

ATTACHMENT 4a

FINAL SCHEDULE B RESPONSE INCLUDING
ADDRESSING OF CONSULTING AGENCIES
AND TRIBES COMMENTS AND
RECOMMENDATIONS

SCHEDULE B
ADDITIONAL INFORMATION REQUESTS
SALUDA HYDROELECTRIC PROJECT FERC No. 516

1. Winter Minimum Pool Elevation Study

On page 2-35 of Exhibit E in your assessment of risks associated with raising the winter minimum pool elevation, you cite a study entitled “Whitepaper Regarding Increasing the Winter Minimum Pool Level for Normal Operations of Lake Murray” completed in 2008 by R.J. Ruane of Reservoir Environmental Management. This document is listed in your literature cited section but was not included in the application appendices. We recognize that conclusions drawing from this study are included in both the Exhibit E and in the appendix E-1 - Applications of the CE-QUAL-W2 Model for Lake Murray Relicensing Issues. However, please provide a copy of the entire document (Ruane, 2008) so as to assist us in our analysis of these conclusions.

SCE&G Draft Response (dated 01/07/2009) to AIR: A copy of the “Whitepaper Regarding Increasing the Winter Minimum Pool Level for Normal Operations of Lake Murray” is included as Appendix 1 of this response.

Consulting Agencies Comments: No comments were received from consulting agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: No further response

2. Fish Kills

On page 2-31 of Exhibit E, comments from the Lake Murray Association suggest that a fish kill occurred at the project in 2007. There is no record of this fish kill in the Commission’s files, or that any such kill was reported. Please verify whether a fish kill occurred in 2007, and if so, please provide a report on the species killed; approximate numbers, time, and date of occurrence; probable cause of the kill; and location within Lake Murray where the fish kill occurred.

SCE&G Draft Response (dated 01/07/2009) to AIR: SCDNR is responsible for the investigation of fish die-offs in state waters. SCE&G respectfully requests that SCDNR provide the results of any investigation into the 2007 fish die-offs, including dates, numbers, and potential causes, in their response to this AIR so that SCE&G may file it with the Commission.

SCE&G has typically implemented a “last on, first off” scenario for Unit 5 to aid in reducing fish kills in the reservoir and as noted in Section 2.5 on Page 2-43 of our FLA for preservation of coolwater refuge habitat for striped bass in the reservoir during summer months when the lake is stratified. During consultation efforts results of a water quality model indicate it might be better to operate Unit 5 in the mode of “first on, last off” during most of the year, in Section 2.5 on Page 2-43 of our FLA the Applicant proposes to operate Unit 5 preferentially as “first on, last off” from November 1 through July 31 of each year and the bottom-oriented units preferentially as “first on, last off” during the months of August through October. This protection measure of operating Unit 5 in a “last on, first off” scenario is proposed to reduce the potential for extensive striped bass die-offs within Lake Murray. Any costs associated with either of these measures will be included in Exhibit D as part of the Applicant’s response to Schedule A.

Consulting Agencies Comments: SCDNR comments: The first item from SCDNR letter dated February 9, 2009 provides details about the fish die-off that occurred in 2007.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: No further response.

3. Wastewater Discharges

On page 2-49 of Exhibit E, table 2-1 lists major wastewater dischargers into watersheds of Lake Murray. Although it appears that most of these discharges do not discharge directly into Lake Murray, it is unclear if this is the case. Therefore, please verify whether any of these discharges flow directly into the lake. For discharges into the Lower Saluda River, please describe whether any of these discharges originate within the project-affected reach of the Lower Saluda River below the project dam or are within the project boundary.

SCE&G Draft Response (dated 01/07/2009) to AIR: The list of wastewater discharges into the Lake Murray watershed identified on Table 2-1 on Page 2-49 of Exhibit E are not direct discharges into Lake Murray. They are discharges into streams or tributaries that feed into Lake Murray. There are no wastewater discharges directly into Lake Murray. Three wastewater dischargers release effluents into the lower Saluda River within the project boundary. These wastewater discharges are permitted by the South Carolina Department of Health and Environmental Control and are not operated by the Applicant nor required for operation of the Saluda Hydroelectric Project.

Consulting Agencies Comments: No comments were received from consulting agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: No further response.

4. Fish Passage Options

On page 3-14 of Exhibit E, you state that the U.S. Fish and Wildlife Service (FWS) requested, as part of an out-migration study, that the spillway be evaluated for downstream passage. However, you conclude that the spillway is not an option for fish passage. Please describe whether the FWS has commented further on your decision that the spillway should not be considered as an option for fish passage.

SCE&G Draft Response (dated 01/07/2009) to AIR: SCE&G is requesting that the FWS provide a statement of concurrence in their comments to this AIR response that the Saluda Hydro spillway is not an option for downstream fish passage.

Consulting Agencies Comments: FWS Comments: FWS has provided their concurrence with our decision that the spillway should not be considered as an option for fish passage by removing their request from the Initial Consultation Document (ICD) comments as noted in Item 1 of their February 2, 2009 letter providing comments to our draft AIR response.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: No further response.

5. Shortnose Sturgeon Management Program

On page 3-18 of Exhibit E, you state that a shortnose sturgeon management program would be prepared and implemented in the Lower Saluda River, but provide no details as to when that program would be prepared and what the program may entail. Because we will need to assess the project's potential effect on federally listed species, please provide us with (a) a schedule for developing the shortnose sturgeon management program and, (b) at a minimum, an outline of any measures that would likely be included in such a program, including estimated costs for the proposed measures.

SCE&G Draft Response (dated 01/07/2009) to AIR: The Applicant is still consulting with the appropriate agencies to develop the Shortnose Sturgeon Management Program. The Applicant received a recommendation from National Marine Fisheries Service (NMFS) on November 17, 2008 outlining their proposed monitoring and adaptive recovery program. This recommendation is included as Appendix 2 of this response. A conference call with the consulting agencies will be held in January 2009 to discuss this proposal. At the time that a draft of this AIR response went to the consulting agencies for their 30-day review, the Shortnose Sturgeon Management Program had not been developed and is not included in the draft to the consulting agencies. The Applicant expects to perform all of the NMFS requested monitoring as part of the Santee River Basin Accord since the 10-year plan already addresses Shortnose Sturgeon studies. Therefore, the Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize the Shortnose Sturgeon Management Program. Since the program is not developed enough for inclusion in this response, a cost of the Shortnose Sturgeon Management Program on operations cannot be assessed at this time. A proposed draft educational brochure for all Rare Threatened & Endangered (RT&E) species is included as Appendix 3 as part of the mitigation measures associated with filing the FLA.

Consulting Agencies Comments: NMFS Comments: NMFS concurs with your proposed response to FERC and with setting July 31, 2009, as the target date for finalizing the program in coordination with NMFS and other resource agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: Subsequent to submitting the draft AIR response to the agencies for their review and comment, a conference call with the consulting agencies was held on January 20, 2009 to discuss the NMFS proposal. Minutes of this conference call are enclosed as Appendix 31. The Applicant is in the process of developing a management program based on the discussions from that conference call. A preliminary draft of the Shortnose Sturgeon Monitoring and Adaptive Recovery Program is enclosed as Appendix 32. This program has not been reviewed by the consulting agencies or our management and could be changed prior to finalization.

Enclosed as Appendix 33 is a settlement agreement schedule that outlines negotiation meetings and other milestone dates in support of all of our time extension requests in this response.

An estimated cost of the Shortnose Sturgeon Management Program on operations is provided in Exhibit D based on the enclosed preliminary draft of the Shortnose Sturgeon Monitoring and Adaptive Recovery Program. It should be noted that since this program has not been finalized these costs could change based on the agreed upon program.

6. Macroinvertebrate, Mussel, and Trout Programs

On pages 3-19, 3-20, and 3-46 of Exhibit E, you propose to implement a macroinvertebrate community monitoring program, a freshwater mussel restoration program, and a trout adaptive management program. You further state that these programs are currently being developed and would be filed as part of a comprehensive settlement agreement for the project. We will need to assess the environmental effects and costs of your proposed programs now, as opposed to waiting for an uncertain settlement agreement for the project to be filed. Your filing for each of these proposed programs must include a detailed description of any proposed measures, a proposed implementation schedule, and the estimated costs for the proposed measures.

SCE&G Draft Response (dated 01/07/2009) to AIR: The proposed Macroinvertebrate Monitoring and Enhancement Program for the Saluda Hydroelectric Project is included as Appendix 4 of this response. The proposed Fresh Water Mussel Program for the Saluda Hydroelectric Project is included as Appendix 5 of this response. The proposed Trout Adaptive Management Program for the Saluda Hydroelectric Project is included as Appendix 6 of this response. As noted in your request, these programs have not been finalized by the Fish and Wildlife Resource Conservation Group or our management. Also enclosed is Appendix 7 which includes minutes from the October 17, 2008 meeting that provides a record of our continued stakeholder and agency consultation. Estimated costs for all of these proposed programs are shown in Exhibit D as part of the Applicant's response to Schedule A. The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize the programs.

Consulting Agencies Comments:

Macroinvertebrate Program – SCDNR comments: The second item from the SCDNR letter dated February 9, 2009 states "Previous macroinvertebrate sampling conducted by SCE&G and its consultants has demonstrated biotic conditions improved as distance from the Saluda Hydro dam increased. NCBI scores were generally *poor* immediately downstream of the Project dam. These results could be caused by the scouring associated with hydro power operations or periodic problems with low DO. Instream flows proposed by the licensee may not benefit downstream aquatic life if the low biodiversity observed below the dam is due to low DO rather than scour. DNR recommends that the sampling program proposed by the licensee include some effort to distinguish the cause of the low biodiversity immediately below the dam and to include an adaptive management approach to correct or mitigate for any problems identified."

FWS Comments: Item 2 of the FWS letter dated January 28, 2009 provides the following comment: The Service has reviewed Appendix 4 -Macro-invertebrate Monitoring and Enhancement Program and finds the proposed plan satisfactory to address our concerns. We recommend this monitoring be conducted to evaluate the affects to the macro-benthos from an enhanced flow regime in the Lower Saluda River, which is to be included in the new license for the project.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: Since the hub baffle improvements made to the turbine runners in 1999 and 2005, the number of low dissolved oxygen (DO) excursions has been minimal as noted in our annual reports filed with the Commission as required by our current license Article 31. These reports have been filed by June 30 of each year since 2005. Macroinvertebrate studies conducted during relicensing (study report attached as Appendix 45) indicate the lack of bio-diversity immediately below the

dam is likely attributable to high velocities associated with periods of high releases from Saluda Hydro. In that report, conclusions state “This result was expected, as studies have demonstrated that rapid fluctuations in current velocity and water level (associated with the operation of hydroelectric dams) results in reduced diversity, by decreasing habitat and/or survival of habitat-specific taxa (Death, 1995; Death and Winterbourn, 1995; Ward and Stanford, 1995; Valentin *et al.*, 1995). As distance from the dam increases, the fluctuations in current velocity and water level are smaller and slower, resulting in improved biotic conditions.

For the rapid bioassessment data, regression analysis showed no detectable trends in taxa richness, total abundance, or in percentage of the dominant taxon as a function of distance from the hydroelectric dam in July or in September. In addition, none of the metrics showed a significant difference when compared between the July sample and the September sample. The July samples did show a significant increase in the Ephemeroptera, Plecoptera and Trichoptera (EPT) indices as distance from the dam increased. The September samples showed a significant increase in EPT index and EPT abundance values as distance from the dam increased. The September samples also showed a significant decrease in North Carolina biotic index (NCBI) values as distance from the dam increased. This supports the conclusion that as the distance from the dam increases, fluctuations in current velocity and water levels decrease and biotic conditions are improved.”

The Licensee recognizes that the scouring is an unavoidable impact of project operation. However, it appears in information presented in the studies conducted on the lower Saluda River that the macroinvertebrate community is healthy for the major extent of the river. Therefore, the Licensee believes the proposed Macroinvertebrate Monitoring and Enhancement Program addresses the concerns identified from the comments received on the Initial Consultation Document and during the study period. However, the Licensee will continue to consult with SCDNR on this matter in an effort to develop a settlement agreement.

Mussel Program – SCDNR comments: The second item from the SCDNR letter dated February 9, 2009 provides the following comment: “...a long-term monitoring program should be developed to evaluate effects of the new flows on specific mussel aggregations. Specifically, the monitoring plan should include: 1) the establishment of monitoring sites extending from the Broad River downstream to the water temperature mixing area in the Congaree River before the new flow regime is implemented, 2) the potential impacts of altered temperatures on timing and frequency of mussel reproduction should be evaluated using caged mussels taken from the Broad or Congaree rivers and 3) temperature and dissolved oxygen should be monitored at each site.” **FWS Comments:** Item 3 of the FWS letter dated February 2, 2009 provided the following comment: “In addition to the measures proposed in the Program we recommend development of a monitoring program for freshwater mussels in the confluence of the Saluda and Broad Rivers and downstream in the Congaree River, as described in our letter to SCE&G dated January 28, 2009. Monitoring in the Congaree River should occur throughout the temperature mixing zone as described in SCE&G’s *Downstream Temperature Study*.”

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: As noted in the October 17, 2008 TWC meeting (attached as Appendix 7), the FWS recommended that efforts should be focused on upstream areas of Lake Murray. It was emphasized that there were “serious concerns about whether reintroduction of mussels in the LSR would be successful due to low water temperatures, shear forces associated with project generation, and other issues. Following a brief discussion of the temperature regime in the LSR, the group agreed that reintroduction of mussels to the LSR would likely meet with little success and suggested scrapping the current plan.” Mussels and the host fish species require temperatures above 20°

C and the trout fishery requires temperatures below 20° C. This appears to be a conflicting situation and one that will not be resolved with continued studies by the Licensee. A copy of the FWS letter dated January 28, 2009 referenced in their comments letter is enclosed as Appendix 44.

Our conclusion is that the proposed Fresh Water Mussel Program addresses the goals identified during the last TWC meeting. If the focus is now going to be on the downstream area, then the upstream studies in Lake Murray should be eliminated. The Licensee will continue to consult with SCDNR and FWS on this matter in an effort to develop a settlement agreement.

Trout Program – SCDNR Comments: The second item from the SCDNR letter dated February 9, 2009 provides the following comment: “DNR is very concerned with the high summer mortality observed in agency sampling efforts. This mortality appears to be correlated with the low DO levels that occur each summer in the forebay of Lake Murray. Although the trout appear to be experiencing high growth rates between the time they are stocked in the winter/spring and June or July, DNR data indicate they are virtually non-existent in September. One management objective of the DNR is to increase the abundance of trout aged 2+ and higher in the Lower Saluda River. DNR indicates that a better understanding of mortality is essential to enhance management of trout in the Lower Saluda River.”

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The SCDNR does not have a trout management plan for the lower Saluda River at this time. During issue scoping, impacts to trout centered on determining if any reproduction success could be achieved to enhance the current successful put, grow and take trout fishery in the lower Saluda River (LSR). Interested stakeholders theorized that some level of reproduction may be achievable under the new flow regime proposed as part of changes in project operations. Studies suggest that many factors, including seasonal water temperatures, lack of quality spawning habitat, and predation will limit the reproductive success of trout in the LSR. Therefore, the licensee has proposed a Trout Adaptive Management Program (TAMP) that would serve to enhance and already successful put, grow and take trout fishery. Therefore, the proposed TAMP has been developed to address the issues requested from the ICD comments and interests of stakeholders. Once the SCDNR has developed a trout management plan and filed the plan with the FERC as a Comprehensive Management Plan for the LSR, the Licensee would be willing to, as part of the adaptive management strategy incorporated into the TAMP, discuss how the TAMP could be used as a tool in their effort to better manage this resource. However, in the interim, the Licensee will continue to consult with SCDNR on this matter in an effort to develop a settlement agreement.

7. Fish Mitigation Program

On pages 3-20 of Exhibit E, you mention that a fish mitigation program may be developed to address losses caused by turbine entrainment and mortality. You state that you are currently analyzing a proposal from the South Carolina Department of Natural Resources (South Carolina DNR), but that such a measure may be developed outside of the license and separate from any settlement agreement for the project. Please note that any measures involving changes in project structures or operations would require Commission approval, and the environmental effects and costs of those measures must be assessed by Commission staff. Any measures that may be proposed for addressing fish entrainment mortality must include a detailed description of any proposed measures, a proposed schedule for implementing the measures, and the estimated costs associated with the measures. In the event that no

measures to address entrainment mortality are proposed, please provide an explanation of why no mitigation is proposed.

SCE&G Draft Response (dated 01/07/2009) to AIR: During consultation with the SCDNR it was determined that they have guidelines for investigating fish kills which follow procedures established by the American Fisheries Society for enumerating and valuating such events. If a large turbine induced fish kill event occurs during a generation event the SCDNR would follow these guidelines to conduct the investigation and determine the potential cause. Should SCE&G be found responsible for the fish kill, SCE&G would compensate the SCDNR for the lost fish and staff time accrued during the investigation. Should a small scale turbine induced fish kill occur during a generation event, the SCDNR will only seek reimbursement for staff time used to conduct the investigation. As described in Section 3.1 on Page 3-2 of our Final License Application (FLA), during July 1992, SCE&G installed hydroacoustic transducers near intake tower number 5 to monitor late season movements of blueback herring. When acoustics indicate that blueback herring are congregated near the Unit 5 intake, SCE&G ceases operation of the unit except for emergency operating situations. Since its installation, no significant blueback herring entrainment events have been reported by the SCDNR. As a mitigative measure, SCE&G is proposing to continue operation of the hydroacoustic equipment to reduce fish entrainment and mortality during non reserve call events. The costs associated with the operation and maintenance of this equipment will be included in Exhibit D as part of the Applicant's response to Schedule A.

Consulting Agencies Comments: SCDNR Comments: The first item from SCDNR letter dated February 9, 2009 provides the following comments: "The entrainment of forage fish into the Saluda River was first observed in the mid 1990s, and the most recent event occurred in the spring of 2002. Numbers of entrained fish, predominantly blueback herring, ranged from several hundred to several thousand. Blueback herring are an introduced forage species which gather near the dam in large numbers in late spring. It became apparent the entrainment events that occurred in the mid-1990s were correlated with operation of the Number 5 turbine. To minimize risk of large entrainment events, SCE&G installed a hydroacoustic system that would alert them to the presence of large numbers of fish in the vicinity of the Number 5 intake, and they adopted the *last on, first off* operations scenario for the Number 5 unit described in their response. With the exception of the entrainment event in 2002, we are unaware of any significant entrainment events since SCE&G implemented those operational changes. **FWS Comments:** Item 4 of the FWS dated February 2, 2009 provides the following comment: We recommend hydroacoustic transducers continue to be utilized at the intake of Unit 5 to determine the presence of blueback herring. Unit 5 should not be operated unless there is an emergency situation when blueback herring are present.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee intends to continue the hydroacoustic monitoring program as it has been implemented currently. The equipment is installed prior to the low DO season associated with Lake Murray, usually starting in July and is removed in October for calibration.

8. Low Inflow Protocol

On page 3-38 of Exhibit E, you discuss a Low Inflow Protocol (LIP), stating that a final LIP would be filed as part of the settlement agreement. We will need to assess the environmental effects and costs of any proposed LIP now, as opposed to waiting for an uncertain settlement agreement for the project to be filed. Therefore, please provide the details

of any proposed LIP for the project, which must include a detailed description of the proposed protocol, a proposed implementation schedule, and the estimated costs for the proposed protocol.

SCE&G Draft Response (dated 01/07/2009) to AIR: The Maintenance, Emergency, and Low Inflow Protocol (MELIP) document has not been finalized at this time. A draft of the proposed MELIP is enclosed as Appendix 8. You will notice that there are several highlighted items that have not been resolved and therefore, neither the environmental effects nor a cost of the MELIP on operations can be assessed at this time. Also enclosed is Appendix 9 which includes minutes from the August 5, 2008, August 19, 2008, September 19, 2008, and November 12, 2008 meetings that provides a record of our continued stakeholder and agency consultation. The Applicant respectfully requests a time extension until July 31, 2009 in order to finish the necessary negotiations to finalize the Project MELIP.

Consulting Agencies Comments: SCDNR Comments: The third item from SCDNR letter dated February 9, 2009 provides the following comments: Developing a low inflow protocol (LIP) that fairly allocates and conserves the water resource during periods of drought is an important objective of the DNR as addressed in the South Carolina Water Plan. While DNR recognizes the LIP has not been finalized, we are concerned that the proposed LIP is: 1) too aggressive in conserving useable storage, 2) will be implemented too frequently and will unfairly limit flows to downstream users, 3) will be implemented due to conditions other than drought, and 4) does not share the burden with all users during period of low inflow.

The purpose of the LIP as described in the License Application is to conserve the remaining water stored in Lake Murray during periods of low inflow, in order to delay or prevent depletion of the usable storage in the reservoir. SCE&G defined useable storage as the volume of water above the proposed minimum operating level of 345' (all elevations referenced herein correspond to SCE&G plant datum). It should be noted that according to Exhibit B-16, useable storage is not exhausted until reservoir elevation of 300'. The Applicant is proposing to implement the LIP when reservoir levels drop 1' below the guide curve. The guide curve ranges from a low of 354' on January 1 to 358' during March through August, and is at 356' or higher for 10 of the 12 months of each calendar year. Therefore, the applicant is proposing to initiate the LIP when reservoir elevations range from 353' to 357'. Exhibit B-16 in the License Application provides the elevation to storage relationship, and calculations using the data provided in that table reveal that useable storage ranges annually from 58% to 91% at elevations 353' and 357' respectively (Table 1). Since the guide curve is at elevation 356' or higher for most of the year, the LIP would be implemented at 355', or when there is still about 74% of the useable storage remaining in the reservoir over 80% of the year. While DNR agrees with the need to conserve useable storage during periods of drought, DNR asserts that the proposed LIP is much too aggressive in conserving water in the reservoir at the expense of downstream flows, particularly when the total useable storage down to elevation 300' is considered.

Table 1. The relationship of reservoir level in feet (PD), acre-feet, and percent of useable storage at reservoir elevation 358'.

Reservoir elevation	Acre-feet	Percent of useable storage
360	1,613,981	118
359	1,563,981	109
358	1,515,174	100
357	1,467,585	91
356	1,421,189	82

355	1,375,987	74
353	1,331,887	66
353	1,288,774	58

DNR indicates the proposed LIP will be implemented much too frequently. Based on modeling conducted by the DNR over a 28-year period of record, the proposed LIP would have been implemented in 17 of the past 28 years. A proposal by the DNR to use a 2' trigger resulted in the LIP being implemented in 10 of the 28 years. The SCE&G proposal would reduce flows to downstream users on 1,472 days, while the DNR proposal would reduce downstream flows on 889 days. The SCE&G proposal would result in flow reductions to downstream users on 583 additional days over the DNR proposal.

Using a 1' trigger will allow conditions other than drought to initiate the LIP. DNR understands that full capacity hydropower operations will lower the reservoir 6" from full pool in 24 hours. Considering that the reservoir will at times be lower than the guide curve, it is feasible that hydro operations could lower reservoir levels enough to trigger the LIP.

DNR maintains the burden associated with drought conservation should be shared by all users. Based on a DNR analysis of the 28-year data set that included 10 years of extreme drought (1981-2008), the proposed LIP would have resulted in reservoir elevations that were within 2' of the guide curve 92% of the time. Downstream flows would have been reduced about 14% of the time, and the reductions in volume would have been 28% in the summer months and as much as 63% in the spring. While water conservation measures have been identified for reservoir and downstream uses, no such measures have been identified for the Applicant. In fact the Applicant proposes that the plant will remain available for operations at any pool level consistent with the original design of the project structures (300').

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: SCE&G convened an LIP Focus Group in 2008 consisting of both upstream stakeholders (primarily lake residents) and downstream stakeholders and resource agencies (including SCDNR) to facilitate discussions of the sometimes competing goals of the upstream and downstream interests as they relate to development of an equitable LIP. The draft LIP developed during this consultation functions on the basic premise that when the 14 day average net inflow to the project (defined as scaled gauged inflow minus estimated municipal withdrawals) is less than the scheduled minimum flow release, water will be released from storage to supplement the minimum flows until the reservoir has fallen to more than a certain number of feet below the current reservoir level target as defined by the guide curve. At that point, the minimum flow release will be reduced in steps as outlined in the draft LIP. Subsequent to submitting the draft AIR response to the agencies for their consultation, an Instream Flow Committee meeting was held on January 12, 2009 and an LIP Focus Group meeting was held on January 30, 2009 to discuss the LIP further. Minutes of the January 12, 2009 meeting are enclosed as Appendix 34 and draft minutes of the January 30, 2009 meeting are enclosed as Appendix 35. The Licensee proposed draft LIP is enclosed as Appendix 36. This Appendix supersedes Appendix 8 identified in the draft AIR response noted above. The items highlighted in yellow are still unresolved and will have to be discussed with other TWCs before being finalized.

There is disagreement between the lake resident stakeholder groups and the resource agencies regarding how much the reservoir should be allowed to fall below target elevation before flow reductions are implemented. The lake resident organizations proposed a six-inch drop in lake level before reductions in the minimum flow would take effect; and FWS, Trout Unlimited, Coastal Conservation League, and American Rivers supported the SCDNR proposal of a two-

foot drop in lake level before reductions in the minimum flow would take effect. Since the LIP Focus Group could not reach a consensus, SCE&G has proposed a draft LIP that we believe is fair and equitable for the lake and river resources. It provides a balance between the two requests by using a one foot below target reservoir level trigger and 14 day inflow averaging period before reductions in the minimum flow would take effect.

Regarding the minimum flows proposed, it should be noted that for most of the year, including the months of June through December when low inflow conditions have historically been most severe, the normal minimum flow of 700 CFS would be reduced to a target flow of 500 CFS, (the minimum discharge capacity of any one of Units 1 – 4 without damaging the turbines), with a minimum flow of 400 CFS. The lowest minimum flow recommendation from the Instream Flow Committee is 400 CFS, which is the flow value that achieves the original target of 80 percent weighted usable area (WUA) for the majority of the species in the lower Saluda River. A flow of 400 CFS was also determined to provide for one-way navigation by canoe or john boat, which was another goal of the Instream Flow Committee. The normal proposed minimum flow of 700 CFS achieves approximately 100 percent WUA for the majority of species, and thus exceeds the original instream flow target goal of the Instream Flow Committee.

As SCDNR states in their first comment, SCE&G defined usable reservoir storage as storage above el. 345 ft. PD because most of the existing municipal water intakes on Lake Murray cannot maintain their rated capacity when the reservoir level falls below that elevation. The original design of the Saluda project works provided for hydro operation down to el. 300 ft. PD, however operation below approximately el. 345 ft. PD has not occurred for many decades, mainly due to the requirement to maintain municipal water supplies. In light of this, SCE&G proposes to operate the reservoir within a new proposed normal operating range of el. 354 ft. PD to el. 358 ft. PD. As has been previous practice, occasional reservoir drawdowns to el. 345 ft. PD for maintenance or other reasons may occur, however this is anticipated to be an infrequent event, as stated in Exhibit B of the FLA. Since usable storage is in practical terms limited to above el. 345 ft. PD, SCE&G's focus in drafting the LIP has been to minimize the likelihood that a multi-year drought (such as has occurred twice in the last decade) would result in the eventual depletion of the reservoir to below el. 345 ft. PD.

In response to SCDNR's second comment regarding the frequency of implementation of the proposed 1 foot below target LIP, it should be noted that modeling conducted by SCE&G (using the same model used by SCDNR) indicates that most of the 17 modeled LIP implementations in the last 28 years cited by SCDNR resulted in minimal reductions in overall downstream flow volume for the years in question. Minimum flow volumes were reduced by more than 10 percent in only 4 of the 17 LIP years modeled, and averaged 92 percent of target flow volume for all 17 LIP years. The one foot below target trigger implements flow reductions in a timely manner as inflow drops, and the relatively short 14 day inflow averaging period allows minimum flows to be restored to normal levels quite rapidly when inflow increases. Since the draft LIP requires that both the reservoir level trigger and inflow less than minimum flow criteria be met before flow reductions take place, normal minimum flows can be provided whenever inflow is sufficient to support them, even when the reservoir is below the trigger level. This allows the LIP to reduce minimum flow in a progressive manner, with short term reductions during brief periods of low inflow, and longer term reductions occurring only when inflow remains lower than the minimum flow schedule for long periods, when it is appropriate to conserve remaining storage.

SCDNR's third comment regarding implementation of the LIP for reasons other than drought is not supported by the basic design of the draft LIP. As stated previously, the draft LIP requires

both the reservoir to have fallen more than one foot below target, and the 14 day average inflow to be less than the scheduled minimum flow at any given time before flow reductions are implemented. Even if hydropower operations were to cause the reservoir to fall more than one foot below target, normal minimum flow would be maintained as long as the 14 day average inflow is greater than the scheduled minimum flow. It should also be noted that SCE&G's primary use of the project for reserve generation makes it very unlikely that hydropower operations would lower the reservoir as rapidly as SCDNR suggests.

SCE&G respectfully disagrees with SCDNR's fourth comment regarding equitable sharing of the burden of low inflow conditions among upstream and downstream users. SCDNR has measured equitability by counting the number of days during which minimum flow reductions occurred based on modeling, without regard to the actual magnitude of the flow reductions which were modeled to occur during those periods. Model results from SCE&G's LIP evaluations using the proposed minimum flow schedule and draft LIP show that the draft LIP provides an equitable division of the impact of low inflow periods, based on the percentage of target flow volume in acre feet provided during the year compared to the percentage of target usable storage volume in acre feet achieved during the year. Minimum flow volume for the year during the 17 modeled LIP implementation years ranged from 78 percent to 98 percent of target flow volume and averaged 92 percent of target. Modeled usable storage volume for the year ranged from 77 percent to 100 percent of target, and averaged 92 percent of target in those same 17 years. Model results using the proposed minimum flows and draft LIP also indicated that during 2007, the reservoir would have fallen to a minimum elevation of 352 ft. PD in mid December, and would have ended the year 1.5 feet below the target elevation of 354 ft. PD for December 31. Modeling using 2008 inflow indicated that even with somewhat higher flows in the winter and spring of 2008, the reservoir would not have been able to reach target elevation at any time during the year until mid December 2008 when a large rain event increased inflow and allowed the reservoir to meet the guide curve in the model. The maximum departure from the guide curve was modeled to be nearly four feet by early September 2008, and the reservoir was modeled to be two feet or more below target elevation for 263 days during the year. The model also indicated that in both 2007 and 2008, the percent of target minimum flow volume which would have been provided under the draft LIP was actually about one percent greater than the percent of target usable storage volume achieved during those years.

The model results cited by SCDNR as producing a 63 percent reduction in minimum flow volume "in the spring" due to the operation of the draft LIP are not supported by SCE&G's results using the same model, which indicated that the maximum reduction in minimum flow volume between April 1st and May 31st in any of the years modeled would have been 48 percent in 1988, one of the lowest inflow years on record. Model results using 1988 inflow values indicate that the reservoir would have been two feet or more below target for 226 days during the year, and would have fallen to almost 4.5 feet below target in late August. The next largest reduction in minimum flow volume during April and May was modeled to be 24 percent, in 2008, which was the third year of an ongoing drought with well below average inflow to the Saluda Project. For the 17 LIP years cited by SCDNR, the modeled minimum flow volume provided during the April 1st – May 31st period using the draft LIP ranged from 52 percent to 100 percent of the target flow volume, with an average of 87 percent.

The reduction of approximately 28 percent in minimum flow during the "summer months" (assumed to be June – August) cited by SCDNR is supported by SCE&G model results; however, this was modeled to occur only in 1988 and 2000, two of the lowest inflow years on record. In 2000, the reservoir was modeled to be more than two feet below target for 80 days (from mid July through late September), and would have fallen to more than three feet below

target in late August, according to the model. For the 17 LIP years cited by SCDNR, the minimum flow volume as modeled during the June – August period using the draft LIP ranged from 71 percent to 100 percent of the target flow volume, with an average of 87 percent.

Given these model results, SCE&G does not believe that the draft LIP is “too aggressive in conserving usable storage” as stated by SCDNR, in fact the draft LIP appears to be extremely equitable overall in allocating the deficit in available inflow between upstream and downstream interests. Another point which should be noted is that the current minimum flow proposal includes striped bass enhancement flows during April 1st through May 10th each year, which were added to the minimum flow proposal at the request of SCDNR and the Instream Flow Committee in December 2008. These proposed flows would require that SCE&G release a continuous flow each day which is proportional to the previous day’s flow in the Broad River, so as to enhance conditions for striped bass spawning in the Congaree River. The inclusion of the striped bass flows in the minimum flow proposal significantly increases the continuous flow requirement during the target period in April and May compared with the original minimum flow proposal. SCE&G believes that this recent addition to the minimum flow proposal reinforces the value of the draft LIP in allowing timely reduction in minimum flows when required to conserve storage during the summer months. As stated previously, the LIP has been designed to allow equally prompt restoration of the normal minimum flows when inflow increases.

SCE&G’s rationale for proposing that the project remain available for reserve generation at reservoir elevations below 345 ft. PD is that should the reservoir fall below that level due to drought conditions, it is assumed that water conservation measures would have already been undertaken by SCE&G, municipal withdrawers, and downstream users. Once the reservoir has fallen significantly below el. 345 ft. PD, most of the municipal intakes would have had to cease operation, and using the project for emergency reserve generation would be appropriate if necessary to maintain electric system reliability or stability while doing no additional harm to the municipal water withdrawers. The water released by reserve operations might in fact be of some benefit to downstream areas under such severe drought conditions. SCE&G believes this scenario is extremely unlikely, but should be prudently planned for in any event.

9. Santee River Basin Accord

On page 3-43 of Exhibit E, you state that South Carolina Electric & Gas Company (South Carolina Company) is a participant in the Santee River Basin Accord for Diadromous Fish Protection, Restoration, and Enhancement (Accord). You also list several measures that may be implemented at the Saluda Project to benefit diadromous fish restoration, protection, and enhancement. It is not clear, however, what role South Carolina Company will play in implementing the provisions of the Accord, nor is it clear what specific measures are being proposed in your license application. Therefore, please describe your role in the Accord, as well as provide detailed descriptions of any proposed measures (including schedules, and estimated costs for the proposed measures).

SCE&G Draft Response (dated 01/07/2009) to AIR: The Santee River Basin Accord (Accord) is included in Appendix 10. The Accord is a cooperative agreement among SCDNR, North Carolina Wildlife Resources Commission, FWS, Duke Energy Carolinas, LLC, and SCE&G to enhance and restore diadromous fish stocks in the Santee River Basin. Restoration of these species is an important management goal of state and federal resource agencies. Federal Energy Regulatory Commission’s relicensing of the Saluda Hydroelectric Project has provided a unique opportunity to address restoration of these species in the Santee River basin. The

Accord will be the foundation for diadromous fish restoration in the Santee River basin providing funding necessary to initiate this large-scale restoration effort. The Accord document provides a description of the Applicant's role in the Accord, descriptions of proposed studies, a proposed schedule for implementing the studies, and the Applicant's costs as a participant in the Accord. The Applicant is an active member of the Accord Board which consists of the utilities and agencies members of the Accord. The Applicant also participates as a member of the Technical Committee developing study plans, implementing the studies, and providing in-kind services as necessary to implement the studies. The Applicant intends to use the Accord Program 10-year action plan as proposed mitigation measures for the Saluda Hydroelectric Project.

Consulting Agencies Comments: FWS Comments: Item 6 of the FWS letter dated February 2, 2009 provides the following comments: The Service is a signatory to the Santee River Basin Accord which is a cooperative agreement among utilities, and Federal and state natural agencies, to enhance and restore diadromous fish in the Santee River Basin. The Service commends SCE&G for their commitment to protect and enhance fisheries resources in the Santee River Basin.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee concurs with these comments.

10. Instream Flow Video

In Volume 1 (Binder 4 of 6) of your license application, (see the Meeting Notes for Instream Flow/Aquatic Habitat Technical Working Committee for November 27, 2006, page 4), you indicate that a videotape of the lower Saluda River habitat types was taken from a helicopter in the spring of 2005. Please file a copy of this videotape with the Commission, as it would help us to better understand the various habitat types in the Lower Saluda River downstream from the project under various flows conditions. The videotape would also assist in our analysis of your proposed minimum flows for the project.

SCE&G Draft Response (dated 01/07/2009) to AIR: Since these videos are contained on a set of three DVDs and exceed the maximum file size for e-filing with the Commission, one set of DVDs will be filed under separate cover letter and mailed by overnight delivery to the Commission in response to this request.

Consulting Agencies Comments: No comments were received from consulting agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: No further response.

11. Bald Eagle Management Program

On page 4-9 of Exhibit E of your license application, you indicate that you did not provide bald eagle nest locations in your license application because of the sensitive nature of this information. In addition, in section 4.6.1 of Exhibit E of your license application, you provide some details of your proposed bald eagle management program. However, you indicate that the details of the final program would not be provided to the Commission until a comprehensive settlement agreement is filed. We will need to assess the environmental effects and costs of

your proposed bald eagle management program now, as opposed to waiting for an uncertain settlement agreement for the project to be filed.

So that we may assess potential project effects on bald eagles, please provide both the bald eagle nest locations and the final bald eagle management program. Bald eagle nest locations should be filed with the Commission as privileged information because of the sensitive nature of this information. Your final bald eagle management program should include: (1) a matrix of activities and the required distance of those activities from bald eagle nest sites; (2) methods for identifying new nests and incorporating those nests into the management program; (3) any on-going or proposed public awareness and education programs; (4) all consultation with the FWS and the South Carolina DNR related to this program; (5) a proposed schedule for implementing the program; and (6) the estimated costs for any proposed measures.

SCE&G Draft Response (dated 01/07/2009) to AIR: The proposed RT&E Species Management Program for the Saluda Hydroelectric Project is included as Appendix 11 of this response. This proposed RT&E Species Management Program includes the proposed bald eagle management plan and a proposed schedule for implementing the program. As noted in your request, this program has not been finalized by the Fish and Wildlife Resource Conservation Group. Also enclosed is Appendix 7 which includes minutes from the October 17, 2008 meeting that provides a record of our continued stakeholder and agency consultation. Since the locations of the bald eagle nests are sensitive information, this map is shown in Appendix 12 which is labeled "Privileged" and should not be made public. A proposed draft educational brochure for all RT&E species is included as Appendix 3 as part of the mitigation measures associated with the FLA. Estimated costs of this proposed program are included in Exhibit D as part of the Applicant's response to Schedule A. The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize this program.

Consulting Agencies Comments: FWS Comments: Item 5 of the FWS letter dated February 2, 2009 concurs with our request for a time extension to finalize the proposed RT&E Species Management Program.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee concurs with their comment.

12. Rare, Threatened and Endangered (RTE) Assessment Consultation

On pages 4-16 and 5-20 of Exhibit E of your license application, you make reference to an email from Amanda Hill of the FWS to Shane Boring of Kleinschmidt Associates dated September 25, 2007, regarding FWS' comments on your RTE Assessment. We were unable to locate this email in Volume 2, Consultation Record, of your license application. Therefore, please provide a copy of this correspondence, or direct us to its location in the application.

SCE&G Draft Response (dated 01/07/2009) to AIR: This document is included in Appendix 13.

Consulting Agencies Comments: No comments were received from consulting agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: No further response.

13. Wood Stork Management Program

On page 4-17 of Exhibit E of your license application, you state that you plan to provide the details of a wood stork management program with the Commission when you file a comprehensive settlement agreement. We will need to assess the environmental effects and costs of any proposed wood stork management program now, as opposed to waiting for an uncertain settlement agreement for the project to be filed.

So that we may assess the project's potential effects on the wood stork, please submit a final wood stork management program, which should include: (1) details of any ongoing wood stork monitoring or surveys; (2) details of any public wood stork awareness or education programs; (3) any consultation with FWS and South Carolina DNR related to this wood stork management program; (4) a proposed schedule for implementing the program; and (5) the estimated costs for any proposed measures.

SCE&G Draft Response (dated 01/07/2009) to AIR: The RT&E Species Management Program for the Saluda Hydroelectric Project is included as Appendix 11 of this response. This proposed RT&E Species Management Program which includes the proposed wood stork management plan and a proposed schedule for implementing the program. As noted in your request, this program has not been finalized by the Fish and Wildlife Resource Conservation Group. Also enclosed is Appendix 7 which includes minutes from the October 17, 2008 meeting that provides a record of our continued stakeholder and agency consultation. A proposed draft educational brochure for all RT&E species is included as Appendix 3 as part of the mitigation measures associated with this license application. Estimated costs of this proposed program are included in Exhibit D as part of the Applicant's response to Schedule A. The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize this program.

Consulting Agencies Comments: SCDNR Comments: The fourth item from the SCDNR letter dated February 9, 2009 concurs with our request for a time extension to finalize the proposed RT&E Species Management Program. **FWS Comments:** Item 5 of the FWS dated February 2, 2009 concurs with our request for a time extension to finalize the proposed RT&E Species Management Program.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee concurs with their comments.

14. Waterfowl Mitigation Measures

On pages 4-18 and 4-19 of Exhibit E of your license application, you indicate you are working with the FWS and the South Carolina DNR to develop a proposal for a new waterfowl management and hunting area to replace or offset waterfowl areas that have been lost as a result of land sales. You also indicate that waterfowl use of the project area has declined, potentially as a result of project operations and management. You indicate that you plan to provide the details of a waterfowl enhancement plan when you file a comprehensive settlement agreement. We will need to assess the environmental effects and costs of any proposed waterfowl enhancement plan now, as opposed to waiting for an uncertain settlement agreement for the project to be filed. If you would like this proposed waterfowl enhancement plan to be

considered as part of this relicensing, you should file the details of the waterfowl enhancement plan, including: (1) the location of the new waterfowl area in relation to the project boundary; (2) details of the management of the proposed area; (3) any consultation with FWS and South Carolina DNR related to this measure; (4) a proposed schedule for implementing the provisions of the plan; and (5) the estimated costs for any proposed measures included in the plan.

SCE&G Draft Response (dated 01/07/2009) to AIR: We would like this proposed waterfowl enhancement measure to be considered as part of SCE&G's FLA. In an effort to provide you with as much information as possible for your evaluation at this time, the proposed waterfowl area is shown on the revised Exhibit G drawings identifying its relation to the project boundary. These revised Exhibit G drawings are being filed as part of our response to Schedule A. Enclosed as Appendices 14, 15, and 16 are updates filed previously with the Commission that describe our consultation efforts with the agencies. The property currently under consideration is not owned by the Applicant but the Applicant is currently in negotiations with the property owner at this time. Until there is an agreement on the procurement of the property details of the management of this specific proposed area, a proposed schedule for implementing the provisions of the plan or the estimated costs for the purchase and implementation of the proposed measures cannot be determined at this time. The Applicant respectfully requests a time extension until July 31, 2009 in order to finish the necessary negotiations to finalize the waterfowl management area and program.

Consulting Agencies Comments: SCDNR Comments: The fifth item from the SCDNR letter dated February 9, 2009 provides the following comments: A June 23, 2004 Order from the FERC required SCE&G to consult with DNR and FWS and designate new waterfowl hunting areas to replace those lost to land sales and development. Since the loss of waterfowl hunting areas is associated with shoreline development, and since over 60% of the 691 miles of shoreline has been developed, DNR is seeking a significant enhancement effort from the Licensee. Due to the magnitude of the enhancement measure, and the timing of current relicensing, it seems reasonable to pursue the Order as part of relicensing with the intent of including the enhancement measure in a settlement agreement for the new license.

DNR is pleased with the effort SCE&G has taken to address the FERC Order to develop a plan to mitigate for lost waterfowl habitat and public waterfowl hunting opportunity. The current plan includes purchase of property that will be developed into a waterfowl area. DNR understands the delays that can be associated with the purchase of real estate. SCE&G has made a good faith effort to expedite this process.

In March of 2008, DNR recommended, in comments speaking to the draft license application, that SCE&G acquire, develop and fund an area to support the management of waterfowl. DNR indicates it is appropriate to mitigate for the magnitude of lost waterfowl habitat and hunting opportunity. As much as 10% of the statewide total waterfowl harvest appears to have occurred on or in association with Lake Murray prior to widespread shoreline development. A corresponding level of habitat and opportunity no longer occurs in the midlands of South Carolina. DNR further indicates it is reasonable to request the Licensee to acquire and fund the development and operations of a waterfowl area, and we request that such measures be included in the new License. In the event that the acquisition of a waterfowl area is not successful, DNR will continue to work with SCE&G to identify and develop an alternative plan to identify waterfowl habitat and enhance waterfowl habitat management and quality public waterfowl hunting. DNR concurs with the request of the Licensee for additional time to work out the details of this enhancement measure.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: On January 21, 2009 SCE&G and SCDNR met to continue consultation regarding details necessary for the designation of a waterfowl hunting area. At that meeting it was revealed that SCDNR would not be able to secure the funding that they had originally planned to provide for the purchase of this land and development of the off-lake waterfowl management/hunting impoundment. As a result of the circumstances discussed during this meeting and particularly the effects of the current economic conditions that continue to affect the country and this State in particular, the goal of establishing a new, off-lake waterfowl management/hunting facility as an alternative to a designation of a waterfowl hunting area within the bounds of the Project Waters appears no longer to be feasible. The details upon which the Applicant had been consulting in good faith with SCDNR, in particular the expectation for a private/public partnership with a specific limit for SCE&G's contribution, appear to have changed dramatically. The purchase of land and the development, and operation of a managed waterfowl impoundment and associated buffer lands were to have been a public-private partnership, with SCE&G's role limited to a fixed cash contribution and perhaps some limited, ancillary "in-kind" services. The apparent lack of State funds as well as the greatly diminished prospect of gaining access to other funds to make up for loss of State funds, makes the prospect of being able to procure and develop the desired waterfowl management land and facilities unlikely.

As a result, the originally designated waterfowl hunting area that was being evaluated to address the SCDNR objective will not be shown on the Exhibit G maps, as was noted in our draft response to the AIR. The tract is not under an option-to-buy contract at this time. The Applicant will no longer request the proposed waterfowl enhancement measure be considered as part of the FLA. The Licensee's intention is to comply with Paragraph I of the June 23, 2004 FERC Order by designating an area within the Project and labeling it on the Recreation Drawings as "Designated Waterfowl Habitat Area." If the Commission approves this filing, the new designation will be included on the Recreation Drawings included with a subsequent filing of the FLA. Should the Commission require something beyond this designation, the Applicant reserves the option of including any associated expense as part of the FLA.

By letter dated September 25, 2008, the Commission has given the Applicant until June 30, 2009 to designate a waterfowl hunting area at Project 516. The Applicant will continue to consult with the agencies designated in the FERC Order in an effort to resolve this issue.

15. Rocky Shoals Spider Lily Enhancement Program

On page 5-20 of Exhibit E of your license application, you indicate that you plan to provide details of a rocky shoals spider lily enhancement program when you file a comprehensive settlement agreement. We will need to assess the environmental effects and costs of any proposed rocky shoals spider lily enhancement program now, as opposed to waiting for an uncertain settlement agreement for the project to be filed. To facilitate our assessment of the project's potential effects on the rocky shoals spider lily, please include in the final rocky shoals spider lily enhancement program: (1) a description of any on-going monitoring; (2) a description of any protection or enhancement measures proposed for known or newly identified populations; (3) a description of any public awareness or education measures for the rocky shoals spider lily; (4) any consultation with the FWS and the South Carolina DNR related to this program; (5) a proposed schedule for implementing the program; and (6) the estimated costs for any proposed measures that are part of the program.

SCE&G Draft Response (dated 01/07/2009) to AIR: The proposed RT&E Species Management Program for the Saluda Hydroelectric Project is included as Appendix 11 of this response. This proposed RT&E Species Management Program which includes the proposed rocky shoals spider lily management plan and a proposed schedule for implementing the program has not been finalized by the Fish & Wildlife Resource Conservation Group or our management. Also enclosed is Appendix 7 which includes minutes from the October 17, 2008 meeting that provides a record of our continued stakeholder and agency consultation. A draft proposed educational brochure for all RT&E species is included as Appendix 3 as part of the mitigation measures associated with this license application. Estimated costs of this proposed program are included in Exhibit D as part of the Applicant's response to Schedule A. The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize this program.

Consulting Agencies Comments: SCDNR Comments: The sixth item from the SCDNR letter dated February 9, 2009 concurs with our request for a time extension to finalize the proposed RT&E Species Management Program. **FWS Comments:** Item 5 of the FWS dated February 2, 2009 concurs with our request for a time extension to finalize the proposed RT&E Species Management Program.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee concurs with their comments.

16. Aquatic Plant Management Council Memorandum of Understanding (MOU)

On page 5-21 of Exhibit E of your license application, you indicate that you are consulting with the Aquatic Plant Management Council (Council) to develop a MOU to formalize your cooperation with the Council in managing aquatic plants within the project area. You state that you would file this MOU when you file a comprehensive settlement agreement.

We will need to assess the environmental effects and costs of your proposed management activities for aquatic plants now, as opposed to waiting for an uncertain settlement agreement for the project to be filed. To facilitate our assessment of the project's potential effects on aquatic plants, please provide details of any proposed measures you would implement to manage aquatic invasive plants, including: (1) a description of any proposed monitoring of aquatic invasive plant populations; (2) a description of any proposed aquatic invasive management techniques; (3) identification of the entities responsible for implementing any aquatic invasive management techniques; (4) a description of any public awareness or education measures to prevent the spread of aquatic invasive plants; (5) copies of any additional consultation with the Council and other stakeholders with regard to aquatic invasive plant management; (6) a proposed schedule for implementing any aquatic invasive plant management measures; and (7) the costs for any proposed measures. You also should file a copy of the MOU, either separately or along with any settlement agreement filed in this proceeding.

SCE&G Draft Response (dated 01/07/2009) to AIR: The Applicant is working on a draft of the MOU at this time. Any draft MOU filed with the Commission as part of this AIR package will be submitted to the consulting agencies for their review prior to finalizing as part of a Settlement Agreement. Once finalized, the Applicant will provide descriptions to sub-items 1-7 as requested by the Commission. The Applicant will file the information under separate cover and

respectfully requests a time extension until July 31, 2009 to completely finalize this information request.

Consulting Agencies Comments: SCDNR Comments: The seventh item from the SCDNR letter dated February 9, 2009 provides the following comment: “DNR agrees with the Licensee that they should develop an Aquatic Plant Management Plan. DNR recommends a management plan that clearly describes the obligations of the Licensee should be included as a License Article.”

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: Subsequent to submitting the draft AIR response to the consulting agencies for their consultation, SCDNR provided a draft Aquatic Plant Management MOU Master Agreement and draft 2009 Lake Murray Aquatic Plant Management Plan that could be used as a guide for the aquatic plant management program. These two documents are included as Appendix 37 and Appendix 38 respectively. The Licensee will continue to consult with SCDNR in finalizing a management plan for inclusion in the settlement agreement.

17. Floodplain Riparian Vegetation Along The Congaree National Park

On page 5-22 of Exhibit E of your license application, you indicate that project operations are potentially affecting floodplain riparian vegetation in the Lower Saluda River, including the downstream Congaree National Park. You state that you are currently entertaining proposals on operational changes that may have beneficial effects on the Congaree National Park. You also state that preliminary recommendations were expected from the National Park Service by September 2008, and that any recommendations for changes in the operation of the project would be filed with the Commission for consideration and/or implementation in the new license.

We will need to assess the environmental effects and costs of any proposed measures to protect or enhance floodplain riparian vegetation along the Lower Saluda River now, as opposed to waiting for an uncertain settlement agreement for the project to be filed. For us to assess the project’s potential effects on riparian vegetation and the Congaree National Park, please file the details for any preliminary recommendations you received from the National Park Service, and any proposed enhancement measures you may propose related to operational changes at the project. You also should file an analysis of the effects of these changes on vegetation along the Lower Saluda River and within the Congaree National Park.

SCE&G Draft Response (dated 01/07/2009) to AIR: The National Park Service (NPS) proposed enhancement measures for the Congaree National Park (CNP) are enclosed as Appendix 17. Our response to their proposal is included as Appendix 18. Since the CNP is approximately 26 miles downstream of the Project boundary, and another 10 miles from the Project powerhouse, the NPS developed their recommendations outside of the relicensing process. As such, no study plans were developed, field studies conducted, or findings from studies used as a basis for their recommendations. The NPS performed technical workshops as noted in the recommendation report. The Applicant has not examined any effects of these recommended changes on vegetation along the lower Saluda River or within the CNP.

As noted in our response to the NPS we are also working with SCDNR on a similar request for striped bass flow enhancements in the Congaree River. The preliminary proposal for a SCDNR striped bass program is enclosed as Appendix 19. Hopefully, providing one set of flows during

the April through mid-May time period will suffice for both requests. This proposal was discussed at several meetings between SCE&G and SCDNR during October and November and it was determined that the proposal should be presented to the Instream Flow TWC. A meeting of the Instream TWC was held on December 10, 2008. Enclosed as Appendix 20 are the minutes from the December 10, 2008 meeting that provides a record of our continued stakeholder and agency consultation. As noted in the meeting minutes, after reviewing the SCDNR striped bass proposal, the Instream Flow TWC recommended a new set of minimum flows based on the recommendation that if Saluda Hydro provides 45% of the average daily Broad River flow from April 1 through May 10, the striped bass population in the Congaree River will improve. This proposal was different from the SCDNR original proposal of only requesting these flows after the target elevation was reached. Therefore, the proposed minimum flows presented in the FLA are tentatively being modified by a new proposal from the Instream Flow TWC which still needs to be evaluated by the Applicant. Since this new minimum flow proposal was just presented to the Applicant on December 10, 2008, we have not had sufficient time to evaluate its effects on operation of Saluda Hydro and have not made a determination as to whether it or a modified version of it could be accommodated. We are requesting that the Commission allow the Applicant give due consideration to the new flow proposal and be allowed to continue our consultation process with the stakeholders and agencies in an effort to resolve this issue.

The Applicant has evaluated the effects of the higher minimum flows on the target species identified in the instream flow study and provides them as an attachment to the draft December 10, 2008 meeting minutes (Appendix 20).

Since neither of the proposals for additional flows in support of fish enhancements in the Congaree River or CNP have been finalized, the effects on our operations cannot be determined at this time. However, if the Commission decides to implement the recommendation of the NPS as presented, there will be a very detrimental effect on our ability to use Saluda Hydroelectric Project for generation during the April to mid-May time period. Therefore, the Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize the minimum or additional flows that we can agree to with the SCDNR and NPS.

We have provided additional information in the form of a report that might be useful in your evaluation and understanding of the CNP as it relates to operation of Saluda Hydro. The report, entitled "The Effects of the Saluda Dam on the Surface-Water and Ground-Water Hydrology of the Congaree National Park Flood Plain, South Carolina" was developed by the US Geological Survey (USGS) for the NPS. This report is included as Appendix 21.

Consulting Agencies Comments: No comments were received from consulting agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: Subsequent to submitting the draft AIR response to the agencies for their consultation, a meeting was held on January 12, 2009 to discuss the new proposed minimum flows and LIP parameters. The January 12, 2009 meeting minutes are enclosed as Appendix 34. The new proposed minimum flow and LIP are described as follows:

- January 1 – March 31: 700 CFS minimum flow / 500 CFS LIP target / 400 CFS LIP minimum flow
- April 1 – May 10: Implement SCDNR striped bass flows as target flows, with 1,000 CFS minimum flow. Once lake falls below LIP trigger level:

- 14 day inflow \geq striped bass request: Implement SCDNR striped bass flows as target flows, with 1,000 CFS minimum flow.
- 14 day inflow < striped bass request: 1,000 CFS minimum flow.
- 14 day inflow < 1,000 CFS: 700 CFS minimum flow.
- 14 day inflow < 700 CFS: 500 CFS LIP target w/ 400 CFS LIP minimum flow.
- May 11 – May 31: 1,000 CFS minimum flow / 700 or 500 CFS LIP target / 400 CFS LIP minimum as above.
- June 1 – December 31: 700 CFS minimum flow / 500 CFS LIP target / 400 CFS LIP minimum

Use 1' drop / 14 day flow averaging LIP.

The Applicant believes providing one set of flows during the April through mid-May time period will meet the needs of those resources both inside and outside the Project boundary. We are still in the process of evaluating the effects on our operations based on the new minimum flow and LIP proposal described above and as outlined in the January 12, 2009 meeting minutes. The estimated costs associated with the proposed minimum flow are included in the operation costs identified in Exhibit D as part of the Applicant's response to Schedule A.

18. Recreation Plan

In Exhibit E, page 7-47, of your license application, you state that a draft Saluda Recreation Plan is being developed by the Recreational Technical Working Committee (TWC), and is scheduled to be finalized in the winter of 2008. You provide a preliminary list of proposed enhancement measures in section 7.9 of Exhibit E, including measures for enhancing existing recreation facilities and new recreation facilities.

We will need to assess the environmental effects and costs of any proposed measures and activities outlined in your recreation plan. Therefore, please file the recreation plan. You should include, in the plan, the following information, at a minimum: (1) a description of the proposed enhancement measures for existing recreation sites; (2) a description of proposed new recreational facilities (be sure to include recreational facilities in a revised Exhibit G map and to distinguish existing recreational facilities from proposed); (3) a description of the entity responsible for implementing the proposed measures, who would own the recreation facilities, and who would operate and maintain the recreation facilities; (4) a schedule for implementing the provisions of the proposed plan; (5) the estimated costs for the individual measures included in the plan; (6) a description of whether the existing and proposed facilities are within or outside of the project boundary, including a map denoting the location of all the proposed measures along with the existing project boundary; (7) a description of any consultation conducted in the development of the recreation plan and an explanation if you do not agree with any of the comments and recommendations that you received; (8) a description any future monitoring of recreational facilities and use at the project and for the update of the Recreation Plan; (9) the location of the commercial and private recreation sites; and (10) the accessibility of public, commercial, and private boat ramps at existing and proposed boat levels.

SCE&G Draft Response (dated 01/07/2009) to AIR: The proposed Recreation Plan for the Saluda Hydroelectric Project is included as Appendix 22 of this response. This proposed Recreation Plan, which has not been finalized by the Recreation Management Technical Working Committee, the Recreation Resource Conservation Group or our management, provides answers to sub-items 1, 2, 3, 4, 6, 7, 8, and 9 of Item 18 of your AIR. Sub-item 5,

estimated costs of the proposed measures included in the proposed Recreation Plan are provided in Exhibit D as part of the Applicant's response to Schedule A.

Although the proposed Recreation Plan is nearing completion, SCE&G would like to point out the enclosed version is incomplete as it is missing Appendix F - As-Built and Concept Design Drawings. SCE&G anticipates these drawings, including each site's relation to the existing and proposed project boundary, will be contained in the final version and submitted with the Comprehensive Settlement Agreement.

In response to sub-item 10, all but one of the public (SCE&G owned) boat ramps were extended to the 345' PD elevation during the Saluda Dam Remediation Project in 2003. During this same period, most of the commercial and private boat ramps were extended to the 345' PD to 347' PD elevation. Based on permits issued during the low water period associated with the dam remediation, at a minimum 90% of all the commercial and private marinas and public parks will be accessible for lake access under the new guide curve. Under the current guide curve, the majority of the ramps are useable because of the extensions performed during the dam remediation drawdown period. Since the proposed new guide curve will maintain a higher lake elevation throughout the year, accessibility to all boat ramps will be better using the proposed new guide curve than the current license guide curve. This information is also provided in the proposed Recreation Plan in Appendix C as a response to Question 19 of the Standard Process Form.

The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize this plan.

Consulting Agencies Comments: SCDNR Comments: The eighth item from the SCDNR letter dated February 9, 2009 provides the following comments: "DNR has reviewed the proposed recreation plan. Section 7.5 states:

The Recreation RCG is recommending SCE&G continue to cooperate with the SCDNR in the marking of hazards in Lake Murray. This includes support for public communication regarding locations of unmarked hazards and a system whereby the SCDNR can be made aware of these areas.

With due respect to the Recreation RCG, the current funding crisis in South Carolina state government is forcing DNR to prioritize boating safety programs. DNR will be required to terminate the shoal hazards marking program in many State waters including Lake Murray. The DNR approach to shoal marking will be consistently applied to all State waters and all FERC projects."

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: SCE&G has understood that the shoal hazard marking program in the past had always been funded 100% with federal funds. The Licensee shall pursue a better understanding of this matter. The Licensee is concerned that it might be asked to do what no private entity has been allowed to do, i.e. assume an authority and duty statutorily assigned to and historically performed by a State agency, and which directly affects the public safety of boaters on the public waterways in the State of South Carolina. It should be noted if SCE&G is required to manage the hazard marker program on Lake Murray, if it legally can do so, additional costs will need to be listed in Exhibit D to account for the implementation of this program. The Licensee will continue to consult with SCDNR on this matter while seeking to achieve a settlement agreement. Subsequent to submittal of the draft AIR response to the agencies for their review and

comment, a meeting was held on January 28, 2009 for the Recreation Management and Downstream Flows TWC's to finalize the Recreation Plan for submittal to the Recreation RCG. Draft minutes of this meeting are enclosed as Appendix 39 and an updated draft of the Recreation Plan is enclosed as Appendix 40. This Appendix supersedes Appendix 22 identified in the draft AIR response noted above. SCE&G would like to point out the enclosed revised version of the Recreation Plan is still missing Appendix F - As-Built and Concept Design Drawings.

19. Downstream Recreation Flow Study

In Appendix E6 of your license application, you provide a copy of the Downstream Recreation Flow Assessment Report, dated November 2007. However, this report is missing the following Appendices:

- Appendix E – HEC RAS Flow Model Analysis Tables
- Appendix F – Flow Duration Curves from HEC RAS Flow Model Analysis

We need this information to conduct our assessment of the flows available during the study period, as well as to determine what flows may be appropriate to protect and/or enhance the recreational boating experience on the Lower Saluda River. Therefore, please file copies of the missing appendices.

SCE&G Draft Response (dated 01/07/2009) to AIR: The two referenced appendices of our Downstream Recreation Flow Assessment Report are included as Appendix 23 of this response.

Consulting Agencies Comments: No comments were received from consulting agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: No further response.

20. Recreation Flows

You indicate on page 7-46 of Exhibit E of your license application, that as a part of the Recreation TWC's issue resolution agreements for recreational flows, a preliminary agreement has been reached on a set of recreation flows and a total yearly amount of flow (quantified in acre-feet) that would be provided. You indicate that this agreement would be filed with the Commission with the settlement agreement for consideration and inclusion in the new license. We will need to assess the environmental effects and costs of any proposed set of recreational flows now, as opposed to waiting for an uncertain settlement agreement for the project to be filed.

In Exhibit E, page 7-51, you state that South Carolina Company is also working with the Recreation Resource Conservation Group (RCG) to establish recreational flow releases on the Lower Saluda River to support on-water activities, such as wade angling and whitewater boating. You indicate that the target flow releases of between 700 cubic feet per second (cfs) and 1,000 cfs would be scheduled and provided for 5 to 9 hours per day, for a total of 32 days over the course of a year, to support wade angling activities. You state that these flows are sufficiently low to also provide opportunities for swimming, tubing, and rock hopping. In

addition, you indicate that flow releases for whitewater activities, including kayaking events and rafting, are scheduled for 3 to 9 hours per day, for a total of 19 days annually, and would range from just over 2,000 cfs to 10,000 cfs for Canoeing for Kids events. Additional flow releases between 8,000 cfs and 15,000 cfs, which are tentatively scheduled for 11 days annually, are being evaluated for swift water rescue training.

For us to accurately assess your proposal, please confirm if the flows described above are the recreational flows you plan to include in any settlement agreement, or if you plan to propose alternative flows. Either way, please provide a description of your proposed recreation flows, including the amount (cfs), timing (month/weekday/weekend), and duration (hours) of the flows, as well as the estimated costs (capital and O&M costs) associated with providing your proposed recreational flows.

SCE&G Draft Response (dated 01/07/2009) to AIR: The proposed referenced flows are included in Appendix E of the proposed Recreation Plan for the Saluda Hydroelectric Project, which is included as Appendix 22 of this response. This proposed Recreation Plan, which has not been finalized by the Downstream Flow Technical Working Committee or the Recreation Resource Conservation Group, provides proposed recreation flow releases, timing, and durations. Estimated costs associated with this proposal are included in Exhibit D as part of the Applicant's response to Schedule A. The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize this plan.

Consulting Agencies Comments: SCDNR Comments: The ninth item from the SCDNR letter dated February 9, 2009 concurs with our request for a time extension to finalize the recreation flows as part of the Recreation Plan.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: Subsequent to submittal of the draft AIR response to the agencies for their review and comment, a meeting was held on January 28, 2009 for the Recreation Management and Downstream Flows TWC's to finalize the Recreation Plan for submittal to the Recreation RCG. Minutes of this meeting are enclosed as Appendix 39. An updated draft of the Recreation Plan which includes the proposed recreation flows is enclosed as Appendix 40. This Appendix supersedes Appendix 22 identified in the draft AIR response noted above.

21. Recreational Safety Warning Systems

On page E-751 of Exhibit E of your license application, you indicate that South Carolina Company is working with the Safety RCG to determine the appropriate locations to install additional warning sirens and strobes along the Lower Saluda River. Locations currently identified for receiving additional warning systems include Sandy Beach, upstream of Metts Landing, Corley Island, Gardendale, I-20 Bridge, River's Edge/Oh Brother Rapids, Ocean Boulevard, and Stacey's Ledge. In addition, you indicate that you plan to include a warning siren installation plan in the comprehensive settlement agreement for consideration and inclusion in the new license.

We will need to assess the environmental effects and costs of any proposed warning siren installation plan now, as opposed to waiting for an uncertain settlement agreement for the project to be filed. For us to assess your proposal, please file the warning siren installation plan. The plan should include detailed information for any proposed warning systems, including a

description of the type, location, and associated capital and O&M costs for these systems, as well as an implementation schedule.

SCE&G Draft Response (dated 01/07/2009) to AIR: The proposed warning system between the Saluda Hydro powerhouse and the Riverbanks Zoo, including a description of the proposed warning equipment and a proposed schedule for installation is enclosed as Appendix 24. This plan has not been approved by the Safety Resource Conservation Group or our management. Estimated costs associated with this proposed safety measure are included in Exhibit D as part of the Applicant's response to Schedule A. The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize this program.

Consulting Agencies Comments: No comments were received from consulting agencies.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: Subsequent to submittal of the draft AIR response to the agencies for their review and comment, a meeting was held on January 27, 2009 for the Safety RCG to finalize the siren installation schedule. Minutes of this meeting are enclosed as Appendix 41. A revised proposed siren installation schedule was developed from the comments received during the January 27, 2009 Safety RCG meeting and is enclosed as Appendix 42. This Appendix supersedes Appendix 24 identified in the draft AIR response noted above.

22. Shoreline Management Plan

On page 8-88 of Exhibit E of your license application, you describe various proposed changes to your Shoreline Management Plan and Shoreline Permitting Policies. In appendix E-7, you state that the Lake Murray Shoreline Management Handbook and Permitting Guidelines and the Lake Murray Shoreline Management Plan would be filed once public review has been completed. To date, your proposed Shoreline Management Plan and Permitting Guidelines have not been filed with the Commission. To assist us in evaluating the merits of the proposed changes to the Shoreline Management Plan and Permitting Guidelines, please file these items.

SCE&G Draft Response (dated 01/07/2009) to AIR: The proposed Lake Murray Shoreline Management Handbook and Permitting Guidelines and the Lake Murray Shoreline Management Plan (SMP) are included as Appendix 25 and Appendix 26 of this response. Also included as part of the SMP, the Applicant is providing the proposed land classification maps as Appendix 27. Re-classification of all land within the Project boundary that is owned by the Applicant was required by the Commission by the June 23, 2004 Order, 107 FERC ¶ 62,273. The proposed Lake Murray Shoreline Management Permitting Handbook (Permitting Handbook) and Permitting Guidelines, Lake Murray SMP, and the land re-classification maps have not been finalized by the Lake and Land Management Technical Working Committee, the Lake and Land Management Resource Conservation Group, or SCE&G management. Also enclosed is Appendix 28 which includes minutes from the September 30, 2008, and October 15, 2008 meetings that provides a record of our continued stakeholder and agency consultation to finalize the SMP and Handbook. Estimated costs associated with these proposed documents are included in Exhibit D as part of the Applicant's response to Schedule A. The Applicant respectfully requests a time extension until July 31, 2009 to consult further with interested stakeholders and agencies to finalize the SMP and Permitting Handbook.

Consulting Agencies Comments: SCDNR Comments: The tenth item from the SCDNR letter dated February 9, 2009 provides the following comment: "SCE&G has expended considerable effort to solicit stakeholder input and to edit and update the Lake Murray Shoreline Management Permitting Handbook and permitting Guidelines. This has been a significant effort on their part and the process is nearly complete. DNR concurs with their request for additional time to complete this effort." **FWS Comments:** Item 7 of the FWS letter dated February 2, 2009 provides the following comment: "The Service along with many stakeholders have participated in a rigorous process to develop and finalize the Lake Murray Shoreline Management Permitting Handbook and Permitting Guidelines. It appears this process is nearly complete. We concur with the request for additional time to complete this effort." **CIN Comments:** We are reviewing the Lake Murray shoreline management handbook and permitting guidelines and Lake Murray Shoreline Management Plan. We concur that SCE&G be allowed an extension till July 31, 2009 for further consultation and comment. We would like this extension in order for us to be able to directly discuss with them any concerns that we may have. Due to budgetary constraints, we would respectfully request that the drafts and yearly review information be sent to us in order for us to provide our comments in the event that we might not be able to attend the scheduled meeting.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee concurs with their comments. Subsequent to submittal of the draft AIR response to the agencies for their review and comment, a meeting was held on January 8, 2009 for the Lake and Land Management RCG to finalize the SMP and Handbook. Minutes of this meeting are enclosed as Appendix 43. The changes to the SMP and Handbook were not substantive, but did include wording that is still being resolved by the RCG members. Once the changes are finalized, the Applicant intends to post the proposed SMP and Handbook on our relicensing website and conduct a public meeting to present the information and solicit comments from the general public. Any changes made as a result of the public comment period will be incorporated into the final documents that will be filed as part of the settlement agreement.

23. Archaeological Site Monitoring

In section 6.3 of your HPMP, you state that an archaeologist would examine the condition of sites 38SA150 and 38SA244 during major drawdowns, as well as perform a surface collection and additional testing as required under section 6.B of the HPMP. So that we can analyze your proposed measures, please clarify the following:

- a) Is the above-referenced surface collection and additional testing to be undertaken repeatedly (as is suggested by the wording in the HPMP) or on a one-time basis? Is this additional work for the purposes of determining these sites' eligibility for the National Register or for another purpose?

SCE&G Draft Response (dated 01/07/2009) to AIR: A response to this information request can be found in Appendix 29. This Appendix is labeled "Privileged" due to its archaeological content and is only being distributed to the SC SHPO and Indian tribes.

- b) Please explain why these two sites would be monitored no more than once every 5 years (even if major drawdown events below elevation 350 feet plant datum

occur more frequently than that), while you propose to monitor 24 other sites once every 2 years.

SCE&G Draft Response (dated 01/07/2009) to AIR: Approximately 90% of these two sites are under water at normal pool elevation. The new proposed lake level guide curve would not expose much more of the sites, which is why they should be looked at only during major drawdowns. Since the majority of the sites will be underwater most of the time, there is less of a chance of vandalism, destruction, or Project operations effects on the archaeological site. Our reasoning was to avoid conducting a surface investigation too frequently.

Consulting Agencies Comments: CIN Comments: We concur that sites 38SA 150 and 38SA244 would only need monitoring no more than once every 5 years due to the majority of the site being under water at normal pool elevation which we feel provides protection for these sites. During major draw downs, they will be evaluated and the reported data will be sent to our THPO office. The other sites will need to be monitored according to the once every 2 year cycle as proposed by SCE&G. If circumstances change, we have been assured by SCE&G that they will contact our office upon immediate discovery and we will discuss changes needed for the protection of these sites.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee concurs with their comments.

24. Tree House Site

In section 6.1 of the HPMP you indicate that data recovery at the Tree House Site (38LX531) has been completed, and that the recovered artifacts are being catalogued. Please provide us with a schedule for completing and submitting the study report. If the final report is not completed by the time you file your response to our additional information request, please file an interim report that includes survey data and your preliminary findings. The report should be filed as sensitive and non-public.

SCE&G Draft Response (dated 01/07/2009) to AIR: The Data Recovery Program field work was performed between February 4 and October 29, 2008. Artifact analysis and report preparation are proceeding on schedule, and the draft report should be available on or before April 29, 2010 for review and comment by the SC State Historic Preservation Officer and the Catawba Indian Nation. After we receive their comments and finalize the report, we will file the final report with the Commission as a supplemental filing associated with the Saluda Hydroelectric Project relicensing process (Project Number 516-459). Since the final report will not be complete by the time of this filing, enclosed as Appendix 30 is a management summary for the archaeological data recovery excavations that should suffice as an interim report that includes survey data and preliminary findings. This Appendix is labeled "Privileged" due to its archaeological content and is only being distributed to the SC SHPO and Indian tribes.

Consulting Agencies Comments: CIN Comments: We are presently waiting to review the draft artifact analysis and report preparation that we have been informed will be available on or before April 29, 2010. We have a good relationship with both SCE&G and the Principal Archaeologist. We feel confident that our concerns will be addressed if we should have any whenever the draft report comes out.

SCE&G Response (dated 02/24/2009) to Consulting Agencies Comments: The Licensee concurs with their comments.