

SALUDA HYDROELECTRIC PROJECT RELICENSING

FERC PROJECT NO. 516

Joint Agency & Public Meeting

June 16, 2005

10:00 A.M. Session

PRESENTATION,
Alan Stuart, Kleinschmidt Water Resources

(Transcribed from recorded cassette tapes of Proceedings:
by, Annette B. Gore, Court Reporter)

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1 PRESENTATION:

2 MR. ALAN STUART: Everyone is trying to get
3 in, but we would like for me to go ahead and get started. I
4 know there's a lot of people here, a lot more than we had
5 originally anticipated. My name is Alan Stuart, I am with
6 Kleinschmidt Associates. We are assisting SCE&G in the
7 relicensing of the Saluda Project. We are convening this
8 Joint Agency Public Meeting today as a requirement following
9 the issuance of the initial stage document, which was issued
10 on April 29th. There are electronic copies of the initial
11 stage document. It provides a lot of information on Saluda
12 and the project. If no one received a copy, there are some
13 out at the table.

14 A few of the things to remember, can you
15 please hold all of your questions or comments until the end
16 of this presentation? These proceedings are being video and
17 audio recorded for the public record. When you come up to
18 provide a comment, if you have one, please speak clearly,
19 identify yourself, who you represent. As I said, CD copies of
20 the initial stage are available at the front table. And,
21 anyone that did not, please sign in at the front so you are
22 identified in the record.

23 I would like to introduce the Internal SCE&G
24 Relicensing Team. Many of you probably already know many of

1 us. If you would, just raise your hand. Randy Mahan, SCANA
2 Services; Bill Argentieri, SCE&G; Mike Summer, SCE&G; Tommy
3 Boozer, SCE&G; Tom Eppink, who is not here, SCANA Services;
4 Steve Summer, SCANA Services; Ray Ammarell, SCE&G; Brian
5 McManus, who is counsel in Washington, D.C., he is not here;
6 and myself, Alan Stuart. There will be a number of other
7 individuals from other consulting firms. I think one person
8 who is part of this relicensing team who is here that I did
9 not recognize is Bill Green; he is in the back there. He is
10 doing a lot of the cultural work on Lake Murray as part of
11 the consultation with the State Historic Preservation
12 Officer.

13 Basically, we developed a Mission Statement,
14 to you that attended the workshop that the South Carolina
15 Coastal Conservation League convened back in March.
16 Basically, while SCE&G will manage this process, State,
17 Federal, Resource Agencies, homeowner groups, environmental,
18 and recreation special interest groups, etcetera, must and
19 will play a significant role in the relicensing of the
20 project. SCE&G will consult with the agencies, and the
21 groups, and individuals together, as well as provide
22 information. This information is important in order to
23 provide and identify, learn from, as well as to educate
24 stakeholders on the issues as they address and resolve those

1 issues as they apply to the Lake Murray-Saluda Project. One
2 of the stakeholders at the Public Meeting in March commended
3 us for having a Mission Statement so early. It took them
4 quite awhile, they said, to develop just a Mission Statement;
5 so, I think we are already ahead of the game here.

6 Just to kind of let you have an idea of SCE&G
7 and their generating capacity, the hydroelectric energy
8 production accounts for 12% of their capacity. Over the last
9 twenty-five years, 5.2% of their total generation was from
10 Saluda Hydro; that's total generation, not capacity, with 20%
11 of that coming from Saluda Project. You ask if hydro power is
12 such a low contributor to SCE&G's overall energy portfolio,
13 then why produce it? Well, it's pretty simple.

14 Hydroelectric power is one of the cheapest, most cost
15 effective methods to produce electricity. As you see, there
16 is a number of fuel costs associated with gas turbine, which
17 is one of the other ways that utilities typically can meet
18 capacity demands. It's very costly, it's not the most
19 efficient way. So, that's why hydroelectric power is such an
20 important commodity to utilities.

21 This identifies the six hydroelectric projects
22 that SCE&G either owns or is operating. The Fairfield Pumped
23 Storage is obviously their largest one. It is a pumped
24 storage facility. And, if you look at the foot note, it has

1 operating restrictions, both time; because, it is a pumped
2 storage and has a flow issue when the River flows into Broad
3 River, reaches 40,000 CFS it cannot operate. So, it is a very
4 limiting project for them to operate in terms of time and
5 response. Saluda represents about 47% of their hydroelectric
6 production. The River presents nearly 100% of their capacity
7 demands, to meet their capacity demands. It's a very
8 important project. As we go through this relicensing process,
9 you will come to understand exactly what this reserve
10 obligation comes to mean to SCE&G, and to other utilities
11 throughout the Southeast.

12 Moving to hydropower relicensing. Federal
13 hydropower projects such as Corp of Engineers, TVA projects
14 are exempt from FERC relicensing guidelines. Privately
15 developed projects at Federal dams are required to be
16 licensed, or relicensed. I don't think we have any here in
17 South Carolina, but there's a couple. There's a number on the
18 Ohio River, and, some as you go further out West with some of
19 the BUREC (phonetic) projects. But hydropower relicensing,
20 FERC, is primarily to private and public utilities.

21 Who is the FERC? I know a lot of people have
22 familiarized themselves with the Federal Energy Regulatory
23 Commission. Hydropower projects are relicensed under the
24 jurisdiction of the FERC. The Federal Energy Power Act gives

1 the FERC the authority to issue licenses for operation,
2 maintenance, and construction of hydro projects. Again,
3 those are public and private hydro power projects such as
4 SCE&G owns, Duke Power, Santee-Cooper, those type. The FERC
5 has the ultimate responsibility to ensure the licensee
6 complies with License Articles/Conditions. The ultimate
7 result from all this relicensing will be a new operating
8 license. The last one, I think, was issued in 1974; so, it's
9 been quite awhile since they've had a new license. There will
10 be a number of license conditions that SCE&G must comply
11 with; and hopefully, through this process we'll work together
12 to develop a number of those, if not all, those license
13 conditions. There's a number of Fundamental Policies,
14 Regulatory Requirements that shape relicensing. These give
15 such agencies as the South Carolina Department of Natural
16 Resources, Department of Fish and Wildlife Service, the
17 NOAA Fisheries, regulatory authority. SCE&G has to deal with these
18 under the Federal Power Act: Fish and Wildlife Coordination
19 Act; National Historic Preservation Act, which is what I
20 recognize that Bill Green is currently working under; the
21 Wild and Scenic Rivers Act. One of the biggest ones is the
22 National Environmental Policy Act. It's up to us to develop
23 the information that FERC will need to do what they call a
24 NEPA analysis. And that's where they will identify the issues

1 associated with the project, and basically the project
2 impacts. The Endangered Species Act is another important
3 Act; currently we are in the process of addressing some
4 Endangered Species Act with respect to short nose sturgeon in
5 the Lower Saluda River. SCE&G has been Working with the
6 Department of Natural Resources, Fish and Wildlife Service to
7 identify these in some early upfront studies that will take
8 a couple of years to develop some trend data on. The Electric
9 Consumer Protection Act of 1986, that was a very important
10 Act, that it required the licensees and FERC to balance the
11 recreation, environmental and generation needs of the
12 project. That was pretty much a milestone in the relicensing
13 form. And finally, the Energy Policy Act of 1992. If you are
14 very interested in a number of these, FERC website
15 "www.ferc.gov" goes into great detail on these Acts and what
16 authority it grants Regulatory Agencies, and that type. So,
17 please check that out if you are interested.

18 UNIDENTIFIED MALE: Would you speak louder, or
19 turn the volume up so we can hear you better?

20 MR. ALAN STUART: Yes. This microphone is for
21 the public record, but I can certainly use a microphone up
22 here if you are having a difficult time hearing me. As we
23 said in a number of other --- Can you hear me okay now? ---
24 meetings that we held, we held some workshops back in October

1 of last year. We are going to use the Traditional Licensing,
2 3 Stage Licensing Procedure with Enhanced Consultation. The
3 Traditional process is a tried and proven relicensing method;
4 was the original process that was developed to relicense
5 hydroelectric projects under the FERC's jurisdiction.

6 Currently the FERC has revised the Regulations; and after
7 July 23rd of this year, those who file a Notice of Intent,
8 the default process is what they call the Integrated
9 Licensing Process. However, FERC has given the utilities the
10 option of requesting an alternative process such as the
11 Alternative Licensing Procedure, or a Traditional Process, as
12 this is. Again, that's for those licensees who file Notice
13 of Intent after July 23rd of this year. The 3 Stage Process
14 obviously by its name has three distinct stages. We are in
15 the 1st Stage, which we provided the initial stage to you
16 guys, and we conducted this Meeting. We are soliciting
17 comments on the initial stage for information requests, study
18 requests that you feel relate to the project, and issues that
19 you feel may need to be addressed as part of this whole
20 process so we can move to the NEPA process. Stage 2 is the
21 development of the necessary information to conduct the NEPA
22 assessment. That will be about a two year study period, or
23 information gathering. May be a combination of field studies
24 or historical data, or a combination of both. That's one of

1 the things that I will discuss here in a few minutes on we'll
2 establish some Resource Conservation Groups and some
3 Technical Working Committees; and those will be part of this
4 whole process. And finally, Stage 3, FERC will conduct their
5 independent NEPA analysis. During this process we hope to
6 work together with the stakeholders and the agencies to
7 provide as much of the NEPA analysis that we can in the Final
8 Application for relicensing. There are a number of
9 variations of the Traditional Process. One, as I mentioned,
10 is the Enhanced, which is what we are attempting to do here.
11 It's where we hold a number of workshops, Public Working
12 Meetings, Technical Working Meetings, and get the public much
13 more involved than under the Standard Traditional 3 Stage
14 method where you hold a meeting, then you go off and do your
15 thing, and then send it to FERC. We understand the
16 sensitivity of this project to the individuals, and the
17 importance of it; so, we're very much committed to doing this
18 Enhanced process.

19 If you look in your packets --- Did everyone
20 receive a packet? I should have asked that upfront. There is
21 what we call a Gantt Chart. It provides a number of year
22 layout of the major milestones in the relicensing process.
23 There is going to be much more activity, especially in this.
24 There is going to be quite a bit more activity in this range

1 right here. We have this bar right here. That's where a
2 number of the licensing studies and information requests,
3 it's going to be a very, very busy time. If there is one
4 thing I can stress, if you are going to get involved in the
5 Resource Conservation groups, you need to stay involved. They
6 are going to meet on a frequent basis; the Technical Working
7 Committees are going to be very, very active upfront to
8 develop the study scopes once the studies are being
9 performed. Then things will subside a little bit until the
10 results come in. Then there will be a number of meetings to
11 discuss these results to get to the issue. That's the most
12 important thing, is we need to really get enough information
13 so we can adequately address the issues. And hopefully these
14 information requests through this period right here will seek
15 to do that. We would like to have as complete an Application
16 as is humanly possible. And that's our goal for this. So,
17 it's going to be --- I don't want to say it's going to be
18 fast track by any stretch of the imagination, I'm just going
19 to say it's going to say it's going to be very, very busy.
20 Please commit to it, but stay with us as we go through this
21 process.

22 As I said, we are doing the Enhanced method.
23 It employs early interaction with State and Federal Resource
24 Agencies and stakeholders. As I said, last October we held a

1 number of issue identification workshops, so it gave us a
2 good heads up on what the public and agencies may be
3 expecting through this process. We have started to develop
4 internally some issue workshops, or groups. And as we go
5 through this presentation, I will touch on it a little bit
6 more in detail. Early upfront informal NEPA scoping, that's
7 what I was referring to about scoping out the issue,
8 identifying what we need to resolve and address before we can
9 go to the Stage 2, and on through the process. Again, we
10 encourage early public participation by you folks. It's very
11 critical and important that we hear what you have to say.
12 SCE&G is committed, they want to hear what you have to say,
13 they are willing to work with you. So, please work with them.
14 This is going to be a --- we're going to see a lot of each
15 other in the next two to three years, I can assure you. And
16 again, it encourages much more public participation than the
17 Standard Traditional Method, that's one thing. The
18 Traditional Method, when it was originally developed, this
19 meeting was one of the few that you had to have that was
20 required through this process. It has changed over course of
21 the years, and that's why we have enhanced this process.

22 Here are some things that we may expect, or
23 you may expect from SCE&G during this enhanced process.
24 Monthly Technical meetings. These Technical meetings, as I

1 said, will address the work scopes of the studies and
2 information requests that we need. The formation of the
3 Resource Conservation Groups and issues specific Technical
4 Working Committees. These Technical Working Committees will
5 be assembled of experts or people that have knowledge in
6 certain biological or engineering fields; they can contribute
7 to developing study plans and work scopes, address
8 information needs. Quarterly evening public meetings; this
9 is to try to facilitate you people in the general public. We
10 know that you have jobs, as well, outside of this; and it's
11 difficult to get people there during the daytime. The
12 Technical Working Group, or Technical Working Committees and
13 Resource Conservation Groups, I will say this. They will
14 probably primarily meet during the daytime. That's something
15 that's important. So, as much as we'd like to facilitate
16 everyone, a lot of the Resource Agencies are going to be
17 members of these Technical Working Committees, and they just
18 can't meet at night. It's something that has to be. So, the
19 Public Meetings will be to ---

20 SENATOR JAKE KNOTTS: We need to ask you a
21 question, about one question. Somebody called me late last
22 night and another person this morning, to make sure that
23 these meetings were at night so the public could attend. And
24 that the people from the power company would, you know ---

1 they are hired people, they can come at night. What's the
2 answer to that?

3 MR. ALAN STUART: Would you identify yourself
4 so I can let the court reporter know, or the ---

5 SENATOR JAKE KNOTTS: Do what?

6 MR. ALAN STUART: Could you give me your name
7 so I can say it, so he will --- it will be on ---

8 SENATOR JAKE KNOTTS: Jake Knotts.

9 MR. ALAN STUART: Senator Jake Knotts asks, a
10 number of constituents were questioning him on if these
11 meetings were going to be during the evening so it could
12 facilitate their involvement. As I said, the Public Meetings,
13 we plan to have quarterly Public Meetings in the evening. The
14 Resource Conservation Groups are going to primarily --- and
15 when I say the Conservation Groups, we may have a number of
16 them at night. The Technical Working Committees are the ones
17 that we are going to set down, will definitely be during the
18 daytime. The Resource Agencies are your representatives. If
19 someone has knowledge or a specialty in a certain issue work,
20 issue group, we will do everything we can to facilitate an
21 evening session, you know, if the agencies can attend, too.
22 I mean, we want this as a cooperative group as possible. I
23 can't say we can cater to one individual when fifteen want to
24 meet during the day, or it's more preferred.

1 SENATOR JAKE KNOTTS: Their issues will be
2 forwarded and looked at, and you can assure that they will be
3 looked at in a fair manner?

4 MR. ALAN STUART: Positively. We are not
5 excluding anyone. If there is a certain issue that this group
6 --- that the individual has, one of the suggestions that we
7 have is find someone that can meet during the daytime. It
8 might be a representative of the Department of Natural
9 Resources, and make sure they express this individual's
10 interest if they can't attend the workshops or the Working
11 Committees themselves. Do you follow that? What I'm trying
12 to say there?

13 SENATOR JAKE KNOTTS: Yes.

14 MR. ALAN STUART: No issue will be looked
15 over. If they have --- you know, if they can't be there,
16 we're doing a number of things. We have web sites that all
17 the Minutes from the meetings, these Technical Working
18 meetings. They will all appear on the website. It's free
19 information, you can go to that website any time. They will
20 be included on e-mailings, all this information will be
21 forthcoming. I mean, there is nothing going --- these Working
22 Committees are going to be open. So, we can get them the
23 information if they can ---

24 SENATOR JAKE KNOTTS: The problem was if they

1 have to work during the day that they decide to have it, they
2 can't say call them up in the daytime to come to the meeting.

3 MR. ALAN STUART: I understand. All the
4 Working Committee Groups and meetings are going to have
5 Minutes. If they have an issue with something that went on,
6 there will be one individual that we say that's the Chairman
7 of the group, get in touch with that individual. You know,
8 copy the rest of the members on there. And if there is
9 something that was not addressed, then it certainly will be
10 brought up at the next meeting. The quarterly meetings are
11 basically to inform those individuals who want to be
12 involved. The difference here is that you can be involved.
13 Some people want to be involved on the Resource Conservation
14 Groups, like the Fisheries Conservation Group. Some people
15 may not. But there will be a lot of other individuals who
16 want to be involved at the higher levels just to see what's
17 going on, keep their finger in the pie. And that's what a
18 number of the quarterly meetings are for primarily.

19 If you look in your packets, we put a sign up
20 sheet in there. If you are interested in participating in
21 some of the Resource Conservation Groups, please drop them in
22 a box as you leave today and you will certainly be added to
23 the group. Provide your name, your organization, and contact
24 information, and you will certainly be put on those groups.

1 Probably moreso than you want to be at times. One of the
2 other things we want to try to do is help educate the
3 stakeholders in the relicensing process and hydropower,
4 develop enhancement relationships with you people. It's a lot
5 of work and we want to try to work in a very cooperative
6 manner. It's been my experience, anyway, if you work in a
7 cooperative manner you get a lot more done. There is one
8 message I can put out there, be prepared to sit down and work
9 with it. Don't come in with your mind already made up. I
10 mean, SCE&G is coming in this with an open mind. They know
11 there is going to be some changes, you know, that's the take
12 home message. I'm not going to get everything I want, you are
13 not going to get everything you want, SCE&G is not going to
14 get everything they want. It's a balancing act. So, that's
15 the relicensing process; until something better comes along,
16 that's what we're stuck with. They will use consultants.
17 Like I said, you will see a lot of --- we have a couple of
18 Kleinschmidt people here, we have Shane Boring (phonetic) who
19 is one of our Wildlife Endangered Species Specialists. He has
20 been working very closely with some of wood stork work that's
21 going on on Lake Murray. And again, with the sturgeon work
22 that's going on on the Lower Saluda. We are going to be using
23 a lot of e-filings. We are going to use e-mail and
24 electronic files as much as humanly possible. If someone

1 doesn't have access to e-mail or internet, we will certainly
2 provide you a hard copy, or some other way. If you don't have
3 a computer, please let us know so we can provide that. But,
4 we are primarily shooting for a paperless relicensing. This
5 information will be available over the internet at the web
6 site. I know many of you, we keep track of the hits on the
7 web site. The address is www.saludahydrorelicense.com. We
8 encourage you to check it out and get familiar with it
9 because it's going to be a very, very valuable tool through
10 this entire process.

11 If necessary, we will get potential early and
12 meaningful FERC involvement. I think what we would like to do
13 is try to resolve as many things on the local level. Everyone
14 here knows this Lake better than FERC does. FERC reads it
15 from a newspaper, or an electronic file, or a paper document.
16 That's their knowledge. So, you know, I think the people in
17 this group and the people that will come tonight are much
18 better experts on how the Lake operates, what's meaningful,
19 and the issues. And then that's what we are trying to do.
20 FERC encourages that type involvement, but we certainly are
21 not adverse to getting FERC involved if you, or SCE&G, or
22 anyone thinks it will be valuable.

23 Here are some things that SCE&G expects from
24 the participants. Stay on schedule. As that Gantt Chart

1 shows, we have got roughly about three years until we have to
2 have a final application in to the FERC. That's the
3 Regulatory requirement. They have to meet that requirement.
4 That doesn't necessarily mean that every piece of information
5 has to be in there, but we need to get as much information in
6 there as humanly possible. If there is something that is
7 lacking, the FERC will send back what they call an Additional
8 Information Request. It could be a study that's already in
9 progress that we just have not gotten the results. At that
10 time we will send in that information to complete the
11 package; but our goal is to have as many, many issues
12 resolved before it goes in to the FERC for their NEPA
13 analysis. You need to acknowledge those Regulatory
14 requirement and milestones. We can't change those. The
15 Federal Law dictates those and mandates those; SCE&G has
16 absolutely no control over those. We want courteous behavior
17 at the scheduled Meetings. We don't want rock throwing; we
18 don't want name calling. I mean, we have got to work through
19 this in a very civilized manner. I have had a number of
20 public meetings that we have been involved with in others,
21 and most people tend to behave; which is a good thing. I
22 know at times some issues may get contentious and people may
23 lose control; but we respectfully request that you try to
24 behave. Understand and focus on resolving issues. One of the

1 big things that we need to make sure that is well understood
2 is if the issue is project related. And what I mean by that
3 is, I always use this analogy. There is a couple that live up
4 in the upper part of Chapin that have coyotes that come
5 running through their yard every evening at five o'clock.
6 Well, you know, these individuals don't realize they raise
7 rabbits in their backyard, and the coyotes come through at
8 dinner time. That really has nothing to do with the project
9 itself, but to them it's an issue. They want to know what to
10 do with it. But it doesn't apply to SCE&G; it doesn't apply
11 to Lake Murray. You know, water release from the Dam and the
12 D.O. levels in the Lower Saluda River, that's a project
13 related issue. And that's what we need to make sure that's
14 very well understood is project related issues versus outside
15 interests and issues. As we go through this, there is a
16 couple of slides, or a slide, that will help you identify
17 some criteria for addressing your informational needs.

18 Focus by the stakeholder and Resource
19 Conservation Groups and Technical Working Committees on
20 sound, Technical, biological, engineering input to resolve
21 those specific issues to each individual Resource
22 Conservation Group. Studies, Codes and Data collection
23 pertinent to the project operations. That's what I was
24 referring to about the coyote and the water through the Dam

1 type issue. One thing that we have requested, and FERC has
2 identified, is awareness and concern of relicensing costs.
3 This is not a very cheap thing for SCE&G to do. They have
4 gone through the remediation of the Dam, and we just
5 respectfully request that you keep study costs in mind. If
6 there is a way we can answer that question with the existing
7 data and not have to go out and reinvent the wheel, we
8 certainly would like for you to consider that. We have had
9 a lot of success doing that with the agencies and other
10 folks, and it seems to work out really well. If you have
11 questions, I am sure Dick Christie and some others around
12 here can provide you a little bit more insight on using
13 existing information.

14 I spoke about the Resource Conservation Groups
15 and the Technical Working Committees. This is how we
16 anticipate it being structured. Your Resource Conservation
17 Groups are these yellow boxes. For instance, there may be
18 twenty-five people that are interested in --- let's take
19 fisheries, for instance. The Fisheries Conservation Group.
20 I am going to use Malcolm Leaphart, who is not here
21 unfortunately, as my example. Malcolm is representative to
22 T.U. While he may be interested in the whole fisheries
23 aspect, he may be only interested if there is trout issue
24 down here, we'll call it, or the in stream flow issue. That

1 may be his level that he wants to get involved with on the
2 Technical Working Committee. He may have no interest in fish
3 entrainment through the Dam, or diadromous fish movements up
4 the River. That's fine. If he doesn't have any interest in
5 that, that's great. But, he can still be part of the Resource
6 Conservation group when all this information comes back
7 together. That's what the Resource Conservation Group
8 mission will be, to take all of these Technical Working
9 Committees, right here, the information study reports
10 generated, and consider, "All right, what issues can we
11 resolve based on this information?" That's the Resource
12 Conservation Group. These Technical Working Committees, which
13 I referred to earlier, those are the ones that are going to
14 probably be held during the daytime. Many, many Resource
15 agencies are going to be highly involved in this, and this
16 facilitates their involvement by having them during the day.
17 Again, there will be Minutes generated from each one of these
18 on the web site; each Technical Working Committee will have
19 a designated spot. You will find Minutes from each one of
20 these on there. If you are having a passing interest, or your
21 are just curious, please feel free to use that information.
22 Go for it. Ultimately, once we get all the issues identified
23 and hopefully resolved, what will happen is this will be
24 funneled back up to this group right here. All that

1 information on operations, fish entrainment, in stream flow,
2 dissolved oxygen, will all come back to this major
3 stakeholder group right here in hopes of developing what they
4 call PM&E measures, protection, mitigation and enhancement
5 measures. At that time one of the things that will be looked
6 at will be the economics. How much does it cost SCE&G for,
7 you know, this enhancement? If it's impoundment
8 fluctuation limitations, say. There is a cost associated
9 with limits in those fluctuations. That will be included as
10 part of this analysis. FERC requires that that be part of
11 this. And what FERC does is balance those economic and
12 environment conditions. Hopefully, the ultimate goal will be
13 to get all this information together and develop a package
14 that can go to SCE&G management for approval. When I say
15 management, I mean higher up. There will be a number of
16 people like Randy Mahan who will be highly involved in this
17 area. Ultimately, you know, it is SCE&G's Lake. But
18 hopefully, if we have done our homework and done a good job,
19 we can get all the settlement issues and it will go straight
20 to FERC. I am not trying to give a false hope here. There is
21 likely to be some issues that just are unresolved. But what
22 we are trying to do is resolve every possible issue at the
23 local level that we can. And that's our goal. So, that's
24 kind of how these Working Groups will start, and hopefully

1 through the process --- it's been done very effectively at a
2 number of relicensings all across the United States. It works
3 well, and as I said we will probably see a lot of each other
4 here in the near future.

5 How does all this apply to Saluda? As I said,
6 there is some Regulatory deadlines. We did file a Notice of
7 Intent on April 29th; we filed the Initial Stage at the same
8 time. We did request that comments be received by August
9 1st; however, you have sixty days from the date of this
10 Meeting to get them in. We hope to get comments early so we
11 can start expanding on the issues that we have already
12 identified, if there are any. So, if you get your comments
13 done, please send them to us as early as possible. In your
14 packets, I believe, there is an address, an e-mail, that said
15 to forward the comments if you want to do them
16 electronically; you can file them also via letter copies if
17 you so desire. We must file the Application by August 31st
18 of 2008 because the license expires August 31st of 2010.
19 Regulatory requirements say, "FERC must have the Application,
20 Final Application for License, two years before the
21 expiration of the current license."

22 Guidelines for requesting information and
23 studies. This comes straight out of the FERC Guidelines, 18
24 CFR, All requests for information or studies must identify

1 the purpose the information will serve. Demonstrate how the
2 information is related to operation, maintenance of the
3 project; and, therefore, necessary. Discuss your
4 understanding of the Resource issue, your goals and
5 objectives for these Resources. Explain why each recommended
6 study methodology, if any is provided, is more appropriate
7 than any other alternatives, including any that SCE&G has
8 proposed. Currently SCE&G did not propose any studies, I
9 don't believe, in the ICD. So, I don't really think it's
10 necessary that you worry about that at this point. Document
11 each proposed study methodology as generally accepted
12 practice. There's a lot of standard methods out there that
13 are currently used in addressing this, that's preferably
14 what's accepted. Explain how the study will be used to
15 further Resource goals and objectives that may be affected by
16 the proposed operation of the Saluda Hydro Project. In your
17 packets these information requests criteria, as they call
18 them, are listed on that sheet; so, if there is any question,
19 you know, please feel free to contact someone at SCE&G or
20 myself and we'll certainly be happy to help you through this.

21 Now, it's time to turn it over to you folks
22 who have comment or want to provide comment. I had heard
23 there was someone had made a statement that this is your only
24 opportunity to provide comment, it is not. You can provide

1 comment throughout this entire process. We want your comments
2 through this process, so this is not the last by any stretch
3 of the imagination. We want your activity in this to be
4 highly involved. And that's what we are really requesting.
5 When you come up, please, speak into this microphone; as I
6 said, this whole proceeding is being video recorded and audio
7 recorded for the public record. It will be available, a
8 transcript of it, on the internet, on the web site. So,
9 anyone that is interested, by all means please go there. I
10 would imagine it would be there probably in the next thirty
11 to forty-five days. Right now I am going to turn it over to
12 Randy Mahan. I think he wants to provide the first comment.

13 MR. RANDY MAHAN: Thank you, Alan. Can
14 everybody hear. I was a little bit concerned, sorta', you
15 know. I hate meetings where you can't hear what's going on.
16 It makes it very difficult. I want to thank Alan and
17 Kleinschmidt. We hired Kleinschmidt to manage the processes.
18 We appreciate their efforts. I heard a question from Senator
19 Knotts. Senator, I'm not sure you got exactly the answer that
20 you may have been looking for. What I think you were doing
21 is seeking an assurance from South Carolina Electric & Gas
22 Company that any issues, any questions raised by any of your
23 constituents, or anyone else for that matter, will be fairly
24 heard and fairly considered. I can absolutely guarantee you

1 that's going to be the case. No one can guarantee what the
2 outcome of those considerations might be, but they will get
3 a fair hearing. If at any time you or anyone else believes
4 that's not the case, we certainly want you to let us know;
5 you can do it through Kleinschmidt or call us directly. We
6 want to be sure that there is no question that issues that
7 are raised - even the coyote issue. It may not have anything
8 to do with the operation of Lake Murray or the Saluda Dam,
9 but if we have a biologist who might be able to help out Mr.
10 and Mrs. Smith on the shoreline with their coyote problem, we
11 don't have a problem passing that information on. But I did
12 want to make sure that everybody understands, and I want to
13 re-emphasize what Alan has said. SCE&G's absolute desire is
14 to be sure that we consider all the issues, we consider it
15 fairly and that we resolve as many differences of opinion as
16 there may be through this process to the extent that we can;
17 so that, when we file an Application with the FERC, it will
18 be filed with a consensus from all those who participated
19 that, "Well, maybe we all didn't get exactly what we want,
20 but we think what we have submitted is a fair package. And it
21 is something that we are willing to go forward into the
22 future with."

23 Thinking about this process, I recall when I
24 came with South Carolina Electric & Gas Company in 1976, we

1 were in relicensing for Saluda Hydro. The original license
2 was due to expire in 1977, and we had filed the Application
3 in 1975. It turns out we didn't get the new license until
4 1984, slightly longer than the five year period. But here it
5 is twenty-eight years later. I'm starting my twenty-ninth
6 year here soon. And what are we doing again? We are in
7 relicensing again. But we need to think about the fact that
8 what we do is going to be in place for a long time. So, we
9 want to do it right. We want to be sure that we think about
10 what the impact is going to be on our community; and
11 certainly, SCE&G wants to consider the impact on its
12 Resources for the next thirty to fifty years. We are hoping
13 to get a fifty year license since we just spent a couple of
14 dollars putting in a new Dam down here; but, the standard
15 license is thirty years. We hope that you would support, by
16 the way, a fifty year license. So, I am going to sit down
17 and shut up now because this is really your opportunity. And
18 we will have another opportunity this evening. And, Senator,
19 there are going to be lots of evening meetings. And we want
20 to be sure that nobody is precluded from participating in
21 some way simply because of the fact they are out there trying
22 to make a living, and they can't necessarily leave that job
23 to come participate during a daytime meeting. So, we are
24 going to be as sure as we can that people have the

1 opportunity. So, I will turn it over to you folks and let
2 you ask your questions, and be sure that we get to you the
3 information hopefully that will answer your questions
4 satisfactorily.

5 MR. ALAN STUART: Thank you, Randy. I did see
6 one question, somebody had raised their hand.

7 MR. LARRY MICHALEC: I would just like to ask
8 a question.

9 MR. ALAN STUART: Okay. We are going to try to
10 do this in an orderly manner. If you have questions, we will
11 go one at a time. Raise your hand. When you come up, please,
12 identify who you are, and if you represent an agency; or if
13 you are just in the general public, just say, "I'm with the
14 general public," or something like that. Please, speak into
15 this microphone and this microphone so you will get heard.
16 You're welcome, sure.

17 MR. LARRY MICHALEC: Good afternoon, everyone.
18 My name is Larry Michalec, and I am the Chairman of the newly
19 formed Lake Murray Homeowner's Coalition. I have some very
20 specific topics that I would like to address this morning.
21 But first, what I would like to do is frame out, since the
22 organization is relatively new, a little bit about what we
23 are about. And certainly we are about partnering with SCE&G
24 and the Kleinschmidt team for the interest of Lake

1 homeowners, specifically. The Coalition currently represents
2 twelve Homeowners Associations that we have got signed in and
3 chartered in. Five of those, with the risk of leaving one
4 out, are the largest Homeowners Association groups on the
5 Lake, and comprise about 3,300 Lake residents. Our mission
6 as a Coalition is certainly to represent Lake homeowners'
7 interests through the relicensing project and to participate
8 in all of the interest groups to the maximum extent possible,
9 and remain objective in looking at Lake homeowner issues.
10 But beyond the relicensing effort, our group was actually
11 formed and chartered to continue beyond the relicensing
12 period for the general interest of Lake Murray as property
13 owners and Lake users. And certainly we are going to discuss
14 and get into greater detail during the issue sessions with
15 Kleinschmidt; so, I'm not going to bore everybody with that.
16 However, one thing I would like to impress upon everybody as
17 a Lake homeowner myself, and perhaps you saw my ugly mug in
18 the Lake Murray News here recently, is that homeowners are a
19 unique group that require specific stakeholder status.
20 Certainly, as Senator Knotts certainly could attest, Lake
21 homeowners have specific issues beyond lake and water
22 quality; however as residents, our quality of life and our
23 property values are directly tied to what happens during the
24 relicensing project and process. As a stakeholder, as a Lake

1 homeowner stakeholder, on an average we utilize the
2 recreational Resources more; and we are also inconvenienced
3 by those in many cases who are not Lake residents who don't
4 respect our homeownership status. And we take that serious,
5 and some of the issues we are going to raise, focus on that.
6 Like any good citizen, we have interests and want to protect
7 water quality, fisheries, and wildlife habitat, and also the
8 Lake's aesthetic values. And we strongly support our
9 wildlife, DNR, water quality, DHEC, team partners in this
10 effort. We are going to take the position, certainly,
11 further requests to submit comments on the ICD. You can count
12 on a few. In quick summary, certainly we are going to --- I
13 think it's of great concern --- and by the way, my friend Ray
14 Ammarell is here; I thank Ray and SCE&G for all the community
15 activism during the draw down and information sharing. But we
16 would like to address, and we are going to talk more about
17 Lake fluctuations, and generation loads; and we are going to
18 request to see some specific operational data be included to
19 inform Lake residents about why the Plant is operated the way
20 it is. We are also going to include specific details and
21 requests about project lands. Current land use maps should
22 be provided showing where and when, and how much shoreline is
23 in each classification instead of rod classifications or
24 broad reference. Identified issues should have links to

1 information related to that issue to ensure easy access for
2 citizens. Not all of us --- well, I have internet
3 connection, I am pretty fortunate in that regard. But not
4 everybody has ease of access to that information, and we are
5 going to partner and drive to get that information as
6 disseminated as much as we can to get as broad of an audience
7 as we can. In addition, we believe the ICD should include
8 and represent results --- we heard a little bit about
9 studies. Very specific scientific study and modeling,
10 predictive modeling, about what would happen into the future
11 with regard to Lake quality if project lands are developed
12 into the future. We believe that predictive modeling with
13 regard to impact to water quality, pollution levels,
14 population densities. And also, a wide variety of
15 environmental factors on the Lake are important; they are
16 scientific, they are measurable, they are predictable. And we
17 need to model them, and we need to understand them for the
18 fifty year objective of the Dam relicensing. With respect to
19 the five minute time limit, I appreciate everybody's
20 attention. And I have an information packet about our
21 organization. If you are a member of an association and would
22 like to know more about it, or you would like to have us come
23 out and speak, I would be glad to do that in my role as
24 Chairman. You can also visit us it goes without saying at

1 www.lakemurrayhomeowners.com. And we appreciate any feedback
2 and input. And I thank SCE&G and Kleinschmidt.

3 MR. ALAN STUART: Thank you. The five minute
4 time limit is something that we put in there. If somebody
5 feels, you know, the need to talk a little bit longer, you
6 certainly have that time. We just want to make sure everyone
7 gets heard. Also, there is another Public Meeting tonight at
8 7:00 o'clock; if you have thought of something in the interim
9 and you didn't feel you got it on the record, certainly,
10 please, we encourage you to come back at 7:00 o'clock for
11 tonight's meeting.

12 SENATOR JAKE KNOTTS: Thank you. I want to take
13 this opportunity to thank South Carolina Electric & Gas for
14 being a good neighbor for the past years that they have been
15 here. I have had a good Working relationship with them on
16 several issues, and found them to be a company that will work
17 with us on things, on problems that we have and have to
18 solve; Randy and Tommy, and all those, when we have problems
19 on the Lake. I am Senator Jake Knotts. I represent Senate
20 District 23 and a good portion of the Lake. Plus, I am a
21 owner of property on the Lake, as well. I represent not only
22 the people that live on the Lake as the gentleman before me
23 was representing the people there that had needs and
24 problems. But I represent the people out there on the Lake

1 that don't have Lake property, that don't feel like that they
2 should be denied any access or any use of the Lake simply
3 because they don't live or can't afford a place on the Lake.
4 In these days and times with the price of property on the
5 Lake, to buy it is one thing but to own it and continue to
6 maintain it, and to pay the property taxes, it's ever
7 increasing on the Lake, it's real worrisome to a lot of
8 people. And I can understand why whenever you property on the
9 Lake, you need to have a strong keen interest; but I can also
10 understand that person that lives in Pelion or Swansea that
11 just has a fishing boat that wants to use the Lake, their
12 needs. And we've got to look after all of those. But I
13 appreciate the Meetings that you are having. I just wanted to
14 make sure that my people know that because they are having to
15 work that they will be able to be heard. And as Randy said,
16 I am sure that the Power Company will make sure that that is
17 made available to the public, to make sure that each and
18 every one of their concerns will be addressed and dealt with
19 in a fair manner. Some of the issues of some of my
20 constituents that have called is the usual issues, Randy.
21 Number 1) the level is the biggest problem they've got. The
22 landowners around the Lake and the people that use the Lake,
23 the number one issue is the Lake level. They are simply tired
24 of not knowing what the level of the Lake is going to be in

1 the winter months versus the summer months, and when it's
2 going to be up and when it's going to be down. The problems
3 that they have had in the past with the grass, I think we
4 have dealt with it in a very responsible manner in putting
5 carp in the Lake. And thanks to South Carolina Electric &
6 Gas, and the Wildlife Department, and the people around the
7 Lake for the support of that. I think that's going to
8 resolve itself; but their concern there is, "What is the
9 future agreement to maintain that the carp are in the Lake
10 and that the grass control is going to be addressed." The
11 grass control was the Number 2) issue. The Number 3) issue
12 was access, as I said, by those people that are non-Lake
13 owners, non-property owners, to be able to have access to the
14 Lake and to be able to understand that they, too, have a
15 right to use the Lake. And so, that was the three main
16 concerns; I am sure there will be more. But in talking with
17 the people just last night, I just got my packet yesterday.
18 I think everybody had gotten this out, but I appreciate you
19 sending the packet to us and inviting me to come down today.
20 But that's the concerns is to make sure that the people are
21 heard, that their input is evaluated and accepted, and looked
22 at. And their concern was, one proper person told me and I
23 assured them that this was not the issue. They said, "Well,
24 the Power Company is going to go out here and hire all these

1 consultants, all these different groups, to come in; and they
2 are going to put them all on these study Committees, and none
3 of us citizens are going to be able to be on the study
4 Committees because the things are not going to be held at
5 night." I assured them that I didn't feel that that was
6 going to be the truth, and I didn't think that was going to
7 happen because I have dealt with the Power Company in the
8 past. They have been a good neighbor in the past, and I'm
9 sure they will be a good neighbor in the future. They have
10 cooperated with us on every issue. I have been in the
11 Legislature for twelve years now and I have not seen a issue
12 yet that I couldn't go to the Power Company and talk about,
13 and get a meeting, and get it resolved; maybe not all the way
14 that we wanted it, but we got it resolved where the public
15 was not hurt. And they are a public oriented company. Thank
16 you.

17 MR. LEE BARBER: Good morning. I, too, want to
18 thank SCE&G for this opportunity. My name is Lee Barber, and
19 I represent the Lake Murray Association. And the Lake Murray
20 Association, like Senator Knotts, we represent homeowners,
21 voters, anyone who has an interest in the Lake, or anyone who
22 thinks they are going to have an interest in the Lake in the
23 future. The Lake Murray Association is an incorporated non-
24 profit organization, and we have been in existence for nearly

1 twelve years. From that point of view, we think that fifty
2 years for relicense is a short period of time; and although
3 we may not be around, we are hoping that the Association will
4 be here to assist SCE&G in the next one. When we say that we
5 are interested in the protection of the Lake, we have three
6 areas that we concentrate on. First is the Lake level.
7 Second is the environment. And, third are safety issues. And
8 as the Senator indicated, we have conducted a number of
9 surveys, and every time we do the Lake level comes out on the
10 top by at least 90%. In the area of the Lake level, we have
11 made our views very clear and we continue to support a
12 minimum of 354 year round. This number, again, is supported
13 by surveys that include homeowners, commercial businesses,
14 and other people on the Lake, or who use the Lake. And we
15 determined that it can be possible to continue to use the
16 Lake at 354. We would like, therefore, to encourage this
17 elevation as the minimal level in the license. This appears
18 to the Lake Murray Association to be particularly achievable
19 since the use of the Hydro has changed over the years to a
20 reserve operation. Additionally, we have noted that for the
21 past several months, even during the winter months, they have
22 been able to keep the Lake level fairly constant, or to bring
23 it up. We consider water quality as another important
24 environmental issue. And, we have concerns about this since

1 many of the DHEC testing sites have indicated that there are
2 some impairments. We are particularly concerned with
3 phosphorus and fecal coli --- coli form. At this time, we are
4 Working towards obtaining grants for TMDL in these areas, and
5 we are particularly concerned with the coves and areas that
6 are not currently being tested. We will support SCDNR and
7 DHEC in their request for studies, and we will particularly
8 request more in-depth studies of the coves. Another area
9 under the environmental concern is, of course, shore line
10 management. We support FERC's required buffers and the
11 improvement of them. If you have looked at our mission and
12 accomplishments, you can see that we have participated in
13 many of the environmental programs. We did ask for a
14 moratorium on land sales until the licensing is complete and
15 have commented to FERC on these and other issues of this
16 nature. We are in favor of establishing more ESA if they are
17 found to be needed by DNR. LMA wants to make sure that these
18 are reflected in the license and enforced. We are strongly in
19 favor of the controlled development of these areas in the to-
20 be developed areas. Safety is another big issue and concern
21 for us who live on and use the Lake. In this regard, we
22 furnished a line for people to call, and publish a news
23 letter with safety advice. We also work very closely with
24 other agencies and activities who have an interest in this

1 area on the Lake. We are requesting in this relicensing study
2 that there be a clarification on the responsibility for
3 safety on the Lake. For an example, who is ultimately
4 responsible for the shoal markers? Safety is one of the prime
5 concerns for our requesting the higher Lake level. The Lake
6 Murray Association recently sponsored a meeting of agencies
7 and stakeholder groups in an effort to obtain a consensus on
8 as many issues as possible so that we can encourage SCE&G to
9 observe our areas of agreement with the license. This group
10 plans more meetings and we encourage you to contact us if you
11 are interested in your group joining or attending these
12 meetings. If you have a personal comment, let us know so that
13 we can reflect these in our next meetings. Thank you very
14 much.

15 MR. MIKE SLOAN: I'm Mike Sloan, I'm President
16 of Ballentine-Dutch Fork Civic Association. All the comments
17 made so far are great. And I think we are going to have to
18 work together; going to have to get on the same plate. Right,
19 Randy? Randy told me one time at a water quality monitoring
20 day, folks, that Lake Murray is a precious gem and we have to
21 keep it polished. And I have always kept that statement true
22 to heart, and that's what we are going to do. But one thing
23 I want SCE&G to consider in the relicensing process this
24 time, and let's hope for fifty years. But that fifty years,

1 not many of us are going to be here. Decisions we make today
2 are going to have to be lived with by our children and our
3 grandchildren. So, let's make these proper decisions. And
4 the one comment that I would like to bring out that I haven't
5 heard yet, and what we really have to look into at the Lake
6 on this relicensing project is the fact of the role that Lake
7 Murray plays now and what it played in the past. It's still
8 a hydroelectric plant; it's still great for recreation. A
9 lot of things we enjoy about Lake Murray. But one thing we
10 are not looking at, and one term needs to be brought to light
11 in the role of Lake Murray. Folks, when a city gets 43% of
12 its drinking water from Lake Murray, when we have a water
13 treatment plant in Newberry County just built, and we have a
14 major water line run from Lake Murray to Blythewood, which is
15 the subject of intense development, the bottom line is ---
16 and, Randy, I'm asking you because I know you are on the
17 Committee; I don't know any others but I know you. I am
18 asking this Committee to consider Lake Murray one of its top
19 primary roles now. It is a reservoir, a reservoir that we all
20 have to drink out of. Oxygen, three minutes, we're gone.
21 Water, seven days. Food, my wife says I could certainly
22 duck the table a few times. But it is a reservoir, folks. And
23 we haven't looked at that issue. We talk about water quality;
24 that's great. But water quality from the standpoint of a

1 reservoir. And that's a key term that I would like to see the
2 Relicensing Committee to stick in up here as an idea. Keep
3 that in mind when we're talking about water quality because,
4 folks, our children and our grandchildren are going to have
5 to drink that water. And let's make it a polished gem; let's
6 keep it polished, as Randy said. And let's walk out of this
7 life smiling, knowing we took care of our children and our
8 grandchildren by knowing Lake Murray was a reservoir, and
9 dealing with it now instead of later on. Thank you.

10 MR. CHARLIE RENTZ: My name is Charlie Rentz.
11 I am here as a landowner on Lake Murray, a property owner.
12 I am not affiliated with any one of the organizations
13 represented here. But I did want to say to you that as an
14 individual property owner, many of the things that we have
15 heard discussed this morning are in fact the major concerns.
16 The water level, there is no question about it, that the
17 water level is something that we are concerned about. We pay
18 permit to put a dock in, and the water level goes down where
19 you can't use the docks. So, I am on the top end of the Lake
20 so I get hit by that more than other people do. There has
21 been a change over the last twenty-some years and what's
22 happened at Lake Murray. It still is a hydro plant, the hydro
23 project. But the property has been sold off around the banks
24 of the Lake; and in recent years that property is being sold

1 to landowners that are building lovely homes there. You don't
2 find the trailer moved in, you paid too much for the
3 property. You don't find the fish camp that you used to find
4 ten or twenty years ago. You find the neighborhood with a
5 gate on it, or a development going in. In our development
6 there are five or six houses now that are all year round
7 homes that people will live there like myself, when I retired
8 and came and built on Lake Murray. I think that as we look
9 at --- and the letter you sent spoke in terms of economic
10 values. I think that economic values, environmental values,
11 recreational values, and we've talked about the environmental
12 access supply, of water supply and safety of the Lake. These
13 are all important issues to be considered. But one thing that
14 needs to be looked at is the residential values. The problem
15 with weeds, the hydrilla has been around for a good long time,
16 and there have been efforts worked on that. Well, now we've
17 got the water primrose up in the top of the Lake. And as a
18 result this last two or three years of drawing the Lake down
19 and bringing it back up, that's another issue that needs to
20 be dealt with that can fall into the category of weed
21 control, if you want to. But it still needs to be dealt with.
22 A few little other things that are painful to landowners.
23 One, we had the SCE&G guys come around; and they do this from
24 time to time. And they paint blue marks on the trees, and

1 they drive --- put signs on the trees, and they do it every
2 so often. And when I talk to the SCE&G guys, I said, "Look,
3 this buffer zone that you put in here that you require, we
4 understand that. And you can look at our property and see
5 that we observe the requirement to keep the land as a buffer
6 zone." But still they come up with this blue paint. And that
7 blue paint just really sticks in my craw. And the signs that
8 are put up there, when in fact, that's known and a clear cut
9 thing. That's something that is a residential area. A
10 residential issue. Doesn't need to be there. The owners of
11 the property --- now, you get an undeveloped piece of
12 property that nobody is there, then perhaps some markings
13 might be in order. But, I think the SCE&G guy told me it was
14 a FERC requirement of a permit, or some requirement, that
15 that be done. Well, that's a couple of my pet issues. And
16 thank you for the opportunity to visit with you this morning.
17 I will look forward to being on one of your groups, one or
18 more of your groups that meet and continue to work with these
19 various issues.

20 MR. ALAN STUART: This is Alan Stuart with
21 Kleinschmidt again. Anyone else want to provide comments on
22 anything? Again, this isn't your last opportunity. Don't go
23 home taking that as a take home message, because it is not.
24 It kind of went a lot quicker than at least I had

1 anticipated. Are there any comments or questions you have for
2 me, or on the relicensing process?

3 MR. STEVE BELL: Ask a question. I am Steve
4 Bell, Lake Murray Watch. Can I just ask you a question?
5 These groups that you have talked about. Where do the
6 homeowners and the stakeholders fit into this group? Where do
7 we fit into these meetings or these Committees?

8 MR. ALAN STUART: Mr. Steve Bell, Lake Murray
9 Watch. His question was how do the homeowners fit into the
10 Technical Working Committees and Resource Conservation
11 Groups. Steve, simply put, you fit in where you feel you want
12 to be involved. You know, the Technical aspects obviously
13 are going to be left up to the biologists, the scientists to
14 work through to resolve these issues. If an individual has
15 knowledge or specific expertise in an area, they certainly
16 are welcome to join that Technical Working Committee. We
17 advocate that. The more information that we have, the easier
18 it is to resolve these issues. It's important that they have
19 the Technical Working knowledge on the Technical Working
20 Committees so we can get to resolving the issues. Those are
21 basically, the Technical Working committee will be the group
22 who identify the issue, develop the study plan, conduct the
23 study, and provide that information back to the Resource
24 Conservation group. I anticipate a lot of the stakeholders,

1 public stakeholders, will be party on these Resource
2 Conservation Groups. They may not have the Technical
3 expertise; you may not understand what fish entrainment is
4 all about. But if you are interested in fish entrainment, by
5 all means you certainly could be a participant in that
6 Resource Conservation group and learn. I mean, a lot of this
7 is a learning experience. That's the easiest way I can
8 explain it. There will be a lot of, you know, potential
9 mitigation measures that are developed from these studies
10 down here and these Technical Working Committees. They will
11 be brought up to this group up here, who will identify all
12 the issues, potential enhancement mitigation measures, which
13 will be brought back up here to the main tier, I call it.
14 And, you know, there will be a lot of individuals like
15 yourself who are very familiar with the Lake that will be
16 highly involved in the Resource Conservation Groups down
17 here; whereas, there will be a number of individuals who will
18 not be involved at this level, but moreso at this level. I
19 am going to use Ms. Downs as an example. If she doesn't have
20 a specific Resource Conservation group she is interested in,
21 yet she may be more interested in Working in this upper level
22 right here when all the issues come back to the table to
23 develop the protection mitigation enhancement measures.
24 That's not to say she can't be party down here. There will

1 be a lot of people like myself, potentially Randy Mahan,
2 Steve Summer, who are involved at every single level here.
3 I hope not personally speaking, because I don't have that
4 much time. But, you know, there will be individuals like
5 Shane Boring from Kleinschmidt who will be heavily involved
6 in the wildlife threatened endangered species consultation.
7 He may not be involved in the operation aspect of it. But
8 that's the primary reason we had the web site and established
9 the web site to facilitate getting this information out to
10 whoever is interested in getting it and wants it. Even if
11 it's just you have a passing interest, you want to know
12 what's going on, that information is going to be there. It's
13 going to be a very, very information friendly process. Does
14 that explain more or less what you are asking? Okay. Yes,
15 ma'am. Can you state your name?

16 MS. CHRISTINE DOW: (phonetic) (inaudible)

17 MR. ALAN STUART: The question was from
18 Christine Dow. The comment sheet that's in the package, do we
19 want study proposals now or just comments? To answer that
20 question, what we want to do is identify if you have a
21 specific issue you feel that's related to project operation,
22 if you have a preferred methodology that you think may be
23 acceptable, you are certainly welcome to provide that at that
24 time. It does not necessarily mean that we have to resolve

1 that right at this point. We can put that at the table when
2 we meet with the Resource Conservation Group and identify
3 that issue, and then develop the study scope through the
4 Technical Working Committee. If you have a methodology you
5 think will answer it, we certainly welcome you to provide
6 that at that time. That does not necessarily mean that once
7 we form this Technical Working Committee, if the DNR has a
8 potential way that they feel is a better way it's addressed,
9 you know, we may use that method as opposed to yours; or, we
10 may use some hybrid of inbetween. Does that answer your
11 question?

12 MS. CHRISTINE DOW: (inaudible)

13 MR. ALAN STUART: But, did I answer your
14 question? Okay. Other questions? Yeah, Bill.

15 MR. BILL MARSHALL: I am Bill Marshall with the
16 Department of Natural Resources. The formation of all these
17 committee meetings, how soon?

18 MR. ALAN STUART: Bill Marshall with the South
19 Carolina Department of Natural Resources, he said the
20 formation of these Resource Conservation Groups and Technical
21 Working Committees will happen how soon? Well, obviously
22 they can't happen until we make sure we have got all the
23 comments. That's why we are trying to get the comments as
24 early as possible. We anticipate receiving the comments by

1 the middle of August. We hope to begin formation at a minimum
2 --- we've got a good handle on the Resource Conservation
3 Groups. We know what the items are, the issues, water
4 quality, fisheries, operation, land management, lake
5 management. We feel pretty confident in those. Unless there
6 is something that we just weren't aware of that appears based
7 on our understanding of the scope in the meetings we held
8 back in October. As soon as we can get all the comments, we
9 are going to start formulating the Technical Working
10 Committees as soon as we can. Like I said, there's a lot of
11 work that needs to be done, that's why we ask you if you are
12 interested, we will certainly contact you as soon as we get
13 these things in the process. But, I would imagine by the end
14 of September we should have many of the Technical Working
15 Committees at least have met and begin the process of going
16 through the issues, and scope, and the studies of information
17 needs, and that type of stuff.

18 MR. JEFF DUNCAN: Good morning. I just wanted
19 to introduce myself and the interest that we haven't really
20 heard about so far. My name is Jeff Duncan, I am the Regional
21 Hydropower Coordinator for the National Park Service. My
22 colleague Bill Hulslander back there is the Chief in Natural
23 Resources for Congaree National Park. One of the things that
24 a lot of you folks probably realize, and some may not, is

1 that you have a great jewel here in your backyard, and
2 that's Congaree National Park which is a flood plain driven
3 ecosystem Park about --- what is it? Twenty miles down the
4 River of the Dam? And the Park exists --- the Park is of the
5 caliber, as designated by Congress, the same caliber as
6 Yosemite, Yellowstone, Everglades, Great Smokies, all of
7 those that you know and love. You have that same thing right
8 here in your backyard. We are going to be Working as partners
9 with the stakeholders and the public, other agencies, and the
10 applicants in trying to balance the issues. And I just
11 wanted to make that introduction, and go on the record with
12 that. Thank you.

13 MR. ALAN STUART: Thank you, Jeff. Other
14 comments or questions? Yes, Larry.

15 MR. LARRY MICHALEC: Larry Michalec with Lake
16 Murray Homeowners Coalition. Do you have printed material or
17 names of documents you would like inserted into record, do we
18 give those to the Kleinschmidt representative or how should
19 we handle that?

20 MR. ALAN STUART: The question was from Larry
21 Michalec from the Lake Murray Homeowners Coalition.
22 Certainly, anything you have that you want submitted, you can
23 submit all comments and documentation to Bill Argenteri, and
24 he will funnel that to probably us, Kleinschmidt. But he has,

1 I think, listed all comments should be sent through to Jim
2 Landreth at the attention of Bill Argenteri. And there is an
3 address in your packet. Any time you have questions or
4 comments, please, use our web site. Many of you have my phone
5 number, Bill's phone number. If you don't, come up to us at
6 the end when we get done, and I will certainly give you a
7 business card. And your information will certainly be
8 included in the public record. Yes, sir.

9 MR. GEORGE DUKE: I am George Duke from the
10 Lake Murray Homeowners Coalition. I am trying to --- the
11 meeting in March, a lot of issues were generated. Are those
12 just sitting on the web site? What happened to those issues?

13 MR. ALAN STUART: Mr. George Duke from Lake
14 Murray Homeowners Coalition. His question was the issues that
15 were identified at the October, last year, meeting, I think
16 is what you are referring to. Where are those issues? Those
17 issues were early scoping issues. They will be included.
18 That's what we are using as the basis to form these Resource
19 Conservation Groups and the Technical Working Committees.
20 That gave us the heads up of what are some of the things you
21 expect. What we are doing now is a formal Regulatory
22 requirement that we have to fulfill, like issuing the initial
23 stage. We wanted to try to provide you with as much
24 information on those issues that you pointed out during the

1 October 2004 meetings, and provide as much information in the
2 initial stage as we could to help you understand what's going
3 on, some of the things that are going on at Lake Murray.
4 Those, as I said, serve as the foundation we use to at least
5 take a stab at forming these Resource Conservation Groups and
6 begin establishing these Technical Working Committees. All
7 these issues will be brought back to the table after we have
8 gone through this formal process, this sixty day comment
9 period, on the initial stage.

10 SENATOR JAKE KNOTTS: Where can I get a copy of
11 the existing FERC license that is in existence now so I know
12 what you have been and compare what we need to look for in
13 the future?

14 MR. ALAN STUART: The question is from Senator
15 Jake Knotts. Where can he get a copy of the FERC license? I
16 think we could probably dig one up for you. And Bill
17 Argentieri, Randy Mahan just volunteered Bill to get you one.

18 SENATOR JAKE KNOTTS: I'm not just talking
19 about the license, but the thing that was put in during the
20 Application for the license, the existing license, so we will
21 know what kind of things we're --- What did y'all declare
22 last time? Would be my question.

23 MR. ALAN STUART: Well, honestly, it was done
24 --- the question was what was the request that SCE&G put in

1 to the FERC that they used to develop the new license?

2 Actually, I don't think there were very many environmental
3 mitigation measures put in the last license because it was
4 done prior to a number of these Wildlife Federation
5 Coordination Acts. So, the license as FERC issued identifies
6 what was put in the application you are talking about, I
7 think. And it identifies what was in there. To my knowledge
8 there were very few mitigation measures.

9 MR. RANDY MAHAN: Senator, this is Randy Mahan,
10 for the record. Senator, if you want a copy of the license,
11 you will get a copy of the license. What the license consists
12 of is an Order from the FERC and the application that was
13 filed. It's rather thick, but we'll get that to you. It does
14 give you some information that you might not otherwise get.
15 So, we'll be sure to get a package of that to you. It may
16 take a little bit of time, but we'll provide that for you,
17 sir.

18 MR. ALAN STUART: Thank you.

19 MR. BILL MARSHALL: I am Bill Marshall with the
20 Department of Natural Resources, and I have the privilege of
21 Working with a group called The Lower Saluda Scenic River
22 Advisory Council. And I feel like I ought to come up and say
23 a couple of things about the Lower Saluda River. We have
24 heard about the jewel, a gem that needs to be polished, the

1 Lake; and the jewel down on the Congaree that the National
2 Park Service gentleman talked about. I want to remind
3 everybody, we've got a string of silver and pearls that
4 connect the two; that's our River System that starts right
5 out here and goes down to the Congaree. And that's an
6 important Resource to take care of; and the Lower Saluda here
7 was designated a State Scenic River back in 1991. There are
8 a couple of management plans that we have for the River; one
9 produced in 1990 and one in 2000 that advocate different
10 goals to protect the River. One of the goals in the earlier
11 plan was the formation of this Park. And, of course, SCE&G
12 and the Irmo Chapin Recreation Commission made this place
13 happen. And it's a wonder Resource, one of the pearls on the
14 silver string. Just to make you all aware that our Advisory
15 Council has a number of members that represent people that
16 are interested in this particular River System; property
17 owners, residential owners, also some of the industrial
18 owners, and people like Riverbanks Zoo that represent a
19 particular type of owner along the Lower Saluda River. And
20 then there are users of the River on our Advisory Council, as
21 well. So, we have recreational boaters and anglers, fishing
22 interests, as well, on our Advisory Council. The Advisory
23 Council was formed when the River was designated as a State
24 Scenic River. All State Scenic Rivers have Advisory Councils;

1 they are essentially citizen Committees that represent land
2 owners and river users, and their purpose is to advise and
3 assist the Department of Natural Resources in management of
4 the River. And so, we will be involved in the process,
5 myself as an employee of the DNR, and also the volunteers
6 that I work with on the Advisory Council will be involved.
7 And our interest in protection of the River Resource, which
8 involves the protection of water quality in the River,
9 management of flows to protect aquatic Resources, and also
10 the management of flows and warning systems to protect the
11 River users. We know that there are safety issues down here.
12 And we are particularly interested in the Conservation of
13 project lands to protect the River corridor even further than
14 it already has been protected. SCE&G has Conservation
15 easements on most of their lands along a hundred foot border
16 along the River. But we are interested in seeing all project
17 lands dedicated to Conservation and some improvements to
18 access down on the River. This Park property here is a great
19 access point, and we are thankful for SCE&G's engagement in
20 these issues over the years, and we look forward to Working
21 with you further in the future. Thank you.

22 MR. ALAN STUART: This is Alan Stuart with
23 Kleinschmidt. Other questions? Comments? If your comment or
24 question is rather lengthy, it would be a lot easier on me if

1 you just came up here and asked the question so you could get
2 it up there instead of me trying to repeat the question
3 verbatim. Comments? Questions, please? One thing that
4 occurred to me when I was sitting here, as I said before we
5 are going to do a lot of things through e-mail. If you have
6 spam filters on your e-mail system, please make sure that we
7 are unblocked; we don't want our e-mails getting filtered
8 out. You'll go, "Well, I never knew about it," and your spam
9 filters blizten it before it even gets to you. So, please. My
10 e-mail address is Alan.Stuart@Kleinschmidtusa.com. Also, you
11 need to know Bill Argentieri's e-mail address; it's
12 bargentieri@scana.com. Also, Randy Mahan; Randy Mahan's e-
13 mail address is rmahan@scana.com. If you have forgotten
14 those or misplace those, go to that www.saludahydrorelicense.com
15 web site. There is a comment link there; it gets e-mails
16 to all of us. So, we've got ways to get out there. There is
17 phone numbers on there, you know, if you have a question or
18 comment, please contact us. What we will likely do is write
19 up some telephone notes and sent it out to everyone so they
20 know what your question was, so you know that you are on the
21 record and adequately reflect it in the record. One thing I
22 did want to point out is, SCE&G's Public Relations
23 Department, Brian Duncan - I think he slipped out - any time
24 you see this logo, we developed this logo specifically for

1 the relicensing project. If you see this appearing in a
2 newspaper or a weekly circular, that means something is going
3 on with Saluda Hydro Relicensing. Pay attention to it. We
4 thought it would be something that would capture the eye and
5 help everyone identify "something is happening with Saluda".
6 You know, it may be a Public Meeting, quarterly Public
7 Meeting; it may be a Resource Conservation Working group. The
8 plan is to try to include that in the e-mails, you will see
9 a lot of e-mails that are just, like I said, could be
10 telephone notes from a conversation; so, when you see that
11 anywhere, time or place you see that in your documents or e-
12 mails, or newspapers, please pay attention to it. That was
13 a good idea that Brian came up with and I think it will help
14 facilitate the information exchange.

15 MR. STEVE BELL: I am Steve Bell with Lake
16 Murray Watch. Will our comments, total comments, appear in
17 the Federal --- in the record at some point in time? Or, are
18 they going to be consolidated and --- you know what I mean?

19 MR. ALAN STUART: The comment was from Steve
20 Bell from Lake Watch. His question was, "Will the comments
21 appear in the public record, or will they be consolidated in
22 some place?" Your comments will appear in the draft
23 application for license. All correspondence will appear in
24 there. The application that we submit, one of the volumes,

1 which will be very large, will be this whole consultation
2 process that we have gone through with everyone. That's their
3 way to --- it gives FERC the paper trail to say, "Okay, how
4 did they come to this solution, or agreement?" Or, you know,
5 "Where did they agree to disagree?" So, anything that is
6 submitted officially, e-mails are official documentation. If
7 you prefer written copies, what we plan to do is scan those
8 and include those in the final application. We plan to file
9 an electronic application, so anything that you send us is
10 going to be in there whether it's hard copy or electronic
11 copy.

12 MR. STEVE BELL: We don't need to file a copy
13 to FERC e-files of everything we send you now? You are going
14 to do that later on?

15 MR. ALAN STUART: That's correct. If you want
16 to e-file a copy with the Commission, you are certainly
17 entitled to; we are not telling you not to. But anything you
18 want to file with us, if you want to copy the FERC on it.
19 Most everything that we send out, the application there are
20 certain things that we do have to, we'll say, "cc FERC" on.
21 But, most State Agencies, I know, send their comments to the
22 FERC. So, what they do is they get posted on the FERC web
23 site to ensure that the FERC is aware of what's going on.

24 MR. STEVE BELL: Will our comments be entered

1 in when we put them on the web site so that other people can
2 see it without our sending it, our comments?

3 MR. ALAN STUART: We certainly can put the
4 comments on the web site. I don't have a problem with that
5 and SCE&G doesn't, I don't think either. At some point, they
6 are all going to come back to these Resource Conservation
7 Groups. So, everybody is going to know everybody's business
8 at some point. I see Dick Christie over there smiling. He
9 knows what I'm talking about. Other questions? What we have
10 planned, unless there is other comments again, we have
11 another Meeting tonight at 7:00 o'clock. If something occurs
12 to you, please, come back out. We plan to have a virtual
13 tour; but prior to that we have got some box lunches catered
14 in and we are going to --- They are in the next room, so
15 before we show the virtual tour if you get your lunch, and
16 come back in, the virtual tour is about ten minutes long. It
17 shows some of Lake Murray, the hydropower project, things
18 like that. So, please, migrate to the other room in an
19 orderly fashion and get a lunch, and come back and sit down
20 and watch the virtual tour. It is really interesting.

21 MEETING ADJOURNED.
22
23