



Alaska Power & Telephone Company

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April 17th, 2014

Press Release

Alaska Power & Telephone Files FERC Preliminary Permit Application for 25 MW West Creek Hydropower Project on Alaska / Yukon Border.

Alaska Power & Telephone is pleased to announce that it has filed a Federal Energy Regulatory Commission (FERC) preliminary permit application for the West Creek Hydropower project. The proposed 25 MW project would be located on West Creek, a tributary of the Taiya River, near the City of Skagway in southeast Alaska.

The West Creek project would provide a new supply of clean, renewable energy to the communities of Skagway and Haines, reducing dependency on diesel-fired generation, and ensuring a supply of affordable renewable energy for future community and economic growth. Energy surpluses not used by the community could be used to power cruise ships berthing in Haines and Skagway, and help meet the growing energy needs of Canada's neighboring Yukon Territory.

Alaska Power & Telephone (AP&T) is an employee-owned business founded in Skagway in 1957. AP&T provides regulated electrical service to the Skagway/Haines region, as well as to other rural communities in Alaska.

AP&T has significant hydropower development experience, having licensed and developed four hydropower projects in Alaska since the mid-1990s. These new projects have helped AP&T's service areas transition from 90% dependency on costly diesel fuel, to 75% clean, renewable energy. Hydropower projects developed by AP&T include Kasidaya Creek and South Fork, as well as Black Bear Lake and Goat Lake – the first two certified Low Impact Hydropower projects in the State of Alaska.

In conjunction with their preliminary permit application, AP&T provided a letter to the Municipality of Skagway, clarifying their intent to partner and work closely with the municipality and the community, so that West Creek can be developed in a manner which is consistent with stakeholder expectations and community development plans. AP&T President and CEO Robert Grimm explained: "AP&T is proud to

have served the Skagway community for over 50 years, working closely with local government and community stakeholders during good times and bad. We believe the West Creek project is an important new chapter in our ongoing efforts to support Skagway's continued community and economic development, and look forwards to working closely with the Municipality on this new project so that we can maximize the environmental, social, and economic benefits of this project for the community."

A supplemental report prepared by AP&T identifying "Triple Bottom Line" environmental, social, and economic benefits of the project, is available for review at the Municipality of Skagway's website: http://www.skagway.org/vertical/sites/%7B7820C4E3-63B9-4E67-95BA-7C70FBA51E8F%7D/uploads/3_APT_West_Creek_3BL_Concept_Paper_2.pdf

While AP&T and the Municipality of Skagway have considered the West Creek opportunity for a number of years, AP&T's decision to apply for a preliminary permit is a new step reflecting a serious commitment to pursue the project. AP&T's President and CEO, Robert Grimm, explained the timing of this decision: "Local demands for renewable energy have been growing, while the cost of diesel fuel increases. Meanwhile, there are increasing energy needs in Whitehorse, and the Yukon Government is placing significant emphasis on West Creek in their Economic Development Corridors project. Meanwhile, AP&T completed new analysis of cruise ship energy needs, which has given us favorable indications that a shoreside power solution may be viable. Together, all of these factors led to a decision by our company that the time had at last come to pursue the West Creek project in earnest, and take the next step of applying for a preliminary permit for the project."

The preliminary permitting phase is just the first of many steps which will be required in advance of constructing the West Creek project. FERC's website explains: "*A preliminary permit, issued for up to three years, does not authorize construction; rather, it maintains priority of application for license (i.e., guaranteed first-to-file status) while the permittee studies the site and prepares to apply for a license.*" During West Creek's preliminary permit phase, AP&T will conduct a series of studies which will seek to demonstrate that the project can be developed in an economically feasibility and environmentally sound manner. If the project appears economically and environmentally sound, AP&T would proceed to file for a FERC License to construct and operate the project. AP&T estimates that the entire permitting/licensing process could take 10 years. Throughout the various permitting and licensing periods will be many opportunities for public comment and engagement. AP&T will utilize this feedback to design a project which maximizes the social, environmental, and economic benefits to the community, while minimizing undesired impacts.

Robert Grimm explained: "Our new efforts on the West Creek project represent a significant new investment within the Skagway community by our company. West Creek is a unique opportunity because it is capable of meeting local energy needs, while also providing a surplus for sale to other customers, which will help create new legacy jobs and tax revenue for the community. We look forwards to partnering with Skagway's leadership to complete this project."

Point of Contact for Additional Questions:

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