

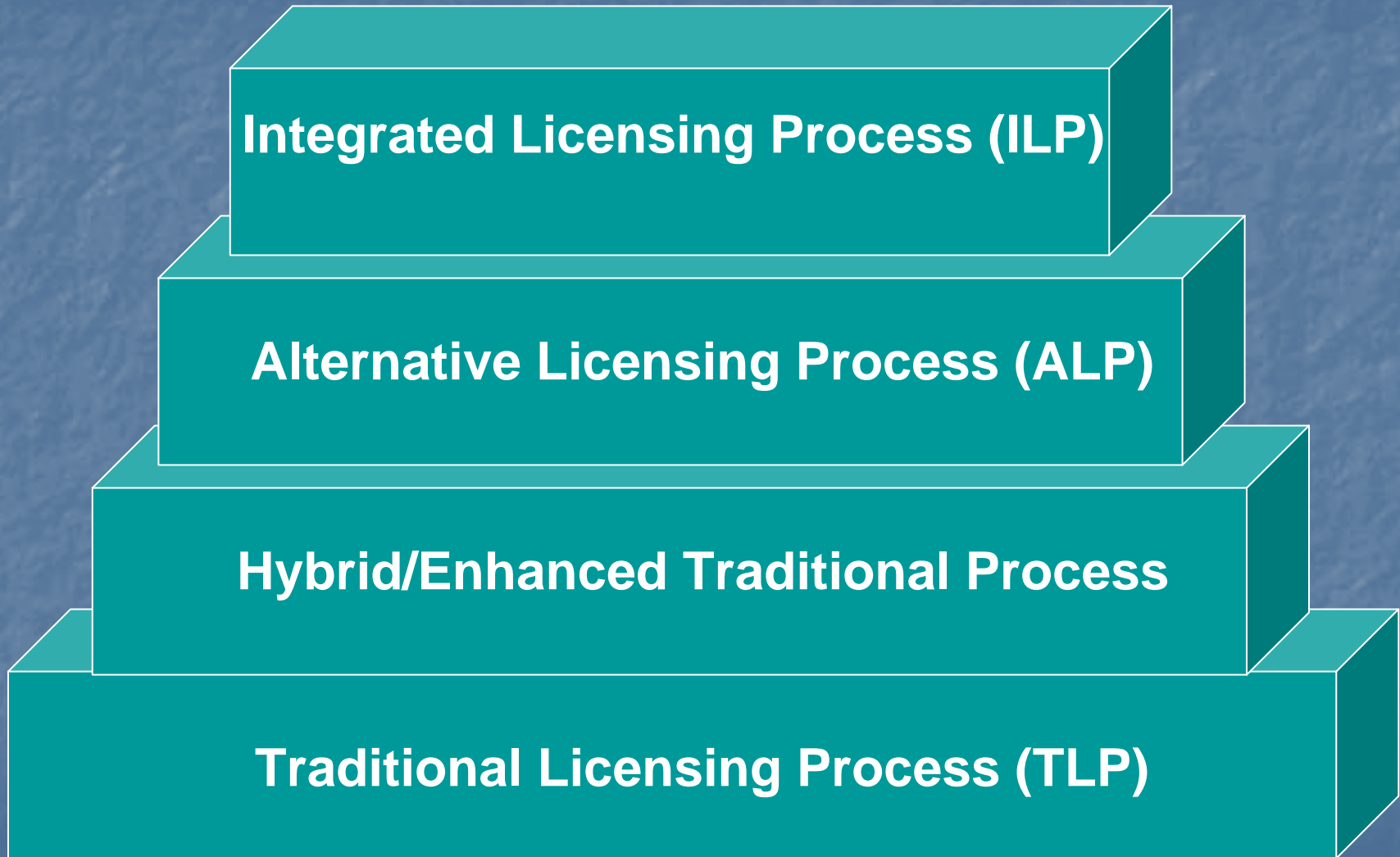
Middle Fork Project Relicensing Process

April 25, 2006

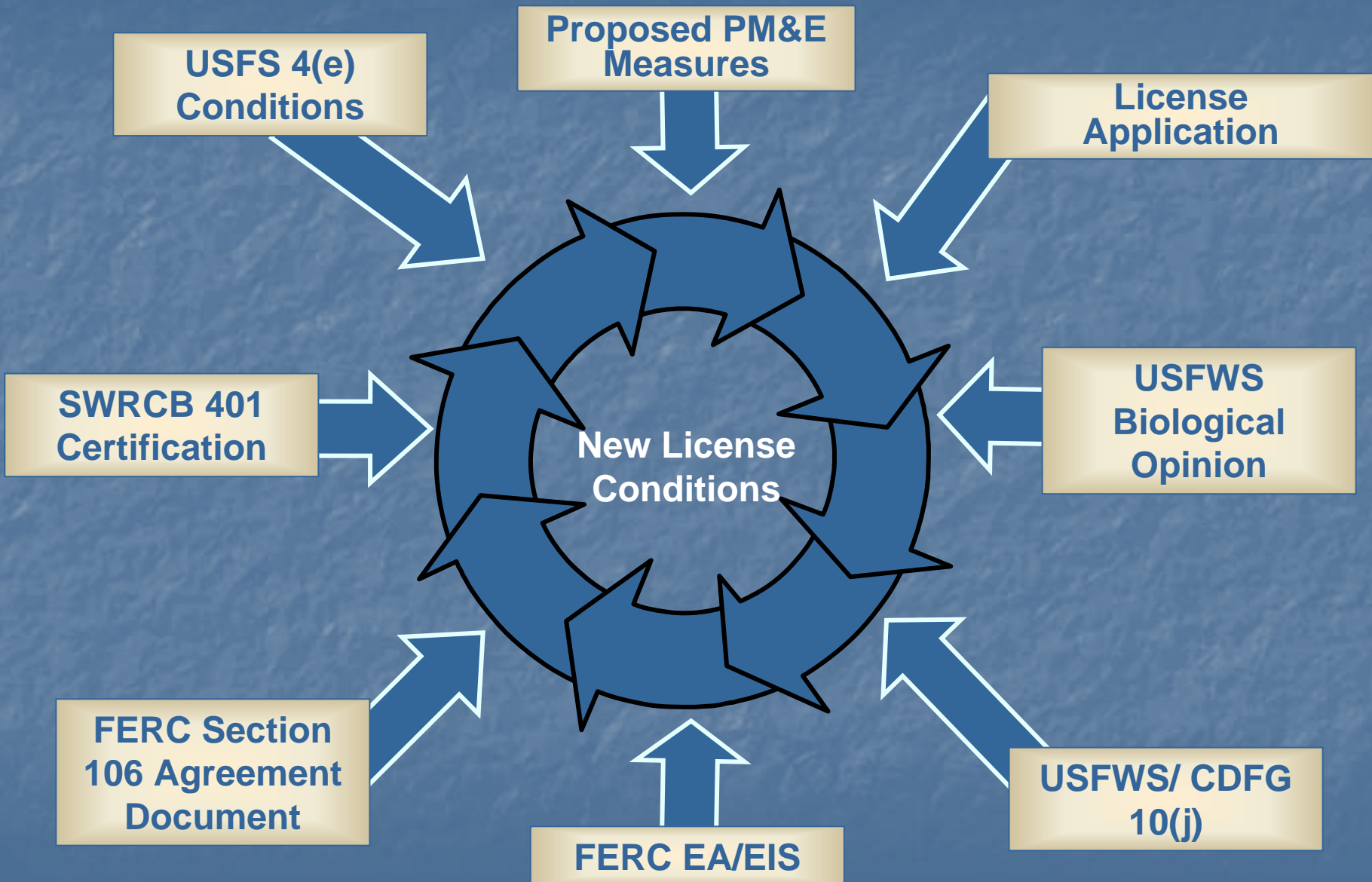
Relicensing Process

- Environmental Review Process Under FERC Jurisdiction
- Requires Specific Consultation Activities
- Evaluates Effects of On-Going Operations and Maintenance of the Project
- Establishes New License Term and Conditions

Relicensing Process - History



Relicensing Related Processes



Integrated Licensing Process (ILP)

- Developed to Streamline the Licensing Process by Providing a Predictable, Efficient and Timely Process
- Default Process as of July 23, 2005

Integrated Licensing Process (ILP)

Process Efficiencies Achieved by:

- Early Issue Identification and Resolution of Studies (Minimizes Post-Filing Studies)
- Integration of Agency and Tribal Permitting Process
- Established Timeframe to Complete Process Steps for all Parties

Integrated Licensing Process

Pre-Filing Activities

Key Activities:

- Filing of Notice of Intent (NOI) and Pre-Application Document (PAD)
- Development of Study Plans
- Implementation of Study Plans
- Development of Preliminary Licensing Proposal (PLP)
- Submittal of Final Application

Integrated Licensing Process

Post-Filing Activities

Key Activities:

- Notice of FERC Ready for Environmental Analysis (REA)
- Submittal of Recommendations and Preliminary Terms and Conditions
- Distribution of FERC Draft NEPA Document
- Submittal of Modified Term and Conditions
- Distribution of FERC Final NEPA Document
- Issuance of New License Order

Integrated Licensing Process

Pre-Filing Activities

Early Steps

- Pre-Application Document (PAD) Development
- Study Plan Development
- FERC Scoping

Integrated Licensing Process

Content of PAD

- Project Description
- River Basin Description
- Description of Existing Environment and any Known Resource Impacts
- Preliminary List of Issues and Proposed Studies
- List of Relevant Comprehensive Plans
- Process Plan and Schedule
- Summary of Contacts

Integrated Licensing Process

Purpose of PAD

- Cornerstone of the ILP
 - Provides Basis for Identifying Issues, Data Gaps and Study Needs
 - Forms Foundation of Future Documents
 - Outlines Schedule for Developing the License Application

Integrated Licensing Process Early Stakeholder Consultation

Pre-Applicaton Document



Sept 2007

FERC Scoping

- Scoping Document 1
- Public Meeting/Site Visit

120 Days

Stakeholder Comments Due:

- PAD
- Scoping Document/Meeting
- Study Request

Jan 2008

Integrated Licensing Process Study Plan Development

- Critical Element of ILP
- Important to Ensure Timely and Informed Decisions
- Challenging and Time Consuming
- FERC-Defined Study Criteria
- Based on Information Provided in the PAD and During Scoping

Integrated Licensing Process Study Plan Development Process

Applicant Includes List of Proposed Studies in PAD



Participants File Study Request in Response to FERC's
Scoping Notice



Applicant Files Proposed Study Plan



Parties Meet to Resolve any Study Disputes



Applicant Files Revised Study Plan



OEP Director Issues Study Plan Determination

← - - *Formal Dispute Process*

Integrated Licensing Process PCWA's Proposed Approach

- Early Collaboration on Study Plan Development
 - Approved Study Plan in PAD (Sept 2007)
- Early Implementation of Approved Studies
 - Field Studies Initiated (2007)
 - Majority of Studies Completed (2007-2008)

Integrated Licensing Process

PCWA's Proposed Approach

- Early Collaboration on Select License Conditions
 - Initiate Once Sufficient Information is Available
 - Tentative Agreement

Integrated Licensing Process PCWA's Proposed Approach

- Sufficient Time to Evaluate Project Impact and Collaborate on New License Conditions
 - Initiate Discussion (Early 2009)
 - Incorporate Tentative Agreements into Preliminary Licensing Proposal (Sept 2010)
 - Resolution of New License Condition (Feb 2011)

Integrated Licensing Process

PCWA's Proposed Approach

