



**UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration**

*National Marine Fisheries Service
P.O. Box 21668
Juneau, Alaska 99802-1668*

June 27, 2006

Jennifer Soderstrom
Senior Project Engineer
Ketchikan Public Utilities
2930 Tongass Avenue
Ketchikan, Alaska 99901-5742

Re: Proposed Amendment to Article 407
Ketchikan Lakes Hydroelectric Project
FERC Project No. 420

Dear Ms. Soderstrom:

The National Marine Fisheries Service (NMFS) has reviewed Ketchikan Public Utilities (KPU) Interim Agreement to modify License Article 407 of the Ketchikan Lakes Hydroelectric Project.

The article would be modified to measure ramping rates in terms of plant discharge per hour instead of streamflow rise and fall in inches per hour. This change is necessary because KPU does not have control over the natural runoff in the 3.9 square mile drainage area between Ketchikan Lakes Dam and the project's tailrace discharge, and thus it is impractical to require KPA to comply with the original terms of License Article 407. This interim agreement was reached after considerable monitoring of water level changes in Ketchikan Creek by KPU that demonstrated the flashy nature of streamflows and the impracticability of complying with the license article on ramping rates. KPU consulted with NMFS, Alaska Department of Fish and Game, the U.S. Fish and Wildlife Service, and the U.S. Forest Service.

KPU will operate the powerplant in accordance with the attached ramping rate schedule for a trial period of 12 months. KPU will periodically submit plant discharge and streamflow data to NMFS and the other resource agencies for review during this period. After the 12 month trial period, KPU will meet with the resource agencies to review the data and propose a final ramping rate schedule to the Federal Energy Regulatory Agency.

NMFS concurs with the interim agreement as proposed. Please contact Sue Walker with any questions regarding this project (907-586-7646, susan.walker@noaa.gov).

Sincerely,

Robert D. Mecum *for D/M*
Acting Administrator, Alaskan Region



CC: Secretary Salas, FERC Washington DC
Jim Ferguson, ADF&G -Anchorage *
Steve Brockmann, USFWS-Juneau *
Lynn Kolund, USFS-Ketchikan
*By email