

Juneau/Greens Creek/Hoonah Intertie Project
Quarterly Progress Report
April 1, 2005 through June 30, 2005

ENGINEERING PROGRESS

Progress for the engineering and design portions of the JGCHI project continue to be moving along as planned. The site work that is noticeable during this quarter was the initial civil construction of the Young Bay submarine cable termination yard and construction startup of the electrical facilities at both North Douglas and Young Bay. Other engineering included review of the submarine cable manufacturing process along with its associated testing and final surveys for the B-Road transmission line. In addition to the civil construction, engineering for the electrical installation of facilities at Young Bay was completed. The request for proposals for the Young Bay electrical portion of the termination yard was released and an electrical contractor was selected to erect the A-frame structure and associated equipment. Installation of conduits for the submarine cable shore works was also performed during this quarter.

The budget for engineering and design remains on target for all activities.

Below is a table of progress for the ongoing engineering and design functions required for the Juneau / Greens Creek / Hoonah Intertie Project. (Items in red text have been completed.):

Engineering Task	Performing Parties	Status
Power Flow Modeling and System Electrical Modeling	AELP / Power Engineers	100% Complete
North Douglas Submarine Cable Termination Yard Civil Design	AELP / R & M Engineering	100% Complete
North Douglas Submarine Cable Termination Yard Electrical Design	AELP / Tandem Systems	100% Complete
Young Bay & North Douglas Submarine Cable Termination Yard Civil Design	AELP / R & M Engineering	100% Complete
Young Bay & North Douglas Submarine Cable Termination Yard Electrical Design	AELP / Tandem Systems	100% Complete
Young Bay to Hawk Inlet (A-Road) Transmission and Fiber Optic Line Design	AELP / Power Engineers	100% Complete
Geotechnical Survey for Greens Creek A-Road	AELP / Power Engineers	100% Complete
Bid Specifications and Documents for Construction of the Young Bay to Hawk Inlet (A-Road) Transmission Line and Fiber Optic Line	AELP / Power Engineers	100% Complete
Road Surveys and Staking of the A-Road	AELP / Power Engineers	100% Complete
Routing Study/Marine Survey for North Douglas to Young Bay Submarine Cable	AELP / David Evans Assoc/Power Engineers/R & M Engineering	100% Complete
Bid Specifications and Documents for Installation of the Submarine Cable between N. Douglas and Young Bay	AELP / Power Engineers	100% Complete
Hawk Inlet to Greens Creek Mine (B-Road) Transmission and Fiber Optic Line Design	AELP / Power Engineers	100% Complete
B-Road Geotechnical Survey	AELP / R & M Engineering	100% Complete
B-Road Surveys and Staking	AELP / R & M Engineering	100% Complete
Bid Specifications and Documents for Construction of the Young Bay to Hawk Inlet (B-Road) Transmission Line and Fiber Optic Line	AELP / Power Engineers	100% Complete

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SUBMARINE CABLE PROGRESS

Inspection visits continued during this quarter as all phases of the cable design and manufacture progressed. The manufacture of the fiber optic cable was completed during this quarter at Nexans' Rognan plant. This was then delivered from Rognan to Halden, Norway where the remaining cable phases, armouring and layout of the cable takes place. PBQS continues to be our eyes and ears during the manufacturing phase of the project and provides all testing results and inspection reports to AELP as documentation for these visits. Due to some delays in the manufacturing process, the schedule for installation of the cable across Stephens Passage has now slipped about one month. It is AELP's opinion that this should not affect the overall outcome of the project and other activities taking place at North Douglas and Young Bay. All other activities for the cable manufacture, such as preparation of drawings and manuals for operations and maintenance are on schedule.

CONSTRUCTION PROGRESS

B-Road Transmission Line:

Work on the staking of the preliminary points of intersection for the B-Road transmission line was completed this quarter. Engineers worked with surveyors to complete the transmission line design and the RFP for the line construction was released on June 14, 2005. The bid opening was set for the middle of July with construction anticipated to begin sometime in early August. Once the RFP was released, all materials for the line construction were ordered. Due to long lead times for power poles, insulators and other hardware, it is anticipated that all materials will arrive on-site by early August.

North Douglas Termination Yard:

Materials that were ordered in the prior quarter had begun to arrive and the construction of the termination yard gained momentum this quarter. A-Frame structure assembly, ground-grid layout, low voltage conduits installs and all concrete work was completed during this quarter. Temporary power was also brought to the site through the first 11-miles of the Intertie (West Juneau to North Douglas).

Young Bay Termination Yard:

Initial civil construction of the yard was completed during this quarter. This entailed bringing the yard to sub-grade for the foundation and ground-grid works and the actual pouring of the foundations. Once this work was completed, the steel A-frame structure was erected and associated accessories were installed.

Submarine Cable Shore Works

Work relating to the submarine cable shore works for this quarter entailed taking advantage of warm weather and low tides in order to install 12" HDPE conduits on the shore approaches at both North Douglas and Young Bay. First the conduits had to be assembled off site, using what is known as electrofusion coupling. This type of assembly required dry weather to ensure proper fusion of the couplings to the conduits. Once the assembly was complete, conduit weights were installed on the water end of the conduit to ensure that the conduits wouldn't move once the submarine cable is fed into them during the installation

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process. Once the weights were installed, air bags and marker buoys were lashed to the conduit and they were floated into a nearby river so they could be towed by landing craft to each location.

With the help of divers, line crew personnel, boats and heavy equipment operators these conduits were floated into excavated trenches to approximately –10 ft then sunk in place. The conduits were then backfilled/covered with the native material and capped on both ends to prevent any foreign objects from getting into them. When the submarine cable arrives in Juneau and gets installed, the cable will be pulled through these conduits in order to provide additional mechanical protection of the cables in the intertidal zones.

Photographs for all areas of construction are provided as individual attachments to this report.