

**Alaska Energy Cost Reduction Program
Progress Report**

Grantee: Alaska Power Company (a/k/a Alaska Power and Telephone Company)

Project Name: APC South Fork Hydro Project

Grant # 2195156

Period of Report March 1 to March 31, 2005

Project activities completed:

- Completed the upper 100 feet of penstock and connected to the elbow at the diversion dam.
- Completed and backfilled the conduits from the penstock right-of-way to the diversion dam valve house.
- Completed installation of riprap stream channel armor downstream of the diversion dam.
- Equipment relocated from the diversion dam to the powerhouse site.
- Excavated powerhouse site to grade and installed drainage channels, begin forming powerhouse retaining wall footings.
- Slope stabilization continued with rock placement to the slide area below the tailrace.

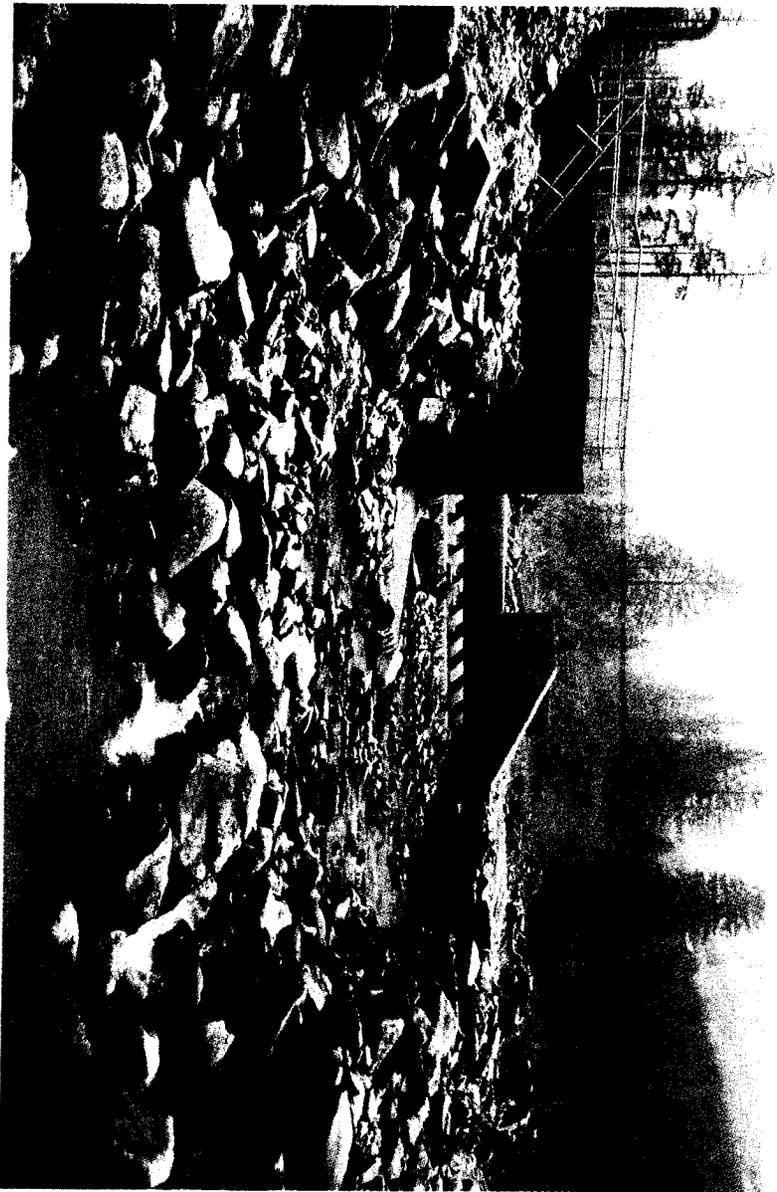
Project existing or potential problems:

Once the diversion dam stop logs were installed and water was backed up behind the diversion dam, leakage began appearing through the fill on the east side of the dam. This leakage is not a structural hazard but initially carried sediment into the stream for several hours before clearing up. The ECM has been monitoring this leakage and will develop a plan to address the issue.

Sealaska, USFS and ADFG continue investigating permanent solution requirements to the Black Bear Lake access road culvert area washout. As the only project access, resolution is critical preventing delays due to another high water event.

Activities targeted for the Next Reporting Period, April 2005:

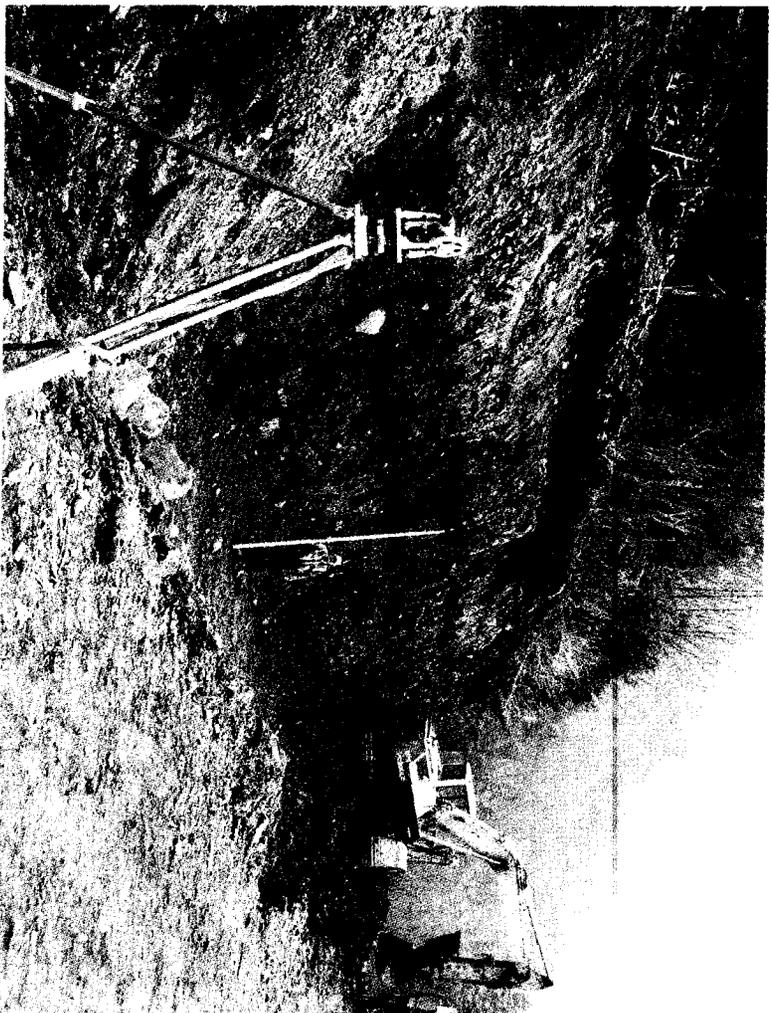
- Continue to follow all environmental plans and requirements of the Environmental Compliance Monitor.
- Pour the powerhouse retaining wall footings and retaining wall. This wall is on the critical schedule path and will need to cure for two weeks before it can be backfilled.
- Continue placing tailrace pipe and slope stabilization rock.
- Provide dry storage for powerhouse equipment as it is received.



Progress on diversion dam and spillway



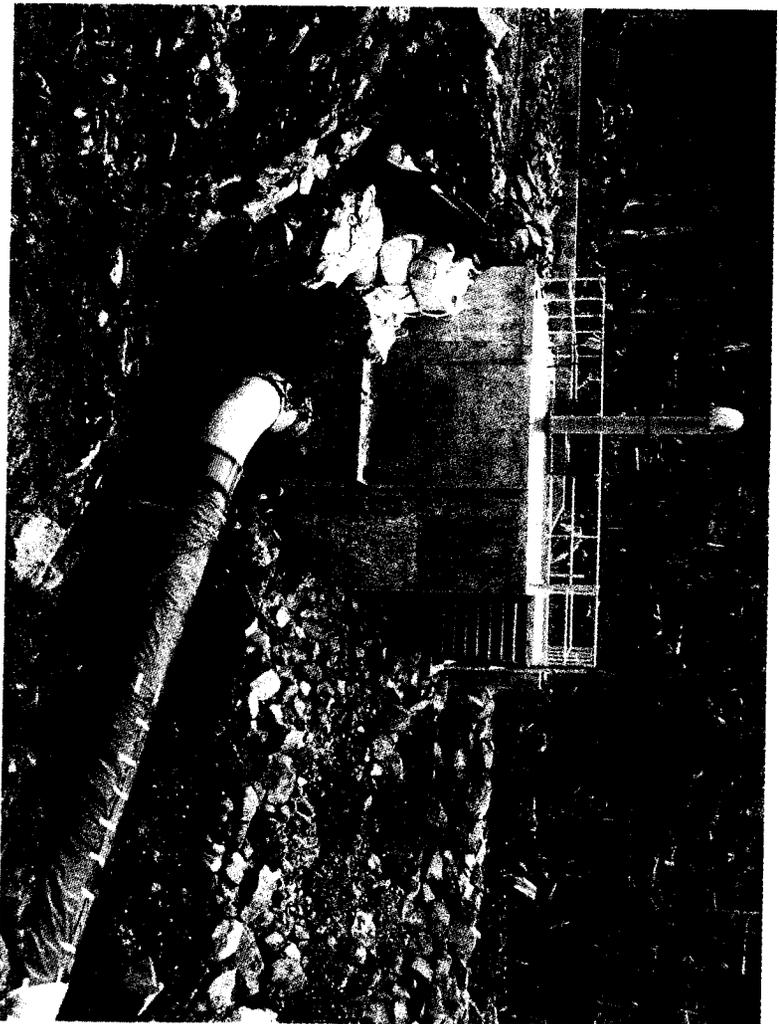
Diversion dam and rock riprap armor wall on downstream channel



Ed Slattery begins excavation for powerhouse retaining wall and footing



Casey Smith and Gabe Hubble form powerhouse retaining wall footing



Jim Shunn completes connection between value house and penstock