

PPL Montana, 45 Basin Creek Road, Butte, Montana 59701



PPLM-2301-2066

December 15, 2006

Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Mystic Lake Hydroelectric Project 2301-019 Filing of Final License Application (FLA) per the Commission's Integrated Licensing Process (ILP)

Dear Secretary Salas:

PPL Montana, LLC (PPLM) herein files the Mystic Lake Project Final License Application (FLA) with the Federal Energy Regulatory Commission (the "Commission") pursuant to the Commission's Integrated Licensing Process (ILP) rules, 18 C.F.R. § 5.1 *et seq.* We appreciate Commission staff and stakeholder contributions toward the filing of this pioneer FLA.

The Mystic FLA is organized into the following 7 public and non-public Volumes:

Volume I (Public) Exhibits A-D, H
Volume IA (Public) Exhibit E
Volume IIA (NIP) Exhibit E Figures
Volume IIB (NIP) Exhibit G
Volume III (CEII) Exhibit F
Volume IV (Privileged) Final HPMP
Volume V (Privileged) Draft PA

The original and eight copies of Volumes I and IA are being filed with this letter. These Volumes will also be posted to, and may be downloaded from, PPL Montana's Mystic Lake ILP website at www.mysticlakeproject.com as of December 15.

Volumes IIA and IIB constitute Non Internet Public (NIP) information. The original and eight copies of Volumes IIA and IIB are being filed with this letter. Stakeholders may request these Volumes directly from PPL Montana.

Volumes III is CEII and the original plus two copies are being filed as hard copy under cover of this letter. PPLM requests that Volume III be placed in the Commission's non-public files.

Volumes IV and V are privileged and the originals (no copies) are being filed as hard copy under cover of this letter. PPLM requests that they be placed in the Commission's non-public files.

PPLM will send an email to all stakeholders listed on the Mystic Lake relicensing Project Contact List to access public documents in this filing via the PPLM Mystic ILP website at www.mysticlakeproject.com.

PPLM, in consultation with resource agencies and other public and private stakeholders, has made numerous previous filings (Mystic NOI, PAD, Final Study Plan, Study results and Preliminary Licensing Proposal) with the Commission as part of the Mystic ILP process. Public information contained in these filings is available from the Commission or from the PPLM Mystic ILP website at www.mysticlakeproject.com. The FLA provides additional information and clarification and PPLM responses to comments and questions received from the Commission, USFS and SHPO on the Mystic Project Preliminary License Proposal filed on June 1, 2006.

The Mystic FLA does not propose to materially modify the present operation of the Project under a new license. The FLA does propose various protection, mitigation and enhancement (PM&E) measures to better conserve, protect and enhance fisheries and aquatic habitats, wildlife and terrestrial habitats, water quality, recreation, land-use, aesthetics and cultural resources affected by the Project. The FLA also proposes monitoring of Project resources to ensure long-term effective resource and Project management.

PPLM is presently working with Commission and USFS staff to resolve Mystic Project Wilderness boundary issues, first identified to PPLM in late 2006, in the context of the Mystic ILP process.

Sincerely,



Jon H. Jourdonnais,
Director Hydro Licensing and Compliance

Cc: Service List