

Alaska Energy Cost Reduction Program Progress Report

Grantee: Alaska Power & Telephone Company

Project Name: Upper Lynn Canal Power Supply Projects (Denali)

Grant # 0129-DC-2004-I16

Period of Report: Third Quarter 2006 (July 1, 2006 to September 30, 2006)

Project activities completed:

- Finished jetty and capped with finer material.
- Work on the access road continues to be refined to bring it to final grade.
- The concrete pad is complete for the new oil shed. Building of the structure should begin soon.
- Foundation slab for the tailrace and valve pit has been poured and forming for the tailrace and valve pit walls has begun.
- Completed blasting and excavation of tailrace channel.
- The powerhouse site was completed to foundation grade.
- Stockpile large rock for retaining wall east of the powerhouse
- Team was contacted for Environmental Controls Monitor (ECM) that was acceptable to all agencies

Project existing or potential problems:

The WEG generator was received in Seattle with damaged packaging and full of water. The manufacture, shipper, and insurance company continue working out repair and testing of the unit. Tunnel design and construction seems to present financial challenges that must be addressed. Hiring and retaining certified blasting staff has been difficult and created delays. Rainfall continues to be higher than normal increasing creek flows.

Activities targeted for Next Reporting Period, Fourth Quarter 2006:

- Finish bench cut and install culvert and fill in North tributary creek.
- Continue road to lower tunnel portal.
- Prepare for cold weather including concrete pours in freezing temps.
- Frame in oil storage shed.
- Complete powerhouse foundation and erect building.
- Order penstock.
- Finalize design for diversion dam.
- Construct rock retaining wall on east side of powerhouse.