

MYSTIC LAKE PROCESS PLAN AND COMMUNICATIONS PROTOCOL

Mystic Lake Hydroelectric Project

FERC Project 2301

PPL Montana

Last Updated 2/20/07

The specific dates in this process plan will be updated over time as the Mystic Lake relicensing effort proceeds.

Responsible Entity	Pre-Filing Milestones	Date	FERC Reg
PPLM	Begin Consulting with Agencies, Tribes, Public	6/24/03	5.1(d)
PPLM	Begin Preparing Pre-Application Document (PAD)	6/24/03	5.6
PPLM	Issue Public Notice for NOI/PAD	6/15/04	5.4(d)(2)
PPLM	File NOI/PAD	7/1/04	5.5, 5.6
FERC	Tribal Meetings (if any)	None	5.7
FERC	Issue Public Notice for NOI/PAD; Issue SD1	7/15/04	5.8
FERC	Mystic Project Site Visit and Scoping Meetings	8/10-8/12	5.8(b)(3)(viii)
All Stakeholders	PAD/SD1 Comments Due	9/15/04	5.9(a)
FERC	Issue Scoping Document 2	None	5.10
PPLM	File Proposed Study Plan	11/1/04	5.11(a)
All Stakeholders	First Proposed Study Plan Meeting	12/1&2/04	5.11(e)
All Stakeholders	Proposed Study Plan Comments Due	2/1/05	5.12
PPLM	File Revised Study Plan	3/1/05	5.13(a)
All Stakeholders	Revised Study Plan Comments Due	3/15/05	5.13(b)
FERC	Director's Study Plan Determination	3/30/05	5.13(c)
FS, FWS, MDEQ	Any Study Disputes Due ¹	None	5.14(a)
Dispute Resolution Panel	Third Panel Member Selected	N/A	5.14(d)(3)
Dispute Resolution Panel	Dispute Resolution Panel Convenes	N/A	5.14(d)
PPLM	PPLM's Comments on Study Disputes Due	N/A	5.14(i)
Dispute Resolution Panel	Dispute Resolution Panel Technical Conference	N/A	5.14(j)
Dispute Resolution Panel	Dispute Resolution Panel Recommendations	N/A	5.14(k)
FERC	Director's Study Dispute Determination	N/A	5.14(l)
PPLM	First Study Season	Summer 05	5.15
PPLM	Initial Study Report	10/3/05	5.15(c)(1)
All Stakeholders	Initial Study Report Meeting	10/18/05	5.15(c)(2)
PPLM	Initial Study Report Meeting Summary	11/1/05	5.15(c)(3)
All Stakeholders	Any Disputes/Requests to Amend Study Plan Due	12/1/05	5.15(c)(4)
All Stakeholders	Responses to Disputes/Amendment Requests Due	1/2/06	5.15(c)(5)
FERC	Director's Determination on Disputes/Amendments	2/1/06	5.15(c)(6)
PPLM	Second Study Season ²	None	5.15
PPLM/FERC/FS/Tribes/ SHPO	Meeting to Review Preliminary Draft Historic Properties Management Plan (HPMP)	5/1/06	N/A
PPLM	File Preliminary Licensing Proposal ³	6/1/06	5.16
All Stakeholders	Preliminary Licensing Proposal Comments Due	8/30/06	5.16(e)
PPLM	Filed Water Quality Certificate App with MDEQ	10/2/06	5.23(b)
MDEQ	Issued Adequacy Decision on WQC Application	11/2/06	N/A
MDEQ	Issued Tentative WQC and Public Notice	12/1/06	N/A

¹ Shaded milestones are unnecessary if no disputes.

² The following ILP steps have been omitted from this relicensing schedule: (1) a second study season under § 5.15; (2) an Updated Study Report, Meeting and Meeting Summary under § 5.15(f); and (3) an Updated Study Report Dispute Resolution Process under § 5.15(f). See PPLM's Initial Study Report Meeting Summary filed 11/1/05.

³ The Preliminary Licensing Proposal will contain PPLM's preliminary draft: (1) HPMP, (2) Biological Assessment, and (3) Biological Evaluation.

PPLM	Issued Public Notice of License Application	12/1/06	5.17(d)(2)
PPLM	Filed Final License Application^{4,5}	12/15/06	5.17(a)

Responsible Entity	Post-Filing Milestones	Date	FERC Regulation
FERC	Issued Public Notice of License Application (Tendering Notice)	12/19/06	5.19
MDEQ	Issued Mystic Final 401 Water Quality Certificate (consistent with Mystic FLA PM&E)	1/19/07	N/A
FERC	Director's Determination on any Additional Study Requests and Notification of any Deficiencies	1/11/07	5.19(d) 5.20(a)(2)
MT SHPO	Issued concurrence with Historic Properties Management Plan and Programmatic Agreement	1/27/2007	
PPLM	Filed FLA Deficiencies and Additional Information Request with FERC	2/20/2007	
FERC	Issue Public Notice Accepting Application and Ready for Environmental Analysis	3/5/07	5.22
All Stakeholders	Comments, Interventions, and 10(a) Recommendations Due	5/4/07	5.23(a)
Agencies	FWS, MFWP 10(j) Recommendations Due; FS 4(e) Preliminary Terms and Conditions Due;	5/4/07	5.23(a)
PPLM	File revised Exhibit G Drawings of wilderness and Project Boundary from ground survey with FERC	7/15/2007	
FERC	Issue Single Environmental Assessment (EA);	8/31/07	5.24(a)
All Stakeholders	Single EA Comments Due	10/1/07	5.24(c)
FS, FWS	FS Modified 4(e) Terms and Conditions Due	11/30/07	5.24(d)
FERC	Issue License Order	02/2008	FPA

⁴ A license application must be filed by 12/31/07 (current license expires 12/31/09).

⁵ The Final License Application contains PPLM's draft: (1) HPMP, (2) Biological Assessment, and (3) Biological Evaluation.

Mystic Lake Project Communications Protocol

1.0 Introduction

PPL Montana “PPLM” has a license to operate the existing hydroelectric power generation project at Mystic Lake “Mystic Project” on West Rosebud Creek, southwest of Columbus, Montana. That license will expire December 31, 2009. PPLM plans to apply to relicense the facility for continued operation and is required to begin that process from five to five and one half years (June 30, 2004) before license expiration. The federal hydro licensing agency is the Federal Energy Regulatory Commission, “FERC”. The relicensing process is a public process and is subject to rules set forth by FERC.

The relicensing decision is subject to compliance with the Federal Power Act (Sections 4(e), 10(j), 10(a) and 18), Clean Water Act (Section 401), Endangered Species Act, Federal Land Policy and Management Act, National Forest Management Act, National Historic Preservation Act (Section 106), Fish and Wildlife Coordination Act, and National Environmental Policy Act.

Interested members of the public, local elected officials, affected Tribal governments, non-governmental organizations and public agencies with jurisdictional responsibilities, collectively “stakeholders”, have an extensive opportunity to participate in the relicensing process. FERC recognizes three specific relicensing processes to accommodate public involvement. Of the three relicensing processes, PPLM has chosen the “Integrated Licensing Process” or ILP.

The ILP was recently developed by FERC to reform and streamline the hydro relicensing process. Rules for the ILP were adopted by FERC in July of 2003. The ILP establishes methods for identifying issues of concern, determining the scope of studies to address those issues, and resolving the issues in an orderly, timely fashion. The ILP follows a structured process and imposes deadlines on all participating parties. Participation in this process does not limit the legal rights or statutory authority of any stakeholder.

PPLM intends to use a collaborative process to relicense the Mystic Lake Project. Relicensing is a lengthy process. Effective involvement by stakeholders requires a substantial commitment. PPLM believes the process will work best when issues are clearly identified and sufficient time is allowed for information gathering, responsible deliberation and reasonable decisions.

Those who choose to participate will be part of a Mystic relicensing team “Relicensing Team”. The purpose of this communications protocol is to establish how communications and information sharing will be facilitated among Mystic project participants – PPLM, FERC, and stakeholders – during the pre-filing stage of this relicensing.

2.0 Communications and Information Sharing

2.1 Public Reference File

PPLM will maintain an electronic public reference file on the Mystic Lake website at www.mysticlakeproject.com until a formal Mystic License Application is filed by PPLM with the Commission.

After filing a formal Mystic License Application with the Commission, PPLM will maintain both electronic (via the Mystic website at www.mysticlakeproject.com) and hard copies of all relevant written communications, meeting summaries, reports and project documents in a physical public reference file located at the Columbus Public Library in Columbus, Montana. This physical public reference file will be maintained until the Mystic Lake relicensing proceeding is terminated by FERC (after FERC issues an order on PPLM's final license application).

Certain documents in the public reference file may be restricted from public viewing in accordance with FERC's regulations protecting Critical Energy Infrastructure Information at 18 CFR 388.113. Other information may be restricted if the release of such information would endanger, for example, a sensitive cultural resources site - see FERC's regulations at 18 CFR 388.112. Finally, PPLM may restrict certain information like study reports by copyrighting in the event there is a competitor for the Mystic Lake Project.

The Mystic Project PAD (and other formal Mystic Project documents filed with the Commission by PPL Montana) will be organized into four volumes: Volume 1- Public Information; Volume 2 - Non-Internet Public Information; Volume 3 - Critical Energy Infrastructure Information; and Volume 4 - Privileged Information. PPL Montana will file all four volumes with the Commission and will provide Volumes 1 and 2 to any interested entity. Volumes 3 and 4 must be obtained directly from the Commission via a written request. A short description of each category of information and contact information for obtaining Volumes 3 and 4 from the Commission is given below.

Critical Energy Infrastructure Information (CEII): This is information about proposed or existing critical infrastructure that: (i) relates to the production, generation, transportation, transmission, or distribution of energy; (ii) could be useful to a person in planning an attack on critical infrastructure; (iii) is exempt from mandatory disclosure under the Freedom of Information Act (FOIA) and; (iv) does not simply give the location of the critical infrastructure. Anyone seeking this information from the Commission must file a CEII request. Instructions for filing such a request are on the FERC's website at www.ferc.gov/help/how-to/file-ceii.asp.

Non-Internet Public Information (NIP): This is information, typically maps and drawings, that does not rise to the level of CEII. FERC provides this information to the public, but not through the internet. Instructions for obtaining NIP information are on FERC's website at www.ferc.gov/legal/ceii-foia/ceii/nip.asp.

Privileged Information: This is information that is sensitive because, for example, it relates to an applicant's financial standing or, its release could present a risk of harm or theft to archeological or cultural resources. Anyone seeking this information from FERC must file a FOIA request.

Instructions for filing such a request are on the FERC's website at www.ferc.gov/legal/ceii-foia/foia.asp.

Public Information: This is all remaining information not previously designated in the above categories. In general, this information is available from FERC's Public Reference Room www.ferc.gov/help/pub-ref-rm.asp or from FERC's eLibrary system available online at www.ferc.gov/docs-filing/elibrary.asp.

Anyone may obtain copies of documents in the Public Reference File, subject to the above restrictions, at the four locations cited above. Or, you may request copies by contacting Jon Jourdonnais, Director of Hydro Licensing and Compliance, PPL Montana, 45 Basin Creek Road, Butte, MT 59701, jjourdonnais@pplweb.com. A fee may be charged for extensive copying requests.

All documents issued and filed with FERC are available on FERC's website at www.ferc.gov. Click on "Documents and Filing," "eLibrary," then "General Search." The website provides further instructions for obtaining documents.

2.2 Providing Documents to PPLM and FERC

To place a document in PPLM's Public Reference File, send one hard copy and one electronic copy (in Microsoft Word format) to: Jon Jourdonnais, Director of Hydro Licensing and Compliance, PPL Montana, 45 Basin Creek Road, Butte, MT 59701. Please put the following on the front cover of any document you submit "PPLM Mystic Lake Hydroelectric Project No. 2301."

To place a document in FERC's official project file, you may electronically file documents (see instructions at <http://www.ferc.gov/docs-filing/efiling/user-guide/userguide.pdf>) or send an original and eight hardcopies to: The Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington DC 20426. Please place the following on the front cover of any document you file with FERC: "PPLM Mystic Lake Hydroelectric Project No. 2301."

2.3 Document Distribution

PPLM will distribute all documents in electronic format (MS Word, MS Excel, ASCII, PDF) to the extent possible but may distribute certain documents in hard copy as well. The following procedures govern the distribution of documents to interested parties and stakeholders:

Document	Distribution
Informal Communications	Email or phone
Meeting Notices and Agendas, Process Plan	Website
Meeting Summaries (once approved by PPL Montana)	Website
Major Documents including: Pre-Application Document, Scoping Document 1, Proposed Study Plan, Completed Study Reports, Initial and Updated Study Reports, Preliminary Licensing Proposal, and Final License Application	Website and/or CD-ROM
Related Background Studies	Website
Progress Reports	Website and/or CD-ROM

3.0 Organization of the Relicensing Team

The Relicensing Team will consist of PPLM advised by stakeholders who will be organized into Resource Groups (RGs).

PPLM will be responsible for project coordination among participating stakeholders. The goal of PPLM and the stakeholders is to develop the final terms of a Settlement Agreement, adopt protection, mitigation, and enhancement measures “PM&Es,” and develop a PPLM Adaptive Stewardship Funding Mechanism.

PPLM will be advised by four RGs:

1. Fisheries, Aquatic Habitat and Water Quality
2. Wildlife and Terrestrial Habitats
3. Recreation, Land Use and Aesthetics
4. Cultural

The RGs will be designated representatives of stakeholders in one or more of the four groups and will be responsible for presenting related stakeholder goals, identifying issues, determining information needed to resolve issues, oversight of the design and implementation of studies, and the development of recommended PM&Es.

4.0 Study Requests and Study Plan

The Mystic Project is located entirely within the Custer National Forest boundary. The Forest Service, other federal agencies, State and local government have adopted resource management goals for the natural and recreation resources in this area. Issues will arise regarding the potential affect of ongoing operations on the ability of resource managers to reach their goals. These issues may be resolved based on existing information. Some may require further study. Agreement will be obtained by successfully addressing all project-related issues. PPLM’s goal is

to reach agreement regarding the relicensing of the Mystic Project including appropriate PM&E measures.

The ILP's protocols for developing study plans may be the most meaningful and important feature in the new licensing process. All parties are encouraged to submit draft study requests to the FERC (with a copy to PPL Montana) by September 15, 2004 per format below:

Mystic Project Study Request Application

Title of Proposed Study:

Sponsor(s) of Proposed Study:

Date Submitted:

**Applicants requested to fully answer the following seven criteria
(adapted from FERC Regulations 18 CFR 5.9(b))**

- 1) Describe goals and objectives of proposed study and the information to be obtained.
- 2) If applicable, explain any relevant resource management goals for agencies or Tribes with jurisdiction over the resource to be studied.
- 3) If applicant is not an agency, explain any relevant public interest in regard to the proposed study.
- 4) Describe existing information on subject of proposed study and the need for additional information.
- 5) Explain any connection between project operation and effects (direct, indirect or cumulative) on the resource to be studied and how study results will help identify potential project impacts and assist in development of License conditions.
- 6) Explain how proposed study methods (including data collection and analysis techniques, study schedule and duration) is consistent with accepted scientific practices or considers, as appropriate, relevant Tribal values and knowledge.
- 7) Describe level of effort and anticipated cost and why alternative studies would not be sufficient to meet stated information needs.

Describe any cost-share funds or in-kind services the Sponsor proposes to contribute toward this study.

Email completed application in Word or .PDF format to jhjourdonnais@pplweb.com or mail hardcopy application to Jon Jourdonnais at PPL Montana, 45 Basin Creek Road, Butte, Montana, 59701. If questions, please use email above or call 406-533-3443.

PPLM will develop and file an overall Mystic study plan “Study Plan” with FERC by November 1, 2004. The proposed Study Plan will identify all studies that that PPLM proposes to conduct in response to draft study requests received after public review of the PAD.

PPLM’s proposed Study Plan must include a detailed description of each study to be conducted, a schedule for conducting the study, and provisions for periodic progress reports. The Study Plan must also include the seven criteria above in any explanations of study requests not adopted by PPLM and must explain how each proposed study meets these seven criteria. PPLM must also propose a Study Plan meeting(s) within 30 days of filing the Study Plan with FERC to clarify the plan and to resolve outstanding issues. After the proposed Study Plan is filed with FERC, participants are allowed 90 days to comment on the plan. PPLM then has 30 days to revise the plan based on input received and resubmit the plan for FERC approval. FERC then has 30 days to issue a determination on the plan. The current dates for these milestones are shown on the process plan schedule.

5.0 Meetings of the Relicensing Team

There will be a variety of meetings or conference calls that will occur during the pre-filing stage of the relicensing process including Relicensing Team and RG meetings, subgroup or task force meetings, and National Environmental Policy Act scoping meetings. FERC staff may attend and participate in any of the relicensing meetings at their discretion. The RGs will determine their own schedule. Throughout the pre-filing stage of relicensing, PPLM will comply with all procedural requirements and filing deadlines of the ILP set by FERC. These deadlines and procedural requirements will be integrated in the meeting schedule in consultation with the Relicensing Team. PPLM will provide conference call capabilities for meetings where possible and requested by participants in advance.

The RGs will meet or conference call relatively frequently, the Relicensing Team, as a whole, less often. FERC will hold a site visit and two scoping meetings in August 2004. Stakeholders may make contacts and initiate discussions with one another outside of scheduled meetings. Informing or including others in such discussions is discretionary. No documentation of such discussions will be required.

PPLM will provide facilitators for RG meetings. These facilitators will be PPLM employees or consultants hired by PPLM. The facilitators will be responsible for summarizing meetings and noting decisions made by the group. Meeting summaries will be reviewed by meeting participants prior to being placed within the Public Reference File.

PPLM will maintain a mailing list of all interested stakeholders on its website. Meeting notices and agendas will be sent to all those on the mailing list by email unless a hard copy has been requested. Stakeholders should also request to have their name and address added to FERC’s official mailing list for the project. The official mailing list for the project can be viewed on FERC’s website at www.ferc.gov.

Meetings may be conducted in person or by teleconference. The Cultural RG will be closed to the public when sensitive or confidential matters are discussed.

6.0 Duration and Revision

This Communication Protocol will remain in effect until PPLM files its Final License Application with FERC expected on or before December 15, 2006. Agreement of PPLM and at least a majority of the Relicensing Team may revise this Communications Protocol.