

March 6, 2008

Mr. James M. Landreth, Vice President  
Fossil & Hydro Operations  
South Carolina Electric & Gas Company  
111 Research Dr.  
Columbia, SC 29203

Subject:

South Carolina Electric & Gas Company  
Saluda Hydroelectric Project  
FERC Project No. 516

Dear Mr. Landreth:

I read with interest the several hundred pages of the SCE&G "draft application" for a new operating license for Lake Murray. It is an extensive document with very a comprehensive description of the project status, lake operations, power generating equipment, lake environment, lake usage, recreation facilities and an in depth description of all of the lake wildlife.

The cover letter specified that comments on the draft application were due on or before March 14, 2008. The several hundred pages contained no commitments or objectives on any of the items of interest to most, if not all, of the lake stakeholders. These items include water level objectives, water quality objectives, environment objectives and preservation of shoreline objectives. With the omission of these critical items, there is nothing in the draft application on which to comment. Frankly it begs the question, why is it called a "Draft Application for New License" and why was it published?

I'm sure SCE&G and Kleinschmidt will agree that in its current form, this "draft" is certainly not a document the Federal Energy Regulatory Commission (FERC) can use to evaluate, approve or specify any of the critical objectives and commitments to be included in a "new license" for lake management by SCE&G for the next thirty plus years! The stakeholders look forward to reading and commenting on the "Final Application for New License" which will include these objectives and commitments for operating Lake Murray.

Sincerely:

George King  
1413 Palmer Rd.  
Columbia, SC 29205

CC:

Mr. William R. Argentieri, SCE&G  
Lake Murray Association  
The Federal Energy Regulatory Commission  
Mr. Bret Hoffman, Kleinschmidt

----- Original Message -----

From: Shirley Taylor <STaylor01@bellsouth.net>

To: LANDRETH, JAMES M

Sent: Tue Feb 12 08:29:58 2008

Subject: LAKE MURRAY

I JUST WANT TO LET YOU KNOW THAT THE LAKE MURRAY LEVELS MEAN A LOT TO US FOR RECREATIONAL PURPOSES. IT IS VERY DANGEROUS FOR SCE&G TO PULL THE LEVELS SO LOW. WHY ON EARTH DID THEY PULL DOWN IN THE SPRING. DEPENDING ON RAIN, WE NEVER SAW. IT IS NO NEED TO PULL THE LAKE UNTIL WE GET TOO MUCH RAIN. I HAD TO PULL MY BOAT OUT IN LATE JULY OR IT WOULD HAVE BEEN ON THE GROUND. TRY THIS COMING YEAR TO LER THE LAKE LEVELS REMAIN HIGH ENOUGH SO THAT WE MAY ENJOY THE SUMMER.

THANKS,

SHIRLEY TAYLOR

## Unknown

---

**From:** Gwen Robinson [GSROBI@scdjj.net]  
**Sent:** Friday, January 18, 2008 3:43 PM  
**To:** BARGENTIERI@scana.com  
**Subject:** Lake Murray

Please note for the record the following suggestions:

Any reference to SCE&G as the owner of Lake Murray be deleted from the license and the public acknowledged as the owner.

Make permanent the temporary FERC ban on the sale of Project Lands.

The retail value of Project Lands about to be conveyed to SCE&G could finance the entire budget of South Carolina for over a year.

Respectfully Submitted,  
Jim and Gwen Robinson

## Unknown

---

**From:** Bill Connolly [wmcpe1@sprynet.com]  
**Sent:** Friday, January 18, 2008 5:43 PM  
**To:** BARGENTIERI@scana.com  
**Subject:** Fact about Lake Murray Ownership

January 18, 2008

Request for Opposing Comments to the Federal Energy Regulatory Commission's License Granting South Carolina Electric and Gas Company Ownership of Lake Murray and Granting SCE&G the Right to Sell Lake Murray Project Lands

South Carolina Electric and Gas Company (SCE&G) is in the process of renewing its license to operate Lake Murray (Federal Energy Regulatory Commission Project 516) near Columbia South Carolina for the next fifty years. The draft application of the license has been circulated for public comment. The final application for a new license will be filed on or before August 31, 2008. Formal comments should be received before March 14, 2008. Requests for license copies and comments should be sent to Mr. James M. Landreth, Vice President, Fossil & Hydro Operations, South Carolina Electric & Gas Company, 111 Research Drive, Columbia SC 29203, or to Mr. William R. Argentieri at bargentieri@scana.com.

The Federal Energy Regulatory Commission's (FERC) license contains repeated representations that SCE&G is the "owner" of Lake Murray. The license designates the majority of remaining Project Lands around the shoreline as being available for "future development". The license implies that SCE&G is the owner not only the lake but also all Project Lands and has the right to sell any land designated for future development. SCE&G's right to control the use of the water from Lake Murray can also be implied from the license. Lake Murray is the source of drinking water for the City of Columbia, Lexington and surrounding areas. Clean fresh water will be a scarce resource before this SCE&G license expires. A study included in the draft license projects that the public use of Lake Murray will increase by over three hundred percent during the license period. SCE&G should not be allowed claim ownership of Lake Murray.

In 1954, the case of Thompson v. South Carolina Electric and Gas Co., 122 F.SUPP, 313, (D.C.S.C., 1954) held Lake Murray to be a navigable water of the United States. Navigable waters are owned by the public. All references to SCE&G as the owner of Lake Murray should be omitted from the FERC license. All references to SCE&G as the owner of the Project Lands should be deleted from the license. The people of the United States should be designated in the license as the owner of Lake Murray and the owner of all Project Lands. SCE&G should be precluded from selling Project Lands. Proceeds from any sales of Project Lands should be placed in a public trust for the preservation of Lake Murray and remaining Project Lands after any new SCE&G license expires.

The vast majority of land acquired for the Lake Murray project was privately owned prior to acquisition in the late 1920's. The majority of Lake Murray land was acquired in fee using the power, or threat, of condemnation. Flooding and related rights were acquired for the remainder of the land within the basin. Thousands of acres above the high water mark were acquired. This land is referred to as "Project Lands". This land has been available for public use since acquisition.

South Carolina Electric and Gas Company has been the licensee of Lake Murray since the 1950's. During this time a significant portion of the lands previously open to the public have been sold for private use. The process for selling the public's

interest is as follows: SCE&G submits a request for permission to sell land; FERC then issues a "change of rights", foreclosing the rights of the public. The public, or taxpayers, receive no part of the consideration. Early in this re-licensing process, there was some opposition to the sales of Project Lands and FERC represented that all requests for land sales would be denied during the re-licensing period. In December 2007, FERC noticed its approval of the sale of an island. It appears that FERC has now rescinded its announced policy.

Project Lands have been transferred, or sold, substantially below market value. Some of the parcels have been transferred, or sold, by SCE&G at the 1950's appraised value. The public has lost rights without compensation. It is foreseeable that all developable Lake Murray lands will be similarly transferred if the license is approved as written. The public will be excluded for the benefit of the privileged.

Over the current license period, SCE&G has restructured transferring many other appreciated assets and valuable business opportunities to related companies leaving SCE&G with associated liabilities. Assets of taxpayers and ratepayers are placed at risk when SCE&G's assets are shielded from liability. The transfer of Lake Murray and Project Lands to SCE&G will result in public loss of the right to use these lands and the public loss of valuable assets which, if sold, should be sold for public purposes. If SCE&G continues to give away the land to associated companies the Company's ratepayers will continue to be deprived of income from appreciated assets and other opportunities while executives and stockholders are enriched. The wealthy and "politically connected" will occupy Project Lands to the exclusion of the public. Lake Murray will be overdeveloped and water quality decreased. Taxpayers will loose valuable assets and be left with increased potential liability. All t

his has the apparent blessings of the Federal Energy Regulatory Commission.

I hope the credibility of my argument will be evaluated as they relate to long-term public interest. This is a fight primarily for people not yet born. The fight must be fought in the public forum for the people and by the people. FERC has exercised the public's right to delay sales of Project Lands and to designate which lands can be sold and which lands cannot be sold. FERC should deny all sales of Project lands. However, public officials will not risk opposition to powerful private interest unless the public's interest is raised with a unified public voice. Your assistance is appreciated in sounding the alarm.

Bill Connolly