

SALUDA HYDROELECTRIC PROJECT RELICENSING

FERC PROJECT NO. 516

Joint Agency & Public Meeting

June 16, 2005

7:00 P.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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PRESENTATION:

MR. ALAN STUART: My name is Alan Stuart, I wanted to welcome everyone to our Public Meeting. I am with Kleinschmidt Associates. SCE&G has hired our company to help facilitate this relicensing process for them. I wanted to welcome everybody to our joint agency meeting. If you can't hear me just kind of hold you hand up because we've had some mike issues throughout this morning's session. And I will try to keep this microphone up. I have a tendency to talk with my hands down and waving, so if you have any problems, please, just wave your hand and I'll make sure I pick up on that que. This Meeting is an opportunity for the public to provide comments on the Initial Stage Document. It basically sets the calendar and the clock ticking. You have sixty days from today's date to provide comments on issues and study requests. We did, in the letter, ask for August 1st, but you do have until August 16th to get us comments. We would like to get them as soon as possible. So, I will go ahead and begin.

A couple of things that we need to remember is, if you could, could you please hold all your questions and comments until the end. The proceedings are being audio and video taped. If you have a comment, we are going to ask that you come up, and please speak clearly, identify

1 yourself, who you represent. We do have a five minute time
2 limit, but since we have such a small group, we certainly
3 aren't adverse to letting it extend out; that's just
4 something to try to keep things in motion. If anyone did
5 not get a copy of the Initial Stage Consultation Document,
6 we have some at the front table; it's a pretty voluminous
7 set of material. It gives a lot of information on Lake
8 Murray and Saluda Hydro. Also, please, sign in at the front
9 if you have not; that way you are ensured that your name is
10 entered into the public record that you expressed interest
11 in this project.

12 I would like to quickly introduce some of the
13 Relicensing Team that many of you already know. Randy
14 Mahan, SCANA Services; Bill Argentieri; Mike Summer; Tommy
15 Boozer; Tom Eppink, who is not here tonight, he's with SCANA
16 Services; Steve Summer; Ray Ammarell; Brian McManus is with
17 Jones-Day, who is not here, he is with legal counsel in
18 Washington, D.C. My name is Alan Stuart. I do have one that
19 I did not list, it's Jim Devereaux; did not mean to exclude
20 him. There will be a number of other consultants and
21 individuals, but this is pretty much the core of the
22 individuals you will get very comfortable with knowing in
23 this process.

24 We developed a Mission Statement, for those

1 of you who are involved in some of the early workshops that
2 we've put on. The Mission Statement that we have developed
3 is, while SCE&G will manage this process, State and Federal
4 Resource Agencies, homeowner groups, environmental and
5 recreational special interest groups, etcetera, must and
6 will play a significant role in the relicensing of the
7 project. SCE&G will consult with agency groups and
8 individuals together, as well as provide information to you.

9 This is performed in order to identify and learn from, as
10 well as to educate stakeholders on the issues and to address
11 and resolve those issues as they relate to the Saluda Hydro.
12 That's a very important factor, and they need to relate to
13 the project, how the project is operated. One of the
14 analogies I frequently use is, a lot of times you will Mr.
15 and Mrs. Smith who live up in the upper part of Lake Murray,
16 who have coyotes that run through their yard. They raises
17 chickens, you know coyotes come through their yard to feed
18 at dinner time. But it has very little relevance to the
19 operation of Saluda Hydro. That's what we call a non-project
20 issue. What we want to focus on are those issues that relate
21 to the project such as potentially in stream flows down
22 stream of Saluda, Lake level fluctuations, those type
23 things.

24 A little history on SCE&G's capacity energy

1 production. Hydroelectric projects within their portfolio
2 account for 12% of the capacity. Over the last twenty-five
3 years 5.2% of the total generation of SCE&G's system was
4 Saluda Hydro, with 5.2 accounted for total generation, with
5 20% of that being Saluda Hydro. Obvious question, if
6 hydropower is such a low contributor to SCE&G's overall
7 energy portfolio, then why produce it? It's a fairly
8 straight forward question. The answer is, it's low cost
9 power. As you see, hydroelectric power production is one of
10 the cheapest forms to produce electricity. It's not only in
11 the Southeast, but across the nation. Gas turbine, your
12 field costs are really high. That's the second potential
13 method that utilities frequently meet the capacity demands.
14 It's very costly. That's really the significance and the
15 importance of Saluda Hydro to SCE&G is it's ability to meet
16 reserve capacity.

17 This is a list of six hydroelectric projects
18 that SCE&G currently owns or operates. As you see,
19 Fairfield Pumped Storage is their largest project. It does
20 have limitations in that it can only operate for certain
21 periods of the day because of the pumped back aspect. Also,
22 it can only operate up to a point where 40,000 CFS, cubic
23 feet of water, is released into the Broad River. So, it has
24 two constraints that it must operate under. As you see,

1 Saluda Hydro is 202.6 megawatts; it represents about 27% of
2 the hydropower production, but it represents nearly 100% of
3 their capacity.

4 Hydropower relicensing, that's pretty much
5 why you are here and probably what you're most interested
6 in. Federal hydropower projects, such as the Corp of
7 Engineers, TVA, are exempt from Federal Energy Regulatory
8 Relicensing Proceedings; they apply strictly to utilities
9 such as SCE&G, Duke Power, Southern Company, Georgia Power.

10 Privately developed projects at Federal dams are required
11 to be licensed or relicensed. There is not many, if any, in
12 South Carolina that are privately owned, but those do fall
13 under FERC's jurisdiction.

14 Who is the FERC? Relicensing of hydropower
15 projects occur under the jurisdiction of the FERC. The
16 Federal Power Act gives the FERC authority to issue licenses
17 for operation, maintenance, and continued operation of
18 hydropower facilities. The FERC has the responsibility to
19 ensure the licensee complies with license terms and
20 conditions. The ultimate end result of this whole
21 relicensing process will be a new license. It will have a
22 number of environmental operational conditions that are
23 attached to it. The FERC will have the responsibility to
24 ensure that SCE&G complies with those license conditions.

1 There some fundamental policies that shape
2 relicensing. These give the resource agencies, such as the
3 South Carolina Department of Natural Resources, and NOAA
4 Fisheries, South Carolina Department of Health and
5 Environmental Control, mandating policies. A number of them
6 are the Fish and Wildlife Coordination Act, National
7 Historic Preservation Act, Wild and Scenic Rivers Act. One
8 of the big ones is the National Environmental Policy Act,
9 the Endangered Species Act of '73, the Clean Water Act,
10 Electric Consumer's Protection Act was another milestone in
11 relicensing proceedings. And the Energy Policy Act of 1992.
12 As I said, these give resource agencies mandatory
13 prescriptive rights, which SCE&G is bound by Regulation to
14 address.

15 We plan to use the Three Stage Traditional
16 Process. The Traditional Process is a tried and proven
17 method for relicensing. It was the original process
18 developed for relicensing hydroelectric projects. Currently,
19 the FERC has revised the default process, and those
20 licensees that file Notice of Intent after July 23rd of this
21 year will use what they call the Integrated Process. It's a
22 little different, and it has a lot more strict deadlines
23 that resource agencies must meet in responding to comments,
24 other things like that, a little bit more upfront NEPA

1 scoping. Those are pretty much the differences. However, our
2 Enhanced Traditional Method will employ these additional
3 measures without the strict deadline. That was one of the
4 issues that some of the agencies were having is they can't
5 meet the deadlines to get all their comments in. So, we hope
6 to give agencies and the public a little bit more time to
7 have the opportunity to address their comments through our
8 process.

9 The Three Stage Process has three distinct
10 phases, as the name would imply. We are in Stage One right
11 now, We provided the Initial Stage Consultation Document,
12 and convening this Public Meeting, soliciting comments or
13 information on these and study requests. Stage Two, we will
14 conduct studies, or gather additional information based on
15 the comments that we received on the Initial Stage Document
16 to address the issues. This information, as I said, is very
17 important through the NEPA process, which I talked about a
18 second ago; the NEPA process addresses and balances the
19 issues of the project, both environmental, operational
20 measures. Stage Three, FERC will do what they call an
21 Independent NEPA Analysis, will send a document, an
22 application for license which will contain all the
23 information that we have gathered through this project, and
24 working with the stakeholders; and they will review what we

1 have put together and make their own decision after that.

2 There are a couple of variations to the
3 traditional process. The Enhanced, which I talked about,
4 which is what we have employed; and another term called a
5 hybrid, which is more along the lines of what they call
6 alternative licensing process.

7 UNIDENTIFIED: Alan, before you go any
8 further, can you try to present a better mike for the
9 purpose of hearing clearly?

10 MR. ALAN STUART: Can everybody hear me now? I
11 did without it this morning and I felt a lot better, but
12 some people couldn't hear me. So, if I don't speak loud
13 enough, just raise your hand. I'm happy to do without the
14 microphone. If you look in your packets, there is what we
15 refer to as a Gantt Chart. This provides about a five year
16 schedule that we are looking to maintain through this
17 relicensing process. There is a couple of critical areas on
18 here. Right here is where we are in Stage One, as I called
19 it a minute ago. This burgundy bar here is Stage Two. This
20 is where we are going to be very, very busy for those that
21 want to get involved in the Resource Conservation Groups,
22 which I will talk about in just a moment. Ultimately, once
23 we have done the studies we will prepare a draft and a Final
24 Application for License. We will submit that to the FERC.

1 And right here is where FERC will do their independent
2 analysis, and hopefully issue a license around 2010.

3 I have used the word "Enhanced" a couple of
4 times for the process. This is some of the things, general
5 ideas that you can expect from this. It employs early
6 interaction with State and Federal Agencies; we have
7 currently been working with the Department of Natural
8 Resources, NOAA Fisheries, and DHEC on fisheries type
9 studies and other water quality studies to try to get some
10 early information to them. You will see early upfront
11 informal NEPA scoping. We held some workshops back in
12 October of 2004 to try to get an idea of what issues we
13 might expect from everyone. We started developing those
14 into Resource Conservation Groups, and we have continued to
15 do that. We will expand on any comments that we have not
16 gotten in relation to those when you provide your final
17 comments on the Initial Stage; we will incorporate those
18 with the original issues that were identified during the
19 workshop. So, no issue will be avoided or not looked at, I
20 guess is the best way. We are encouraging early
21 participation from the stakeholders, the general public,
22 homeowner groups. SCE&G is committed to getting involvement
23 from everyone. We want this process to be smooth, very
24 cooperative, and work to reach common goals.

1 Our process, again, will encourage much more
2 public participation than the standard Three Stage
3 Traditional Process. In the standard Traditional Process,
4 the licensees were only bound to conduct this Meeting, get
5 information requests, go off and do their studies, prepare
6 their package, send it to the FERC, and let FERC decide.
7 That's not what we are here to do; we want to work together
8 with the resource agencies and homeowner groups to work
9 through these issues on the local level. It has been my
10 experience and SCE&G's, and a lot of utilities, that we are
11 the regional experts on this project. People that live
12 around the Lake, the Department of Natural Resources has the
13 technical expertise and groups; and we would like to resolve
14 all the issues as humanly possible at this local level.

15 Here are a few things that you may expect
16 from SCE&G's Traditional Process. We are going to have
17 monthly technical meetings with the State, Federal, Local
18 Agency personnel. These may vary, shift, from monthly to
19 every couple of weeks, depending on what stage we are in the
20 process when we are developing study scopes, things such as
21 that. During that period that I showed you in the burgundy,
22 we may meet quite frequently. Then, as the studies are being
23 conducted it may go to every couple of months for updates.
24 So, there is some latitude there in this process.

1 We are going to establish what we call
2 Resource Conservation Groups, and issue specific Technical
3 Working Committees. The Technical Working Committees will be
4 basically the nuts and bolts of the study; it will employ
5 scientists, biologists, experts in certain areas. The
6 Resource Conservation Groups will be formed of people that
7 have an interest but don't necessarily have the technical
8 expertise to develop the studies. I used Malcolm this
9 morning, I hope he doesn't mind --- well, as an example.
10 There he is. Malcolm has a vast knowledge of trout in the
11 Saluda River. He may be very interested in the Fisheries
12 Resource Conservation Groups, but when we deal with fish
13 entrainment of shad and other species going through the Dam,
14 he may have no interest in that at all, or very little. He
15 may not want to be part of that issue, Technical Working
16 Group, because he just doesn't have the knowledge to
17 contribute.

18 We are going to convene quarterly, evening
19 Public Meetings, for those that can't be here from their
20 jobs and can't meet with us. One thing that we are using is
21 a web site. I will mention this, kind of drop down here.
22 All the information that are generated from these Technical
23 Working Committees and Work Groups, all this information is
24 going to be available on the web site. That is going to be a

1 very, very valuable tool through this process, especially
2 for people that want to stay involved throughout this. As
3 you will find out, it's going to be a very, very time
4 consuming endeavor for you. I am not going to sugar coat
5 it, it's very, very time consuming. Be prepared. Once you
6 commit, be prepared to see us very often and frequently. We
7 will do what we can to keep you informed, and we know you
8 people have lives outside hydropower relicensing. I can say
9 that, even though I am a consultant. So, we know how
10 difficult it is for people to get to meetings, but we are
11 going to do everything we can to provide information to keep
12 you up to date of what's going on.

13 Expect potentially non-traditional solution
14 settlement agreements. I will have a slide here in just a
15 moment that will show kind of the structure of these
16 Resource Conservation Groups and Technical Working
17 Committees, and how they all filter into a final product. We
18 want to educate stakeholders on hydropower and hydropower
19 relicensing. One of the biggest obstacles, I want to say,
20 that we have is what are project related issues and what are
21 non-project related issues? That's a very critical thing.
22 We hope to help educate you, I guess, is the word. If we
23 need to get FERC representatives to come down, we certainly
24 will. That's part of this process. Use of consultants.

1 Like I said, I am with Klienschmidt, I am one. We have Bill
2 Green, who is in the back; he is with TRC, he's addressing
3 the Cultural issues on Lake Murray.

4 We are going to use every opportunity we can
5 to have a paperless relicensing. What I mean by that is, we
6 are going to use e-mail, web site posting; the use of a
7 computer is going to be very --- those that don't have a
8 computer, you need to let us know early so we can make other
9 arrangements. But this is a cost saving that we identified
10 to SCE&G; it seemed to work very well so far. We have done a
11 lot of prepared study plans for some of these early studies
12 using e-mail. All this information is posted on the web
13 site. So, the web site, for those that aren't aware of it,
14 is
15 www.saludahydrorelicense.com. I believe in your packet,
16 there is a pen and a pad, and on that pen and pad is the
17 actual web site address, if I am not mistaken. So, if you
18 ever forget, go to your trusty pen and pad.

19 Here is a few things that SCE&G expects from
20 the participants. As I said, it is very labor intensive. We
21 need timely receipt of comments to stay on the schedule.
22 SCE&G is bound by these Regulatory requirements to meet
23 certain deadlines, which I will touch upon in just a moment.

24 This is not anything that is in their control. It's is a

1 Regulatory requirement mandated by the Federal Power Act and
2 Hydropower Federal Regulation. Acknowledgement of
3 Regulatory milestones must be met and scheduled as necessary
4 to meet them. That's almost one and the same. One thing
5 that I touched on, courteous behavior at meetings. We expect
6 this to be a very cooperative and open process. I don't
7 think we will have any problems, we have had a number of
8 meetings so far. I know, certain issues may stir people to
9 emotions. All we ask is that you be courteous and pleasant.
10 We want to hear what you have to say. No grand standing, no
11 shouting, no yelling, those types of things when we start
12 these meetings. Understand and focus on
13 resolving the issues. We don't want to keep going round and
14 round, and round in circles on not getting to the heart of
15 the issues. A focus by the stakeholder group, in Resource
16 Conservation Groups and Technical Working Committees on
17 sound, technical, scientific, biological, engineering input
18 to address and resolve those specific issues to that RCG.
19 Study scopes and data collection pertinent to the project
20 operations. I keep stressing this, and you will hear this
21 same continuing theme throughout the whole process.

22 Also, we would like awareness and concern of
23 relicensing costs. Major studies cost major money. If there
24 is a way we can use existing data by SCDNR, DHEC, USGS,

1 there is a number of agencies that have gathered data in the
2 past. If there is a way we can use existing data and
3 supplement it, fill in the gaps, that's what we would hope
4 that you would consider. If there is something that has not
5 been studied that's an issue, it's open for discussion. But
6 we preferably would like to use as much existing data as
7 possible. Lake Murray is a very well studied reservoir. If
8 you look in the Initial Stage Document, especially in the
9 terms of fishery and water quality, we went back around
10 twenty-five or thirty years. That kind of puts you in a
11 little bit of perspective, and that was just basically
12 touching the very tip. The fisheries data goes back as far
13 as 1940 and '50.

14 I spoke about the Resource Conservation
15 Groups and the Technical Working Committees, this little
16 schematic kind of gives you an idea of how this process will
17 work, or at least how we envision it working. These yellow
18 boxes, as you see across here, these are the Resource
19 Conservation Groups. We have identified a few based on some
20 of the early input. I will use the Fisheries Group as an
21 example here. Fisheries issues, the Technical Working
22 Groups, a couple that we anticipate right now coming out of
23 this, are possibly entrainment, in-stream flow, and
24 diadromous fish. Right now we are working on the diadromous

1 fish issue with the Department of Natural Resources and some
2 other groups to gather some data, to find out the presence
3 or absence of those species. These Technical Working Groups
4 I have referred to are primarily the ones where we are going
5 to solicit technical expertise. If you are a scientist, I
6 know Garrett (phonetic) is very knowledgeable in a number of
7 these issues. Dick Christie, who is not here; Ron Ault
8 (phonetic) from the Department of Natural Resources. These
9 guys are the experts. Steve Summer with SCE&G, he has done
10 quite a bit of work on the Lake and the Lower Saluda River.

11 These are the resources that we have at hand who we expect
12 to be involved in developing study plans, to address these
13 issues. If somebody is interested in the fisheries
14 component, but you don't have the technical knowledge or
15 expertise but want to find out how all this comes together,
16 you are certainly welcome to join these Resource
17 Conservation Groups. We encourage you to do that. A lot of
18 this is a learning process. You will be amazed at what you
19 can learn through this process. We are not trying to
20 exclude anybody. These Technical Working Groups will likely
21 meet during the day to facilitate agency resource personnel.
22 I mean, that's their job, we don't want to ask them to do
23 what's outside their job when they are primary technical
24 people involved here. That's why we will convene these. We

1 will do what we can on these Resource Conservation Groups to
2 accomodate others. I can't promise that they will all be at
3 night. Many of them may be in the day. It just depends on
4 who is involved in those Conservation Groups. But we will
5 certainly get you every information that is generated from
6 it; you will have an opportunity to comment on anything. So,
7 if you can't be there in person, don't feel that you are
8 going to be excluded from it if you join that Conservation
9 Group.

10 UNIDENTIFIED: Do you concur Resource
11 Conservation Groups would also be Resource Consultation?

12 MR. ALAN STUART: They are interchangeable. I
13 got into the Initial Stage Consultation thing, I think, is a
14 typo. Resource Consultation or Conservation Group are
15 interchangeable, they are the same thing. I think there is
16 one reference, or a couple references, through one of the
17 slides or documents in there that says "Consultation Group".
18 They are all one and the same.

19 Ultimately what we hope to do is, there will
20 be a number of potential recommendations that are developed
21 through these Resource Conservation Groups that deal with
22 in- stream flow, entrainment issues, other things, that this
23 group right here will be responsible for packaging and
24 bringing to what we call the main group up here at the top.

1 This is the big tier where all this information comes
2 together, sit down, and try to develop settlement agreements
3 out of this. What can we do? What can we look at? We'll
4 look at the cost associated with these issues, with what's
5 being proposed. There are economic considerations that have
6 to be addressed, FERC requires this. Ultimately what we
7 would like to do is get to this yellow box, Protection
8 Mitigation and Enhancement Measures; develop some type of
9 package which can be submitted to SCE&G upper management for
10 approval; and ultimately to the FERC. That's our goal.
11 That's where we want to be in 2008, hopefully. There may be
12 issues that are outstanding, there may be issues that are
13 left unresolved at that point. What we are asking is to try
14 to negotiate and work through as many issues as possible;
15 and when this is all said and done, if there is something
16 that is still left out that is outstanding, we agree to
17 disagree and get up and walk away and let the FERC decide.
18 But ultimately we would like to keep this and everything at
19 the local level. We would like to have a complete package
20 that we can send to FERC that hopefully they will accept,
21 and we can move forward, and they can issue SCE&G a timely
22 fifty year license in a timely fashion.

23 I will take comments, or if you have
24 questions. I know I have kind of breezed through this. In

1 the first session we had a few more questions as people
2 began to look at it and synthesize the material. So, there
3 will be a little session at the end where I will come up,
4 and if you have further questions you can certainly ask.

5 How does all this apply to Saluda Hydro? As I
6 said, there are certain Regulatory deadlines; they did file
7 a Notice of Intent on April 29th of this year. Also, they
8 filed the Initial Stage Consultation Document. We did
9 request that comments be received by August 1st; we want as
10 many comments early in the process as we can get so we can
11 get this ball rolling. However, you do have until August
12 16th to get us comments. SCE&G must file a new Application
13 by August 31st of 2008; again, this is not within their
14 control, they have to do this. License does expire in 2010.

15

16 This is very important. There are certain
17 guidelines for request of information and studies. They are
18 identified in the Federal Regulations. You have a copy in
19 your packages that list these criteria. I can briefly run
20 through them with you. You must identify the purpose the
21 information will serve. Demonstrate how the information is
22 related to project, operation and maintenance; and
23 therefore, necessary. Discuss your understanding of the
24 resource issues and your goals and objectives for those

1 resources. Explain why each recommended study methodology,
2 if any, is proposed, is more appropriate than any other
3 alternatives. To my knowledge, I don't think we have
4 proposed any studies at this point, so we would like to work
5 through these study requests in these Resource Conservation
6 Groups. That was our primary goal for that. Document that
7 each proposed study methodology is a generally accepted
8 practice. There are a number of standard protocols that the
9 Department of Natural Resources, DHEC, typically use; we
10 would like to maintain that same consistency. We found that
11 they provide solid good data to make decisions on. Explain
12 how the study will be used to further resource goals and
13 objectives that may be affected by the proposed operation of
14 the Saluda Hydro Project. Again, I said this a number of
15 times during my discussion, you are going to keep hearing
16 this. It all ties back to how the project is being
17 operated. It has to. That's the whole goal of this.

18 Right now, I will open it up to basically
19 you, the public, to come up and provide any statements or
20 comments that you would like to have. What I do ask is that
21 when you come up, please, everyone that has a comment or a
22 statement, no matter how big or small, please come up to the
23 mike so you can identify yourself for the videographer, and
24 identify yourself and who you potentially represent or may

1 represent. What we will do is if somebody has a comment,
2 please raise your hand. Mr. Kidder, please, come up.

3
4 MR. RICHARD KIDDER: I am Richard Kidder with
5 the Lake Murray Association. I have a few words I would like
6 to say. The Lake Murray Association came into being because
7 of a need by Lake users for higher winter lake levels twelve
8 years ago. The organization has approximately 1,200 paid
9 family members, and became a voice of Lake Murray over the
10 next decade. At any one time, we touched approximately
11 4,000 people. We have many corporate sponsors, as well as
12 friends of Lake Murray which include our Senators,
13 Representatives, and various Commissions and Agencies.
14 Additionally, we are affiliated with the National
15 Association of Lake Management, and a Board Member of the
16 Lake and Water Shed Association of South Carolina. Lake
17 Murray conducted surveys among Lake users that established
18 the need for a minimum 354 level. This survey indicated
19 that approximately 90% of those surveyed could have
20 recreational use of the Lake year round at 354. Safety is a
21 very important factor when the Lake is below 354, as well.
22 With this level homes are not devalued due to the appearance
23 of lake or dry cove. This past year we were very grateful
24 that SCE&G agreed to experiment with this desired level.

1 Lake Murray was at 354 all winter and no problems are
2 reported. I would like to say that we appreciate the SCE&G
3 staff: Randy Mahan, Jim Landreth, Bill Argentieri, and the
4 many other people that attend our meetings. We have
5 periodic meetings with the senior staff. We have differences
6 of opinion, but they appreciate our differences and we
7 appreciate theirs. Their meetings are conducted in a very
8 professional manner, and I want to extend my thanks. They
9 have spent many hours listening to us, and we listen to
10 them, too. We will request a 354 minimum in the license
11 when it comes up. This appears to be the elevation
12 particularly achievable since the use of Saluda Hydro is now
13 used as a reserve rather than a peaking operation. Water
14 quality is an important issue for us. Many of the DHEC
15 testing sites indicate impairment. We are particularly
16 concerned with phosphorous and fecal coliform. At this time,
17 we are working towards grants for TMDLs in these areas.
18 That's total maximum daily load. We are particularly
19 concerned with coves and areas that are not being tested at
20 this time. All of the standard monthly testing points at
21 this point are out in open water. We will support SCDNR and
22 DHEC in their request for studies and we will particular
23 request in depth studies of coves. Another area under
24 environment, of course, is shore line management. We support

1 FERC's required buffers and the improvement of them. If you
2 picked up a copy of our Mission and Accomplishments forms at
3 the registration desk, it's outside, you can see we have
4 participated in many environmental programs too numerous to
5 mention. We have long supported environmentally sensitive
6 areas, ESAs, and believe that there are more that should be
7 established. These in our opinion are the work of
8 professionals at DNR, and we generally support their
9 suggestions. We want all ESAs, not only to be established
10 and mapped, but enforced. What we are strongly in favor of
11 is controlled expansion of the land in the to-be-developed
12 areas of the project. Safety is a big issue for us on the
13 Lake, and we work with all of the agencies in this regard.
14 Now, we have managed to and have installed wind socks at
15 thirteen sites around the Lake, and these are right on the
16 Lake shore. And these mark the helicopter and the Emergency
17 Life Reach, or emergency helicopter landing sites; so that
18 if there is a boating accident on the Lake, the boat can
19 find out exactly where to go so that the helicopter can land
20 and this person can be rapidly transported to the hospital.
21 In this area we give safety advice in a news letter web site
22 and hold boating classes. We would request clarification on
23 the license on safety responsibility. For example, who is
24 ultimately responsible for shoal markers? Safety is one of

1 our prime reasons for requesting higher Lake levels. LMA
2 sponsored a meeting last week of the agencies and
3 stakeholder groups in order to obtain a consensus on the
4 many as possible so we can encourage SCE&G to observe our
5 areas of agreement in the license. More meetings we have
6 planned and we encourage you to contact us if you or your
7 group have a comment. Thank you, very much.

8 MR. ALAN STUART: Anyone else like to come up
9 and provide --- One thing I want to make, hope you can
10 understand. This is not your only opportunity to provide
11 comments through this process. At our earlier meeting I was
12 speaking with one of the stakeholders, and it was their
13 understanding this is your only time to comment. That is not
14 the case. This whole process is going to be an open
15 process, we want your comments. And so, don't think this is
16 your only chance to get things on the record. Make sure you
17 state your name and who you are.

18 MR. BRETT BURSEY: I am Brett Bursey, and I
19 live on the River. And a couple of questions for this. The
20 mechanical outline, that I didn't bring up here with me,
21 that had the Resource Conservation Groups, did the
22 consultant do that?

23 MR. ALAN STUART: Yes.

24 MR. BRETT BURSEY: And as we feed this stuff

1 in, and it works its way up to SCE&G management, SCE&G
2 management then determines what FERC sees?

3 MR. ALAN STUART: No. This is Alan Stuart with
4 Kleinschmidt Associates. No. What we are hoping to do is
5 get SCE&G's approval of a Settlement Agreement that the
6 group sends to FERC. When I say "the group", if you look
7 this core group right here. Now, we are going to agree on
8 potentially every issue that we can. That's going to be part
9 of an agreement. SCE&E ultimately owns the Lake, us SCE&G
10 management, we need SCE&G management approval because it
11 costs them money. That's why we put SCE&G management up
12 there. I don't represent SCE&G management. You know, Randy
13 is SCE&G management.

14 MR. BRETT BURSEY: But this schematic, FERC
15 has no problem with this? Or do they even have any say as
16 to what mechanical formula you use to develop your plan that
17 you give to them? Has there been a check off by FERC? Or,
18 is one necessary?

19 MR. ALAN STUART: We don't need FERC approval
20 to establish these Technical Working Committees.

21 MR. BRETT BURSEY: And so, at some point there
22 will be a plan that's checked off on management, that's
23 given to FERC, and you are saying that within that plan
24 there will be, let's call them minority opinions. That if

1 there is an issue that you can't resolve, if Mr. Keenan
2 wants the Lake higher and I want the River higher, then we
3 have --- you know, and the Lake people and River people
4 can't resolve something, does that work its way through the
5 process? And that FERC gets to look at things that SCE&G
6 management can't determine? You are giving me the thumbs
7 up.

8 MR. ALAN STUART: This is Alan Stuart with
9 Kleinschmidt Associates. Yes, the entire public record from
10 all these working groups, the public proceedings, the
11 Technical Working Committees, we will submit an entire
12 package to FERC. It will have areas of agreement, it will
13 have areas of disagreement. Nothing will be excluded; FERC
14 will see everything during the entire proceeding, the entire
15 period of record. Everything.

16 MR. BRETT BURSEY: And will FERC start
17 participating in these meetings that will start happening
18 with greater frequency?

19 MR. ALAN STUART: Typically, FERC does not
20 show up as long as we are working for a common goal. We will
21 solicit FERC involvement if it's necessary. We have no
22 problem bringing them in tomorrow if necessary. So, FERC is
23 going to be very aware of what is going on here, I can
24 assure you.

1 MR. BRETT BURSEY: Thank you.

2 MR. ALAN STUART: Sure.

3 MR. GARRETT JOBSIS: (Phonetic) I am Garrett
4 Jobsis, I am with the Coastal Conservation League. I also
5 represent the American Rivers. The Coastal Conservation
6 League, we are an organization of about 4,500, members
7 mostly in South Carolina. And we are obviously focused on
8 coastal issues which start here with our rivers that flow
9 downstream into the coastal plain and to the ocean. American
10 Rivers is a National River Conservation organization that
11 has about 35,000 members. And the two organizations have
12 formed a partnership to work together on hydro licensing in
13 the Carolinas. And Saluda is the last of the projects we are
14 going to be starting --- or, starting today we are going to
15 be relicensing. And, I first of all want to thank Bill
16 Argentieri for a very good e-mail message that I got today
17 saying that three of the four hub baffles (phonetic) have
18 been installed at the Saluda turbines, and that the fourth
19 one is on schedule for next month. That's a very positive
20 step to improve water quality in the River, and to mitigate
21 the effects of the Saluda Dam operations. So, we definitely
22 appreciate it, that brightened my day to see that message.
23 Our organization has a focus on, not only the Saluda River,
24 but really the entire Santee basin. As many of you all know,

1 the Saluda flows to the Congaree, and the Congaree flows to
2 the Santee; and it's the Santee that goes out to the
3 Atlantic Ocean. And we are interested in the whole basin,
4 it's about 15,000 square miles. We are involved in three
5 hydroelectric project relicensing. This will be the third,
6 Saluda. We are also involved with Santee Cooper down on the
7 Coastal Plain. And with the Catawba Wateree on the Catawba
8 and Wateree Rivers in North and South Carolina. Again,
9 because we have such a broad focus, we thought it would be
10 good to put together a tool that would be useful; has been
11 useful in some of the other relicensing processes. And I
12 hope will be useful here, which is a hydrologic operations
13 model. It is a model that will look at lake levels at
14 releases from the dam, and at the potential effects on
15 project operation, and also the potential economic effects
16 of changes in project operation from the different levels of
17 generation that may result from different alternatives. It
18 is a relatively user friendly model. It's not as if my
19 eleven year old son could get up and use it, but if someone
20 pays a little bit of attention to how it runs, we can all
21 use it as a tool that will help us understand better how
22 changes in lake level, changes in river flow, would affect
23 one another, plus would affect SCE&G's ability to generate
24 electricity. So, that model is supposed to be ready by the

1 end of this summer, and hopefully maybe a little bit before
2 that even. As I said, we are focused on the entire River, so
3 we are interested very much in Lake Murray as well as the
4 Saluda River, as well as the Congaree River, which we think
5 is directly affected by product operations. On the Lake, we
6 are interested in water levels as it affects the aquatic
7 habitat; also, as it affects the ability to release stream
8 flow downstream to the River sections. We are interested in
9 shoreline protection and water quality enhancement in State
10 and Federal Endangered Species that occur there. We are
11 also, again, interested in both the Saluda and Congaree
12 Rivers; we are interested in public recreation, such as
13 white water boating and what we call happy paddling, just
14 getting out there with the family or whatever, and enjoying
15 the River. We are interested in fishing and the scenic
16 quality of the river. Again, we are interested in
17 endangered species that occur there, both State and
18 Federally listed species; in water quality, especially in
19 dissolved oxygen and temperature, and other chemical
20 constituents. We are interested in diadromous fish, those
21 fish that migrate between the ocean and fresh water to
22 complete the life cycles. Obviously into the Dam on the
23 River it kind of blocks the ability for some of those fish
24 to get back to their native spawning and rearing grounds.

1 One of the main issues we will be focusing on is in-stream
2 flow, the release of water from the Dam and how it affects
3 the Saluda River and the Congaree River, with particular
4 emphasis on how that is going to affect the Congaree
5 National Park. Congaree National Park receives about one-
6 third of its flow from the Saluda River, and changes in
7 release patterns that are different than the natural release
8 patterns, flow patterns of the River will affect the
9 National Park. The flooding period density, and potential
10 ecological values of the Park it is so famous for. So, we
11 appreciate SCE&G and Kleinschmidt having this Meeting. What
12 I have heard so far is very positive approach to getting
13 public input and to reaching a local solution. And we look
14 forward to participating for the next three years, or maybe
15 even longer. Thank you.

16 MR. ALAN STUART: Thank you, Garrett. Other
17 comments, questions?

18 MR. MALCOLM LEAPHART: Trout Unlimited is a
19 national organization with about 150,000 members, 500
20 chapters, 37 State Councils, and about 1,500 members in
21 South Carolina, including about 350 here in the Columbia
22 area in the Saluda River Chapter. The main thing I want to
23 say tonight is that our emphasis over the last twenty-three
24 years, since the Local Chapter was formed, it's been on

1 science based decisions for this cold water habitat. And
2 also, explain, too, that as a cold water conservation group
3 our emphasis is on all fish, you know, they can thrive in
4 that habitat. And, of course, that takes us into many issues
5 such as the water shed management, discharges. The local
6 chapter is also a Member Club of the Federation of Fly
7 Fishers; they have no emphasis on any particular species.
8 Also, that brings us into issues such as river access. We
9 have gotten involved in 208 Planning over the years, trying
10 to take the message to the Columbia community that you now
11 have a resource that will support cold water trout. That's
12 special. And we don't want to see it destroyed in the name
13 of, quote, "progress," because progress meant to a lot of
14 people a proposed Lorick Ferry Sewer Plant in the mid-
15 eighties, which would have increased the amount of discharge
16 into the River well beyond its capacity, and would very
17 likely have destroyed not only the trout fish but the water
18 quality. And we just think the community has spoken over the
19 years, but the Saluda Shoals Park, the emphasis on the
20 greenways, and the Rivers themselves, the Botanical Gardens,
21 is a good one that emphasizes the point that, you know, the
22 community has spoken, the Rivers are important. And we
23 certainly don't want to maximize the amount of sewage that
24 the Lower Saluda can assimilate and have that flowing by the

1 Botanical Garden, and under our tourists', and our
2 citizen's, and our children's feet. The other things I want
3 to point out is that in support of a science based solution,
4 which we have always advocated, was some funding that we
5 were able to get. 1985, we got a \$5,250 grant; that was for
6 a study by the U.S. Geological Survey, USGS. It was the
7 temperature and flow regime. And what it did right off the
8 bat was confirm scientifically that, yes, the Saluda River
9 was a year round trout habitat as far as flow and
10 temperature; that it stayed in a range that trout could live
11 in. 1988, we came up with \$2,000; that was combined with
12 \$2,000 more from DNR and \$2,000 more from DHEC for a \$6,000
13 total, for an oxygen dynamic study. Dr. Hank McKeller at
14 USC's Public Health did it. And it did a number of things.
15 One, it provided some data to a DHEC model that was being
16 used to evaluate discharge permits. Unfortunately, there
17 was no data; so, no degradation in meant no degradation out.
18 They were actually looking at no data as if it was good
19 data. And that was not necessarily the case; and the result
20 studies, once factored into the model, showed what common
21 sense told us. You know, the River just really couldn't
22 support. And you simply can't have two and three hundred CFS
23 flows on a fairly long basis and support the amount of
24 discharges that are in the River. DHEC responded with a call

1 at that time to remove all the discharges from the River.
2 Unfortunately, it hasn't been heeded. We have tried to take
3 the point back to our 208 Planning for a cog, a number, at
4 different times whenever we have had the opportunity. We
5 have been a little disappointed there, but we are continuing
6 to hammer away at that. Also, we have been involved in, we
7 did an informal marked trout growth study that Garrett
8 helped us with when he was with DNR. Again, showing that we
9 were trying to scientifically understand what was in the
10 River so that it could be managed better. We participate in
11 the Lower Saluda Corridor Plan.. And I had been a member of
12 the Lower Saluda River Advisory Council that was formed
13 because of the Legislation for our State Wild and Scenic
14 Rivers, which the Saluda is one of. It says that you have
15 to have these councils; and what it does is bring together a
16 broad varied group of people with different interests in the
17 River. And so, whenever the Council makes recommendations,
18 just like the Corridor Plan itself, we think it's a
19 consensus view and that adds some credibility, and has
20 provided some guidance over the years. And the Advisory
21 Council that I am still on will continue, I think, to
22 comment to in the FERC period. We also were a proponent of,
23 and offered funding, for an incremental flow, incremental
24 methodology study. And the idea there is to show the effects

1 on the fishery and the aquatic insects and community when
2 you de-water certain areas of a river. The idea there is to
3 help you figure out flow ranges that protect and maximize
4 the river. So, we look forward to participating in the
5 process. We have some good solutions, and can be found that
6 are win/win situations for everyone. We also understand the
7 importance of the Lake, the Lake's waters, to access the
8 water shed, and to folks like me to fish in the Lake and
9 recreate in the Lake. It's a very important asset to the
10 community, too. Again, Malcolm Leaphart, Trout Unlimited. I
11 have been the Conservation Chair, Saluda River Chapter, for
12 almost twenty years; and I relinquished that. But I have
13 also been the State Council Chair for seven or eight years,
14 and am still an officer on the Council.

15 MR. ALAN STUART: Other questions, comments?

16 MR. MIKE SLOAN: Good afternoon. I am Mike
17 Sloan, I am President of Ballentine-Dutch Fork Civic
18 Association, which we are also a proud member of the Lake
19 Murray Homeowner Coalition. I want to thank SCE&G; I also
20 want to thank Kleinschmidt for this evening. I am looking
21 forward, we all are looking forward to working with you.
22 Our Homeowner Coalition Group is a very active group. It is
23 composed of homeowners on or near Lake Murray. We had, this
24 morning, a majority of our Presidents of various Homeowner

1 Associations here. We have one, I know, back here tonight
2 that's --- no, two, and then myself, we have that are here
3 this evening. We are looking forward to working with you. We
4 have a lot issues that we would like to bring forth. That's
5 a pretty Lake. And Randy, don't worry, we are not going to
6 talk about the reservoir or the jewel. We did that this
7 morning. I think we made that point. We don't have anybody
8 new, we had that same group this morning. Right? So, they
9 pretty well understand when I talk about reservoir. Okay.
10 But we are interested in the Lake. We encourage Homeowner
11 Associations around the Lake to get on board with us, and
12 give us your issues. We meet monthly, and our group is well
13 established in areas; and we are looking forward at this
14 next meeting; you are going to get a lot of letters from us
15 on various areas. You are going to see us put them in doors,
16 we are coming to get on board. And, it's a very active
17 group, and I am proud of them. I have got a couple, I have
18 got my Vice President here from Ballentine-Dutch Fork Civic
19 Association, and the Secretary here tonight. So, they are
20 judging me, too, as well as what's going on. But this is a
21 group that we are real passionate, might be the term, about
22 the Lake. But I like what I see, so far. And I think we can
23 all get together on the same page. I was telling Mr.
24 Duncan. Where is he? We were talking a minute ago about ---

1 no, this morning about the reservoir. And I said, "You know,
2 Mr. Duncan, one thing my grandfather always taught me, and I
3 said, "No matter what differences we have, if we can just
4 sit down at the table, put that plate out." I feel sure we
5 can all eat out of the same plate before we leave this, to
6 some extent. We may growl a little as Rich Kidder says, but
7 I think we are on the right track, folks. SCE&G has been
8 gracious in putting this forward, allowing us to get
9 involved; but folks, I can't express it enough to everybody
10 out there from any group, no matter who you are
11 representing, even as an individual, get involved. Because
12 this is something that is twenty, thirty, forty, fifty
13 years. I mean, there was talk about a fifty year license.
14 This is not for us. Trust me, in 2010 when they go for the
15 relicensing, not that we will be old and gone, but I have
16 always said we should be good stewards and leave something
17 behind. The decisions we make at this relicensing, it is
18 not really going to affect us; but our children, and our
19 grandchildren, they are going to be greatly affected by
20 this. So, if you can't think of another reason -- I know I
21 can; every time I see my little grand baby, I can think of a
22 reason to get involved. Get involved. We need that help. And
23 you can expect the Lake Murray Homeowner Coalition to be
24 actively involved in this throughout the entire process.

1 Thank you, folks. And thank you for having us.

2 MS. CHARLENE COLEMAN: I represent American
3 White Water. I'm sure that some people don't understand what
4 that means. It's a national organization. We're interested
5 in white water rivers in the United States, but we're not
6 just interested in the rivers. We are interested in
7 everything that affects it. Okay? So, don't think that we're
8 only worried about recreational flows; we're here about the
9 same issues trout is, the same issues the lake owners are,
10 the same issues that landowners along the rivers are. So, we
11 are very open to all the discussions. I am also certified
12 in white water rescue; so, safety of the river is very
13 important to me. Right now, whether anybody knows it or
14 not, there is a motor boat stuck in the middle of the rapid.
15 And we've got little kids that are playing on it like a
16 jungle gym. So, things are pretty interesting down there.
17 So, we have a lot of issues that we really need to seriously
18 address. We also have gangs; we have people that think that
19 brains by Budweiser is fun; and we have lots of safety
20 issues. So, when you are talking about the River, remember
21 it's not just about the fact that you have flows, you have
22 pollution, dissolved oxygen and fish; you have people there
23 interacting; and you have a city that is asking to put more
24 people closer to that environment. So, think about the

1 whole picture as far as that goes. In this whole thing, you
2 will find that I'm not always politically correct, but don't
3 take that personal. I just feel like some things need to be
4 put bluntly. Okay? If you waste a lot of time coloring it,
5 some people miss and don't color with the lines. I am a
6 member of the Lower Scenic Saluda River Advisory Council,
7 and we have been working on river issues for years. There is
8 a plan, it's a good plan as far as protecting that River as
9 a natural resource. Whether you realize it or not, the
10 Saluda River is one of the few rivers in probably the nation
11 that people can still feed their families out of, and do on
12 a regular basis. It's something to be very proud of and
13 protect. So, when you are talking about the things in the
14 Lake, remember that fertilizer is an issue; anything you put
15 in your yard washes in; and even more importantly, the
16 things that come into the Lake from the other lakes are an
17 issue we need to address, also. I think that boaters are
18 misunderstood, that everybody thinks that we want the River
19 full blast all the time; and nothing could be further from
20 the truth. We appreciate fishing as much as everybody else;
21 we go to the Lake as much as other people. So, when we get
22 ready to sit down and talk, everybody just remember we are
23 all on the same page. We're trying to protect a valuable
24 natural resource that we all want to use for the future.

1 But, I do have a question for SCE&G. I have been reading
2 that voluminous document, which I printed out because I used
3 to work for a paper company and it protects my stock. The
4 spillway can run at 197 cubic feet per second. Is that a
5 typo, or true?

6 MR. RANDY MAHAN: 197,000.

7 MS. CHARLENE COLEMAN: Yeah, 197,000 cubic
8 feet per second. So, how high is that at the Gervais Street
9 Bridge? What is that? If you open them all the way? Okay,
10 let's not do this. For real. Is that what we are talking
11 about if the Dam broke?

12 MR. RANDY MAHAN: No. That's for opening the
13 spillway. That's not related at all for a Dam failure.

14 MS. CHARLENE COLEMAN: It's the same amount of
15 water, right?

16 MR. RANDY MAHAN: I'm sorry, what's that?

17 MS. CHARLENE COLEMAN: I mean, we are talking
18 about it's holding back the same amount of water. I guess,
19 when I'm reading that and I look at it, and I know that
20 21,000 cubic feet per second is supposedly as much as they
21 can release. And I know how high that is on the River, and
22 I know it's the Broad and the Saluda going, and Eastman
23 Kodak, whatever it is now, under water. So, 197,000 cubic
24 feet per second is a pretty interesting number from where

1 I'm standing.

2 MR. BILL ARGENTIERI: This is Bill ---

3 MS. CHARLENE COLEMAN: I've just never seen
4 that number before anywhere, printed.

5 MR. BILL ARGENTIERI: This is Bill Argentieri,
6 SCE&G. The spillway is there to prevent a Dam failure. So,
7 that number is for a flow that would be necessary if we had
8 a large weather system that's hung over the drainage area,
9 that we would need to discharge in order to keep the Dam
10 from over-topping. It's not something that happens on any
11 kind of a regular basis. And since the Dam was built, they
12 have never had to open all those gates. That's the capacity
13 of the spillway.

14 MS. CHARLENE COLEMAN: Okay, if the Dam broke,
15 how many cubic feet per second is that? Anybody know? I'm
16 not trying to be argumentative, I'm just really curious
17 because when we were talking about the possibility of the
18 Dam breaking when it was being strengthened, they said that
19 if the Dam broke, Gervais Street would be under 22 feet of
20 water. So, I am trying to figure out what 197,000 cubic
21 feet per second would look like.

22 MR. RANDY MAHAN: The Dam breaking analysis
23 assumes that the Dam is gone. So, we are not talking
24 197,000 cubic feet, we are talking about as much as can go

1 down the River and in two and a half hours, there would be,
2 I think, 85 feet above the Gervais Street Bridge. That's the
3 slide that the FERC showed when they came down and made
4 their presentation. So, it's a lot. We don't want that to
5 happen, and now we've got two dams to be sure it doesn't
6 happen.

7 MS. CHARLENE COLEMAN: The controlled flood as
8 opposed to the big giant surfing waves.

9 MR. RANDY MAHAN: Correct. One of the
10 important things to remember about the spillway is that if
11 we manage the Lake correctly, and we don't have an
12 extraordinary climatic event, rainfall event, we shouldn't
13 ever have to open the spillway except to test it. It's only
14 if we get in that situation where we've got more water
15 coming into the reservoir than we can generate, and that's
16 18,000 CFS if we generate in full tilt. And if the Lake is
17 still coming up and it looks like we're not going to be able
18 to keep it from over-topping, that's when you begin to open
19 the spillways. Now, we have never --- again, as Bill says,
20 I'm not aware that we have ever opened the spillway all the
21 way. But back in the late '60s, we did have to open the
22 spillway somewhat. And there was a sub-division that had
23 been built in the flood plain downstream and it was flooded.
24 But since the construction of the Dam, I am not aware that

1 we have ever had to open them up all the way. The flood of
2 record occurred in 1929 when the power house was under
3 construction. And if you've seen any of those old
4 photographs, it actually shows the water going over the top
5 of the power house. We don't want that to happen. And
6 that's one issue we have to consider when we determine water
7 levels and what level the Lake should be at at certain times
8 of the year when you have the potential for tropical storms,
9 or the winter rains, and so forth.

10 MS. CHARLENE COLEMAN: And that was more my
11 concern as the proper Lake levels.

12 MR. BILL ARGENTIERI: One more thing, just to
13 put this into perspective. The probably maximum flood that
14 we have designed for is over 500,000 CFS coming in. So, if
15 we had that much coming in, 193 with the spill way gates
16 going out still it would be tough to keep up with it.

17 MS. CHARLENE COLEMAN: Thank you.

18 MR. ALAN STUART: Would you like to come to
19 Saluda and do some white water rafting? Is that what you are
20 looking at?

21 MR. CHARLENE COLEMAN: Raft or boat? I'm a
22 kyacker. So, no. I really don't like the high flows. I
23 mean, they're fun periodically, but no. Thank you.

24 MR. ALAN STUART: Charlene, can you state your

1 name for the record?

2 MS. CHARLENE COLEMAN: Charlene Coleman.

3 (inaudible remarks)

4 MR. ALAN STUART: Steve Bell, please come up.

5 MR. STEVE BELL: I want to ask some questions.
6 My name is Steve Bell, I am President of Lake Watch on Lake
7 Murray. We are an environmental watch dog group. And, Alan,
8 what I wanted to ask you is, these Resource Conservation
9 Groups here, can you give us some idea of how they are going
10 to be structured? How the meetings are going to be
11 structured? And, when we go from this middle block here, I
12 can't read that, enhancement, litigation and all that stuff,
13 when we go from there up, do we come back down and go back
14 up? And, you know, how does that work?

15 MR. ALAN STUART: This is Alan Stuart with
16 Kleinschmidt. The Resource Conservation Groups, the RCGs as
17 we call them, right here, as I said, are going to be
18 comprised of homeowner groups, individuals from those
19 respective groups that are willing and want to participate
20 in this. The meetings are going to be well run, Minutes will
21 be generated from these meetings. It will be an open
22 discussion. We will evaluate, receive update reports from
23 the Technical Working Committees that studies are going on
24 so that we can provide that during these other Quarterly

1 Public Meetings that we are planning to be held. That's
2 kind of what we are anticipating, a round table discussion
3 just to review what's going on with the Technical Working
4 Committees. As far as this, when we develop these protection
5 mitigation enhancement measures, I would not rule out that
6 it potentially may go to management and come back down, and
7 back up again. I mean, the common goal here is to develop a
8 package when we reach some type of agreement or consensus
9 that we can send to FERC with our best package. Now, you
10 know, experience is going to tell me we are not going to get
11 there on the first attempt. Garrett probably has been
12 involved in many of these, and he probably knows it would be
13 a milestone to get there on the first shot. So, we do
14 anticipate, we would love to get there on the first attempt,
15 don't get me wrong. If we can do it, I'm all for it. But,
16 yes, to answer that question, Steve, there will be this
17 sliding back and forth until we can come to --- you know, we
18 may tweak it at the end.

19 MR. STEVE BELL: Before it goes from that many
20 to a kind of consensus and an agreement, and then it goes up
21 for upper management review ---

22 MR. ALAN STUART: Consensus or agreement among
23 this core group right here, is what we are trying to reach.

24 MR. MIKE (inaudible): Steve, I am Mike

1 (inaudible).

2 MR. SHANE BORING: We'll clarify that just a
3 little bit, and Alan can correct me if I'm wrong. When the
4 NGO's and SCE&G, and the different agencies come together,
5 and they reach an agreement, and it's a formal settlement
6 agreement, that doesn't go up to SCE&G management and they
7 change it, and then it comes back down. Once it is a
8 settlement, it's a settlement. I mean, that's why it is
9 named settlement. So, I hope that helps clarify that.

10 MR. STEVE BELL: It's a settlement that occurs
11 in the mitigation process?

12 MR. STEVE SUMMER: It's done during the
13 licensing process. In other words, we are going to find
14 solutions that everyone can agree to beforehand.

15 MR. ALAN STUART: That help you out? Steve?
16 Other comments or questions?

17 MR. LES TWEED: My name is Les Tweed, and I am
18 Vice President of the Ballentine-Dutch Fork Civic
19 Association, and a resident of Lake Murray. I came with
20 only a brief question, but the answer may or may not be that
21 easy. I appreciate very much all input that you are willing
22 to take from the residents around the Lake and other special
23 interest groups. But, my question was that, can you
24 outwardly just say to the public, "What are some of the

1 changes ---" There must be thousands of terms and conditions
2 that, you know, the licensing agreement is involved in with
3 FERC. But, what changes may you be interested in asking FERC
4 for to gain either more control, you know, over the Lake?
5 And then, how would some of those particular changes, you
6 know, actually benefit, you know, our groups? Because, if
7 you in fact have our interest in mind, as well as your own,
8 of course, the changes you would be asking for would be
9 obviously to help yourself. And how could they, also, help
10 us? And if there is any that may hinder us, would you be
11 willing to put them out on the table to let us think about
12 them? Because that type of an open book policy would be
13 very helpful to us. Thank you.

14 MR. RANDY MAHAN: I'm Randy Mahan with SCANA
15 Corporation, actually SCANA Services, Inc. if you want to
16 get real technical with it. As far as going into relicensing
17 with a list of things that we want to try to get changed in
18 the license, in order to enhance our ability to do the
19 things that we want to do, we haven't come with any
20 preconceived notions. We know the issues, we think we know.
21 And that's dangerous when we think we know, but it is one
22 of the reasons we ask you for input is to be sure that we do
23 know the issues that your interests are in. Given a choice,
24 we would love to be able to, "Okay, just stamp the license

1 we already have," and have that go for another fifty years,
2 because it's a known quantity. We know we are going to have
3 to change; we know, for instance, we are going to have
4 minimum flow requirements for the Saluda River. We know
5 that the Lake Murray Association --- you know, the broken
6 record over here, Richard Kidder? 354? We know that we are
7 going to have people who want us to control the Lake level
8 within a narrower band. We know we are going to have folks
9 who don't believe we're doing a good enough job of
10 patrolling and working with the shore line uses to be sure
11 there is not abuses of the policy that we had; but we also
12 know that we're going to have people request that we have
13 different policies for when we sell property, whether we
14 sell property, restrictions that there may be in terms of
15 the buffer zones between property. You have already heard
16 some folks say that they want us to identify additional
17 environmentally sensitive areas. And then what we do to
18 protect those environmentally sensitive areas. These are all
19 things that we know that you are interested in; and we
20 expect to deal with those issues. We do expect to arrive at
21 some agreements. We expect that you should see some changes
22 in what we are doing around the Lake. You should see some
23 changes in how we manage the Lake. Okay? We know you are
24 going to see changes in how we operate the project because

1 you can't have minimum flow where you've never had a minimum
2 flow requirement before, and not be required to change the
3 way that you manage the generation at Lake Murray. So, we
4 know there are a tremendous number of issues out there that
5 are going to require that we change what we do, how we do
6 it, when we do it, whether we do it. Okay? So, yes, it's
7 probably, absolutely unnecessary for us to come with a
8 pocket full of things that we want; because, quite frankly
9 what we want is really second place in the relicensing
10 process. Other than we would like to have the flexibility
11 to do what we think is right at the moment in time. But we
12 can't do that anymore. That's not the world that we live in
13 anymore. You heard Alan talk about the Electric Consumer
14 Protection Act. I think it was passed in 1986. Okay?
15 Before the passage of ECPA the objective of a hydroelectric
16 reservoir impoundment license by the Federal Power
17 Commission, in the Federal Energy Regulatory Commission was
18 to generate electricity. And by the way, there were some
19 incidental values that you could kind of look at. After
20 ECPA, it says generation of electricity is here,
21 environmental is here, flood control is here, everything is
22 now on even. Okay? So, we can't say, "First, we generate
23 electricity and then everything else we look at." We have
24 to integrate all of those issues. It's a different world.

1 So, again, we didn't come into this, we are not going to
2 perceive with a pocketful of ideas, or things that we think
3 we are going to get out of the new license. What we want to
4 do is produce a license that will allow us to do what we
5 really have to do, which is to generate electricity, to
6 maintain the reserve to be sure that it's there when we need
7 it; at the same time, we want to do it in a way that
8 addresses as well as we can all the counter prevailing
9 issues that are out there. And we can do a lot of things to
10 address these things. Address the issues. The shoreline
11 uses. Maybe the Lake level. We can do a lot of these things,
12 but we want to balance it. And I heard Malcolm Leaphart say
13 something, I really agree with the approach of using
14 science, using technology, using our knowledge of the Lake
15 to make those decisions. As well as we can do it, we want to
16 balance, we want to try to achieve the right answer. Now,
17 you and I both know there is no one right answer for any
18 particular issue. Okay? So, our job is going to be to try
19 to balance. It really is. SCE&G wants to be able to
20 generate electricity. We are spending \$275-plus Million
21 Dollars building a second Dam; which is by the way,
22 hopefully, is almost done. We are going to have a little
23 celebration next week. To be sure that Lake Murray stays
24 here. Okay? We would like to have as many years of

1 operation, we would like to generate a few kilowatt hours of
2 electricity. We are not getting one additional kilowatt hour
3 of electricity for that \$275 Million Dollars. But we would
4 like to at least be able to continue to rely upon Saluda for
5 meeting our reserve requirements. And we would like as much
6 flexibility as we can have to use it in the way that we
7 think best meets that. But we don't want to hurt the people
8 around the Lake, we don't want to hurt the situation down
9 stream. So, we were going to try to balance that. I know
10 it's kind of a rambling discourse here, but again, we didn't
11 come into this with a list of things that we expected to get
12 out of licensing; other than the ability to continue to do
13 what we need to do, and try as best we can to address all
14 the issues that you folks are so interested in. And we are
15 interested in, too, because we are your neighbors. I think
16 most of the senior staff at SCANA Corporation seems to have
17 houses at the Lake, so you know, they are kind of on board
18 with some of these issues, Rich. And we get asked about
19 that. I happen to live down stream, I'm interested in the
20 River. Okay? I got me a fly rod, Malcolm, for Christmas.
21 So, we are going to do what's right. The real key is trying
22 to determine what that is. Okay?

23 MR. ALAN STUART: I think Randy hit the nail
24 right on the head with that speech. It's going to be a

1 process that we have to work through. Other comments?
2 Questions? We have got a virtual tour that we have prepared,
3 and --- oh, I'm sorry.

4 MR. GUY JONES: This is quick, talking about
5 the River. I am Guy Jones, and my company is called River
6 Runner, we sell canoes and kyacks. And you know, one of the
7 things that we see every day is people coming in our shop
8 down at the Vista in Columbia, and the public is incredulous
9 when they find out that there is no release schedule for the
10 Saluda River. There is no way of the public knowing what's
11 going to happen on the Saluda River. So, you know,
12 obviously this is something that is on everyone's mind that
13 we need to have some predictability. We need to have an
14 adequate flow for fisheries, we need to have a known and
15 adequate flow for recreational uses. This is a matter of
16 safety. And right now the situation exists on the Saluda;
17 Saluda Shoals Park, which is a mile and a half below Lake
18 Murray Dam, there is no knowledge at all by the Park staff
19 of the releases that are going to occur at Saluda Hydro.
20 And I find that incredulous, that the dispatch people at
21 SCANA and SCE&G have decided not to communicate with the
22 Park. This seems to me to be just an obvious and absolute
23 thing that needs to happen is communication between the
24 dispatch people and the Park. You know, surely we will be

1 hearing much more about this, but we need to have knowledge
2 of what is happening on the River. It is an absolute safety
3 concern. And frankly, you know, in the absence of better
4 communication, sooner or later somebody is going to
5 successfully sue SCE&G over this issue of safety when there
6 is no knowledge of what is happening to a public resource
7 below Saluda Hydro. Thank you.

8 MR. ALAN STUART: Other questions? Comments?
9 A couple of things that I want to point out before we watch
10 the virtual tour and wrap up here. In your package you will
11 find a sheet that we prepared that identifies some of these
12 Resource Conservation Groups. It's our first attempt at
13 this. If you are interested in being involved, please, fill
14 it out and drop it in the box on your way out. And we will
15 certainly be in touch with you when we start getting these
16 together. Right now we are looking at September to have some
17 of our first meetings; this is after we've gotten all the
18 comments from everyone. You will be contacted via either e-
19 mail or telephone once we start establishing times to meet.

20 And we encourage your participation in those. If you have
21 questions, feel free to call Randy Mahan, Bill Argentieri,
22 myself. E-mail address for Randy is rmahan@scana.com. Bill
23 Argentieri is bargentieri@scana.com. Mine is
24 alan.stuart@kleinschmidtusa.com. Also, if you have

1 comments, please visit the web site. There is a link on
2 there that allows for comments to be provided. If you have a
3 question, route it to myself, Randy, Bill, a number of
4 people will certainly get back in touch with you. We want
5 this to be a very open process, and inform, and we look
6 forward to working with everyone. So, if you will sit tight
7 and be patient just a minute while we kind of swap media
8 here, we will run the virtual tour that was prepared by
9 Brian Duncan and the PR Department at SCE&G. It's about five
10 or ten minutes. And then we will wrap up.

11

MEETING ADJOURNED.

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