

**SALUDA HYDROELECTRIC PROJECT RELICENSING**

**FERC PROJECT NO. 516**

**Quarterly Public Meeting**

**September 22, 2005**

**7:00 P.M. Session**

Presented by:

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Produced by

Capital Video

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PUBLIC MEETING:

MR. STUART: My name is Alan Stuart, I am with Kleinschmidt Associates. I would like to welcome everybody to our evening meeting. To kind of give you a recap, we had a morning session at 10:00, and we had about thirty-five individuals show up from various Home Owner Groups, State and Federal Agencies. We had a good turn out this morning. So, what I would like to do tonight is give you kind of an update on where we stand in the progress of the Saluda Relicensing and go over a number of items with respect to the Conservation Groups that we formed, and just how we are planning to proceed, you know, from this point. We issued the Notice of Intent on April 29th of this year; and we also at that same time also issued the Initial Stage document, the document contained a number of environmental --- a bunch of environmental information on operations of the project, fisheries, water quality, land management, just a myriad of items. We had a comment period, a sixty day comment period, on that. In that interim time on June 16th we convened at a Joint Agency and Public Meeting as required by the Federal Regulations. Agency comments to the Initial Stage were received on August 16th. We received thirty-six study requests; forty-four requests for additional information; nine requests for potential mitigation. The respondents included three Federal Agencies, three State Agencies, one County Agency, two City Agencies, one University, one Local Business, and twelve Non-Governmental Organizations, and six Individuals.

Here is a break down of the State, Federal and Governmental Agencies who provided comments. You can see it is quite diverse in the interest of the relicensing of this project. Here are the Non-Governmental Agencies who provided comments. We broke them down by National, State, and Local Groups. As you can see that is a fairly diverse group of Non-Governmental Agencies who provided comments. As many of you know who have been involved from the start of this, we formed some Resource Conservation Groups. The Resource Conservation Groups cover water quality, fish and wild life, land management, recreation, all those items that are required to be addressed under the National Environmental Policy Act. What I would like to do is go through and give everyone an idea of the members that we have signed up to date. This is not a final list; if anyone is here who is not on the list and would like to be a participant on those Resource Conservation Groups, please get with Alison Guth and she will get you signed up. This by far is our largest Resource Conservation Group. These Resource Conservation Groups are going to get the issues and comments that were received on the Initial Stage document; sit down and develop study scopes for those items that need field studies or additional information. As you can see, this is quite an extensive list of individuals. It includes members of the Utility, Consultants, Department of National Resources, Fish and Wild Life Service, as well as Non-Governmental Organizations. If you see that your name is not on this and you had signed up previously, please let us know.

No one is excluded from this, so it is just obviously an error. I think we pretty much got everyone, though. Here is our Fish and Wild Life. You will see a number of individuals who are participants on pretty much all of the Resource Conservation Groups. Dick Christie, I know, from the Department of Natural Resources is going to be heavily involved, and I think will primarily attend most, if not all, of the Resource Conservation Groups if he can work it into his busy schedule. Lake and Land Management Recreation, Operations, Cultural Resources. These two Special Interest, we have just recently established a Safety Resource Conservation Group. What we plan on doing with this one is possibly breaking it down into safety related committees, sub-committees; one to deal with the Lake aspect and one to deal with the Lower Saluda River aspect. That was one of the recommendations we had this morning. That way we think it will --- you know, some people who have interest on the Lake may not necessarily have interest on the Lower Saluda; and in the interest of people's time, which is very valuable, we decided to potentially look at that as an option. Again, if you are interested in signing up for that Committee, get with Alison or e-mail her at that address, and express your interest, and she will certainly get you included on the mailing list. We developed a set of Operating Protocol, we have those out front; if you did not pick one up on your way in, you certainly should get one on your way out if you are going to be part of the Resource Conservation Group. We developed these protocol as a draft; they are stamped "Final", but

that was for an internal source, not for general comments. We do want to solicit comments from the public. We submitted the draft version on September 9th. As I said, we are currently receiving comments on those from all stakeholders. So if you have comments, please provide them to us. I would like to have the comments by the middle of October, October 15th, because we begin the Resource Conservation Groups in full swing; in just a minute you will see it's the 1st of November. Also, as part of this Operating Protocol, we are going to be developing communications procedures. And those are being drafted now, and should be ready for review by October 7th. Here are some of the upcoming attractions, as I call them, with respect to relicensing. We have a woodstork survey, which we have been doing for the first of the year. That will be conducted tomorrow, this month's survey. Also, we are doing some Turbine Testing. SCE&G installed what they call hub baffles on the units at Saluda Hydro, which actually increased the efficiency of the air intake to inject oxygen into the discharge. They had done some work back in the '90s, late '90s, and since the hub baffles are installed they need to update that information and determine what's the best operating procedures to maximize the use of those hub baffles. That will be going on the first week, two weeks of October. The Resource Conservation Groups, these are the ones that I referenced earlier. These dates are pending meeting dates. Right now the meeting locations will be at the Lake Murray Training Center. If you are interested, you need to please let us know if you are going to

be a part of this. All these Resource Conservation Group Meetings are open for public. If you are not on the Conservation Group itself, you are free to attend as an observer. But just let us know because we need to put you on a list to get through security, this is a secured area. All these meeting dates will be posted on our web site; that address for those who have not been in this process is [www.saludahydrorelicense.com](http://www.saludahydrorelicense.com). If you are ever interested in learning what's going on in these Resource Conservation Groups, just let one of us know, Alison or myself, and we will certainly get you access to these meetings. All the Meeting Minutes from the Resource Conservation Groups and the Technical Working Committees will be available for your review and provided as information purposes if you want to keep up with the goings on. Right now, we had about a forty-five minute question and answer session, we had a much larger group; I'm not sure how many people have questions, but we will certainly answer any that you may have. Yes, sir, could you please state your name for the record so everyone can --- and who you represent.

MR. STONECYPHER: I'm Tom Stonecypher, with the Lower Saluda River Scenic River Advisory Council. And I just wondered what is the intent of the Operations Resource Group?

MR. STUART: The Operations Resource Group would deal with the operation of the plant in terms of generating, how it is operated, getting understanding the use of the project, what it is used for, it's value to SCE&G.

MR. MAHAN: One thing, it will be kind of obvious, there is going to be a lot of overlap in some of these. You know, we are talking about a safety group, the operations of the plant obviously impacts safety. We will do the best we can to kind of segregate these things; but we are not going to do so to the extent that it can't be shared information between the two and take advantage of the work of both the Technical and Working Groups, and take advantage of the work of the Technical Committee and Resource Groups. But there is going to be some overlap. Now, there is no way we can deal with issues around the Lake with a bright line in between the issues. So, I know that the Advisory Committee is very interested in a lot of things had to do with the Lower Saluda River and safety, as well as water quality and other issues. So, you may be on more than one of these Committees. Don't know of any better way to do it.

MR. STUART: Yes, ma'am.

MS. WENDLING: On the days you have day meetings did you have any opportunity to have these meetings at night for people who are working?

MR. STUART: We have had that similar issue come up. Right now the number of individuals who are --- have signed up for the Resource Conservation Groups prefer the day time. And, I know there are a number who can't attend. It is very difficult. One of the suggestions we have is identify the members on that Resource Conservation Group, if you have comments or concerns relay them to

that person and let them be your spokesperson if you can't attend. We are coming up with creative solutions to this, but right now predominantly they are going to meet during the day. I understand, it is a time consuming process, and it's a delicate balance. I know what you are going through.

MR. MAHAN: May I add something else to that? We absolutely must have participation by the local, state & Federal Agencies, particularly those who have responsibilities under the Federal Power Act, some authority under the Federal Power Act. These Agency personnel, they are involved in more than one Relicensing. If they are on the Catawba-Wateree, they are attending meetings, meetings, meetings and meetings, and we can't really ask them after they have put in their eight to ten full hour days to then attend all these meetings in the evening. At the same time each of the Resource Conservation Committees, once they are formed and they have their initial meeting, if they determine, have agreement, they can have one or more, or a series of evening meetings. That's fine. We just didn't want to come out, you know, knowing what the Agency people have to do. And we just, knowing they are involved in meetings, and just come out and try, and set it up, knowing that we are not going to get the kind of participation we need. We can't do without Agency comment, Agency input. Theoretically, in terms of meeting the legal requirements, if nobody from the public participated we could still get the license; but, if you don't have the participation of these Agencies, you have

got a problem. So, let's try a little bit, and apologize.

It's the same issue that every relicensing has. And there are some we feel don't offer the opportunity for a committee meeting. But, the Resource Conservation Group, if they don't have meetings or two or three, we certainly will adjust that.

MR. STUART: That's one of the reasons we are advocating the use of that web site, it's to keep everybody informed, you know. As I have said to a couple of groups before, this is almost like a second job. You know, it really is, it's not a hobby; it's something you need to stay involved with, and to get involved early, and stay involved whether --- you know, make sure you are staying to speed with the Meeting Minutes and everything that's going on, be in contact. You know, this is an open process and if there are questions you have, you know, there are ways to get your questions and your concerns aired during this process. Yes?

MS. (UNIDENTIFIED): You mentioned that there will be overlap between some of the committees. I guess one of my concerns is, what if there is something that kind of falls between the cracks? And one of the problems I see is communication, you know, between SCE&G and all the user groups, and how about make that be addressed in any of these committees, or is there a way to ensure that the tasks of the group will be available that be part of the right plans or an operation plan, or safety?

MR. STUART: Well, we are assuming that you say communications, that's for those individuals who are not part of the Resource Conservation Group?

MS. (UNIDENTIFIED): No, I just meant generally -

MR. STUART: Could you give me an example

MS. (UNIDENTIFIED): Well, I think maybe like with the water release in September, people said we weren't given any information, communications were really poor. How will this be provided for in the future? Will there be a committee that might address that? You know, future communications----

MR. STUART: That would be one of those items that would fall under Operations. I know there were a couple of comments that were received by, I think, one River and Rafting Companies. Could, you know, investigate ways to better inform the public on releases and other things. I know SCE&G is looking at doing real time data on a web site, some other things. One of the problems they have in terms of Operations, the Plant is used as reserve capacity. And what that means is in the event that they have a project somewhere else go off-line; or, if there is a demand on the system throughout the Southeast, that Saluda is the first thing they go to. That's their sole, you know, use of Saluda at this point is for reserve capacity. So, it's very hard to determine on a week to week basis what the schedule is. It's like if they have a very difficult --- it's almost impossible, just like looking into a crystal ball.

MS. (UNIDENTIFIED): I understand that but the public doesn't always understand that. I don't know if there is a better way for you to inform people or educate people.

MR. MAHAN: We are certainly sensitive to that; more so, sensitive after the debacle early in September. And I quickly acknowledge it. About the meeting, here. And I do think the Operations Committee would be one that is going to deal with that issue primarily. Now, they are going to be official Minutes with all of these meetings on the website. So, if you are in committees and you assume that it was going to address an issue and it's not being addressed the way you thought it was, you certainly could look at these other committees, and you can join another committee. We have a protocol in place for people who want to come in kind of late to join a committee. We don't say you can't do that, you need to be able to do that. But, I know exactly what you are saying. You may think this Safety one, this is going to be the thing I wanted and an issue that is not addressed because it's addressed in another committee, and you want to be able to learn what's going on, and maybe you can jump over to that committee. You make the decision.

MR. STUART: One thing, to expand on what Randy brought up about coming into a committee, or Conservation Group, that has already begun, we do put the burden back on you to get up to speed. We don't stop the Conservation Groups and say, "Okay, we have a new member," and we start the ball rolling again. We don't --- it's just not enough

time. Basically, a three-year process that we have to get the information and get the Application for a new license developed and submitted to the FERC. That's the Federal law. We can't change that. We have to meet that deadline. So, if you do find yourself going down a path and say, "Okay, I want to get onto another group," you know, be prepared do a little homework before you come to the meeting. For those that aren't aware, all the comments that we receive from the Agencies and NGO's are posted on the web site. You can go there, they are in PDF format, you are free to download those and look at them. So, we encourage you to do that. You will see that a lot of the information or questions you have, a lot of them are contained in those comments. A lot of people have the same feelings, you know, as you do. Other questions?

MR. MAHAN: Come on, we've got some questions ---

MR. STUART: Yeah, we had forty-five minutes, a hour of questions earlier today.

MR. MAHAN: We're not going to make you hush-up.

MR. CARBONE: A question. All these public comments --- I'm sorry, my name is Greg Carbone. All those public comments go to one or more of those resource groups?

MR. STUART: Actually what we are doing are taking those comments and developing lists for those Resource Conservation Groups; like for water there was a number of comments or information requests on water quality. All of those will be developed and, you know, placed

in a package and delivered, you know, for the Resource Conservation Group to identify and address.

MR. CARBONE: So, that way they can just --- no comments will be possibly the same.

MR. STUART: No.

MR. MAHAN: All the comments are posted ---

MR. STUART: Oh, yeah, every comment would be received.

MR. CARBONE: And then some research would be done.

MR. STUART: Yes.

MR. MAHAN: And if they don't, come (inaudible) here and tell us we missed one.

MR. STUART: Exactly. If there is something that you feel, you know, you identify that is not being addressed, it's not because we don't want to address it. We have to address everything. Anyone else? Questions? To give you a little bit further, we are going to hold these quarterly meetings, or we will have these meetings ever quarter. What I would like to do is give updates for the Resource Conservation Groups as we go through this on what they have accomplished over the last three months to just kind of give people a snapshot who want to, you know, view this from afar and see what's going on. That's kind of our plan. We are just in the berthing stages of getting these Resource Conservation Groups, so we haven't developed a great deal of information yet. But as these go on I suspect the entire two hours between questions and answers, and just the volume of

information, will pretty much take up the entire meeting. Yes?

MS. (UNIDENTIFIED): I am sorry I didn't identify myself, I am Kirsten Lackstrom with the Department of Geology. I guess what the Technical Working Committee, I know you are putting experts on that. But, I guess, one of my concerns is that what you call experts should --- will there be maybe someone else on these Conservation Groups, on the committees? You know, which expert decide and what are the experts?

MR. STUART: Well, ---

MS. (UNIDENTIFIED): Which expert will decide what needs to be done, or will that be done more collaboratively in the resource group.

MR. STUART: Okay. One point of --- this is a cooperative approach. It's not --- I wouldn't call it a collaborative. But, the other thing is we're not soliciting experts on the Technical Working Committee. We had this similar question come up. What we are looking for are those people that have, you know, biological engineering or scientific knowledge that can address the issue that is filtered down from the Resource Conservation Group. For instance, I am going to use fish entrainment. You know, there are people at the Department of Natural Resources who are very knowledgeable in fish entrainment. I'm very knowledgeable in it. If somebody from USC is knowledgeable in fish entrainment and is part of that Resource Conservation Group, and they have something positive they can add to developing a study scope,

or a best way to gather that information, they are certainly going to be allowed to participate on the Technical Working Committee. You, as a lay person who knows absolutely nothing about fish entrainment, will likely not be a participant because there will be more questions, you know, during the developing of the study scope. However, you could participate on these Fish and Wildlife Resource Conservation Group.

MR. MAHAN: And if you can come and attend as an observer, but you want to get up to speed. And there are some issues that don't necessarily require a degree, just a level of education, and so forth. Let's take down stream safety issues; boating, kayaking. I don't know, maybe they give out a degree in kayaking, I don't think so. But I can tell you, we've got experts in the area, we are talking about down stream boating safety, we certainly are going to need. It's kind of like a standard the law uses, to determine if somebody who is an expert. It can be by education, it can be by experience. And so, we want to try to make those right decisions to get the people on that help. The reason we want to try to get people who are familiar with the topic in a way that you don't have to educate them at base level; it simply will make this process go a little faster. If the Technical Working Group has to stop every fifteen minutes and answer basic questions, and everybody except for one or two understands, it can slow the process down to a risk we are not going to get that work done in time. Again, we don't want to exclude people from sitting in and listening, but as far as having to

stop and educate somebody on some of these technical issues, we would prefer to have people who are conversant in it and can add something directly. And it's not to say that common experience is not valuable, and it may be able to maybe size down some of those things, shoreline management, I don't know. That may be something that we certainly may need someone who lives around, participates in Homeowner's Association, someone that doesn't have to necessarily have a degree in Shoreline Management. Which I don't believe there is. So, we would like to have the Technical Working Groups that will work as a scientific, as a research, as a technical group. But we don't necessarily mean we are going to exclude someone if we believe based upon their experience and so forth, they can add something to the process.

MR. STUART: Also, these Technical Working Committees are going to be geared primarily to develop actual field type studies that are necessary. We are advocating the use of existing information as much as possible; but if there is a study that actually requires "go out and develop a study plan", they will conduct a study, bring back the information, synthesize it, and go through that. That's the primary role of the Technical Working Committee. They will develop their study plan, obviously distribute them to the Resource Conservation Group, or --- I wouldn't necessarily use the word "evaluation", but just to keep them informed of what's going on. Once the Resource Conservation Group has developed their own Technical

Working Committee out of that group. And pretty much those individuals will come to step forward and say, you know, "I know quite a bit about fishing entrainment." If we have to go address fish entrainment through some type of field effort, I think the general dynamics of the group will allow people to do that. But we are not excluding anybody as long as you can be a viable participant on that Technical Working Committee. Yes, ma'am?

MS. WENDLING: I'm Pat Wendling again. I have been on a committee in the School District to pick textbooks. And we went through a process because they said they had to go through a process and they had to have the parents involved. At the end of the time when we offered our recommendations and they were negated because they said, "We have to use this book because this is the book they will pay for." My question to you is, if we go through all of this process and all these people give comments, and spend time, do those comments actually end up in (inaudible). Is your goal to accept what they said and put them into this Relicensing or is this a waste of time and effort of everyone?

MR. STUART: The ultimate goal is to develop --- flush out all the issues and try to develop a settlement agreement that best balances the operation, the environmental, and the recreational aspects of the project.

MS. WENDLING: Who has the final decision. Do the people that put all of this input in?

MR. STUART: If you look, there is a hand out that is available, if you look there was a schematic of how these Resource Conservation Groups and the general relicensing --- I think Bill is holding one up. All of those Resource Conservation Groups will submit their recommendations to that core group up there which represents stakeholders, the State and Federal Agencies, SCE&G Personnel, that's where the development of a settlement agreement, we hope, is going to occur. There is a balancing that will need to be done. You know, there is economic considerations. Just as there is environmental consideration. That's what will be the goal, or the mission, I guess, is the word, of that core group that you see. That will in turn go up to SCE&G's management for their approval, it is SCE&G's project. But hopefully by then to my knowledge there are those people from SCE&G that have a good understanding of how SCE&G works, and hopefully will go for a stamp of approval.

MR. MAHAN: Our objective is to try to achieve consensus on these issues. That's why we bring up the issue of settlement agreement. Can't have a settlement agreement if you don't have at least some level of consensus. You may have people on your committee who disagree with the terms of settlement, the issues. Ultimately this is SCE&G's project, and our application, and to be responsible for what goes into it. And so, we will prepare the application, hopefully it's just roll it up and copies of all these agreements that we have on all the issues, and there is nothing left out there for the FERC to

really make the decision on that and likely there are going to be people who participate in the process and even where there is an agreement, or an issue, they still are going to want to provide their comments directly to the FERC after we file the application because you certainly are going to have that opportunity. Even if you participated every step of the way we don't say you give up your right to file comments to the FERC on our application if you participated. Not at all. Not at all. We want you people to participate so that we don't have a lot of disagreement and we can provide an application that shows that the issues, while you maybe haven't made everybody happy, we have at least found a point in-between that everybody can live with it. Some of these issues, that's the way they are going to be resolved; you are not going to be happy, we are not going to be happy; we both will be kind of equally irritated, unhappy, but we can live with it. So, we are going to see about that. But once again, once we file out our position and it goes out on public notice again and we had an opportunity to go

We know we can't make everybody happy, I'm not foolish enough to think we can. But we are going to listen to everybody, and we are going to address issues to the best of our ability.

MR. STUART: Thank you. Other questions? These are good questions, please ask. I gave a presentation to the Homeowner --- one of the Homeowner Groups, and that was one of the things I brought to the forefront is if you are unsure, please ask questions. I don't have

anything further. As I said, we will be convening another one of these in about three months. Hopefully by then, we will be in the thick of the Conservation Groups, and there will quite a bit of information, I think, that will be coming out of those.

MR. MAHAN: Please do look at these protocols again for the meetings and the conduct for the meetings and the groups. And if you have comments, suggestions for improvement, don't be bashful, and let us have those. What we did is we picked ones from other relicensings that seem to have worked well in terms of getting from Point "A" to Point "B". But if you have a better idea, we know there is more than one way to skin a cat. And we certainly want a process that everybody feels like they have participated in, and we can get approval (inaudible) among other things. On the time schedule that we have to meet.

MR. STUART: One other thing, I know on the sign in sheet we had a little box, or a section, where it said "Area of Interest". You will probably be added to a list if your name appears on that; if you don't want the information and you want to get it on your own, that's up to you. Just let Alison know to take you off of the minutia, e-mailing list; and you will be free to get the information through the web site.

MR. MAHAN: There is a folder --- we may have already handed all these out. We have got a survey that the Lake Murray Association would like to get participation in terms of helping them provide their

position, and help beat us over the head in a certain position. Please cooperate with Lake Murray Association.

(UNIDENTIFIED): I think it's Lake Use Survey.

Mr. RUPLE: Yeah. It's a useful survey; everybody, including SCE&G, they need a good input.

MR. STUART: If you need to get a copy, please pick one up. Anyone have any questions, please do not hesitate to contact myself, or you can get me through the web site. That's all I have. It's a five year process, so be ready.

END OF PUBLIC MEETING.