

**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 November 1 to November 30, 2004

Project activities completed:

- The west sluiceway wall was formed and poured.
- Forming of the east sluiceway wall, which incorporates the intake screen and other, embeds, is 95% complete. Concrete pour cannot take place until weather improves.
- Four of the water velocity breakers on the spillway have been formed
- Engineering and construction drawings were completed for the powerhouse foundation.
- Twenty-five percent of the riprap for tailrace hillside stabilization has been hauled and placed.
- Two feet of additional rock was installed as recommended by the Environmental Compliance Monitor over road / dam that forming the perimeter of the sediment pond below the powerhouse to handle the additional flows from drainage modification.
- Maintained erosion control measures as needed.

Project existing or potential problems:

Winter weather conditions continue to hamper productivity. In addition to the truck access problems with ice on the roads, the local concert supplier needs to make operational modifications to batch concrete when temperatures are below freezing. Concrete is needed during this time to complete the diversion dam and the powerhouse foundation. Discussions about this issue have been held with agreement to make adjustments. An equipment operator and carpenter have left APT and a replacement carpenter is to start in December.

Activities targeted for the Next Reporting Period, December 2004:

- Continue to follow all environmental plans and any requirement of the Environmental Compliance Monitor.
- Continue forming and pouring diversion dam walls and valve house.
- Continue building out the toe of the slide area below the tailrace pipe. This will reduce the slope of the slide area and the rock cap will eliminate continued erosion.

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December 17, 2004

Peter Crimp, Project Manager
Alaska Energy Authority
813 W. Northern Lights Blvd.
Anchorage, AK 99503

Dear Peter,

Enclosed is Alaska Power Company's invoice for the Prince of Wales Island, South Fork Hydro Project, Grant # 2195156. The documents include:

Invoice No. APC-POW/SOUTHFORK #17	\$255,308.44
Financial Report	
Project Progress Report	
Photographic Progress Report	
APC Project Detail Cost Reports with attached:	
Copies of Timesheet for Direct Payroll	
Copies of Invoices for Direct Costs	

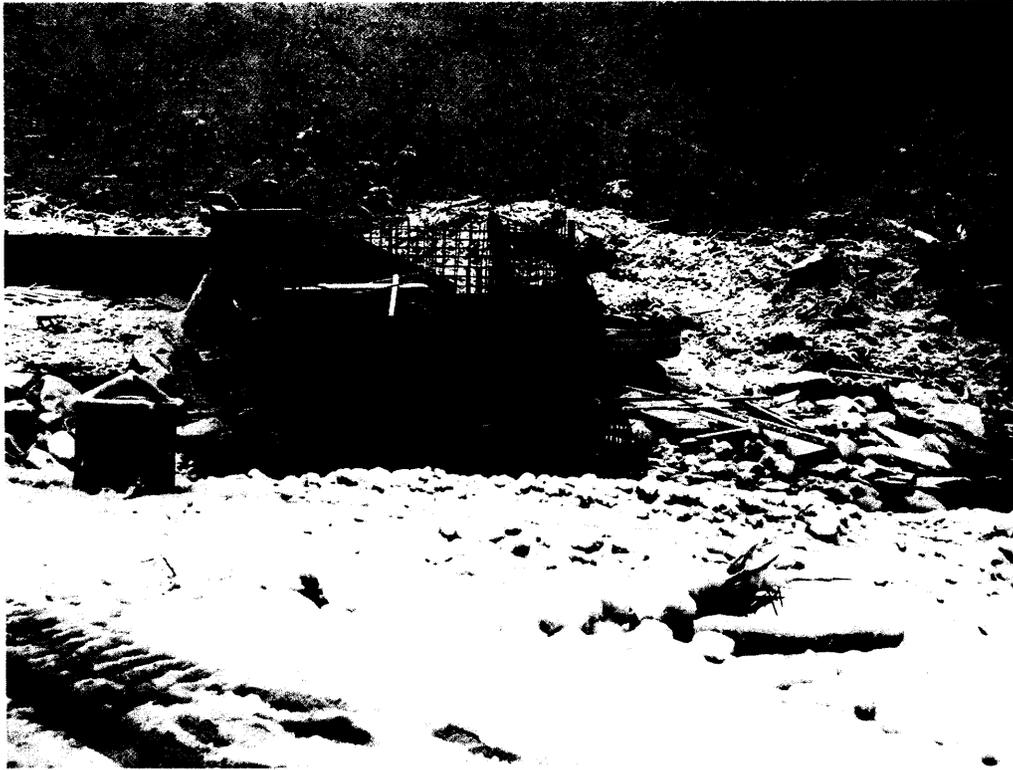
During this period, vehicle expresses were trued up and applied to this project based on six month's activity.

Every effort has been made to provide the necessary information. Please contact me if questions arise or if additional information is required.

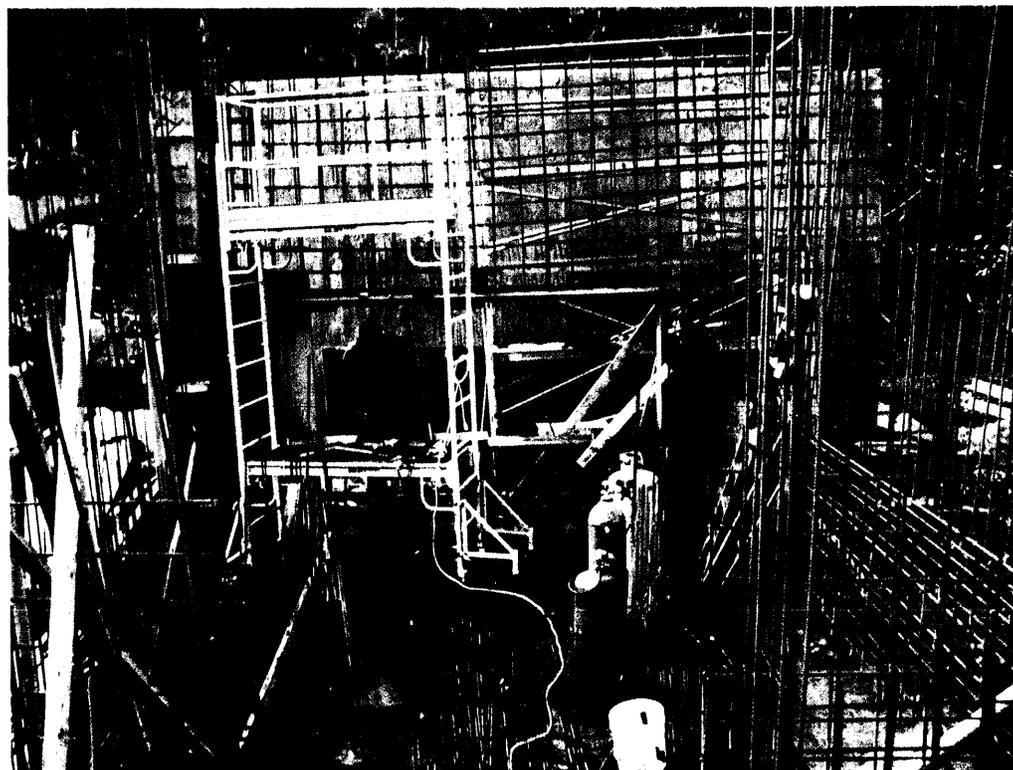
Respectfully submitted,



Karl B. Wood
Senior Accountant
Regulatory Affairs



Ed Slattery and Paul Kelly form west sluiceway wall at diversion dam.



Ed Slattery and Mike Emerich form east sluiceway wall at diversion dam



Ed Slattery (AP&T) and Mike Emerich diversion dam east and west sluiceway walls at diversion dam.



Additional rock to raise sediment pond road/dam



Riprap stockpiled to be used to stabilize the hillside slide area above sedimentation pond.