

**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 May 1 to May 31, 2005

Project activities completed:

- Removed forms on south powerhouse wall, placed drains, drainage curtain and completed backfilling after a two-week cure period.
- Excavated, formed and poured concrete building north stub wall and substation transformer pad/containment and oil water separator after placing ground grid and conduits.
- Stabilization rock below the tailrace is 85% complete.
- Excavate and form powerhouse stage 3 and stage five concrete including drains, conduits and block outs for valves and branch pipes.
- The mitered bend penstock entrance to the powerhouse is 70% complete.
- Hydro seeded the penstock and diversion dam areas

Project existing or potential problems:

A decision Sealaska, USFS and ADFG on requirements for a permanent access road culvert washout solution remains pending. The construction superintendent has talked with local Sealaska personnel and believes they will supply materials for a log bridge. Finding skilled labor remains problematic necessitating bids for building erection to improve completion timeline.

Activities targeted for the Next Reporting Period, June 2005:

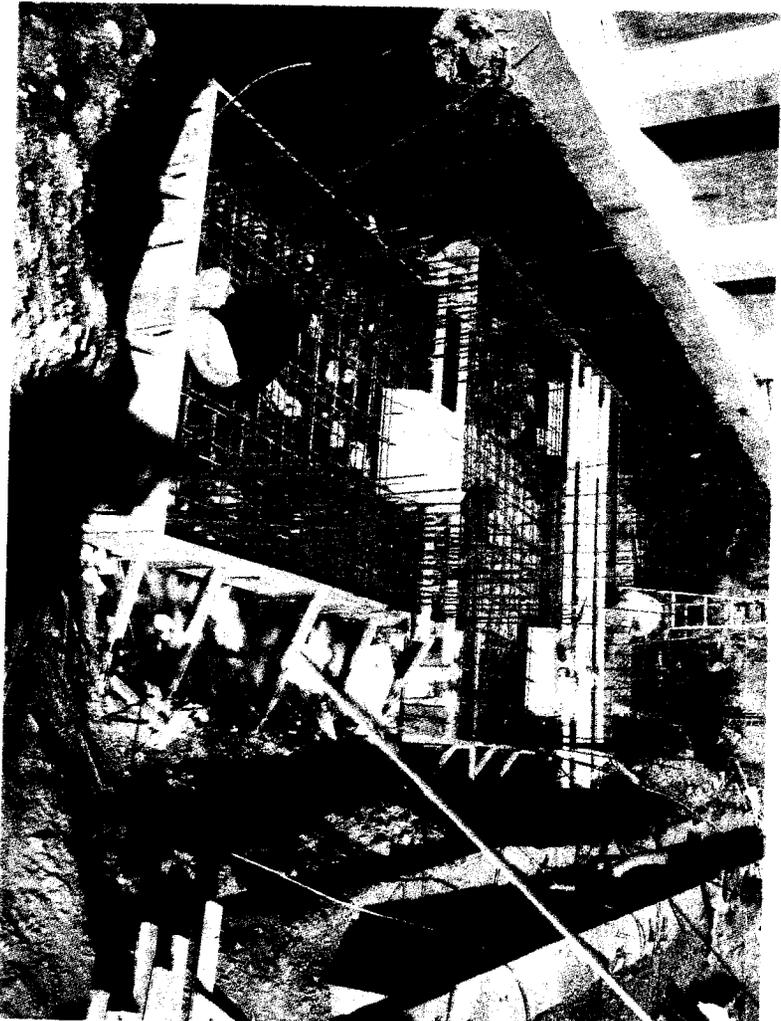
- Continue to follow all environmental plans and requirements of the Environmental Compliance Monitor.
- Plant alders at diversion and on penstock right of way per re-vegetation plan.
- Install sluice gate and repair damaged power conduit downstream of diversion dam.
- Excavate, form and pour stage 4, 6 and 8 concrete at the powerhouse.
- Begin installation of mitered bend and penstock entrance to powerhouse.



Kasey Smith works on reinforcements of south powerhouse wall



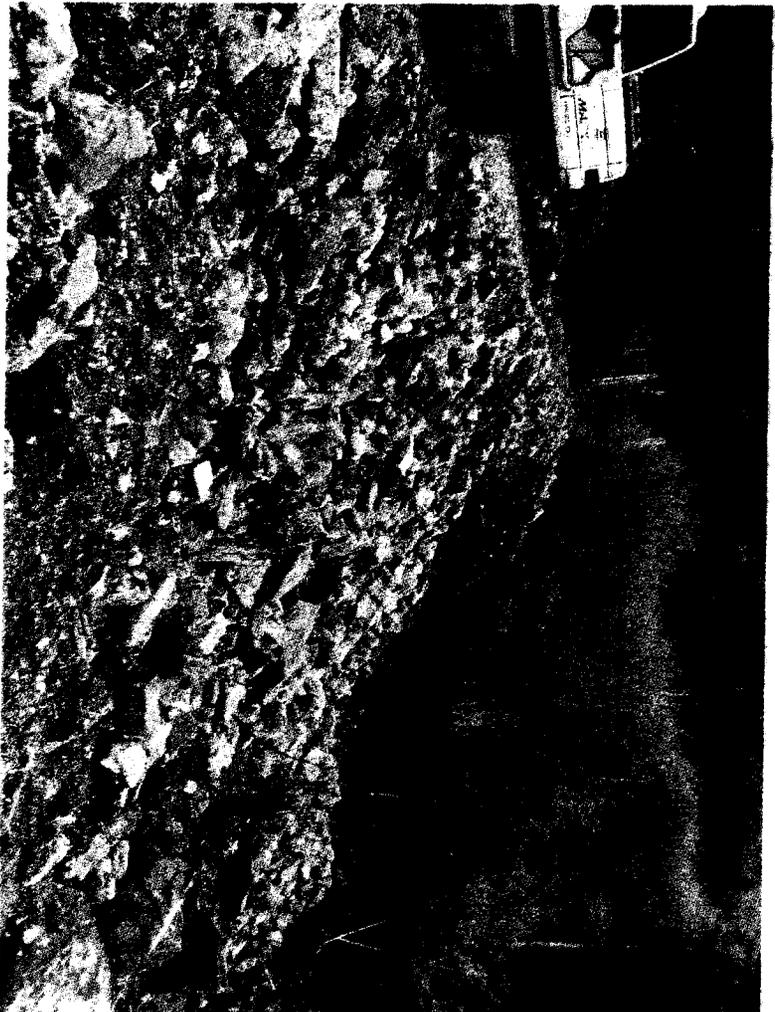
North Powerhouse stub wall, transformer pad and oil/water separator



Kasey Smith and Mike Emerich build forming for powerhouse



Kasey Smith works on forms, reinforcements, drain, and block outs for valve pit floor



Stabilized slide area where tailrace is buried