

ADDRESS ALL COMMUNICATIONS  
TO THE SECRETARY

FEDERAL POWER COMMISSION  
WASHINGTON 25, D.C.

Project No. 2308  
W. S. Pekovich

FEB 26 1963

Department of Fish and Game  
State of Alaska  
Juneau, Alaska

Gentlemen:

Enclosed is a copy of the preliminary permit issued to W. S. Pekovich of Juneau, Alaska, for proposed Project No. 2308, to be located on Sweetheart Lake.

Very truly yours,

*J. J. Sutcliffe*  
Secretary

Enclosure No. 5723  
copy of preliminary permit



ENCLOSURE No 5723

FROM

FEDERAL POWER COMMISSION

UNITED STATES OF AMERICA  
FEDERAL POWER COMMISSION

U.S. GOVERNMENT PRINTING OFFICE 16-6487-2

Before Commissioners: Joseph C. Swidler, Chairman; Howard Morgan,  
L. J. O'Connor, Jr., Charles R. Ross, and  
Harold C. Woodward.

W. S. Peckovich

)

Project No. 2308

ORDER ISSUING PRELIMINARY PERMIT

(Issued December 19, 1962)

Application was filed February 26, 1962 by W. S. Peckovich (Applicant) of Juneau, Alaska, for a preliminary permit under Section 4 (f) of the Federal Power Act (Act) for proposed Project No. 2308, to be located on Sweetheart Lake and Creek, in First Judicial Division, Alaska, and affecting lands of the United States within the Tongass National Forest.

As described in the application, the project would consist of: a 95-foot high dam having a 220-foot crest creating a reservoir with 127,500 acre-feet of usable storage; 9,500 feet of tunnel; 1,200 feet of penstock; a powerhouse at sea level capable of generating 120 million kilowatt-hours of energy annually; three miles of transmission lines; and all other necessary appurtenances.

According to the application, power developed would be used to mine, concentrate and smelt the ores from the magnetite ore deposits at Port Snettisham. Applicant states that he is capable personally of financing the preliminary investigations under any permit issued, which Applicant estimates as \$16,000. Applicant states also that he is the sole owner of the magnetite ore deposit near Port Snettisham and that certain foreign and domestic firms have indicated interest in large scale operation of the deposit which would require minimum energy of 60,000,000 kwh per year for mining, concentrating and smelting. The construction of the proposed project would, therefore, be dependent upon the development of the magnetite ore.

The Department of the Army, in commenting on the application, has stated that neither navigation nor flood control interests are involved and no objection was made to the granting of a permit.

The Department of the Interior, in commenting on the application, has stated that a natural population of small Dolly Varden trout inhabit Lower Sweetheart Lake which is very lightly fished due to its inaccessibility; that stocking of rainbow trout fry and eyed eggs in the lake has not been successful; and an opinion was expressed that the development of the proposed project with its appurtenant access roads and trails would lead to

increased hunting and fishing in the area. The comment went on to state that due to a 25-foot high falls, only the first 100 feet of Sweetheart Creek is usable for anadromous fish spawning. The comment concluded with a recommendation of a special condition in the interest of fish and wildlife for inclusion in any preliminary permit issued.

The U. S. Forest Service, in commenting on the application, has stated that it has no objection to the issuance of a preliminary permit for the project subject to the terms and conditions in the interest of the Service usually included in preliminary permits for projects affecting National forest lands, and subject to a special condition in the interest of the Service.

The State of Alaska, Department of Fish and Game, in commenting on the application, expressed concern over the relatively small salmon run near the mouth of Sweetheart Creek and reserved final recommendation on the project until detailed water use and construction plans undertaken under any permit are made available.

By letter dated April 25, 1962, the Mayor of the City of Juneau, Alaska, objected to the granting of a preliminary permit for the subject project unless such a permit stipulates a time for development.

No construction is authorized under a preliminary permit. Such a permit gives the permittee the right of priority of application for license while the permittee undertakes the necessary studies and examinations required by Section 9 of the Act, in order to determine the economic feasibility of the proposed project, the means of securing the necessary financial arrangements for construction, the market for the project power, and all other information necessary for inclusion in an application for license, should one be applied for under the permit.

The Commission finds:

- (1) Applicant is a naturalized citizen of the United States.
- (2) Public notice of the application has been given as required by the Act. Except for the afore-mentioned objection by the City of Juneau, no protests have been filed. No conflicting application is before the Commission.
- (3) The proposed project will affect lands of the United States, but will not affect any Government dam, and no reason is apparent at this time for development of the proposed project by the United States.

The Commission orders:

- (A) This preliminary permit is hereby issued to W. S. Peckovich (hereinafter referred to as the Permittee) for a period of 24 months, effective as of November 1, 1962, for the sole purpose of maintaining priority of application for license for Project No. 2308, to be located on Sweetheart

Lake and Creek, in First Judicial Division, Alaska, and affecting lands of the United States within the Tongass National Forest, subject to the terms and conditions of the Act, which is incorporated by reference as a part of this permit, and subject to such rules and regulations as the Commission has issued or prescribed under the provisions of the Act.

(B) This permit is also subject to the terms and conditions set forth in Form P-1, entitled "Terms and Conditions of Preliminary Permit" (16 FPC 1303-1305), which terms and conditions (designated as Articles 1 through 8) are attached hereto and made a part hereof; and further subject to the following special conditions set forth herein as additional articles:

Article 9. The Permittee shall submit at the close of each six-month period, from the effective date of the preliminary permit, to the Regional Engineer, Federal Power Commission, San Francisco, having supervision over the project, or to such other officer as the Commission may designate, accurate statements of the work accomplished during the period, and of the work contemplated under the preliminary permit for the ensuing period.

Article 10. The Permittee shall during the period of project planning cooperate with the U. S. Fish and Wildlife Service and the Alaska Department of Fish and Game for the purpose of planning and designing adequate conservation measures: (1) to prevent loss of or damage to existing fish and wildlife resources, and (2) to develop and improve those resources where practicable.

Article 11. The Permittee shall, prior to undertaking any investigation work under this preliminary permit on National Forest lands, consult with the Regional Forester, United States Forest Service, Juneau, Alaska, or his representative, as to reasonable requirements relative to operations, field surveys, and explorations, and shall cooperate with the United States Forest Service during the period of this permit to develop a plan for alleviation of damage to, and achieving maximum utilization of, national forest resources insofar as affected by the proposed project.

Article 12. The Permittee shall for the purpose of assuring the cooperation required by the terms of the permit, designate a liaison officer to act for the Permittee in keeping the several agencies specified in this permit currently informed, and such liaison officer shall communicate with such agencies within 60 days from the date of issuance of this permit.

(C) This order shall become final 30 days from the date of its issuance unless application for rehearing shall be filed as provided in Section 313 (a) of the Act, and failure to file such an application shall constitute acceptance of this preliminary permit. In acknowledgment of the acceptance of this preliminary permit, it shall be signed by the Permittee and returned to the Commission within 60 days from the date of issuance of this order.

By the Commission.

Joseph H. Gutride,  
Secretary.