AMERICAN RIVERS AND THE COASTAL CONSERVATION LEAGUE

March 14, 2008

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First St. NE
Washington, DC 20426

Re: Comments on the Draft License Application for the South Carolina Electric and Gas Saluda Project (FERC Project P-516)

Dear Secretary Bose,

American Rivers and the Coastal Conservation League (collectively, the "Conservation Groups") are pleased to submit comments on the Draft License Application for the South Carolina Electric and Gas Saluda Project (FERC Project No. P-516). We have been active participants in the relicensing process since its inception, serving on a variety of technical working groups that seek to resolve outstanding issues regarding the Saluda Project's operations, safety issues associated with the Project, lake and land management use issues, and recreational issues relating to Lake Murray and the Lower Saluda River.

Respectfully submitted,

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IN GENERAL

Pursuant to the Federal Power Act (FPA), 16 U.S.C. §§ 791a-825r (2000), the Federal Energy Regulatory Commission (FERC) may issue a new license for an existing hydroelectric project only if to do so would be in the public interest. 16 U.S.C. § 803(a). In making its public interest inquiry, FERC is required to provide "equal consideration" to a range of public purposes, including the protection of fish, wildlife, recreation, and environmental quality. The FPA makes clear that relicensing is not a continuation of the status quo, but a reconsideration of the past commitment of the river resource based on present day values and "then existing laws and regulations." 16 U.S.C. § 808(a).

The Federal Power Act further requires that any new license contain conditions that adequately and equitably protect, mitigate, and enhance fish and wildlife resources. 16 U.S.C. § 803(j). Thus, FERC is required to assure that during any new license term fish and wildlife and their habitats are protected and restored, and that unavoidable, ongoing project impacts are mitigated.

Independent of the FPA, the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*, requires that FERC assess the past, present, and reasonably foreseeable environmental impacts of the hydroelectric project licensing and evaluate alternatives that would avoid these impacts. This requirement applies to applications for new licenses for existing projects because relicensing constitutes a new, irreversible, and irretrievable commitment of a public resource.[i]

Today, the protection and restoration of the ecosystem integrity of our rivers and public recreation opportunities is widely recognized by citizens of South Carolina as one of the highest public priorities. Accordingly, substantial emphasis should be placed on opportunities to further these priorities during the relicensing process. Though we understand South Carolina Electric & Gas's (SCE&G's) interest in maintaining the Saluda Hydroelectric Project as a reserve capacity power producing operation, it is critical that the company develop a complete factual record on which the Commission can give equal consideration to power and non power values, including restoration and enhancement of the downstream river ecosystem and its recreational values. Also, there must be biologically and scientifically sound information upon which agencies can base their terms, conditions, and recommendations. These requirements dictate that SCE&G evaluate a reasonable range of protection, mitigation, and enhancement (PM&E) measures and operational alternatives to current operations, including removal of parts of or all of the Project, and run-of-river operations.

The Conservation Groups recognize that the Draft License Application (DLA) is not intended to be a complete and final document, and that it contains a number of placeholders pending completion of ongoing studies. We also recognize that the applicant has noted these information gaps in the DLA, and that it has indicated that it plans to include the relevant information in the Final License Application, which it is due to submit by August 2008. We respectfully remind

the Commission of its responsibility to ensure that it has a complete record on which to base its final licensing decision.

PROJECT OPERATIONS

In Section 7.3.1.1 of the Initial Consultation Document (ICD) (e-Library No. 20050502-4003), the applicant discusses the "typical operations" of the Saluda Project, which it chooses to operate as a reserve capacity facility. The applicant states that its responsibilities as a member of the Virginia-Carolinas Southeastern Electric Reliability Council sub-region (VACAR) bind it "in a reserve-sharing agreement by which each [member] has agreed to assist any other member in generation emergences. SCE&G must employ its reserves (Saluda Hydro) to meet its own generation emergences before calling on assistance from other VACAR members, but it also must be constantly ready to provide reserve generation to other VACAR members to meet SCE&G's contractual reserve obligations" ICD, §7.3.1.1, at 17. In the DLA, the applicant states that:

> Saluda Hydro will continue to operate primarily as a reserve generation facility in the SCE&G system. In the event of a loss of generation elsewhere in the Applicant's system, the Project units can be started and brought to full load within 10 to 15 minutes. This allows a rapid response to emergencies on SCE&G's system, and also fulfills all or part of SCE&G's reserve share obligation as a member of VACAR. Providing rapid response to emergencies on SCE&G's system and those to which SCE&G is interconnected helps to insure reliability of electrical service both locally and area-wide. The use of Saluda Hydro for reserve generation is more efficient and reliable than other reserve alternatives such as combustion turbines or diesel powered generators.

DLA, Ex. H: Miscellaneous Filing Material, at H-1. *See also* DLA, Ex. H: Miscellaneous Filing Material, at H-2-3; SCE&G, "Guidelines for Operation of the Saluda Project for Dissolved Oxygen Management in 2007," e-Library No. 20070705-0208, at 2.

Based on the evidence in the existing record, we are concerned that SCE&G's proposed operations will not mitigate all of the Project's existing and potential impacts to water quality. **We believe that it is extremely important that the Project be operated in such a manner as to comply fully with all federal and state water quality requirements during all modes of operation.** We note that, since it began operating the Project, the applicant several times has made changes to its plan of operations for the Project. Thus, there is no assurance that, during the duration of the new license, the applicant will continue to operate the Project in the manner it describes in the DLA. We strongly urge the Commission to bear this possibility in mind as it develops the new license for this project.

With regards to an assessment of alternative sources of reserve capacity power, SCE&G states in the DLA that it will wait until the Final License Application to provide costs associated with using alternative sources of power, including (1) the costs of generating additional power at existing facilities; the purchase of power from other utilities; and the construction and operation

of a new power plant. *See* Exhibit H: Miscellaneous Filing Material, at H-4. In the absence of the information noted above, it is difficult, if not impossible, for commenters to understand the reasoning behind SCE&G's rationale for its operation plan for the Saluda Project. From all appearances, SCE&G chooses to operate the Saluda Project as a reserve facility simply because it believes that this use of the project is the most convenient and efficient means of meeting its reserve capacity needs. We request that the Commission require SCE&G to file a copy of the VACAR agreement with the Commission and explain the criteria it applies to its decisions regarding how and when to bring the Saluda Project online to meet its obligations under the agreement. As discussed in several places below, we have strong concerns with the adverse effects that the applicant's current and proposed operation of the Project as a reserve capacity facility can have. The unscheduled releases of very large amounts of water in a very short time, with very little warning to the public, can have serious consequences for the recreational use of the Lower Saluda River, particularly with respect to the safety of users of this river. We urge the Commission to study this issue carefully as it prepares the new license articles for this project.

EXHIBIT E: ENVIRONMENTAL REPORT

Lake Murray and the Lower Saluda River (LSR) are parts of a hydrologically complex watershed that covers a large part of central South Carolina and encompasses a number of the East Coast's major rivers and lakes. *See* DLA, Ex. E, at 1-9. Further, the 22,000 acre Congaree National Park, which is the largest tract of old-growth bottomland hardwood remaining in the United States (*see* South Carolina Department of Parks, Recreation and Tourism, "State Comprehensive Outdoor Recreation Plan" (2002), at 47 (hereinafter "SCORP"), available at http://www.scprt.com/facts-figures/outdoorrecreationplan.aspx), adjoins the east bank of the Congaree River and receives from the river the inundations necessary to allow it to survive and thrive. Approximately two-thirds of the water received by the Park enters the Congaree River from the Broad River; however, the Saluda Project has been shown to have impacts on the Park through its contributions to the flow that enters the Congaree River from the Saluda River. As part of its designation in 2003 as the first National Park in South Carolina, the Park was expanded by more than 4,500 acres to include lands at the confluence of the Congaree and Wateree Rivers. *See* SCORP, at 158. In 2006, the Park acquired more than 2,394 additional acres at the confluence of the Congaree and Wateree Rivers. *See* SCORP, at 158. Also, the Park is an International Biosphere Reserve, a National Natural Landmark, and a Globally Important Bird Area. *See id* at 47. These designations show the Park's importance as a unique and valuable natural area worthy of the highest possible level of protection from environmental degradation.

Section 2.0: Water Use and Quality

All water in Lake Murray, and its inflows and its outflows, are classified as "freshwaters" (FW). Section 61-68 of the South Carolina Code of Regulations defines freshwaters as "suitable for primary and secondary contact recreation and as a source for drinking water supply after conventional treatment in accordance with the requirements of the Department. Suitable for fishing and the survival and propagation of a balanced indigenous aquatic community of fauna and flora. Suitable also for industrial and agricultural uses. South Carolina Code of Regulations, § 61-68-10. Specific water quality standards are:

SOUTH CAROLINA WATER QUALITY STANDARDS FOR FRESHWATERS

ITEMS	STANDARDS
a. Garbage, cinders, ashes, oils, sludge, or other refuse.	None allowed.
b. Treated wastes, toxic wastes, deleterious substances, colored or other wastes except those given in (a) above.	None alone or in combination with other substances or wastes in sufficient amounts to make the waters unsafe or unsuitable for primary contact recreation or to impair the waters for any other best usage as determined for the specific waters which are assigned to this class.
c. Toxic pollutants listed in the appendix.	As prescribed in Section E of this regulation.
d. Dissolved Oxygen.	Daily average not less than 5.0 mg/l with a low of 4.0 mg/l.
e. Fecal coliform.	Not to exceed a geometric mean of 200/100 ml, based on five consecutive samples during any 30 day period; nor shall more than 10% of the total samples during any 30 day period exceed 400/100 ml.
f. pH.	Between 6.0 and 8.5.
g. Temperature.	As prescribed in E.12. of this regulation.
h. Turbidity*	Not to exceed 50 NTUs provided existing uses are maintained.
* Lakes only	Not to exceed 25 NTUs provided existing uses are maintained.

Adapted from: South Carolina Code of Regulations 61-68-10.

As described in the Lake Murray Water Quality Report (submitted by the applicant as part of the DLA), this classification includes waters "suitable for primary and secondary contact recreation and as a source for drinking water supply, after conventional treatment, in accordance with the requirements of the [South Carolina Department of Health and Environmental Control]. These waters are suitable for fishing, and the survival and propagation of a balanced indigenous aquatic community of fauna and flora. This class is also suitable for industrial and agricultural uses." DLA, App. E-1, "Lake Murray Water Quality Report," at 5.

As part of the relicensing process the Project must receive a certification from SCDHEC pursuant to Section 401 of the federal Clean Water Act (33 U.S.C. § 1341), and SCDHEC's regulations, which appear at South Carolina Code of Regulations 61-101. Thus, the final license application should contain adequate evidence to support not only FERC's licensing decision, but also the State's certification decision. To obtain certification, the applicant must demonstrate to SCDHEC that "the project is consistent with the provisions of [R. 61-101]; the State Water Quality Standards, R. 61-68; and the Federal Clean Water Act, 33 U.S.C. 1341, and regulations promulgated thereunder by the U.S. Environmental Protection Agency. South Carolina Code of

Regulations 61-101(F)(2). Among the factors that SCDHEC must consider when evaluating the application for a section 401 water quality certification are "all potential water quality impacts of the project, both direct and indirect, over the life of the project including:

> (1) impact on existing and classified water uses;
>
> (2) physical, chemical, and biological impacts, including cumulative impacts;
>
> (3) the effect on circulation patterns and water movement;
>
> (4) the cumulative impacts of the proposed activity and reasonably foreseeable similar activities of the applicant and others.
>
> South Carolina Code of Regulations 61-101(F)(3)(c).

Finally, SCDHEC will deny certification if:

> (a) the proposed activity permanently alters the aquatic ecosystem in the vicinity of the project such that its functions and values are eliminated or impaired;
>
> (b) there is a feasible alternative to the activity, which reduces adverse consequences on water quality and classified uses;
>
> (c) the proposed activity adversely impacts waters containing State or Federally recognized rare, threatened, or endangered species;
>
> (d) the proposed activity adversely impacts special or unique habitats, such as National Wild and Scenic Rivers, National Estuarine Research Reserves, or National Ecological Preserves, or designated State Scenic Rivers;
>
> South Carolina Code of Regulations 61-101(F)(5).
>
> Also, SCDHEC will not issue a certification "unless [SCDHEC] is assured appropriate and practical steps including stormwater management will be taken to minimize adverse impacts on water quality and the aquatic ecosystem." South Carolina Code of Regulations 61-101(F)(6).

We are extremely concerned about the Project's potentially enormous impacts on the waters of Lake Murray, the Lower Saluda River, and the Congaree River, and the importance of these waters both as natural resources and as elements of the area's economy. We urge the Commission to require the applicant to take measures pursuant to the new license to modify its operations to reduce these adverse impacts.

Section 2.2: Water Quality

In our comments on the ICD, we requested that SCE&G conduct a series of studies related to the Project's effects on water quality in Lake Murray and in the Lower Saluda River, including:

1) studies to evaluate the effectiveness of newly implemented oxygenation measures at the Project; and

2) "[s]tudies that objectively evaluate the effects of project operations (e.g., impoundment of the river and tributary streams, reservoir stratification, hypolimnetic discharges, project equipment and flow alterations, etc.) on water quality and how that affects habitat requirements of aquatic biota in the reservoir and river segments. Project operations and enhancements that would result in water quality that fully supports all aquatic life uses in the reservoir and rive segments affected by the Project should be evaluated."

SCE&G describes study requests and comments it received on the ICD, and any progress made in addressing such comments. We address each of our study requests and the progress reported by SCE&G below.

In response to our request for "a study of the effects of project operations (e.g. impoundment of the river and tributary streams, reservoir stratification, hypolimnetic discharges, project equipment and flow alterations, etc.) on water quality and how that affects habitat requirements of aquatic biota in the reservoir and river segments" (*see* ICD Comments, at 6.)," SCE&G states,

> *Resource Conservation Groups are currently working to resolve agency and stakeholder concerns as they relate to the water quality of the Project area and surrounding areas. They have currently performed a number of water quality studies that directly address different aspects of lake and river water quality that include: temperature, DO, water allocation, nutrients and other pollutants.*

DLA, Ex. E, p. 2-21.

We continue to work actively with SCE&G and other stakeholders on these issues, and remain hopeful that we can reach some agreement with the applicant on some if not all of the issues. Though the work of the Resource Conservation Groups and Technical Working Committees is ongoing, we are optimistic that at least some of the points of disagreement may be resolved through the committee process.

We also requested that the applicant conduct the following studies related to water quality in waters at or directly affect by the Project:

> 1) studies to assess the water quality in the Project's forebay area to establish the cause of periodic fish kills in that area (s*ee* ICD Comments, at 7);
>
> 2) studies to evaluate the effectiveness of newly implemented oxygenation measures at the Project (*see id.* at 7);

3) a study on the effects of sedimentation in the Lower Saluda River on the river's water quality, focusing on sediment composition, bedload movement, gravel deposition, sediment storage behind the dam and bedload changes below the dam; and the Project's effects on downstream geomorphology, sediment availability, and streambank erosion. *See id.*, at 7. To date, the applicant has not conducted this study. [*see* DLA, Ex. E, at 2-25] We request that the Commission require the applicant to conduct a peer-reviewed study on the effects of sedimentation in the Lower Saluda River on the river's water quality, and that the Commission consider the results of such study in its review of the Final License Application.

4) a study to evaluate the effects that alternative reservoir levels have on (1) recreational boating in reservoir headwaters and the main reservoir body, (2) near-shore aquatic habitat within the reservoir, and (3) the ability to release downstream flows to meet [the] recreational and ecological needs of the Saluda and Congaree [R]ivers. The Study should also evaluate how current operations with fall draw downs and spring filling affect recreational and ecological values in the Saluda and Congaree [R]ivers and the Congaree National Park." (ICD Comments, at 8).

5) A Low Inflow Protocol Study that specifically addresses public water supply, reservoir and river water quality, fish and wildlife habitat needs, power generation, etc. (*see id.*, at 13).

In the DLA, the applicant states that the Water Quality Technical Working Committee is still in the process of developing a water quality model "that directly addresses the striped bass habitat issues of the Lake." DLA, Exhibit E, at 2-23. We urge the Commission not to act on the FLA until it receives the results of modeling conducted using this model.

We note that, since the implementation in 2006 of new measures to improve the levels of dissolved oxygen in the Lower Saluda River, SCE&G has for the most part met its obligations pursuant to the settlement agreement with regards to maintenance of appropriate levels of dissolved oxygen in the waters released from the Project by Project operations.

Section 3.0: Aquatic Resources

The Lower Saluda River is home to a coldwater stocked trout fishery (trout are not native to the LSR) that the South Carolina Department of Natural Resources (SCDNR) operates as a Put, Grow, and Take fishery. *See* DLA, Exhibit E, Section 3.2, at 3-3. The river also is host to a healthy resident warmwater fishery that includes approximately 50 different species. *See id*., at 3-3-4. The close proximity of two such fisheries is extremely unusual, and makes the area a prime destination for anglers, who as discussed below provide numerous economic benefits to the local economy.

Section 4.0: Wildlife Resources

Section 4.3.1 Initial Stage Consultation

In conjunction with other stakeholders, we requested in our comments on the ICD that the applicant conduct surveys of migratory birds and studies to assess the condition of rare, threatened, and endangered (RT&E) species (specifically wood stork and bald eagle) in the Project area, as well as how Project operations may potentially affect these species. We also requested that the applicant collect information regarding the use of Project operations to protect, restore, or enhance the populations of these RT&E species. We requested that the applicant develop management plans for RT&E species that exist in the Project area or in areas upon which the Project has an influence. In the DLA, the applicant states that "[c]consultation on RT&E species is currently being undertaken by the RT&E resources group in consultation with USFWS and other agencies." DLA, Ex. E, at 4-8. We continue to be active participants in this process.

Section 5.0: Botanical Resources

Section 5.1.2.3: Impacts and Mitigative Measures

In the DLA, the Applicant has inserted left a placeholder here, with the stated intent of including information on these topics in the FLA.

Section 5.1.7: Shallow Coves

In the DLA, the applicant notes that these areas "provide habitat for several wildlife species and are significant to the recreational fishery, representing most of the suitable spawning and nesting habitat for the resident centrarchids (*i.e.* bass and sunfish." DLA, Ex. E., at 5-10. Given these areas' importance to both the lake's aquatic species and to its recreational value, we urge the Commission to include in the license articles that will maintain the existing protection of these areas, with a goal to leaving them undeveloped and in their natural states.

Section 5.1.8: Buttonbush and Willow Flats

In the DLA, the applicant notes the following with respect to these areas:

> The areas are jurisdictional wetlands that usually occur at or just below the 385.5-foot elevation and are common along the upper margins of shallow coves and other shoreline areas [citation omitted]. They support buttonbush on the lake side, with black willow located behind the buttonbushes. The stability provided by the root systems of the plants growing in this habitat reduces the effects erosion caused by wave action. Because of this stability, spawning centrarchids use these areas extensively. The structural complexity of these areas also provides a safe haven for larval and juvenile fishes.
>
> DLA, Ex. E, at 5-10.

Given these areas' importance to both the lake's aquatic species and to its recreational value, we urge the Commission to include in the license articles that will maintain the existing protection of these areas, with a goal to leaving them undeveloped and in their natural states.

Section 5.1.10: Exposed Bar

In the DLA, the applicant notes that some of these areas, which are remnants of the old river system (*see id*., at 5-11), may "offer favorable spawning locations for nest-building bass, crappie, and sunfishes." *Id*. Given these areas' importance to both the lake's aquatic species and to its recreational value, we urge the Commission to include in the license articles that will maintain the existing protection of these areas, with a goal to leaving them undeveloped and in their natural states.

Section 5.1.1: Wet Flats

The applicant describes these areas as jurisdictional wetlands that "provide important wildlife habitat for the lake ecosystem and, when submerged, are prime feeding areas for migratory waterfowl." *Id*. Given these areas' importance to both the lake's resident and migratory species, and to its recreational value, we urge the Commission to include in the license articles that will maintain the existing protection of these areas, with a goal to leaving them undeveloped and in their natural states.

Section 5.2: Agency and Public Recommendations Concerning Botanical Resources

Section 5.2: Agency and Public Recommendations Concerning Botanical Resources

Section 5.2.1: Initial Stage Consultation

In our comments on the ICD, we requested that the applicant conduct a floodplain flow evaluation to "assess stream flows needed for incremental levels of floodplain inundation for the Congaree River including the Congaree National Park." ICD Comments, at 10. We asked that the study "identify flow regimens and project operations that fully support the needs of floodplains, and their flora and fauna." *Id*. At the time of filing of these comments, the Instream Flow TWC still is working to try to resolve issues relating to instream flows and their effects on the Park. Also, a group of stakeholders and experts (including representatives of the Conservation Groups, the National Park Service, the U.S. Fish and Wildlife Service, and academia) is participating in a process designed to produce an Ecologically Sustainable Watershed Management (ESWM) plan for the Congaree River watershed (though the applicant has not formally signed on to the process, representatives of the applicant are actively participating as observers and are providing information to the group), as an attempt to ensure that the Congaree National Park receives appropriate flows at appropriate times of the year, and that the Project's operations do not have adverse impacts on the Park's ecosystem. This process is ongoing. The stakeholder group will provide recommendations developed during this process to the applicant at the appropriate time.

Section 5.2.2: Second Stage Consultation

On March 8, 2006, we asked that the applicant conduct a study of the Rocky Shoals Spider Lily to document the existing populations of this plant, and to examine the Project's potential impacts on these populations. *See* DLA, Ex. E, at 5-18 (citation omitted). The applicant conducted a float study in May 2006 in which personnel from resource agencies, the applicant, and Kleinschmidt and Associates participated. See *infra* at Section 5.3.1 for a discussion of the results of this survey and our comments thereon.

Section 5.3: Results of Recommended Studies

Section 5.3.1: Rocky Shoals Spider Lily Survey

The applicant's May 2006 float survey found no suitable habitat for the Rocky Shoals Spider Lily within the Project area. *See* DLA, Ex. E, at 5-18-19 (citation omitted). The applicant does note, however, that the species "is known to inhabit the LSR." *Id*., at 5-19. The May 2006 survey covered the entire length of the LSR from the base of the Saluda Dam to the Senate Street Landing on the Congaree River in Columbia. At the Ocean Boulevard site the survey participants discovered two plans that they believe to be Rocky Shoals Spider Lilies; however, the plants "were stunted and lacking blooms and were determined not to represent a viable and sustainable population." *Id*., at 5-19. The group discovered a "more vigorous group" of plants at the confluence of the Saluda and Congaree Rivers. The City of Columbia is monitoring these plants as part of an enhancement plan developed as part of the relicensing of the Columbia Hydroelectric Project (FERC Project No. 1895). *See id.* (citations omitted).

Given this species' status as a threatened species, we urge the Commission to monitor vigorously the enhancement plan included in the relicensing for FERC Project No. 1895, and to direct the applicant in the new license for the Saluda Project to conduct periodic studies on the Lower Saluda River to identify the presence of any populations of the Rocky Shoals Spider Lily along the river and, if found, to work with stakeholders to ensure that the Project's operations are modified to provide the maximum possible protection for any plants found.

Section 5.3.2: Mapping of Environmentally Sensitive Areas (ESAs)

Based on the results of a shoreline survey it conducted in 1994, the applicant chose to place emphasis on the protection of lands in the "buttonbush and willow flats" and "shallow coves" classifications *See* DLA, Ex. E, at 5-10. In response to a FERC order (*see* South Carolina Electric & Gas Co., FERC ¶62,273 (2004), at paragraph D), the applicant submitted to the Commission an updated set of ESA maps. In the DLA, the applicant states that the Lake and Land Management Technical Working Committee (LLM TWC) has further refined the shoreline classifications. *See* DLA, Ex. E, at 5-10. To date, these classifications have not been finalized. We continue to work with the applicant, and with other interested stakeholders, to develop classifications for shoreline lands that will provide the highest level of protection for these lands, in the interest of protecting the lands themselves and the water quality ion Lake Murray and the Lower Saluda River, which can be impacted by the level of protection afforded to the lake's shoreline.

Section 5.4: USFWS Comments on Impacts on Endangered Species

The applicant indicates in the DLA that it plans to discuss these comments in the FLA.

Section 5.5: Existing Measures to be Continued and New Measures Proposed by the Applicant

The applicant indicates in the DLA that it plans to discuss these measures in the FLA.

Section 5.6: Anticipated Impacts

The applicant indicates in the DLA that it plans to discuss these impacts in the FLA.

Section 7.0: Recreational Resources

Section 7.1: Regional Resources

The applicant notes in the DLA that the region surrounding the Project includes the Saluda Shoals Park (managed by the Irmo-Chapin Recreation Commission), Sumter National Forest, Dreher Island State Park, Sesquicentennial State Park, Harbison State Park, and the Congaree National Park. *See* DLA, Ex. E, at 7-2-3. The Riverbanks Zoo and Botanical Garden are on lands adjacent to or within the Project: SCE&G leases the land on which the Zoo and Botanical Gardens are located to the City of Columbia. We believe that, though each of these resources is of significant benefit to the local area, the existence of these resources, and their proximity to the Project, will place additional strains on the natural resources at the Project, particularly as the population of the local area increases as expected over the term of the new license. We urge the Commission to bear this concern in mind as it develops the new license articles.

Section 7.2: Project Resources

Section 7.2.2: Saluda River

Section 7.2.2.1: Public Access Sites

At present, there are only a limited number of public access sites on the Lower Saluda River: Saluda Shoals State Park, which is located on the north side of the river approximately 2 miles below the Dam; Metts Landing, which is located on the south side of the river approximately 2 miles below the Dam; Gardendale, which is a

We are concerned that the limited public access sites may impair recreational use of the river over the course of the new license. As we have noted elsewhere, the lack of reasonable access to the River currently is, a significant problem for river users of all types when the Project is operated as a reserve capacity facility. We plan to continue to negotiate a resolution with SCE&G and other stakeholders which includes operational or facility modifications that mitigate these potential dangers to river users by installing additional ingress and egress points, on both banks, along the length of the LSR.

Section 7.3: Existing and Potential Recreation Use

Section 7.3.1: Existing Recreation Use

As the South Carolina Department of Natural Resources has noted, "[i]n the years since they have been constructed, South Carolina's lakes have become nationally known for their boating, fishing, and recreational opportunities. Recreational use of lakes has become an important economic asset, and this use needs to be given important consideration in any lake management program." South Carolina Department of Natural Resources, South Carolina Water Plan, Second Edition, at 24.

Both Lake Murray and the Lower Saluda River receive heavy recreation use and provide significant recreation opportunities and quality of life enhancements to residents of the South Carolina Midlands and the surrounding areas. The lake and the river also provide significant sources of tourism revenue for local merchants and governments. For purposes of crafting license articles regarding the Saluda Project's operations, it is especially critical to note the relationship between the number of recreation-days that occur annually on these two water bodies. Lake Murray, which has a surface area of approximately 50,000 acres at full pool (approximately 2,000,000 acre-feet of total storage), received in May through September of 2006 approximately 316,000 recreation-days of use per year. *See* DLA, Ex. E-6, "Recreation Assessment Study Report (2007), at 3-30; *see also* DLA, Ex. E, at 7-19. This number is expected to grow to over 391,000 recreation days per year by 2030. *See* Ex. E-6, "Recreation Assessment Study Report (2007)," at 3-43. The Lower Saluda River, which is approximately ten miles long from the base of the Saluda Dam to the river's confluence with the Broad River near Columbia, receives approximately 232,000 recreation-days during the peak holiday season. *See id*., at 7-19. Thus the Lower Saluda, which is miniscule compared to Lake Murray, receives over 25% of the use that occurs on the lake. SCE&G estimates that use from "public access sites on Lake Murray and the lower Saluda River could total 604,520 recreation days in the year 2030 -- an increase of approximately 115,500 recreation days (23 percent) over 2006 levels." DLA, Ex. E-6, "Recreation Assessment Study Report (2007)," at 3-41. Further, as the applicant notes: "A recent SCDNR creel census suggested that the fishery resources of the LSR generate approximately 1.8 million dollars annually to the South Carolina State economy, with the trout fishery being responsible for the majority of the revenues." DLA, Ex. E, at 3-5. The tourism industry is the number one contributor to the state's economy, with an annual total economic demand of nearly $17 billion and the generation of more than 10% of the state's employment (South Carolina Department of Parks, Recreation and Tourism, "Economic Contribution of Tourism in South Carolina," available at http://www.scprt.com/files/Research/SC%20Tourism%20Update%201-22-08.pdf.). The applicant estimates that, by 2030, recreation days received by Lake Murray, the Mill Race sites, and the Lower Saluda River will exceed 604,000 days per year. *See* DLA, Ex. E-6, "Recreation Assessment Study Report (2007)," at 3-42.

The boaters, anglers, swimmers, and others who utilize the Lower Saluda River inject approximately into the Columbia area's economy in the form of money spent on hotels, food, fuel, and other items. Fishing is a popular activity in South Carolina. For example, during the years 2003 through 2006, there was an average of 27 permits granted annually for fishing

tournaments on Lake Murray. *See* DLA, Ex. E, at 7-1. Like Lake Murray, the Lower Saluda River supports an active recreational fishery. *See id*., at 7-1. Freshwater fishing alone contributes $802,726,539 to the South Carolina economy. *See* American Sportfishing Association, "Data & Statistics: Sales and Economic Trends: Economic Impact of Freshwater Fishing by State in 2006," available at www.asafishing.org/asa/statistics/saleco_trends/2006ei_fresh_state.html. This revenue is rippled or multiplied through the economy for a total contribution of well over a billion dollars annually. S*ee* American Sportfishing Association, www.asafishing.org. The LSR is unique for a number of reasons. First, it is one of the southernmost trout fisheries in the Eastern U.S. Second, it is the closest trout fishery to population hubs on the South Carolina Coast. Finally, it is partially located within a state capital's city limits. If state water quality standards are maintained and in-stream flow requirements are met it is likely the fishery will improve by increasing the number of holdover trout, which possibly will result in trout spawning. An improved fishery certainly will attract more anglers to the region. Richland and Lexington Counties stand to benefit significantly from increased angler use of the LSR. In South Carolina, the average daily annual expenditure per angler is $75. After this money is multiplied through the economy, revenues increase to $115 a day, providing valuable revenue to the local economy *See* American Sportfishing Association, "Average Annual Expenditure Per Day of Freshwater Fishing by State, 2006 (includes travel & equipment)", available at http://www.asafishing.org/asa/statistics/saleco_trends/expend_perday_fresh.html.

Lake Murray supports "substantial" boating activity, including annually hosting 6-8 sailing regattas, and by providing water for use by power boaters and flat water paddlers. *See* DLA, Ex. E, at 7-1 (citation omitted). Between 2003 and 2006, there was an average of 30 regatta permits granted annually. *See id*., at 7-1 (citation omitted).

Paddlesports, including whitewater boating, are some of the fast growing outdoor recreation activities nationwide (*see* www.americancanoeassociation.org). This trend certainly includes South Carolina. The LSR as been a whitewater destination for many years in part because it is the only class II-IV whitewater in the U.S. that is located within a major metropolitan area. The City of Columbia and local boating groups host a number of events each year, including the Wildwater Junior World Championships in 2007. Participation in paddlesports, especially from out of town and out of state boaters, is growing. Whitewater recreation has tremendous economic impact for Richland and Lexington counties. Four outfitters and two paddling groups with hundreds of members are based in part around the resource. The relicensing has the potential to enhance recreational use on the LSR, further increasing economic output in the area and positively influencing regional employment levels. Though expenditure profiles are somewhat more difficult to obtain for boating than for fishing, it is possible to assess them in much the same way; i.e., expenditures per day or per trip are multiplied by the change in activity and the overall impact on the regional economy estimated. Although specific economic data relating to boating on the LSR is difficult to obtain, similar economic studies have been conducted on other whitewater rivers in the state. For example, American Whitewater identified 39,000 user days a year on the Chattooga River with a total annual economic output of $4,350,000 (*see* www.americanwhitewater.org). Though the LSR may not be in the same class as the Chattooga River, as noted above, it certainly receives heavy use that justifies its protection as a valuable

natural and economic resource.. With favorable flows dedicated to whitewater boating, user days will increase, resulting in further economic benefits to Richland and Lexington counties.

The applicant acknowledges that projected population increases in the counties surrounding the Lake Murray and the Lower Saluda River are likely to place additional significant strains on these water bodies. *See* DLA, Ex. E, at 3-42; *see also* DLA, Ex. E-6, "Recreation Assessment Study Report (2007)," at 3-41 (citation omitted), 3-44. In light of these additional pressures, we are concerned that existing safety issues for river users at the Project and in the LSR will be exacerbated by the applicant's current plan, as expressed in the DLA, to continue to operate the Project as a reserve capacity facility. We request that the Commission, in the final license, require the applicant to fully explain and document the expected effects that its proposed operation of the Project will have on recreational safety on Lake Murray and in the Lower Saluda River for all typical river users.

As we noted in our comments on the ICD, there have been numerous drownings on the Lower Saluda River associated with Project operations. *See* ICD Comments, at 4. The proximity of the Saluda Dam to heavily used recreation areas means that project releases quickly and drastically alter the river, bringing it to unsafe recreation levels in a dangerously short period of time. Users of the Lower Saluda River are unable to safely and quickly react to these releases without an effective warning system in place. The current warning lights and sirens have been noted as being ineffective in most reaches of the river. *See id*. The Conservation Groups note that one critical feature of the Lower Saluda River is that anglers, boaters, and other users often have severely limited options for exiting the river easily in the event of sudden rises in the river's water level, such as those caused by some of the Saluda Project's operations. The comments of several stakeholders have demonstrated that fishermen, boaters, and other river users repeatedly have been subject to sudden water level changes without warning. These instances have threatened serious physical harm and caused loss of property. SCE&G has stated that the warning system was in working order during these times. This situation demonstrates that the current system is ineffective in at least some stretches of the Lower Saluda River.

Section 7.3.2: Future Recreation Use

The applicant states in the DLA that, "[b]ecause of the association of locality with recreation participation, population growth is typically a good indicator of future recreational use." DLA, Ex. E, at 7-22. As we have commented elsewhere in this document, we are extremely concerned that the projected increase in population, and the resultant increases in recreation days that follow from the population increase, will place severe strain on the natural resources located within and near to the Project.

Section 7.4: Adequacy of Existing Recreation Sites to Accommodate Existing and Potential Future Recreational Use

The applicant notes that "[p]ublic recreation sites at the project are generally well used with several sites reportedly being used at their design capacity." DLA, Ex. E, at 7-23. At least two sites Larry Koon and Shull Island, "are used beyond their capacities, regardless of day type." *Id*., at 7-23-24. According to the Boat Density Study conducted by the applicant, boat use at Lake Murray seems to be within the lake's capacity. *See generally* Ex. E-6, "Recreation: Boat Density Report (2007). Again, we urge the Commission to consider, as it crafts the new license articles, that the expected increases in local population will put additional pressures on the Lake's natural resources and water quality. We urge the Commission to consider these facts carefully as it develops the new license articles.

Section 7.5: Recreation Management

The applicant maintains a system on the Lower Saluda River to warn river users of sudden changes in river levels. *See* DLA, Ex. E, at 7-28. The system consists of a number of warning lights and sirens that are activated by float switches, and a series of color-coded river markers. *See id*. As noted above, the applicant also has established an electronic email and telephone calling system to warn selected persons of sudden changes in river levels. *See id*. The applicant also has expanded the information regarding current and planned operations that is available on its website.

In our comments on the ICD, we recommended that SCE&G conduct the following studies on the LSR with a goal of improving safety for river users:

1) studies "to assess and improve the rising water alert system and to implement other safety measures to account for hazardous conditions created by project operations." ICD Comments, at 4.

2) studies "of how to develop a public information system to communicate river conditions and project operations to river users. Potential media included signs and kiosks, the internet, and dedicated, toll-free telephone lines. Information to be communicated should include required flow releases, weekly forecasts of project operations, real-time reporting of conditions and other information useful to" the river-using public. *Id*., at 5.

We acknowledge that SCE&G has made some improvements to the warning system, including expanding somewhat the system of warning lights and sirens, adding information regarding current and planned operations to the company's website, an electronic call system that alerts certain persons via telephone message and email, and color-coded river markers. *See* DLA, Ex. E, at 7-28. We note with a great deal of concern, however, that the sirens and lights are triggered by float switches as the river rises, not by switches activated when the plant receives the call to commence operations, or when the Project actually commences operations. We believe that the current method of triggering the warning system is unacceptable because it reduces the time that persons in the river have available to exit before the water starts rising to dangerous levels. We

will continue to work with the applicant and other stakeholders to resolve these concerns; however, in the event we are unable to reach a suitable resolution of these issues, we strongly urge the Commission to require the applicant to activate the light and siren warning system either when the plant receives the call to generate, or when it actually commences operation.

Section 7.6: Agency and Public Recommendations Concerning Recreational Resources

Section 7.6.1: Initial Stage Consultation

In the DLA, the applicant notes that a number of stakeholders, including the Conservation Groups, requested that the applicant conduct a recreational uses and needs study on Lake Murray. *See* DLA, Ex. E, at 7-29. The applicant states that it developed a recreation assessment in consultation with the resource agencies and through working with the Recreation RCG and TWC. *See id*., at 7-29-30.

In our comments on the ICD, we requested that the applicant conduct a study on recreation and instream flows in the Lower Saluda River, with particular emphasis on the effects that the Project's operations have on instream flows and on the recreation that occurs in the Lower Saluda River and at the confluence of the Saluda and Broad Rivers. *See* ICD Comments, at 19-20. We recommended that the applicant:

> [determine] flow levels in the rivers required for: 1) enhancing recreational opportunities for anglers, paddlers, and swimmers; and 2) ensuring the safety of the public as they pursue these recreational opportunities. These studies alas are needed to determine the flow levels/dam operations that will allow use of canoes and kayaks from the Saluda Dam, through the confluence and into the Congaree River. An additional objective of recreation flow studies is to provide information to develop a system to timely inform the public of flow release schedules and a warning system to inform river users of changes n river flows and potentially hazardous conditions.

Id., at 19.

We noted in those comments that "[t]he areas listed are all used for public recreation, and would be more widely used if flow conditions made the rivers more accessible and safer for use . . . ." *Id*., at 20. We also noted that "[o]peration of the Saluda Project controls virtually all of the flow of the [Lower] Saluda River and approximately one-third of the flow at the confluence [of the Saluda and Broad Rivers] and in the Congaree River. Not only does the project control water volume, but it also controls the timing and duration of flows needed to meet recreational requirements." *Id*.

In the DLA, the applicant states that it conducted this study during the early summer of 2007, and that "[r]esults of this assessment will be used to aid in flow discussions with any recommendations for recreational flows contained in the Final Application." DLA, Ex. E, at 7-

31. Given the Project's profound impact on the Lower Saluda River, and the importance of recreational flows for maintenance of the recreational resource in the Lower Saluda River, we urge the Commission not to act on the Final License Application until it receives the results of this assessment, and to consider the assessment's results in its development of the new license.

In their comments on the ICD, other stakeholders requested that the applicant conduct a study of staged releases, or ramping, for implementation during high recreation periods. *See id* (citations omitted). We believe that staged releases, or ramping of releases, from the Saluda Project, if combined with other measures, could have a significant impact on the safety concerns that exist regarding the recreational resource at the project and downstream from the Project. In combination with adequate lights, sirens, increased numbers of access locations on the LSR, and other measures, staged releases or ramping could allow recreational users additional time to exist the river safely upon commencement of releases from the Project. We strongly encourage the Commission to consider staged releases or ramping as license articles in the new license for this project. The applicant notes in the DLA that both the Safety and Recreation RCG's are considering the issue of ramping. *See id*. The Conservation Groups have been active participants in the ongoing discussions regarding recreation and safety issues at the Project, and the impacts that the Project's operations have within and beyond the Project boundaries.

The applicant notes in the DLA that several groups, including American Whitewater and the South Carolina Department of Parks, Recreation and Tourism, expressed support in their comments on the ICD for the upgrade and repair, and continued existence, of existing access points on the Lower Saluda River. *See id*. We support these proposals and strongly recommend to the Commission that it include articles in the new license that require the applicant to upgrade and repair existing access locations, and expand the number of access locations, on the LSR.

A large number of stakeholders, including the Conservation Groups, stated in their comments on the ICD that it is necessary to install additional water level rise safety warning systems along the LSR. *See id*., at 7-33 (citations omitted). The applicant states in the DLA that it has been working on an ongoing basis with these groups regarding the recreational safety issues, and describes some of the measures it has implemented to try to address some of the stakeholders' concerns. *See id*., at 34. As stated above, the Conservation Groups acknowledge that SCE&G has made some improvements to the warning system, including expanding somewhat the system of warning lights and sirens, adding information regarding current and planned operations to the company's website, an electronic call system that alerts certain persons via telephone message and email, and color-coded river markers. *See id*., at 7-28. We note with a great deal of concern, however, that the sirens and lights are triggered by float switches as the river rises, not by switches activated when the plant receives the call to commence operations, or when the Project actually commences operations. We believe that the current method of triggering the warning system is unacceptable because it reduces the time that persons in the river have available to exit before the water starts rising to dangerous levels. We remain concerned that the applicant's efforts will not suffice to provide users of the LSR with an adequate measure of safety from the dangers associated with rapidly rising river levels caused by Project operations. We will continue to work with the applicant and other stakeholders to resolve these concerns; however, in the event we are unable to reach a suitable resolution of these issues we strongly urge the

Commission to require the applicant to activate the light and siren warning system either when the plant receives the call to generate, or when it actually commences operation, rather than using the current system of float switches located at various points along the Lower Saluda River..

Section 7.7: Recreation Needs Identified in Management Plans

Section 7.7.1: South Carolina State Comprehensive Outdoor Recreation Plan (2002)

The current version of the State Comprehensive Outdoor Recreation Plan (SCORP), which was completed in 2002, does not contain any recommendations specific to the Saluda Project. *See generally* South Carolina Department of Parks, Recreation and Tourism, "State Comprehensive Outdoor Recreation Plan (2002), available at http://www.scprt.com/facts-figures/outdoorrecreationplan.aspx. It does, however, contain several state-wide management priorities for recreation development that have applicability to the Project. *See generally id.* Beginning in 2008, a comprehensive revision of the SCORP began. It is expected that this revision will be complete by the end of the year. We expect to be providing comments to the state agency at appropriate points in the development of the revised SCORP, with an eye towards providing the maximum feasible protection for the natural resources in waters affected by the Project.

Section 7.8: Measures or Facilities Recommended by Agencies

Section 7.9: Existing Measures to be Continued and New Measures Proposed by the Applicant

This section is a placeholder for language to be developed later in the licensing process. We will be active participants in commenting on these measures at the appropriate times, and strongly urge the Commission to consider our comments, and those of other stakeholders, when it reviews this section of the FLA.

Section 7.10: Designated Waters and Project Lands

As the applicant notes in the DLA (*see* DLA, Ex. E, at 7-42), the Lower Saluda River, which is directly impacted by the Project's operations, has been designated by the South Carolina General Assembly as the state's first State Scenic River. Further, the National Park Service has listed segments of the LSR and the Congaree River on the Nationwide Rivers Inventory. *See* U.S. Department of the Interior, National Park Service, National Center for Recreation and Conservation, "Nationwide Rivers Inventory," available at http://www.nps.gov/ncrc/programs/rtca/nri/. These designations reveal the importance of the Lower Saluda River as an important environmental and recreational resource for the state of South Carolina and for the nation. We are concerned that the applicant's proposed plan of operations, as described in the DLA, will have negative impacts on the LSR's aquatic and terrestrial resources, and urge the Commission, as it prepares the new license, to carefully

evaluate all of the available information regarding the Project's effects on the Lower Saluda River in order to ensure that the resource is protected to the maximum extent possible.

Section 8.0: Land Management & Aesthetics

In its order approving the most recently updated shoreline management plan, the Commission directed SCE&G to review lands within the Project boundary and potentially revise their classifications. *See* 107 FERC ¶ 62.273. The applicant has been engaged, under the auspices of the Lake and Land Management Technical Working Committee, (LLM TWC) in an extended debate over how to follow through with FERC's directive. We, along with a number of other interested parties, are, and will continue to be, active participants in that debate.

In our comments on the ICD, we requested a study of the shoreline classifications at Lake Murray and along the Lower Saluda River. *See* ICD Comments, at 20-21. We believe that the Shoreline Management Plan (SMP) "should result in uses achieving maximum public benefit." *Id*., at 20. As the Federal Power Act states, that a FERC-approved project such as the Saluda Project must be "best adapted to a comprehensive plan for improving or developing a waterway or waterways for the use or benefit of interstate or foreign commerce, for the improvement and utilization of waterpower development, for the adequate protection, mitigation, and enhancement of fish and wildlife (included related spawning grounds and habitat), and for other beneficial public uses, including irrigation, flood control, water supply, and recreational and other purposes . . . .," 16 U.S.C. § 803(a)(1), and that:

> In deciding whether to issue any license under this subchapter for any project, the Commission, in addition to the power and development purposes for which licenses are issued, shall give equal consideration to the purposes of energy conservation, the protection, mitigation of damage to, and enhancement of, fish and wildlife (including related spawning grounds and habitat), the protection of recreational opportunities, and the preservation of other aspects of environmental quality.
>
> 16 U.S.C. § 797(e).

Last fall, because of concerns regarding the lack of progress by the applicant in developing recommendations for rebalancing the shoreline to maximize passive recreational opportunities and provide optimal protection for shoreline tracts with high recreational values, an ad-hoc group of members of the recreation Management TWC met and developed a set of recommendations for reclassifying tracts of land along the shoreline to increase the amount of shoreline preserved for passive recreational activities. This group consisted of representatives of non-governmental organizations (NGO's), including the Coastal Conservation League, American Rivers, Trout Unlimited, the South Carolina Wildlife Federation, the League of Women Voters; the lake-based advocacy group Lake Murray Watch; businesses such as River Runner and Adventure Carolina; and interested private citizens. Attending in an advisory status were representatives of the South Carolina Department of Natural Resources; the South Carolina Department of Parks, Recreation and Tourism; and the Lower Saluda Scenic River Advisory Council. These groups have not formally endorsed the focus group's proposal, but have provided technical assistance to the focus

group. Not present at the meeting but supporting the proposal were the South Carolina Chapter of the Sierra Club, the Columbia Audubon Society, and the Lake Murray Homeowners Coalition. On February 20, 2008, at the focus group's request, the Recreation Management TWC agreed to forward the focus group's proposal to the Lake and Land Management TWC for its consideration in the development of its rebalancing proposal. The RM TWC did not endorse the proposal's substance: it merely agreed to submit the proposal to the LLM TWC for that TWC to consider.

Because of an agreement that various stakeholders entered into verbally with SCE&G at the start of the licensing process, we will not describe the focus group's proposals in detail here, as they still are the subject of discussions among the stakeholders and with the applicant. In brief, the focus group proposed a series of measures aimed at increasing the protection of lands in all categories, especially in the lower part of the lake, which is an area that has been subject to intense development. The focus group's proposal includes educating property owners regarding the public's right to access lands along the shoreline, and on the values associated with shoreline vegetation and natural habitat; imposing more stringent restrictions on clearing vegetation; improved shoreline management; limits on new individual docks; consideration of restrictions on clearing below the 360' contour; incentives to property owners to encourage them to develop buffer zones; increased emphasis on passive recreational use on lands set aside for future development; restriction on land sales in certain areas; and increased protection of applicant-owned lands along the Lower Saluda River.

Though a large number of the Recreation Management TWC members support this proposal, it does not have the support of the applicant, so has been forwarded to the Lake and Land Management TWC as a series of recommendations for that TWC to consider as it develops its shoreline rebalancing program. The Conservation Groups plan to continue to work with the applicant and other stakeholders on issues relating to rebalancing shoreline uses, and urge the Commission to consider the efforts of these parties as it prepares the new license articles.

Section 8.1: Existing Development, Land Use and Aesthetics

Section 8.1.1: Development and Land Use

As noted in the discussion of Section 7.0, *supra*, the land surrounding the Project, including the land along and around the Lower Saluda River, is subject to increasing development pressures caused by the area's expanding population. We are extremely concerned that the natural resources at and surrounding the Project will suffer adverse effects because of the area's expanding population, and urge the Commission, when it crafts the articles for the new license for this project, to act carefully to preserve and protect these natural resources to the maximum extent possible.

Section 8.2: Agency and Public Recommendations Concerning Land Use

Section 8.2.1: Initial Stage Consultation

We requested that the applicant review land classifications at the Project. This review is ongoing. We are active participants in the process, and, as noted above in the discussion of Section 8.0, *supra*, with other stakeholders have made a land use rebalancing proposal to the applicant. We urge the Commission not to act on the FLA until it receives all necessary information on land reclassification.

Section 8.3: Applicant Proposed Mitigation

The applicant has inserted a placeholder in the DLA and proposes to provide the Commission with potential mitigation measures at the time it files the FLA. *See* DLA, Ex. E, at 8-14. We are concerned that potential mitigation measures may not be adequate or may not have a sufficient nexus to the project for them to be valid mitigation measures. We therefore strongly urge the Commission to 1) not proceed with evaluating the FLA until it receives all potential mitigation measures and 2) examine any such measures carefully to ensure that they are linked appropriately to the Project and comply with federal and state laws. We of course will continue to work with the applicant and other stakeholders to try to resolve concerns regarding any proposed mitigation measures.

Section 8.4: Applicant's Policy Regarding Shoreline Development

In the DLA, the applicant describes how during the term of the current license, it has required private property owners who since 1984 purchased land within the Project boundary to "maintain a 75-foot-wide vegetated setback located between the lake's high water mark (358.5-foot contour interval) and back property development." DLA, Ex. E, at 8-14. According to the applicant, "these setback areas are maintained as vegetated areas intended to protect and enhance the Project's scenic, recreational and environmental values in the area bordering the Lake Murray shoreline." *Id.* The applicant also describes its designation of certain areas within the Project Boundary as "Natural Areas," in which there is to be no sale of lands, and no docks, excavation, or shoreline activity. *See id*. We acknowledge the applicant's efforts n these instances to provide additional protection to the natural land and water resources on and around the Lake Murray shoreline. As described in several sections above, we are working, through the various RCGs and TWCs, with the applicant and other interested stakeholders, towards a goal of providing increased protection for the remaining undisturbed shoreline and waters of Lake Murray. The provision of vegetated buffer zones is especially important because these areas serve as filters for surface runoff from developed areas close to, but not directly on, the shoreline. These areas thus can provide significant opportunities for:

1) the enhancement of water quality in Lake Murray and in the Lower Saluda River, and

2) the protection of the high recreational and aesthetic values associated with having a shoreline that is left in a natural state, as opposed to one that is highly developed.

DECLARATION OF SERVICE

South Carolina Electric and Gas

PROJECT P-516

I, F. James Cumberland, Jr., declare that I today served the attached "Comments on the Draft License Application for the South Carolina Electric and Gas Saluda Project (FERC Project P-516)" to each person on the official service list compiled by the Secretary in this proceeding.

Dated: March 14, 2008

By:

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