

Mystic Lake Hydroelectric Project Pre-Licensing Meeting

25 June 2003

Morning Proceedings

Call to Order

The informal meeting was called to order at 9:00 AM by Jon Jourdonnais, Director of Hydro Licensing of PPL Montana. Mr. Jourdonnais outlined the day's procedures: formal presentations in the morning with a general round-table discussion following the lunch break.

Overview of the Mystic Lake Hydroelectric Dam Project

The Mystic Lake Hydroelectric Dam Project is in south-central Montana.

Mr. Jourdonnais' presentation focused on how to best manage the cost (of the relicensing) to PPL shareholders while leveraging resource benefits to the public.

He said the PPL goal is to define compliance scope with the Federal Energy Regulatory Commission (FERC) to "build a plan with achievable goals."

It is PPL Montana's intention to file for relicensing by June 31, 2004.

The strengths of the Mystic Lake project include:

- ◆ Remote area
- ◆ Recreational opportunities present
- ◆ Some resource enhancements complete
- ◆ Public and private partnerships will provide a head start on relicensing.

He outlined the project's Best Business Practices with an eye on how to use emerging technology to best advantage, cost management, hydroelectric safety, cost sharing, and regulatory guidelines that meet, and exceed, stewardship requirements for the area.

Mr. Jourdonnais said it is PPL's intention to enter into formal agreements with all agencies involved in the relicensing project to pursue voluntary cost management which would benefit the general public who use the Mystic Lake area for recreational and other resource purposes.

Mr. Jourdonnais cited the Madison & Missouri Rivers Project (2188) as a model for relicensing outcomes. PPL Montana developed a program for the Madison and Missouri Rivers that optimized the benefits of river and recreational resources.

There were no questions following this presentation.

Overview of the Mystic Lake Hydroelectric Dam Project (con't)

Mr. Jeff Frost, of Rec Resources, with a recreation and ecotourism consulting firm in Vancouver, BC, Canada, reported on a recreational survey of the Mystic Lake Project conducted in 2001. The survey included an estimated 1,000 people in exit interviews, and cited an 84% response to the questionnaire.

A brief question and answer period followed that was focused on the questionnaire and the condition of Mystic recreation resources.

Mr. Douglas Foss, project engineer with GEI Consultants, Inc., Bozeman, MT, commented that building relationships in the public and private sectors (for relicensing) is a fun and interesting job coupled with challenging problems. Mr. Foss commented briefly on the FERC process, and reiterated that the waters (of Mystic Lake) belong to the people for recreational as well as for other uses. The goal of the project is to balance value for energy and management of the natural resources of the area.

Mr. John Pizzimenti, an environmental practice leader with GEI Consultants, Inc. (Lake Oswego OR) reiterated the PPL promise to use the resources of Mystic Lake efficiently.

Mr. Tyler Haddix, a GEI environmental scientist (Missoula, MT) outlined the protocol for studying the Mystic Lake area prior to relicensing, and to re-examine the fisheries use of the area. Mystic Lake is an ultra-ligotrophic lake with abundant and self-sustaining rainbow trout.

Mr. Jourdonnais said PPL Montana will convene technical advisory groups to review Mystic Lake study plans and facilitate the methodology for relicensing.

Larry H. Gruel, resource coordinator for PPL Montana, said the company is committed to long-term monitoring of the Mystic Lake project.

Bruce Bugbee, president of American Public Land Exchange, Missoula, MT, said the proposed study plan prior to relicensing provides good information.. He also addressed the issue of the necessary collaborative efforts and filing. Mr. Bugbee requested to see an outline or example of a PAD, and suggested the first projects for FERC relicensing be conducted in work groups. There was a general consensus of agreement to Mr. Bugbee's suggestion.

The meeting was adjourned at 11:50 AM

Afternoon Proceedings

Overview of FERC Relicensing	Mr. Steve Hocking, an environmental specialist with the Federal Regulatory Commission, outlined the procedure for relicensing the
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	<p>Mystic Lake Hydroelectric Dam Project.</p> <p>Mr. Hocking also advised that the Crow Tribe may need to be contacted because of past boundaries of the project.</p> <p>Some state and federal agencies that will be involved in the relicensing include:</p> <ul style="list-style-type: none"> ◆ Montana Department of Environmental Quality ◆ US Forest Service ◆ US Fish & Wildlife Service ◆ Montana Fish, Wildlife & Parks <p>Mr. Rob Hazlewood, the senior staff wildlife biologist with the US Fish & Wildlife Service in Helena, advised that area species (at the Mystic Lake Hydroelectric Dam Project) include grizzly bear, wolves, lynx, bald eagle and falcon, that need to be addressed in relicensing.</p> <p>Mr. Jourdonnais passed around a sign-up sheet for those interested in participating in technical advisory committees and preliminary studies.</p> <p>Mr. Hocking said the FERC director, not local authorities, will make the final call on dispute resolution.</p> <p>Mr. Hocking said FERC will come up with a communications protocol with the cooperative agencies and will transfer information as quickly as possible.</p>								
<p>FERC Relicensing Procedures</p>	<p>Mr. Hocking then outlined the FERC procedure for the Integrated Licensing Process (ILP) using new, but not yet finalized, rules.</p> <table border="1" data-bbox="506 1438 1485 1923"> <thead> <tr> <th data-bbox="506 1438 998 1480">Procedure</th> <th data-bbox="998 1438 1485 1480">Estimated Date of Completion</th> </tr> </thead> <tbody> <tr> <td data-bbox="506 1480 998 1627"> <p>Applicant Files NOI and PAD</p> <ul style="list-style-type: none"> ◆ Commends on use of TLP or ALP if requested </td> <td data-bbox="998 1480 1485 1627"> <p>July, 1, 2004</p> </td> </tr> <tr> <td data-bbox="506 1627 998 1806"> <p>Commission Notices NOI/PAD and invites agencies to cooperate</p> <ul style="list-style-type: none"> ◆ Commission acts on TLP or ALP requests </td> <td data-bbox="998 1627 1485 1806"> <p>August 1, 2004</p> </td> </tr> <tr> <td data-bbox="506 1806 998 1923"> <p>Commission holds scoping meetings/site visits. Discuss issues, management objective, existing</p> </td> <td data-bbox="998 1806 1485 1923"> <p>September 1, 2004</p> </td> </tr> </tbody> </table>	Procedure	Estimated Date of Completion	<p>Applicant Files NOI and PAD</p> <ul style="list-style-type: none"> ◆ Commends on use of TLP or ALP if requested 	<p>July, 1, 2004</p>	<p>Commission Notices NOI/PAD and invites agencies to cooperate</p> <ul style="list-style-type: none"> ◆ Commission acts on TLP or ALP requests 	<p>August 1, 2004</p>	<p>Commission holds scoping meetings/site visits. Discuss issues, management objective, existing</p>	<p>September 1, 2004</p>
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information, information needs, process plan and schedule	
Comments and information requests	October 1, 2004
Revised PAD with Draft Study Plan	November 15, 2004
Commission issues Scoping Document (SD) 1	December 15, 2004
Comments on SD1 and Study Plan, provide detailed study requests	January 15, 2005
Study Plan Meeting	February 15, 2005
Applicant files revised study plan for Commission approval	March 15, 2005
Commission issues Preliminary Decision on Study plan. <ul style="list-style-type: none"> ◆ If there are disputes, the mandatory agencies file notice of study disput 	April 15, 2005
Final order on study plan <ul style="list-style-type: none"> ◆ Commission issues SD2 if necessary 	May 20, 2005 - July 15, 2005
First Season studies and study review <ul style="list-style-type: none"> ◆ Applicant files interim report ◆ study meeting ◆ requests for study plan modification 	Summer 2005
Second season studies, if needed, and study review (same as first season)	Summer 2006
Draft License Application	Jan 1, 2007 - May 1, 2007
Comments on Draft Application <ul style="list-style-type: none"> ◆ Additional information requests, if needed 	April 1, 2007 - August 1, 2007

Post-Filing Activity	License Application Tendering Notice Commission decision on any outstanding pre-filing AIR Notice of Acceptance Notice of Ready for Environmental Analysis Comments, interventions, preliminary terms and conditions Commissions issues draft EA or EIS Comments on draft EA or EIS Modified terms and Conditions Commission issues Final EA or EIS Commission issues license order	December 31, 2007 February 1, 2008 February 1, 2008 April 1, 2008 April 1, 2008 June 1, 2008 December 1, 2008 Jan 1, 2009 March 1, 2009 June 1, 2009 September 1, 2009
Discussion on FERC timeline	Mr. Jourdonnais set June 31, 2004 as the goal for the PAD/NOI with FERC scoping meetings in September, 2004.	