January 25, 2013

Kimberley D. Bose, Secretary
Office of Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Subject: Chikuminuk Lake Hydroelectric Project
        FERC No. 14369
        Initial Six-Month Progress Report

On March 2, 2012, Nuvista Light and Electric Cooperative, Inc. (Nuvista) filed an application for preliminary permit pursuant to section 4(f) of the Federal Power Act (FPA)\(^1\) to study project feasibility. On August 14, 2012, the Commission issued the preliminary permit to Nuvista.\(^2\)\(^3\) Nuvista herein files its Initial Six-Month Progress Report as required by Article 4 of Nuvista’s Preliminary Permit.

The enclosed Initial Six-Month Progress Report describes the consultations and field/office studies completed prior to and since issuance of the preliminary permit; describes the continuing studies program; and provides a projection for activities to be accomplished in the next six-month period.

If you have any questions regarding this Initial Six-Month Progress Report, please do not hesitate to contact me at ebrown@nuvistacoop.org, or by phone at 907-868-2445.

Sincerely,

Elaine Brown, Executive Director
Nuvista Light & Electric Cooperative, Inc.

cc: Douglas Johnson, Regional Engineer, FERC Portland Regional Office
    Kim Nguyen, FERC – DHL
    Contact List

\(^1\) 16 USC 797(f) (2006)
\(^3\) The sole purpose of the preliminary permit is to preserve the right of the permit holder to have the first priority in applying for a license for the project that is being studied. Because a permit is issued only to allow the permit holder to investigate project feasibility and to prepare a license application, it grants no land-disturbing or other property rights. Minor land disturbing activities associated with conduct of field studies are to be approved by the landholder and any resource agencies with jurisdiction over resources that may be disturbed. No construction is allowed.
NUVISTA LIGHT & ELECTRIC COOPERATIVE, INC.  
CHIKUMINUK LAKE HYDROELECTRIC PROJECT – P-14369  
INITIAL SIX-MONTH PROGRESS REPORT  
JANUARY 31, 2013

1. GENERAL
This Initial Six-Month Progress Report is prepared in accordance with the requirements of Article 4 of the Preliminary Permit issued to Nuvista Light & Electric Association, Inc. (Nuvista) by the Federal Energy Regulatory Commission (FERC) on August 14, 2012.

2. CONTACT INFORMATION
The agents authorized to act for the applicant on the proposed Chikuminuk Lake Hydroelectric Project:

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3. SUMMARY OF CONSULTATION AND PUBLIC OUTREACH DURING THE INITIAL PERIOD AND PAST SIX-MONTH PERIOD

- February 9, 2012, Nuvista held an Informational Meeting with the Alaska Department of Natural Resources (ADNR) to introduce the proposed Project and discuss permitting within the Wood-Tikchik State Park.
- March 2, 2012, Nuvista sent correspondence to the State Historic Preservation Officer requesting to initiate consultation pursuant to Section 106 – National Historic Preservation Act.
- March 9, 2012, Nuvista held an Informational Meeting with the U.S. Fish and Wildlife Service (USFWS) to introduce the proposed Project and obtain guidance on permitting in the Yukon Delta National Wildlife Refuge (NWR).
- March 23, 2012, Nuvista hosted a half-day Project Kick-off Meeting in Anchorage, AK to introduce the proposed Project to agencies and interested parties.
- March 28 and May 11, Nuvista held Open Houses in Bethel, AK and Dillingham, AK respectively share information, answer questions, and invite Project involvement.
• May 11, 2012, Nuvista met with the Wood-Tikchik State Park Management Council to introduce the proposed Project.
• July 9, 2012, Nuvista requested a species list for candidate and listed plant and animal species in the Project area from the US Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS).
• August 9, 2012, Nuvista held a teleconference with FERC to discuss current status of the project and the timing for developing study plans with the agencies.
• August 27-28, 2012, two representatives from the Alaska Department of Fish and Game (ADF&G) accompanied members of the Nuvista team on a field reconnaissance survey of the lower Allen River.
• August 28, 2012, the USFWS responded regarding Nuvista’s request for a list of endangered species in the Project area. USFWS determined there are no endangered species or critical habitat within the Project area. USFWS also requested that we consult with them again if the Project changes.
• September 27, 2012, Nuvista held a meeting with USFWS and discussed the ANILCA Title XI application process (transportation & utility systems in the Yukon Delta National Wildlife Refuge), schedule for developing field studies, and documentation required for alternatives.
• October 9, 2012, Nuvista gave a presentation at the Aleknagik City Council Meeting regarding the project.
• October 10, 2012, Nuvista held various meetings with individuals and organizations in Dillingham and Aleknagik regarding the project.
• October 11, 2012, Nuvista held a meeting with the New Stuyahok Traditional Council regarding the project.
• October 22, 2012, Nuvista held an agency update meeting in Anchorage, AK to update interested agency personnel on the Nuvista’s fieldwork accomplished during the 2012 study season and initiate discussions on proposed fieldwork in 2013.
• December 6, 2012, Nuvista gave a presentation at the 35th Annual Bristol Bay Native Corporation Village Leadership Workshop.
• January 10, 2013, Nuvista held a meeting with the USFWS in Anchorage, Alaska to discuss criteria for evaluating transmission line alternatives and a potential preferred route.

4. STUDIES CONDUCTED DURING THE PAST PERIOD
Field studies and research performed during this timeframe occurred from May through October 2012 and included the following:

• All Study Categories
  o Reviewed existing reports and other documents regarding the Project area and earlier studies regarding developing the hydropower potential of Chikuminuk Lake.
  o Prepared Literature Search/Gap Analyses for all study categories. The Gap Analyses were used to initiate consultations with state and federal agencies regarding proposed baseline studies.
• **Engineering and Pre-feasibility**
  o Conducted an avalanche hazard evaluation in June 2012 of the proposed transmission corridor.
  o Conducted an initial engineering site reconnaissance in June 2012.

• **Mapping**
  o Conducted a site trip in October 2012 to establish survey points for purposes of acquiring satellite imagery of the Project area. A survey and mapping crew visited the project site to setup temporary benchmarks and control points to acquire imagery for use during future mapping of vegetation, wetlands, and wildlife habitats.
  o Began acquiring satellite imagery.

• **Geology and Soils**
  o Conducted a site reconnaissance field trip in June 2012.

• **Water Resources**
  o Conducted four field trips between June and October 2012. These trips involved an initial site reconnaissance; stream gaging reconnaissance; stream gaging installation site visit; and a high flow discharge measurement attempt (foul weather compromised the trip).

• **Fish and Aquatic Resources**
  o Conducted four field trips between June and September 2012. These trips involved an initial site reconnaissance and fish surveys and collections.

• **Instream Flow and Fish Passage**
  o Conducted three field trips between June and August 2012. These trips involved an initial site reconnaissance and installation/removal of four thermographs.

• **Wildlife and Botanical Resources**
  o Wildlife - Raptor Surveys: Conducted nest occupancy surveys in May and June 2012 and nest productivity surveys in July 2012.
  o Botanical Resources: One field trip was conducted in October 2012.

• **Cultural and Subsistence Resources**
  o Conducted one trip in June 2012 involving float plane over-flights, lake shore landings, and reconnaissance surveys.

• **Socioeconomics, Recreation, and Aesthetics Resources**
  o Conducted two field trips in June and August 2012 involving aerial reconnaissance flights, lake shore landings, short hikes, and informal conversations with local residents.

5. PERMITS ACQUIRED TO DATE IN SUPPORT OF FIELD STUDIES

• **Fish Resource Permit – Alaska Department of Fish and Game (ADF&G)**

• **Title 16 Fish Habitat Permit – ADF&G**
  Two Fish Habitat permits have been issued for the Project:
  o Fish Habitat Permit FH 12-II-0200 – issued August 30, 2012/expires in 10 years. This permit authorized Nuvista to install and maintain stream gages for the Project.
Field Archaeology Permit – ADNR
- Field Archaeology Permit 2012-06 – issued June 14, 2012/expires December 31, 2013. This permit authorizes Nuvista to conduct cultural investigations in Wood-Tikchik State Park and on adjacent state lands.

Special Park Use Permit – ADNR
Four Special Park Use permits have been issued for the Project:
- Special Park Use Permit LAS 28671 – issued August 24, 2012/expires December 31, 2015. This permit authorizes Nuvista to install two stream gages in the Wood-Tikchik State Park.
- Special Park Use Permit LAS 28672 – issued August 24, 2012/expires December 31, 2013. This permit authorizes Nuvista to temporarily install and remove five stream thermographs within the Wood-Tikchik State Park.
- Special Park Use Permit LAS 28674 – issued September 19, 2012/expired December 31, 2012. This permit authorized Nuvista to conduct aerial mapping and collect imagery data.
- Special Park Use Permit LAS 28675 – issued September 19, 2012/expired December 31, 2012. This permit authorized Nuvista to conduct a cultural resource survey.

NWR General Special Use Application and Permit – USFWS
- NWR General Special Use Application and Permit 74540-12-38 – issued September 6, 2012/expired October 10, 2012. This permit authorized Nuvista to conduct reconnaissance work within the Yukon Delta NWR.

Nationwide Permit Concurrence – US Army Corps of Engineers
- Nationwide Permit Concurrence No. 6 – issued June 6, 2012/expires June 6, 2014. This concurrence verified that the survey, mapping, and geotechnical activities comply with the terms and conditions of Nationwide Permit No. 6.

6. AGENCY CONSULTATION, ENGINEERING, ENVIRONMENTAL, & OTHER INVESTIGATIONS TO BE CONDUCTED DURING THE NEXT SIX-MONTH PERIOD
- Agency Consultation
  - Submit the Preliminary Application Document (PAD) to the FERC and provide to participants with a request review and comment.
  - File Notice of Intent to File an Application for Original License (NOI) with the FERC and provide to participants.
  - Provide the proposed Communications Protocol to participants for review and comment; submit to the FERC for information purposes only.
  - The above three activities serve to initiate the Integrated Licensing Process (ILP).
  - File Request with the FERC to be Designated as Non-Federal Representative for purposes of consultations pursuant to Section 106 of the National Historic Preservation Act.
  - Continue developing study plans for 2013 baseline field studies.
- Consult with ADF&G and the USFWS regarding approved instream flow method to guide studies in the Allen River.
- Consult with ADF&G and USFWS biologists regarding existing data sets and ongoing studies.
- Establish long-term fish-bearing sampling locations.

- **Engineering and Pre-Feasibility**
  - Develop an operations model
  - Continue evaluation and selection of preferred transmission routes
  - Evaluate project access methods
  - Compare dam and powerhouse arrangements
  - Prepare input for an estimate of probable construction cost
  - Prepare input to the 2013 Pre-Feasibility Report

- **Mapping**
  - Expand the area of controlled imagery and fill in areas that are not yet covered.

- **Geology and Soils**
  - Expand area of terrain unit map.
  - Initiate geophysical surveys of the lake outlet area to characterize glacial deposits.
  - Characterize the soil thermal conditions.
  - Investigate the potential of seepage out of the reservoir basin in two locations.

- **Water Resources**
  - Continue stream gaging program.
  - Conduct discharge measurements at each gage site.
  - Obtain winter observations during low flows.
  - Collect sediment and water quality data.

- **Fish and Aquatic Resources**
  - Perform fish, habitat, and spawning surveys in Chikuminuk Lake and the Allen River.
  - Initiate primary productivity survey of Chikuminuk Lake.
  - Perform temperature surveys.
  - Conduct periphyton sampling of Chikuminuk Lake and the Allen River.
  - Sample macroinvertebrates in Chikuminuk Lake and the Allen River.
  - Conduct a salmon movement study.

- **Instream Flow and Fish Passage**
  - Continue water temperature monitoring
  - Assess fish passage barriers
  - Initiate habitat relationship studies for target fish species and life stages.
  - Assess instream flows needed for the riparian community.

- **Wildlife and Botanical Resources**
  - Wildlife Resources
    - Conduct aerial surveys for large nesting raptors.
    - Perform aerial quadrant moose surveys in late March or early April.
  - Botanical Resources
    - Continue to obtain high quality imagery for wetland, vegetation, and wildlife habitat mapping.
- Conduct field studies to determine wetland boundaries, vegetation types, and wildlife habitats.

- **Rare, Threatened, and Endangered Species**
  - The USFWS responded to Nuvista that there are no threatened and endangered species in the Project vicinity, therefore no field investigations are proposed.

- **Recreation and Land Use**
  - Refined assessment of recreation conditions.

- **Aesthetic Resources**
  - Identify viewpoints and locations of interest.
  - Document existing conditions (photos and notes).

- **Cultural Resources**
  - Conduct pedestrian survey and subsurface testing in the Project area.
  - Conduct aerial and pedestrian surveys for ice patch archaeology.
  - Conduct subsurface testing of geotechnical testing area.

- **Subsistence Resources**
  - Continue to liaison with organizations and agencies involved in subsistence research.

- **Socio-economic Resources**
  - Gather socioeconomic data.

- **Tribal Resources**
  - Work under “Cultural”, “Subsistence”, and “Socio-economic” sections above will contribute information.

- **River Basin Description**
  - Work under “Mapping” above will contribute information.