

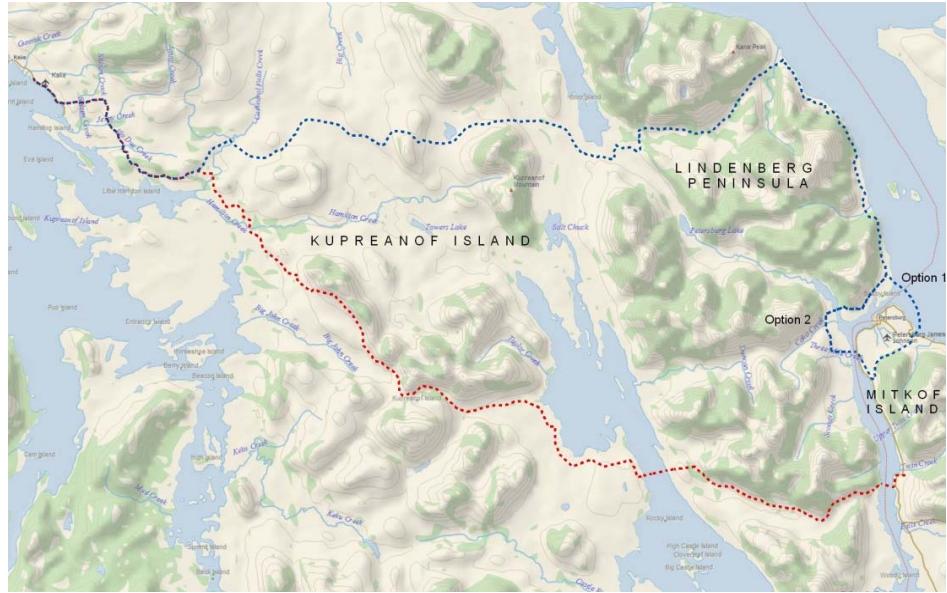
KAKE PETERSBURG INTERTIE

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Permitting and preliminary design are underway for a new electrical transmission line intertie that would extend west across the Tongass National Forest, from the Petersburg area to Kake on Kupreanof Island. The **Kake - Petersburg Intertie (KPI)** would transmit power to Kake at either 69 or 138 kilovolts (kV) and consist primarily of single wood pole structures. Two primary alternative routes are being considered. The two routes generally follow previously identified Transportation and Utility System (TUS) corridors in the Tongass National Forest Land and Resource Management Plan (Forest Plan). Both follow existing logging roads for the majority of their lengths. The northern alternative follows the proposed route identified by the Alaska Department of Transportation & Public Facilities (DOTPF) for a permanent road between Kake and Petersburg. Two alternative route options from the SEAPA substation to the proposed Alaska DOTPF road corridor are being considered.

The Southeast Alaska Power Agency (SEAPA) is a joint action agency. SEAPA's members are the Cities of Ketchikan, Petersburg, and the City and Borough of Wrangell. Inside Passage Electric Cooperative (IPEC) provides electric service to Kake. In July 2012, the Alaska Energy Authority (AEA), IPEC and SEAPA signed a Memorandum of Understanding regarding the development of the KPI. The KPI will interconnect the community of Kake to the SEAPA system. It was agreed that SEAPA would construct, own, operate and maintain the intertie, provided the project is



fully funded through grants or Kake electric rates.

IPEC supplies all of Kake's current power requirements using diesel generation, resulting in high electric rates. The primary goal of the KPI is to deliver hydropower to IPEC at an electric rate showing a clear benefit to the Kake ratepayers. The Intertie will not be constructed if this benefit is not clearly demonstrated. The State has provided funding to conduct pre-construction activities, including those needed for the NEPA permitting process, and for final engineering design, geotechnical surveys, and alignment surveys. The U.S. Forest Service is the lead agency for the Environmental Impact Statement (EIS): www.fs.fed.us/nepa/nepa_project_exp.php?project=31761

In order to proceed with construction, the balance of funding and all necessary permits will need to be provided. If this can be accomplished, it is planned that construction will take two to three years, beginning in either the

spring of 2014 or 2015, and that energization of the intertie will occur in the fall of 2016, 2017, or 2018.

Commonwealth Associates, Inc. (Mount Vernon, WA) has been retained by SEAPA to provide project management services to coordinate the activities necessary for the project to be construction-ready. ☺

Project Schedule

May 2010 - Notice of Intent to prepare an EIS published

Apr/May 2010 - Public scoping meetings

May/June 2013 - Draft EIS published

Jun/July 2013 – Public meetings on draft EIS

Dec 2013 – EIS complete with Record of Decision for routing

Spring 2014/2015 – Project construction-ready and construction starts provided funding available

Fall 2016, 2017 or 2018 – Intertie Energized