be adversely effected by proposed construction of the Black Bear Lake hydroelectric facility and associated transmission lines. An

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archeological survey conducted by the U.S.D.A. Forest Service on land between our Natzuhini Bay survey area and our Hydaburg survey area also failed to detect the presence of significant historical material. Thus we conclude that construction of the Black Bear Lake hydroelectric project poses no threat to any known significant cultural resource.

Because archeology is a limited science it is not foolproof. The standard archeological techniques employed during our investigation may fail to detect buried cultural material. Given the thoroughness of our effort, we feel this possibility to be extremely remote. However, in the event that historical material is encountered during construction, it is appropriate to contact the land owner and the Alaska Historic Preservation Office for guidance.

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