

**Saluda Hydroelectric Project**  
**FERC Project No. 516**  
**Stage 1 Joint Agency and Public Meeting Agenda**  
**June 16, 2005**  
**10:00 am**

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- Welcome
- Opening Remarks
- Introductions of Relicense Team
- Overview of the FERC Relicensing Process
- Traditional “Enhanced” Three Stage Process
- Environmental Considerations
- Guidelines for Requesting Information or Studies
- Questions and Public Comments
- Lunch and Virtual Tour of Saluda Hydro
- Adjourn

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SALUDA HYDROELECTRIC PROJECT RELICENSING

FERC PROJECT NO. 516

Joint Agency & Public Meeting

June 16, 2005

10:00 A.M. Session

PRESENTATION,  
Alan Stuart, Kleinschmidt Water Resources

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

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## 1 PRESENTATION:

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 SENATOR JAKE KNOTTS: Do what?

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

8 SENATOR JAKE KNOTTS: Jake Knotts.

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



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

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

13                   SENATOR JAKE KNOTTS: Yes.

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

24                   SENATOR JAKE KNOTTS: The problem was if they

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

12 MS. CHRISTINE DOW: (inaudible)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 MR. ALAN STUART: Thank you.

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

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

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

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



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

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

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

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

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

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

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

24 MR. STEVE BELL: Will our comments be entered

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

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

21 MEETING ADJOURNED.  
22  
23

SALUDA HYDROELECTRIC PROJECT RELICENSING

FERC PROJECT NO. 516

Joint Agency & Public Meeting

June 16, 2005

7:00 P.M. Session

PRESENTATION,

Alan Stuart, Kleinschmidt Water Resources

(Transcribed from recorded cassette tapes of Proceedings:

by Annette B. Gore, Court Reporter)

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PRESENTATION:

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

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

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

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

24 We developed a Mission Statement, for those



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

15

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

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

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

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

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

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

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

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

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

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

23 MR. ALAN STUART: Yes.

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

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

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

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

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

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

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

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

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

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



1 MR. BRETT BURSEY: Thank you.

2 MR. ALAN STUART: Sure.

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

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

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

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

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

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

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

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

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

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

15 MR. ALAN STUART: Other questions, comments?

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



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

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

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

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

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

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

6 MR. RANDY MAHAN: 197,000.

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

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

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

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

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

1 I'm standing.

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

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

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

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

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

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

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

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

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

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

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

17 MS. CHARLENE COLEMAN: Thank you.

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

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

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



1 name for the record?

2 MS. CHARLENE COLEMAN: Charlene Coleman.

3 (inaudible remarks)

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

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

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

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

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

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

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

1 (inaudible).

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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MEETING ADJOURNED.

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