

August 17, 2004

Re: Cooper Lake Project (FERC No. 2170):
Draft technical documents on Cooper Creek alternatives analysis for Project relicensing

Cooper Lake Project Relicensing Participants:

As announced at the July 14 relicensing workshop and subsequent communications, Chugach is distributing supplemental information that has been developed since issuance of the Draft License Application with regard to potential Cooper Creek mitigation alternatives. Please find enclosed the following two technical documents for your review and comment, and for consideration in your written comments on the Draft License Application (due September 30):

- Draft Interim Report: Cooper Creek Instream Flow Study and Preliminary Evaluation of Potential Aquatic Habitat Benefits. Prepared by HDR Alaska, Inc., and Northern Ecological Services. August 2004.
- Draft report on Potential Cooper Creek Protection, Mitigation and Enhancement Measures. Prepared by MWH Americas, Inc., and D. Hittle & Associates, Inc., August 2004.

These two documents will be discussed at the workshop planned for September 1, 2004, at the CIRI Building, located at 2525 C Street in Anchorage. Also to be presented at this workshop is general information on Project economics, to help address participants' questions on costs and financing related to the Project.

An agenda for the September 1 workshop is attached to this letter. A continental breakfast will be provided beginning at 8:30 A.M., and the workshop will begin at 9:00 A.M. Lunch will also be provided.

If you plan on attending, please RSVP to May Clark at Chugach Electric as follows:

Please RSVP by Wednesday, August 25 to:

***Ms. May Clark, Chugach Relicensing Secretary
907-762-4547 or may_clark@chugachelectric.com***

We look forward to your comments on the enclosed reports and to seeing you at the workshop on September 1.

Sincerely,

Burke Wick
Plant O&M Supervisor
Cooper Lake Project Relicensing Project Manager

Enclosures

Cooper Lake Hydroelectric Project Relicensing (FERC No. 2170)

Relicensing Workshop

Wednesday, September 1, 2004, 8:30 A.M. – 1:00 P.M.
CIRI Building, 4th floor conference room
2525 C Street, Anchorage

Objective: Present and discuss supplemental technical and economic information for consideration with Draft License Application

Agenda:

(8:30 – 9:00 A.M. Continental breakfast)

9:00 A.M. – 1:00 P.M. (includes working lunch; will continue after lunch as needed)

Review of Draft Technical Memoranda:

- Cooper Creek instream flow study — Preliminary results and analysis
Jason Kent (HDR), John Morsell (NES)
- Engineering alternatives for Cooper Creek flows/temperatures — Detailed descriptions and cost analysis
Dave Thompson (MWH)

Overview of Project Economics *John Heberling (DHA)*

- Effect of PME costs on cost of electricity generated by Chugach
- Financing costs of PMEs

Adjourn