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BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

- - - - -x  
IN THE MATTER OF: : Project Number  
SMITH MOUNTAIN PROJECT : 2210-108  
- - - - -x

First Baptist Church  
502 South Main Street  
Gretna, VA

Wednesday, January 26, 2005

The above-entitled matter came on for scoping  
meeting, pursuant to notice at 2:53 p.m.

MODERATOR: FRANK SIMMS

## 1 P R O C E E D I N G

2 MR. CREAMER: Good evening. Can everybody hear  
3 me okay, or do I need a microphone? Need a microphone?  
4 Okay, I would like to welcome everyone to the public scoping  
5 meeting for the Smith Mountain Hydro Electric Project.

6 In the back, I placed some registration forms and  
7 sign-in sheets, and what those are for, I would like to get  
8 an idea of who is attending the meeting, number 1, and  
9 number 2, and more importantly, who plans to present today.  
10 There are handouts available.

11 I imagine most of you probably have already  
12 received copies, but there are some copies back there. And  
13 there is a package of other information. The meeting  
14 agenda, there is the IPL flow chart which is our licensing  
15 process that we will be using for this project.

16 There is a list of issues and proposed studies  
17 that were included in the documents filed by American  
18 Electric Power. There is also a list in our regulations  
19 that were adopted a couple of years ago, a list of study  
20 criteria. There are seven criteria that will require anyone  
21 who comes in support of any studies, that you must follow  
22 certain criteria to justify those studies.

23 And all of those things we'll talk about at  
24 various points over the course of the meeting. So it's just  
25 a package of information for everybody to hang on to and use

1 as reference.

2 Second, we have a stenographer today. He is here  
3 to record this meeting. It is part of the public record and  
4 we will use that, the Commission will use the record in  
5 making a decision with regards to the relicensing of the  
6 project.

7 In order to develop an accurate record, of the  
8 meeting and of who says what, what I would ask everybody to  
9 do who speak, please clearly identify who you are, who your  
10 affiliation is, and that way we will have a full record of  
11 who is presenting or raising issues at the meeting.

12 Third, in the interest of keeping the meeting  
13 moving along, one thing that I will do, and with the ease of  
14 timing, I am going to maintain a little bit of a parking  
15 list. Issues that come up that we don't seem to kind of --  
16 that we're butting heads on and we need to move forward.  
17 I'm going to write those on this piece of paper behind me so  
18 we can kind of keep the meeting moving and doing what we  
19 want to do, what we need to do.

20 Those issues we will revisit later if there is  
21 time at the meeting or we will revisit issues later in the  
22 process. This is just a way of making sure that we don't  
23 miss anything.

24 Finally, one of the things I wanted to talk  
25 about, media. Newspapers, any type of media. I'll kind of

1       like go through some rules. From the FERC standpoint, when  
2       we are at these meetings, if we are asked questions from the  
3       media, we provide an answer to those questions the best we  
4       can and to the extent that we can. At any other time,  
5       outside of this meeting, what I will ask and what the rules  
6       are from FERC's standpoint is you are to contact our office  
7       and I can give you a name and phone number to contact. Her  
8       name is Celeste Miller and I have her phone number with me  
9       but it's not up here on my sheet here. I do have her phone  
10      number so let me know so I can give you her number.

11                I do know Frank. AP has a policy in terms of how  
12      they will handle the meeting as well. Frank you want to  
13      brief for me.

14                MR. SIMMS: For the AP side of things, for the  
15      media, we would ask that any questions that you have be  
16      directed to our corporate communication individuals, and one  
17      is John Schepardwich, who is in the back there, looks like  
18      he is serving bar. The second one, I don't know if Todd  
19      Burns is here right now, he would be the other one.

20                But we would just ask the media to direct their  
21      question to them and if it's something they can't handle,  
22      then they will come to the appropriate individual from our  
23      group to assist.

24                MR. CREAMER: Thank you Frank. With that, I'd  
25      like to begin the meeting with a few introductions. Let me

1 first introduce myself. Some of you may know me. My name  
2 is Allan Cramer. I am with the Federal Energy Regulatory  
3 Commission. I am a Fishery Biologist by trade and I will be  
4 responsible for the aquatics aspects of the relicensing of  
5 fisheries and water quality.

6 I am also the FERC Project Coordinator and most  
7 questions -- you will see my name on a lot of documents.  
8 Fee free to contact me if you have questions.

9 In addition to myself, there are several other  
10 Commission staff with me today and that are working on the  
11 project. The staff includes, and I'll start with Pat.

12 Pat Murphy, he is our Terrestrial Biologist. We  
13 have John Costello next to him. He is Cultural/Historical  
14 Resources and he also going to be dealing with soils and  
15 corrosion. Next to John is Carolyn VanderJagt. She is our  
16 staff attorney assigned to the case. And then next to  
17 Carolyn is Jack Hammond. Jack is one of the people handling  
18 the recreation land use, shoreline management aspects of the  
19 relicensing.

20 Not with us today, we have one more staff  
21 involved with the project. Mike Spencer, he is an engineer.  
22 He will be responsible for all the engineering and economic  
23 analysis that we go into for review.

24 At this point, what I'd like to briefly do is  
25 discuss the Commission's role in relicensing hydropower

1 projects and in particular Smith Mountain lake, which is  
2 what we are all here for today.

3 Then what we are going to do is talk about the  
4 scoping process, what we hope to achieve out of the meeting  
5 today and to backtrack, this meeting is really the beginning  
6 of what will be the meeting tomorrow, which is where most of  
7 everything will occur, the day meeting.

8 There will also be a second meeting tomorrow  
9 night in this same facility, which is more for the public,  
10 those individuals who can't come to the daytime meeting.

11 We will talk about the process, plan and schedule  
12 and finally what our expectations of this process are.

13 The Commission has a responsibility under the  
14 Federal Power Act to regulate non-federal hydroelectric  
15 development throughout the United States.

16 The Commission issues licenses for hydroelectric  
17 projects for periods up to 50 years. The Federal Power Act  
18 allows licenses anywhere between 30 to 50 years.

19 Prior to license expiration, the licensee must  
20 file an application for new license in order to keep  
21 operating that project. And that's where we are at today.

22 The relicensing for the Smith Mountain Project is  
23 coming up and due to expire in 2010 and it's due to be filed  
24 two years prior to that, so it will be filed in 2008. And  
25 we are now starting that relicensing process. So as you can

1 see, it's a long process.

2 Before the Commission grants a new license or  
3 makes a decision on what condition should be included, it  
4 must assess what the effects of the proposed action and any  
5 reasonable alternatives will be.

6 The National Environmental Policy Act, or NEPA,  
7 requires an environmental analysis be performed to analyze  
8 potential effects.

9 In the case of the Smith Mountain Project, we are  
10 proposing to do that analysis at this point in time and we  
11 are proposing to do that analysis as an environmental  
12 assessment.

13 We as staff does the rest of it here. What we  
14 do, we review the license application, prepare the necessary  
15 environmental analyses and make recommendations to the  
16 Commission about whether the project should be relicensed,  
17 and if so, what if any license conditions should be included  
18 in any new license issue.

19 So that's just a brief overview of what the  
20 Commission's role is in the relicensing of a hydro project  
21 and in particular, Smith Mountain.

22 We will turn our attention now to why we are  
23 here. We conduct scoping to identify issues associated with  
24 evaluating environmental affects of a proposed action and  
25 other reasonable alternatives to a proposed action.

1           In the context of an ILP, and in a minute, I've  
2           used this acronym ILP, in a minute I will actually explain  
3           what that acronym stands for. In the context of an ILP, we  
4           also use scoping to help identify the information and study  
5           needs that ultimately will be used to develop operational  
6           and environmental recommendations that will translate  
7           potentially into license requirements for new license.

8           I know there are some familiar faces out there  
9           and I know some of you are familiar with what our hydro  
10          relicensing program is all about. You've done it before.

11          If you are familiar with the hydropower projects  
12          in a traditional scoping meeting, you will know that what we  
13          usually do is we stand up here and we'll talk about this and  
14          we'll talk about that and what the issues are and we'll get  
15          comments from you all and then we'll go home.

16          The scoping meeting that we are here for today  
17          for the IPO is designed to be a lot different. It's  
18          designed to be more interactive. It's designed for us to  
19          interact with you all and for you all to interact with us to  
20          fully discuss issues, what proposed studies are needed, that  
21          type of thing.

22          So really what our purpose for being here this  
23          afternoon and again tomorrow and tomorrow evening, is to  
24          solicit your comments and input from a variety of entities.  
25          State and federal agencies, non-governmental organizations,

1 the public, other local governmental bodies about the issues  
2 that need to be considered and are not considered in an  
3 environmental analysis.

4 In addition, we are here to preliminarily  
5 identify study needs. Finally, we plan to review and  
6 finalize the process plan schedule for both pre and post  
7 filing activities and I will explain what all this means,  
8 pre and post filing activities.

9 And to the extent possible, maximize coordination  
10 with federal, state permitting and certification processes,  
11 including consultation under Section 7 of the Endangered  
12 Species Act and the Water Quality Certification Program,  
13 which is Section 401, Water Quality Certification.

14 The scoping document issued last month, includes  
15 a brief description of the existing project facilities. It  
16 covers the potential studies identified by Appalachian Power  
17 AEP and I'm going to refer a lot of my talk to -- when I  
18 talk about the applicant, I'll refer to them as Appalachian  
19 Power. Although a lot of you know them as AEP, I will refer  
20 to them as Appalachian Power.

21 The scoping document also describe the type of  
22 information you are seeking as part of scoping, as well as  
23 provide the preliminary list of environmental issues, the  
24 pre and post filing processing plan, Appendix 8 of the  
25 scoping document, and an outline and timeline for the NEPA

1 document.

2 I would encourage very one of you not already  
3 done so, to pick up a copy of that scoping document. It's  
4 really going to be the crux of what we are going to do and  
5 it's the foundation for where we are going in the next few  
6 years.

7 Okay, you've heard me talk about the ILP, what is  
8 the ILP? As some of you may know, and many of you have been  
9 to one of the meetings, know there have been at least four  
10 or five meetings that we've had through this relicensing  
11 over the last few years. You will know, this is going to be  
12 somewhat of a review of what the ILP is.

13 The Commission establish the Integrated Licensing  
14 Process ("ILP") in July 2003. Appalachian Power, is the  
15 fifth project to use this new licensing process. As part of  
16 the new ILP, the licensee must file a Pre Application  
17 Document or PAD when they file their initial intent to  
18 relicense the project.

19 ADP filed their initial intent and PAD last  
20 October, the middle of October last year. We started the  
21 process and that's where we are at today. The PAD provides  
22 the basis for the ILP and summarizes the available  
23 information and known project impacts sufficient enough to  
24 enable the licensing participants to decline issues and  
25 studyings early in the process.

1           That also serves as the basis for our scoping  
2 document and forms the foundation for the environmental  
3 analysis.

4           We envision the ILP to improve the timeliness in  
5 the processing licenses and applications. We are also  
6 ensuring that we adequately protect the affected resources.

7           The key to the ILP process is early participation  
8 and I cannot stress this enough. The earlier people get  
9 involved in this process, the better off we all are going to  
10 be. If we can flush issues out and get things squared away,  
11 if you're heading down the right path early on, it makes  
12 everybody's life a lot easier when you are.

13           I've seen time and time again where we get  
14 towards the end of a process and then we have people coming  
15 out of the woodwork at that point. That really defeats the  
16 purpose of the ILP and what we are trying to achieve with  
17 the ILP. So I would encourage everybody to get involved  
18 early.

19           Unlike the traditional process used for licensing  
20 projects, we as Commission staff are involved as well. We  
21 scope the project within 90 days of the Notice of Intent,  
22 which is where we are at today and we are right about 90  
23 days.

24           The study plan is developed within the first six  
25 to eight months after that Notice of Intent being filed.

1       Because the ILP is a scheduled-driven process, the first six  
2       months to a year -- and I will not lie, are extremely busy  
3       for a lot of us. Everybody out there, Commission staff,  
4       Appalachian Power, state and federal agencies. There is a  
5       lot that is going to happen within the first six to eight  
6       months of this process.

7                 In your handout, whatever handouts you picked up  
8       in back, is the process plan and the schedule. And you can  
9       see, if you look at that, it identifies dates when things  
10      are due for stakeholders and it identifies dates for  
11      Commission staff and the Commission doing things. It's a  
12      very scheduled-oriented process and I can't stress that  
13      enough that it's going to be busy early on.

14                To keep on track, as I mentioned, there is that  
15      process plan on schedule, which it does establish all the  
16      timeframes or the majority of timeframes that things need to  
17      be filed, that we need to issue something. It's there to  
18      help us keep those schedule.

19                Now you heard me mention pre and post filing  
20      activities. Pre-filing is where we are at now. In February  
21      2008, Appalachian Power will file their application.  
22      Everything that happens from this point until then, falls  
23      within pre-filing timeframe. Everything that happens after  
24      the application is filed, I guess at the end of February  
25      2008, right? That will be -- until the Commission issues a

1 decision, falls within the realm of post-filing activities.

2 Before we move into discussing the processing  
3 plan, I want to give a brief overview of what you will be  
4 seeing in the few slides that I have. The process plan is  
5 essentially a schedule and the details for everyone when  
6 information is needed.

7 To represent the process plan -- many of you are  
8 like me, I like to see things, graphic illustration is the  
9 best way to actually do from my perspective and hopefully a  
10 lot of you are like me. I get a handle on what's going on.

11 So to present the process plan we've developed  
12 these triangles, you can see a series of triangles that show  
13 the three stages of what we will follow as we go through the  
14 process plan. There is three or four defined stages in the  
15 pre-filing activities.

16 The triangle is broken up in scoping, study plan  
17 development and conducting the studies and developing the  
18 necessary environmental measures. Today's scoping meeting  
19 is very important because it's designed to provide insight  
20 into any information gaps, and to review and discuss to  
21 finalize process plan schedule.

22 The process plan, which will be described in this  
23 and the following slide is also available as Appendix A,  
24 I've mentioned that before, to the scoping document. And  
25 again, if you have not received a copy of it, there are

1 copies on the table on the back and if they are not, please  
2 see me. It is extremely important today if you are going  
3 to be involved, then you get a copy of this so you can  
4 follow along as we go through the process in terms of dates.

5  
6 During the comment period after these meetings -  
7 - I believe a 30-day comment period after these meetings,  
8 you will have an opportunity to comment on the process plan.  
9 Comments on scoping document warnings is at the back in the  
10 PAD, as well as any request for studies must be filed by the  
11 participants, including us, the Commission staff, by March  
12 1, 2005. That date is up there.

13 The second request should address each of the  
14 criteria set out in the regulations, which are shown on the  
15 next slide and for that package I mentioned, there is a copy  
16 of those study criteria that you all can take with you.

17 When you want a focus study request, specific  
18 criteria were developed. These criteria will reflect input  
19 from all the participants and rulemaking process. The study  
20 criteria are outlined in the Section 5.9 of the Commission's  
21 regulations. What it will briefly do, and what you see in  
22 this slide is a very brief description of what those  
23 criteria are. Your handout has verbatim the detail of what  
24 those study criteria are.

25 Each study request must define the goals and

1 objectives in the study and the information that will be  
2 obtained. If available, explain the relevant resource  
3 management roles for the agency -- I don't know will  
4 necessarily be a problem here or an issue here, Indian  
5 tribes. The agency or tribe of jurisdictional authority.

6 Explain any role of public interest consideration  
7 if the requester is not a public agency. Describe any  
8 existing information concerning the subject of the study  
9 proposal and why the additional information is needed to  
10 fill in any information gaps.

11 Explain the nexus between study and project  
12 effects and how the information obtained will be used to  
13 develop license recommendations.

14 Number 6, demonstrate that the proposed study and  
15 its methodology is consistent with accepted scientific  
16 practice. We will address any other concern. Describe the  
17 cost and level of effort associated with the proposed study,  
18 including an explanation as to why any proposal counter-  
19 study would not suffice.

20 This is a very quick overview and we will revisit  
21 the study criteria a bit later in the meeting.

22 Appalachian Power will file their proposed study  
23 by April 15. While we recognize that study disputes may  
24 arise after the following proposed study plan, we are hoping  
25 that such disputes can be resolved informally.

1           To informally resolve any disagreements with the  
2 study proposal between the filing of the study plan and when  
3 comments are due, participants in the process, including the  
4 Commission staff, will have a study plan meeting. Possible  
5 there might be more from their meetings.

6           This meeting, I'm not sure if the date is on  
7 there, the meeting right now is scheduled to occur on or  
8 about May 15 of this year. Participants will have until  
9 July 14, 2005 to file comments on Appalachian Power's study  
10 plan proposal.

11           Once the comments are filed, Appalachian Power  
12 will file a revised study plan, if necessary, by August 13,  
13 2005. Comments on the revised study plan are due by August  
14 28, 2005. At that point, the Commission will issue a study  
15 plan determination with any modifications that the  
16 Commission deems appropriate, within 30 days of Appalachian  
17 Power filing the revised study plan, in this case, by  
18 September 12, 2005.

19           The study plan will clearly schedule the periodic  
20 modification. The applicant must conduct studies in  
21 accordance with the approved study plan.

22           In September 2006, Appalachian Power -- we're  
23 really kind of getting out there now, we're a year out, or  
24 actually a year and a half in the process. In September  
25 2006, Appalachian Power must prepare and provide

1 participants with progress report. This report is expected  
2 to describe its progress in implementing the study plan and  
3 schedule and the data collected up to that point.

4 The report will also describe any proposed  
5 modifications that are needed to the study plan. Also in  
6 September 2006, there will be an initial study report  
7 meeting and an opportunity for stakeholders to comment on  
8 that progress report.

9 If a second four-year of studies is needed, such  
10 studies, as may be modified, after the review of year one  
11 study results will be conducted in 2007.

12 An updated and final study report will be filed  
13 in accordance with the approved study plan schedule, but no  
14 later than the end of the second year, which is September  
15 12, 2007.

16 The preliminary licensing proposal or, if  
17 Appalachian prefers, a draft license application, is due to  
18 be filed by November 2, 2007. Concurrent with its filing of  
19 the preliminary licensing proposal, Appalachian Power plans  
20 to submit its request for Section 401, Water Quality  
21 Certification through the Virginia Department of  
22 Environmental Health.

23 And finally, the license application is due to be  
24 filed by March 31, 2008.

25 To bridge the gap between the burden of

1 developing a complete draft application and providing  
2 sufficient information for agencies and participants to  
3 evaluate the merits in the Applicant's proposal, the ILP  
4 requires that the Applicant prepare a preliminary licensing  
5 proposal that explains its existing and proposed operations,  
6 describing the proposed environmental measure and includes a  
7 draft environmental analysis of those measures.

8 Typically, in a draft license application, there  
9 are a variety of other exhibits that are included when the  
10 application is filed. The preliminary licensing proposal  
11 does not require that all those exhibits be completed at  
12 that time.

13 Now it's certainly an option for Appalachian  
14 Power if they want to complete those exhibits, they can.

15 Also at that time, when the preliminary license  
16 proposal is filed, Appalachian may, and we encourage them to  
17 file draft and required biological assessment draft or  
18 historic properties management plan.

19 Participants will then have until January 31,  
20 2008 to file comments on that draft proposal including any  
21 additional studies that they deem necessary with any showing  
22 of extraordinary costs.

23 Okay, post filing activities. This is where our  
24 fun continues at this point. The license application must  
25 be filed by March 31, two years before license expiration.

1 The contents of the application is outlined in Section  
2 5.18(b) of the Commission's regulations. It must address  
3 environmental resources identified in the PAD and must  
4 follow the Commission's guidelines for preparing  
5 environmental assessments.

6 The tendering notice is issued no more than 14  
7 days after the application is filed with the application and  
8 basically what a tendering notice is, is basically our way  
9 of announcing to the world that Appalachian Power has filed  
10 an application and they want a new license to continue to  
11 operate the project.

12 The tendering notice will include a schedule for  
13 processing the application and any modifications to the  
14 process plan schedule.

15 The Commission will also resolve, at that point,  
16 any request for additional studies that may have been filed  
17 in response to the preliminary licensing proposal. Once the  
18 Commission has determined that the record is complete,  
19 including the completion of Commission approved study plan,  
20 they will issue a notice accepting the application to file,  
21 with a finding that it is ready for environmental analysis.

22 We expect a notice of acceptance and ready today  
23 will be issued in May 2008. The REA notice request the  
24 comments and interventions and preliminary terms and  
25 conditions be filed in July 2008. Appalachian Power's reply

1        comments are due 45 days later.

2                Commission regulations require that an applicant  
3        filed with the Commission proof it has applied for a section  
4        401, Water Quality Certificate no later than 60 days from  
5        the Commission's REA notice.

6                Now that proof can come in the form of an issued  
7        401 Water Quality Certificate, evidence of the request of  
8        the application, or a waiver by the state.

9                Now the request for 401 Water Quality Certificate  
10       can be applied for a serum, which Appalachian Power has  
11       chosen to do. In this case, Appalachian Power plans to  
12       submit its 401 Water Quality Certificate application in  
13       November 2007.

14               Under general law of the Water Act and the  
15       information regulations, the Virginia Department of  
16       Environmental Quality will have one year to take action on  
17       that application or they will be due to take action on that  
18       in the middle of 2008.

19               Commission staff plans to issue a EA in November  
20       2008. Public comments on the EA and 10 day determinations  
21       are due 45 days later. Qualified mandatory conditions are  
22       due no later than March 2009.

23               Now there is a possibility before any other  
24       process plays out, that we will need to issue the draft in  
25       final NEPA document. I will go through that scenario but if

1       you have the process when you can look at that and FERC file  
2       and activity that lays out a timeline that we will follow if  
3       a draft final NEPA document are necessary.

4                At this point, I'm going to call on Frank Simms  
5       of Appalachian Power to briefly talk about the existing  
6       project facilities and operation and describe the existing  
7       environment for the Smith Mountain Project.

8                SPEAKER: Where is the sign up list?

9                MR. CREAMER: The sign up list should be back on  
10       that table where you came in.

11               MR. SIMMS: I'm going to tell you, we only have  
12       this facility this evening until 5:00 o'clock because the  
13       church wants us out at five. So please take your seats. We  
14       have a couple small items to cover. I'll do my part. We  
15       want to be out of here again by 5:00 o'clock. Thank you.

16               MR. CREAMER: Just, there has been some questions  
17       about a couple of things. The sign in sheets that are back  
18       there are the registration forms. Please fill them out and  
19       leave them on that desk back there as you leave. We will  
20       pick them up, collect them and put them together, so we know  
21       who is going to make presentations tomorrow morning and  
22       tomorrow afternoon. That's number one.

23               Number two, we hadn't expect this kind of crowd  
24       but there are more seats towards the front so if somebody  
25       wants to sit down, please come forward.

1                   SPEAKER: I'd like to say in studying the  
2 documents, they may study the possibility of a bigger room.

3                   (Laughter.)

4                   MR. CREAMER: We were just talking -- we didn't  
5 know what to really plan for and from my perspective, this  
6 is a lot more and I appreciate everybody coming out. I  
7 wasn't expecting this kind of a turn out. I don't think  
8 Frank was as well. But we'd like everybody here, so that's  
9 great.

10                   You mentioned something about discovery document.  
11 I had a question about the information in the discovery  
12 document and the other information package. Discovery  
13 document is available on our website, the Commission's  
14 website. That is [www.ferc.gov](http://www.ferc.gov), and if you go to it, you can  
15 get into the -- there is an e-library tab, and if you go in  
16 there you can access the socping document.

17                   As far as the information package, if somebody  
18 wants a copy of it and it's not back there, let me know. I  
19 will see that you get a copy. But I will probably have to  
20 mail that once we get back to the office.

21                   MR. SIMMS: Again, I'm Frank Simms form American  
22 Electric Power. As Allan said, there are a few more seats  
23 up front, if you'd like to use them.

24                   What I would ask is, for tomorrow, for those  
25 people who will be coming. If you are an agency, local

1 government representative or non-government organization,  
2 the intent is that, if you have one person as a spokesman  
3 for the group, those individuals would be at the table and  
4 then we would ask that those other people that have come  
5 along with them representing individuals, position  
6 themselves around the room.

7 What we will try to do for tomorrow is maybe  
8 change the seating a little. I hope you all understand that  
9 finding a site that was logistically located between the  
10 dams so that we could do the tour and for allowing access  
11 for both people upstream on the reservoirs, as well as  
12 downstream, we needed to find a centralized location.

13 The public meeting at 7:00 o'clock tomorrow  
14 night, based on what we see here, will be in the sanctuary,  
15 which has seating for more people. So I just wanted to  
16 clarify that with all of you.

17 As Allan said, my responsibility up here is just  
18 to go very quickly over the Smith Mountain Project, describe  
19 some of the terms that are going to be utilized when we talk  
20 about the project, and the first I'll say is that we are a  
21 project.

22 The Smith Mountain Project essentially covers the  
23 Smith Mountain Dam and Powerhouse, the Leesville Dam and  
24 Powerhouse, Smith Mountain Reservoir, and Leesville  
25 Reservoir.

1 SLIDE.

2 The Smith Mountain Reservoir is a length of about  
3 20 miles, the shoreline of about 500 miles and the surface  
4 area of about 20,600 acres.

5 The Smith Mountain Dam is approximately 116 feet  
6 long along the top of its arch. It has a height of about  
7 235 feet and it's a concrete dam. The Powerhouse is  
8 inaugural to the Dam, in that it is located at the foot of  
9 the dam, just downstream.

10 In the Smith Mountain Power House there are five  
11 units, one, two, three, four, and five. Three of those  
12 units are what they call pump turbines. Essentially what  
13 they do is, we generate electricity through those turbines  
14 and generators, and we also pump the water back, utilizing  
15 the same turbines and generators.

16 Units one and five are rated at 66 megawatts.  
17 Unit three, 106, units two and four are generate only. In  
18 other words, they do not pump water back, and they are rated  
19 at a 174 megawatts each, rezoning in the Smith Mountain  
20 development of the project, having 586 megawatts in  
21 capacity.

22 The height of the water on the Smith Mountain Dam  
23 is approximately about 180 feet.

24 When I talk development, I might as well define  
25 that term also. The project has two developments Smith

1 Mountain development is the Smith Mountain Dam Powerhouse  
2 and Reservoir, the Leesville development are lower  
3 development is the Leesville Dam Powerhouse and Reservoir.

4 The Leesville development is the smaller  
5 downstream development. Its reservoir has the length of 17  
6 miles, shoreline of 100 miles, surface area of about 3,000  
7 acres. In Leesville there are two units. Those units are  
8 rated at 25 megawatts each, for a total rating of 50  
9 megawatts.

10 The Smith Mountain units, going back to those  
11 again, are known as Francis units or they are turbines that  
12 have a circular shape that causes the water to push against  
13 the turbines and cause them to go around.

14 At Leesville, the turbines are propeller units.  
15 So the unit at least are not identical to those you find at  
16 Smith Mountain.

17 When you to go Smith Mountain to a picnic area,  
18 there is a turbine that came out of unit four -- unit two,  
19 I'm sorry -- and that gives you an idea of what those  
20 particular turbines look like.

21 One thing I should do to is introduce the people  
22 from Appalachian that are involved here. We have Teresa  
23 Rogers, which is our Reservoir Superintendent. We have Todd  
24 Burns, who is from our Corporate Communications. I pointed  
25 out John Schepardwich, also from Corporate Communications, a

1 little earlier. Jim Sorrel, who is actually the Manager of  
2 our Smith Mountain Project, and John Van Hassel, who is our  
3 Biologist and Environmental Coordinator for the relicensing.

4 Smith Mountain itself, or the Smith Mountain  
5 development produces about 453,000 megawatt hours of  
6 generation each year. It takes about 495,000 megawatt hours  
7 of power to pump the water back. Leesville produces about  
8 59,000 megawatt hours of power each year. That's an annual  
9 average.

10 This is, as I indicated, is a pump storage  
11 project and basically what it is is, when Smith Mountain is  
12 at its full elevation of 795, and Leesville is down at  
13 elevations 600, or somewhere in between those numbers. We  
14 past water through the Smith Mountain powerhouse to  
15 generate power.

16 That power is generated basically on an on-call  
17 basis from either the needs we have as identified from our  
18 dispatch center in Columbus, or as identified by what you  
19 all now know as PJM in order to provide generation to the  
20 systems.

21 When we don't need generation and we want to  
22 prepare for generation later, we pump the water from the  
23 Leesville Reservoir back up to the Smith Mountain Reservoir.  
24 So it's kind of a balance back and forth.

25 In the meantime, we also have requirements for

1 minimum flows downstream of Leesville that I'll get to in a  
2 minute.

3 As the slide shows, Smith Mountain in general,  
4 when we are generating, fluctuates approximately two feet.  
5 So for 795, it goes down to 793, and that volume of water  
6 essentially fills the Leesville Reservoir for a mid to low  
7 elevation of 600 up to 613. Then when you pump, it just  
8 goes right back. It's just back and forth and back and  
9 forth.

10 You're going to hear the term a lot, "project  
11 boundary." And essentially, "project boundary" identifies  
12 what falls within the license for Smith Mountain Project.  
13 For the Smith Mountain Development, the project boundary is  
14 actually elevation -- contour elevation, 800. So  
15 essentially, we are license to manage what is within that  
16 800-foot contour.

17 For Leesville, that contour elevation is  
18 elevation 620, or essential we're licensed to manage what's  
19 within that contour elevation. So you can see that on Smith  
20 Mountain, you can have a five-foot differential between what  
21 our normal operating level is and the project boundary,  
22 Leesville will be anywhere from 7 to 20 feet.

23 What are you used to today? Well for the Smith  
24 Mountain Project, you're used to what we do under our  
25 existing license, or the amendments that have been made to

1 that existing license over the years.

2 I thought some of the key articles, first of all  
3 would be Article 29, which talks about the minimum flows  
4 that were required to pass from the Leesville Development.  
5 And that Article requires that we pass 650 cfs on an average  
6 weekly basis.

7 How we do that is, we run the units at Leesville,  
8 once every two hours for approximately 18 minutes, in order  
9 to provide that average.

10 Years ago, prior to 1987/1988, that was done  
11 differently. We used to just pass all of it in one day.  
12 And it took a meeting like this, and it took a lot of  
13 talking like this back in the '80s, in order to get us to  
14 the point where we went to the 650 cfs release every two  
15 hours. Basically, it fits the equipment that's at the plant  
16 and it seems to fit the needs downstream.

17 Article 34 requires that we pass an average daily  
18 flow of 60 cfs. Well basically on the way we are handling  
19 it now with the 650 cfs every two hours to 60 cfs is met by  
20 that operation.

21 There are times though, for example, for the  
22 stripers downstream for the spawning and so on, we do meet  
23 with PGGIF annually and they ask us during that spotting  
24 period to provide certain flows. So we will provide up,  
25 let's say 2,000 cfs for no more than 19 days based on our

1 license, in order to provide the flow for the spawning.

2 And then we have the Article 41, which is the  
3 land use article, which a lot of you are very familiar with,  
4 which has led to the development of the shoreline management  
5 plan filing that we have with the FERC right now.

6 A little bit of description of the environment is  
7 the existing environmental -- we'll start with the land use  
8 of the Smith Mountain Development. The Smith Mountain Lake  
9 is primarily developed. There is a lot of residential  
10 development, homes, commercial development, multi-family.  
11 In comparison, Leesville is not very developed at all, and  
12 there is a lot of natural shoreline.

13 Both lakes have anticipated increase in  
14 development. We know that's coming, everybody knows that's  
15 coming. Right now, as I indicated, in looking at some of  
16 that future development, we have the shoreline management  
17 plan which is on file with the FERC and right now that is  
18 under the review of the FERC.

19 The water use for the Smith Mountain Project --  
20 the primary use of the water at Smith Mountain is for  
21 generation of electricity. That's what the Project was  
22 built for. It was built as a power generating facility.

23 Right now, for domestic uses, Bedford County does  
24 have a one energy day withdrawal and we do understand that  
25 there is a lot of planning going out there about future

1 domestic supplies. We know Franklin County, Pennsylvania  
2 County all are putting plans, or have plans together and we  
3 also recognize that the City of Roanoke and Roanoke County  
4 also have plans that they are putting together which mention  
5 Smith Mountain Lake as a possible source of supply.

6 The one thing that everybody should recognize is  
7 that the water supply needs are not only for Smith Mountain  
8 Lake and Leesville Lake, and people along those lakes, but  
9 also you have to look at the water supply needs downstream.

10 Those water supply needs downstream are very  
11 variable as domestic water supplies, water supply for  
12 industry, agricultural water supply, there are other  
13 utilities downstream with us that we happily provide water  
14 to for their cleaning water, etcetera, but there is a large  
15 varied use downstream that has to be looked at and balanced  
16 with the uses upstream and the reservoirs.

17 Water quality. There has been a lot of water  
18 quality information on Smith Mountain Lake primarily. Right  
19 now, as I understand, that it is classified as Class Four  
20 Mountainous with public water designation. Leesville is  
21 Class Four Mountainous with public water designation also.

22 The tributaries are classified as Class Three  
23 Non-Tidal Water. And somebody who knows what I'm talking  
24 about can explain that a lot better. Water quality though,  
25 to look at more on that, as I said, the VDEQ, or the

1 Virginia Department of Environmental Quality collects a lot  
2 of data on water quality on Smith Mountain and Leesville  
3 lakes.

4 And the Smith Mountain and Lake Association since  
5 1989 has collected a lot of information also. And if you  
6 look in our pre-application documents, we've included a lot  
7 of that data within that application.

8 Some of the results that they are monitoring have  
9 indicated that there has been fecal coliform bacteria for  
10 example, a lot of that from domestic and agricultural uses.  
11 In general, the water quality is good.

12 Debris removal. Right now, it's a cooperative  
13 effort between ourselves and the Tribal Lake -- I always get  
14 this name wrong -- Association of Commissions, TLAC. And  
15 basically what we have is a skimmer that's manned by a four-  
16 man crew that we go on both Smith Mountain Lake and  
17 Leesville Lake and we remove the debris from the surface of  
18 the lake.

19 It's a big job. Sometimes the amount of debris  
20 that comes down, especially when you look at the flooding we  
21 had recently, it far exceeds what we can provide, then we  
22 work with TLAC, and TLAC contracts individuals to come out  
23 and assist in that effort.

24 The general effort though, is our crews are out  
25 there removing the debris. If you look at some of the

1 numbers, it's well over 2,000 tons in a particular year.

2 The fishery at Smith Mountain. At Smith Mountain  
3 Lake, one of the things that's looked at is the striped  
4 bass. It's the sports fish that's primary in Smith Mountain  
5 Lake. There are other sports fish, large mouth bass, small  
6 mouth bass and catfish. The same with Leesville Lake, there  
7 is a fair amount of sport fish. And then also we have to  
8 again look at how is the sport fishery downstream, how is  
9 the fishery affected by releases.

10 There is one where an endangered species of fish  
11 that we know exist upstream of Smith Mountain and Leesville.  
12 There is information we are just getting that it exists also  
13 downstream of Smith Mountain and Leesville, and that's the  
14 Roanoke Bridge.

15 Recreation. There is a lot of recreation on  
16 Smith Mountain Lake, there is a lot of recreation on  
17 Leesville Lake, there is a lot of recreation downstream of  
18 Leesville.

19 Right now, there is six public boat launches on  
20 Smith Mountain Lake two on Leesville Lake. VDGIF manages  
21 five on Smith Mountain Lake and VDCR one. And then VDGIF  
22 also manages two on Leesville Lake.

23 The properties that those are sitting on are  
24 Appalachian Power properties. The state agencies maintain,  
25 operate and provide the facilities -- the properties are

1 provided basically at no cost. There is 25 commercial  
2 facilities on Smith Mountain Lake, two on Leesville Lake,  
3 and on some of the other facilities that we have been  
4 associated with, include the wildlife area on Smith Mountain  
5 and of course the state park.

6 And then there is also, Franklin County right now  
7 is in the process of developing a park on Smith Mountain  
8 Lake that will have lake access.

9 Wetlands. The extent of the wetlands for both  
10 reservoirs is relatively limited. Some of the development  
11 of Smith Mountain Lake has led to that over the years and  
12 Leesville, some of the steepness of the walls along there.  
13 In 2002 and 2003, there was a survey at Smith Mountain Lake  
14 and I think one of the primary purposes was to identify some  
15 of the vegetation in the lake. There was some occurrence of  
16 Hydrilla found in 2002. 2002 the Hydrilla didn't seem to  
17 appear.

18 This is just to give you an idea of all the  
19 environmental issues on top of everything else we're going  
20 to be looking at.

21 Aesthetic Resources. When we went through the  
22 shoreline management plan, there were two areas identified  
23 as being aesthetically important to the area. That  
24 including wildlife area near Smith Mountain Dam and the area  
25 identified as the Cliffs.

1                   Cultural Resources. We've been working with the  
2 State Historic Preservation Office on how we want to look at  
3 the cultural resources. For those of you that didn't know  
4 it when Smith Mountain was built, there was a lot of grave  
5 sites moved prior to its construction but still the shift  
6 along it's file has 129 archaeological and 38, I believe it  
7 should be historical resources identified between one-  
8 quarter mile of the shoreline of the project.

9                   Where that gets important too, is it goes beyond  
10 just the historic cultural resources we're normally used to,  
11 then there are consultations with the Indian Tribes because  
12 they also have concerns about the protection of their  
13 cultural resources.

14                  Within the PAD we are asked to identify some of  
15 the resource management object. I'm sure it was more than  
16 what we have listed here but essentially, one of those is  
17 the restoration of a diadromous fish. Fishery in the  
18 Roanoke River which Fish and Wildlife Service can define  
19 that better than I can. But basically, the intent is to  
20 bring different species of fish up the Roanoke River. How  
21 far, we're not sure yet.

22                  There is interest in the protection of the  
23 Roanoke Wild Perch, since it's a rare and endangered specie.  
24 And in the FERC document that the Commonwealth of Virginia  
25 has, is a provision of additional access opportunities on

1 Smith Mountain Lake and the Big and Black Water Rivers.

2 Now some of those that have been identified in  
3 the scope document have apparently been taken care of or are  
4 being taken care of with Franklin County having new access  
5 on the Big River and also the word gets around that Franklin  
6 County is performing on the access over on the lake.

7 For those of you who have been involved, you know  
8 we have been meeting and discussing relicensing for over a  
9 year now, if not two years. And what we are doing here is  
10 to identify all the different agencies, non-governmental  
11 organizations, local governments, everybody who has been  
12 involved up to now. Because, we felt that it was important  
13 that before we got to this meeting tonight, that everyone  
14 participating in the licensing process, understood what that  
15 process was going to be, and I think the FERC did a very  
16 admirable job in doing that for us.

17 We want people to feel comfortable in the process  
18 and we wanted people to understand what the relicensing  
19 really entails. By sending out the preliminary or the draft  
20 PAD document, we wanted everybody to have that opportunity  
21 to express what they felt was important, what we were  
22 missing, what did we not do, or what did we do very well.  
23 But we tried to make it in such a way that everybody  
24 understands and knows what we are trying to go with this.

25 So you can see as we go through the slides here,

1       there is quite a number and I think a lot of you recognize a  
2       lot of these different groups or organizations. And one of  
3       the thing we wanted to do was to make sure we are covering  
4       everybody.

5               Allan mentioned that there is not very many  
6       companies that have gone through this particular process,  
7       the ILP. And we were approach by the FERC to basically be  
8       one of the guinea pigs, if not the main guinea pig for the  
9       process.

10              And when we looked at the structure of it and we  
11       looked at the manpower requirements on our behalf and also  
12       on the behalf of the local governments, the agencies and so  
13       on, relative to how many meetings are you going to attend,  
14       how much manpower are you going to need to even be able to  
15       participate fully in the process.

16              As we went through and we looked upon it as this  
17       was an opportunity. And the other thing is, this is going  
18       to become the default process in future relicensing in which  
19       we will be involved in. We felt particularly for Smith  
20       Mountain, that this was a good fit. In some of those  
21       meeting that we had early on, the ILP was described to  
22       everybody and we got a lot of good feedback from everybody  
23       that they also felt comfortable going through this process.  
24       So, congratulations, you're participating as one of the  
25       guinea pigs but I think what you are going to find is that

1 this process is going to work very well overall.

2 Let's skip over that one because we can't read  
3 it. Allan will get more into that. It's the integrated  
4 licensing process. Go back to it a second. I think one  
5 thing that this highlights is that this is a simpler process  
6 than all the rest. And you can see the schematic itself  
7 just says, this not the simplest thing to follow in the  
8 world.

9 I know some of your groups and organizations have  
10 hired consultants or others to help get you through the  
11 process. I think that's a great idea. In fact, I'd like to  
12 hire some of the ones you've got, because we get lost in it  
13 quite often ourselves.

14 MR. CREAMER: One thing I'll mention in the  
15 package there, one of the things in that package of  
16 information that was back on that table, which I don't think  
17 everybody got a copy of, is that flow chart so you can  
18 follow along a little bit better with that package.

19 That is on the Commission's website as well. If  
20 you were to go to FERC.gov and go into an area where there  
21 is the new Integrated License Process. You will find that  
22 flow chart there as well.

23 MR. SIMMS: As I've said, some of the meeting  
24 highlights that we've had in the past was November 14, 2002,  
25 when really was the first time the ILP was presented to

1 everybody who was participating in the licensing process at  
2 that time.

3 We sent the draft PAD out on April 2, 2004, so  
4 you can see this has been going on for a while. We had a  
5 draft PAD meeting with everyone on May 5, 2004 to hear  
6 comments on the information we provided and what we've done.

7 Then we had a public information in Loneda on  
8 July 29, 2004. The intent of that meeting was beyond what  
9 everybody that's representing all these different groups and  
10 so on, was to let the general public know what we are doing,  
11 how does this work, how does the process proceed.

12 From what Allan indicated earlier we filed our  
13 Notice of Intent, pre-application document on October 25,  
14 2004. And based on the process, that's where we are at  
15 today.

16 But just to let you know, everything that was  
17 done prior to our filing of the PAD or the Notice of Intent,  
18 was not part of the process. That was generated by the  
19 cooperation of the FERC so that we could have more  
20 information up front than a lot of other people that are  
21 involved in these processes get up front, so we can make  
22 sure it works, and you understand it.

23 What's in the pre-application document? You will  
24 see there are five volumes to it. Volume #1 is the one that  
25 contains the most information that you will need to really

1 review what the environment of the project is and so on, the  
2 operations.

3 It contains the project description, the  
4 environmental conditions and as Allan will get into later,  
5 it talks about the issues as we've seen them so far, the  
6 data gathering.

7 Volume #2, which is again about this thick,  
8 contains nothing more than all the correspondence that has  
9 occurred prior to our filing of the Notice of Intent, and  
10 the pre-application document. And let me tell you, if you  
11 are every really tired one night, read it. It's a lot, a  
12 lot of information in there and it's a lot of  
13 correspondence.

14 Volume #3 is a volume a lot of you have never  
15 seen. And that contains what they call the Critical Energy  
16 Infrastructure information. Because of the way the times  
17 are today, sadly there has to be detailed information on  
18 these facilities that really should not be out there -- I  
19 can't say the general public, but certain elements of the  
20 public. And that's what's contained in there.

21 It is basically detailed information on the  
22 structures themselves, like cross-section infrastructure and  
23 so on and the electrical diagrams for the projects. In the  
24 wrong hands, those can definitely cause us a problem.

25 Volume #4 is what we call the Exhibit K Drawings,

1 which is basically the boundary drawings and these are  
2 classified as non-internet public. Basically the  
3 information is out there, it can be obtained, but there is a  
4 process to go through the FERC to obtain that information.

5 There is also a process for obtaining the Volume  
6 #3 information, the CEII that again goes through the FERC.  
7 But if you look in Volume 1 of the PAD, there is a protocol  
8 for documents and a protocol for communications, which  
9 describes some of what I'm talking about, so I'm not going  
10 to go into a lot of details.

11 And then Volume #5 is the most secretive  
12 document, as it actually contains the information about some  
13 of the different archeological sites, what's in them, where  
14 they're located. If that information gets into the wrong  
15 hands, then you will have the potential destruction of  
16 archeological sites and I don't want to be the one that's  
17 responsible for that.

18 Allan is going to get more into probably where do  
19 we go from here. And he did talk about comments on the  
20 propose study plan and so on, so I won't spend any time on  
21 that.

22 Everything that we do, everything that we've done  
23 so far, we've done it in the open, we've done it in the  
24 public interest and we want the public to know what we are  
25 doing. If you look in this website, [www.smithmtn.com](http://www.smithmtn.com), you

1 will find every filing we've made, you will find every  
2 correspondence. It is totally open. Its for your  
3 information. There is information even on the construction  
4 of the project. Anything you need to know about the project  
5 is on there.

6 I heartily suggest that as you get into this, you  
7 utilize this website, along with the FERC's website to the  
8 fullest and in fact there is a link to the FERC site on our  
9 site. Thank you. You have until Teresa sets the thing  
10 straight.

11 MR. POINDEXTER: I just want to set the record  
12 straight on the Hydrilla comment. Technically we did not  
13 find Hydrilla, they found weed similar. If there was any,  
14 it was killed in the sweeping process. I just wanted that  
15 to come clear.

16 MR. SIMMS: Did everybody hear it?

17 VOICES: No sir.

18 MR. SIMMS: That was Charles Poindexter.  
19 Basically what he is saying, if I understand right, I made a  
20 mistake, I do a lot of that. But in 2002 there was the  
21 thought that Hydrilla was found. It was not found and then  
22 in 2003 that was just confirmed.

23 MR. CREAMER: I'm going to spend a little bit of  
24 time very briefly, since we need to be out of there by 5:00.  
25 one thing I do want to mention and I failed to mention at

1 the very beginning. We have two meetings that we are going  
2 to be holding. This is the first meeting. It's what we  
3 call our day meeting. Our second meeting is tomorrow night,  
4 from 7:00 to 10:00. This meeting, we figured we would start  
5 today and get into the meat of what we are here to do  
6 tomorrow morning.

7 So what you are getting today is more kind of an  
8 introductory into where we are headed tomorrow. So in the  
9 interest of trying to keep the process, what I'm going to do  
10 is briefly talk about in the PAD, the resource issues that  
11 were identified, the propose studies that have been  
12 identified up to this point by Appalachian Power and the  
13 other stakeholders.

14 As we've been going through, Frank mentioned  
15 there will have been several meetings, and through those  
16 meetings, these things have been developed.

17 In reviewing the PAD for the Smith Mountain  
18 Project, we identified a variety of issues that fall into  
19 multiple resource areas. These areas, as you can see on the  
20 slide, pretty much cover the gambit.

21 Geology and soil, which is erosion issues. Water  
22 resources, aquatic and fishery resources, terrestrial  
23 resources, recreational, land use and aesthetics,  
24 archeological and historical resources, and finally  
25 developmental resources.

1                   We briefly outline the issues that were  
2 identified in SD1, or Scoping Document 1. I remind everyone  
3 that this is a list of issues that were not meant to be  
4 exhaustive or final. This is a preliminary list of issues  
5 as we've seen it, based on what was filed in the PAD.

6                   I'm quickly going to go through these. I'm not  
7 going to spend a lot of time, we'll revisit these tomorrow.  
8 In geology and soils, we've got what we've identified the  
9 effects of continued project operation on lake shoreline  
10 erosion, as well as erosion along the run up river. I guess  
11 up here it's the Staunton River.

12                   Water resources category, we have projects,  
13 compliance with state water quality standards. Effects of  
14 project operations on water quality in the lakes, as well as  
15 upstream mode and downstream from the project.

16                   Effects of construction activities on the water  
17 quality of the project area. There may be as a result of  
18 this relicensing, certain construction related activities  
19 pertaining to maybe recreational development or something  
20 else. Well we will take a look at what that means to the  
21 water quality in the lake, erosion process and things of  
22 that nature.

23                   Assess the need for water quality monitoring in  
24 the project area. That was an issue that was identified the  
25 first couple of meetings that we've had on the project. One

1 are allocation and the effect of project operations on  
2 existing and any proposed future water withdrawals.

3 Effects of continued project operations on  
4 drought management and the effects of continued project  
5 operation on flood control.

6 Aquatic and fishery resources. The effects of  
7 LDO, dissolved oxygen on aquatic resources in the lakes and  
8 river. Effects of lake level management on fish populations  
9 and other aquatic organisms that inhabit the drawdown zones.  
10 Effects of any construction activities on the fishery  
11 resources in the project area. Effects of continued project  
12 operation and existing minimum flows in the aquatic habitat  
13 and populations of fish and other aquatic organisms in the  
14 Roanoke River.

15 The effects of any flow fluctuations caused by  
16 the cycling, auto-cycling on aquatic resources on the  
17 Roanoke River and describe any potential benefits associated  
18 with ramping rates through auto changes in the flow release  
19 patterns.

20 Effects of project operations on fishing  
21 treatment and impingement and effects on lake fisheries.  
22 The effects of potential environmental enhancement measures  
23 of the project and improve diadromous fish movement in  
24 passage.

25 Frank mentioned diadromous fish, I mention it

1 here as well. Well briefly, that's the scientific or term  
2 used for migratory fish. Both fish that go from fresh water  
3 to salt water and saltwater back into fresh water. Species  
4 that fall into the category of diadromous fish are species  
5 such as the American Eel.

6 MICROPHONE MAKING LOUD NOISE

7 It's not liking me, I'm going to have to talk  
8 loud.

9 (Laughter.)

10 MICROPHONE TURNED OFF

11 The American Eel, that's one species that is  
12 spawned in the ocean, returns to fresh water. It's the  
13 only, what the call catadromous species. There is also the  
14 anadromous species, which those are the species that go the  
15 opposite direction. They spawn in fresh water, they go out  
16 to the ocean, then they come back. Those species are  
17 American Chad, Stripe Bass, are just a couple of examples,  
18 blueback herring would be some examples of those types of  
19 species. So what the term diadromous means. Now I've used  
20 the word twice and haven't explained it.

21 The effects of continued project operation on  
22 fish movement and aquatic habitat in upriver and the overall  
23 fish restoration efforts in the basin. The effects of  
24 continued project operation on any threatened and endangered  
25 species and the one we've identified so far is the Roanoke

1 law perch.

2 Terrestrial resources. We have a couple of  
3 issues here that we have identified. The effects of  
4 continued project operation on repairing an aquatic  
5 vegetation and any associated wildlife in the project area.

6 The effects of continued project operation on  
7 vegetation and wildlife associated with constructing any new  
8 recreation or other facilities.

9 In recreation, we have a number. Adequacy of  
10 existing public access and recreational facilities in  
11 project boundary to be current and future recreation demand.  
12 The effects of continued project operation on boating  
13 opportunities and recreational use of the project. The  
14 effects of continued project operation and minimum flow  
15 releases on recreation.

16 And finally, the effectiveness of existing public  
17 safety programs in maintaining a safe recreational  
18 environment in the project area.

19 Land use and aesthetics. Effectiveness of the  
20 shoreline management plan in protecting and/or improving  
21 management of in-water development, sensitive habitat areas  
22 and shoreline erosion.

23 Effectiveness of the shoreline management plan in  
24 creating a buffer between incompatible uses and in  
25 protecting the actual and cultural resource.

1           The adequacy of the existing program and review  
2 process for determining and preventing any adverse aesthetic  
3 effect on permitted shoreline uses. Effects of continued  
4 project operation or any changes on aesthetics. Effects of  
5 any proposed operational changes and other environmental  
6 enhancement measures -- I just kind of repeated myself.  
7 That's about the same thing.

8           Archeological and historical resources. The  
9 effects of the continued project operations on archeological  
10 resources and historic properties. And finally, we have one  
11 issue we identified under developmental resources. The  
12 effects of potential operation changes on project energy and  
13 capacity benefits and the funding of various environmental  
14 measures on the cost of the project's power.

15           That's just a brief overview of what the issues  
16 were that we identified as we went through the PAD. We will  
17 spend a lot more time tomorrow talking about those issues,  
18 in hopes of there are any other issues that people  
19 identified that we need to add to this list, we want to  
20 know what those are.

21           At this point I'm going to -- yes.

22           SPEAKER: On your very first slide I was amazed  
23 to see there was nothing about the impact of upstream  
24 pollution on the water quality in the lake. I mean that's  
25 the biggest one that should be there.

1           MR. CREAMER: It was not an issue that had been  
2 identified during the previous meetings we have. If that's  
3 an issue that we need to add, we will add that to our list  
4 of issues and we need to look at it.

5           I'm going to turn my attention real quick and  
6 we're going to go briefly through the proposed studies that  
7 Appalachian Power had identified in the PAD. In section 4.3  
8 of the scoping document, we list the potential studies for  
9 other information gathering activities that Appalachian  
10 Power identified in their PAD as being appropriate for the  
11 Smith Mountain Project.

12           In the next two slides, I'll briefly go over  
13 those studies. I would encourage you to refer to the PAD  
14 and scoping document for a more detailed description of  
15 those proposed studies and the other information-gathering  
16 exercises. This is by no means to be exhaustive. This is a  
17 very brief overview. So if you see something there and it's  
18 missing, it doesn't necessarily mean it's really missing.

19           And again, we look at this and we fit these  
20 things into several categories, resource areas. Geology and  
21 soil, water resource, fish and aquatic resources, wetland  
22 riparian, riparian and littoral habitats, rear, threatened  
23 and endangered species, recreational, land use, and cultural  
24 resources.

25           Real quick, geology of soil. The three that

1 we've identified, study the loss of shoreline areas, develop  
2 bathometric maps of the lakes and conduct the field review  
3 of existing erosion conditions along the Roanoke River.

4 In water resources, we have several studies that  
5 we identified. Monitor dissolve oxygen and water  
6 temperature around the project area. Using the existing  
7 data, assess the effects of the project operation on the  
8 lakes and river. Evaluate the water supply needs using  
9 existing information. Determine the safe yield of water  
10 from the project as far as any flow study that might be  
11 done. And I will mention the flow study a bit later when  
12 I'm talking about aquatic resources.

13 Assess water level management effects as part of  
14 any flow study that's done. Obtain and evaluate best  
15 management practice information. Investigate a potential  
16 relationship between Smith Mountain and the current project  
17 as part of any flow study that will be done.

18 Investigate minimum flow discharge protocols.  
19 Develop a draft management plan for flow assessment for  
20 downstream areas. And finally, consult with the corps of  
21 engineers on the need to modify the existing flood  
22 operations agreement.

23 Conduct an in-stream flow study in what  
24 Appalachian Power is currently proposing to do with the  
25 demonstration flow assessment. Study the potential for

1 fishing training at the project, using tabletop methods.  
2 Assess migration needs of various fish species using  
3 existing information. And by that existing information, a  
4 lot of times what I'm referring to are resource plans that  
5 currently are out there that people use in managing the  
6 resource.

7 Assess effects of water level fluctuations on  
8 reservoirs, fisheries, as part of any flow study that will  
9 be done. Finally, describe migration patterns of diadromous  
10 and assess the potential effects of fish passage at the  
11 project.

12 Wetlands, riparian and littoral habitat.  
13 Updating existing information by data provided by the Tri-  
14 County Lake Administrative Commission. Conduct a field  
15 survey for aquatic vegetation for Leesville Lake.

16 For the rear, threatened, and endangered species,  
17 conduct a field survey at the Roanoke River Leesville and  
18 Brooknell for the Roanoke logperch.

19 The reaction and land use. Determine the  
20 adequacy of existing public access using existing  
21 information. Update existing information and data regard  
22 adequacy of existing road access facilities and assess  
23 future needs. Obtain ownership information for islands and  
24 perform field survey of existing conditions. Study debris  
25 removal and prevention needs.

1           Cultural resources. One study we identified is  
2 any ongoing consultation with the Virginia Department of  
3 Historic Resources, I believe is what it's called. And the  
4 Virginia Council on Indians regarding the development of a  
5 programmatic agreement.

6           That was just a brief, quick outline. And again,  
7 these are things that we will be talking about in much more  
8 detail tomorrow.

9           What I want to do -- for most part, we've done  
10 what we wanted to do with the introductory type of stuff.  
11 Most of the presentations, I know there are a few of you who  
12 have signed up and indicated that you want to provide oral  
13 testimony at this meeting.

14           It was not the intent that we would do testimony  
15 today. That would be tomorrow, where we basically have all  
16 day. The meeting tomorrow will go from 9:00 to 5:00 and we  
17 will start with oral testimony. Anybody that wants to get  
18 up and present anything and from there we will get into  
19 discussion of the resource issues that I've talked about and  
20 a discussion of the propose studies that we've outlined, and  
21 the need for any additional studies.

22           So I think what I'm going to do at this point,  
23 since it's about 4:30, I'm going to open it up for  
24 questions. If anybody has any questions of anything that  
25 we've gone over today, we'd be happy to answer anybody's

1 questions at this point.

2 MR. LAROCHE: Allan, on March 1 we are supposed  
3 to provide comments on the scoping document and the PAD and  
4 it also said discuss cooperating agency status and so I'm  
5 curious as to what that is.

6 MR. CREAMER: Glad you reminded me. Back on one  
7 of the earlier slides when we talked about the purpose of  
8 scoping. The last bullet on that slide had to do with  
9 discuss cooperating agency status.

10 Basically what that means is, state and federal  
11 agencies have the opportunity, if they want, to cooperate  
12 with the FERC Commission in developing the environmental  
13 document. We've had a number of projects where that has  
14 gone on, where state agency or federal agency has cooperated  
15 with us in developing our environmental assessment. And if  
16 a Virginia agency or Fish and Wildlife Service wants to do  
17 that, that's something we need to talk about.

18 The one aspect of -- one thing that you would  
19 need to know as an agency, the way our rules and regulations  
20 for cooperating agencies are set up, if you are going to be  
21 a cooperating agency, you can not also be an intervener.  
22 Which will come later in the process, after the application  
23 is filed, we will ask for interventions.

24 If you are a cooperating agency, you can not be  
25 an intervener. You can be an intervener, but you can not be

1 a cooperating agency. That has to do with -- we've talked  
2 about making changes to that, we've mould that when we were  
3 developing this new licensing process. That was one thing  
4 that we talked about making changes that never came about  
5 and it has to be with our ex parte rules. So that's an  
6 unfortunate byproduct of being a cooperating agency.

7 Did that answer your question Bud? Yes, in the  
8 back. One thing I'll ask, or I'll go back and ask this  
9 again, please state your name before you ask your question,  
10 for our stenographer up here so that he has a record of who  
11 is asking questions.

12 MR. CAPRARIO: My name is Jerry Caprario and I'm  
13 a resident on Leesville Lake. A question for AEP. You have  
14 downstream flow conducted through Leesville Dam, a certain  
15 amount per day, correct?

16 MR. SIMMS: Yes.

17 MR. CAPRARIO: Okay, does that come from  
18 Leesville Lake or is that replenished by Smith Mountain  
19 Lake?

20 MR. SIMMS: Everything that goes into Leesville  
21 Lake is coming from one of two sources, and that either the  
22 Smith Mountain Lake or Pigg River.

23 MR. CAPRARIO: Say there is low water condition  
24 in the Pigg River. Is there any provision for replenishment  
25 of that downstream flow into Leesville Lake or is there any

1 condition by which Leesville Lake have a very low water  
2 condition due to downstream requirements?

3 MR. SIMMS: No, not really. If I understand your  
4 question right, essentially elevation 600 is as low as we  
5 go, and that's just even for the operation of the project.  
6 I mean, we can't get any lower than that. So we always have  
7 the 600 to 613 level. Does that answer your question?

8 MR. CAPRARIO: Pretty much. Thank you.

9 MR. POINDEXTER: I was anticipating input today.  
10 Can we make --

11 MR. CREAMER: Excuse me, you name?

12 MR. POINDEXTER: I'm sorry, Cole Poindexter, I  
13 was expecting in put today, can we make that input through  
14 the website?

15 MR. CREAMER: Comments can be filed  
16 electronically with the Commission so that can be -- you can  
17 file written comments that way.

18 MR. POINDEXTER: Will that be the same effect as  
19 comments that we give you?

20 MR. CREAMER: Yeah, there is still comments that  
21 are in the public record, it's just there is no way of  
22 putting them in the record. So you can either file them  
23 with the Commission, we can take them and file them in the  
24 docket, but it's just a written statement as opposed to an  
25 oral testimony.

1           I mean, if we get to a point where we have a few  
2 minutes, before we need to clear out of here, if you are not  
3 going to be available tomorrow, if your presentation is  
4 short, we can certainly try to accommodate that.

5           MR. WILDER: Dave Wilder, Cedar Ridge Homeowners  
6 Association. I'd like to ask AEP how much does the  
7 continued operation of these two projects contribute to  
8 their bottom line in a year?

9           (Laughter.)

10          MR. SIMMS: I couldn't tell you.

11          MR. WILDER: Could it be found out? Because it's  
12 certainly going to impact on a lot of decisions that have to  
13 be made.

14          MR. SIMMS: Essentially, the project when you  
15 look at it economically, it has to stand on its own. And it  
16 has to stand on its own economics. It's not the economics  
17 of the company, it's the economics of the project.

18          MR. WILDER: Oh, I take that for granted. I was  
19 trying to get at the number.

20          MR. SIMMS: Essentially once we get through this  
21 process, we're going to have to look at how we value the  
22 project and how the total package either increases or  
23 decreases that value. A lot of variables.

24          MR. CREAMER: Yes.

25          MR. GOLDSMITH: Stan Goldsmith, of the Louise &

1 White Association. Can you comment briefly on what happens  
2 to our comments once they are submitted to FERC, what's the  
3 process of reviewing and ensuring that there is some input  
4 into the process from what you receive?

5 MR. CREAMER: What we will do from this point,  
6 after the scoping meetings, we will have the public  
7 record -- the oral testimony, the record here, we will have  
8 that as part of the public record.

9 Any written comments to the file, what we will do  
10 as staff, we will go through them and we will look at what  
11 the issues are that have been identified, and if we need to  
12 put out a second scoping document, we will do that and with  
13 any changes based on this scoping meeting and written  
14 comments that are filed.

15 That's something that will be done within 30-45  
16 days after this meeting. And then AEP is going to take this  
17 back, the information that they get from these scoping  
18 meetings, they are going to go back and develop a study plan  
19 and that study plan I think is due to be filed in April some  
20 time.

21 MR. GOLDSMITH: Can you be a little more specific  
22 -- we will like to believe that because we have an  
23 association, we have all the best ideas but there maybe some  
24 individuals out there that has some pretty decent ideas  
25 about things that ought to be done and how they ought to be

1 considered. Those ideas, do they just get blended in to the  
2 subject title with gray removal, for example, to pick one of  
3 our favorites or is it some evaluation of the information  
4 that comes, that it can be put into the process in a way  
5 that that information can be useful instead of just piled on  
6 top of all those things.

7 MR. CREAMER: If this stage is going to get --  
8 we're not necessarily evaluating issues right now. What we  
9 are doing right now is simply trying to get input from the  
10 public on what the issues are, what their concerns are, what  
11 type of studies need to be done to fill information gaps.

12 At this point, we are not really evaluating.  
13 That will come later in the process. Does that make any  
14 sense?

15 MR. GOLDSMITH: Well that's your perspective, my  
16 perspective is that once you receive it, is it still viable  
17 until all the decisions are made or the information is just  
18 laying there --

19 MR. CREAMER: Yes, once your comments are  
20 received, it's part of the public record. It does not go  
21 away. It remains -- those comments remain viable. I mean,  
22 we are not going to get those letters, take a look at it and  
23 toss it. That's not the way this is going to work. It  
24 remains part of the public record until this proceeding is  
25 closed. And the Commission goes to make some decision.

1 Does that answer your question?

2 MR. GOLDSMITH: For now.

3 (Laughter.)

4 MR. SPADEVIA: Wiley Spadevia of Holding, can  
5 they regulate any land they do not own?

6 MR. CREAMER: AEP, under their federal license is  
7 charged with regulating what is within their project  
8 boundary, what we determine to be the project boundary.  
9 That is what AEP -- that's what we hold AEP to regulating.

10 MR. SPADEVIA: Even if the don't own the land?

11 MR. CREAMER: If they have a federal license,  
12 they are required to have either in fee ownership or in some  
13 other -- whether it's -- what's the word I'm looking for --  
14 easement. They are required to have either a fee ownership  
15 or easement, the necessary lands and water rights to operate  
16 the project. Even if that means -- if they have an  
17 easement, they don't own the land but they own the easement  
18 and we will hold them to regulating what goes on on that,  
19 because it's within project boundaries.

20 MR. TANGER: Friends of the Rivers of Virginia.  
21 Under water resources it says evaluate industrial and  
22 municipal water needs downstream from the Smith Mountain  
23 Project and I think that they would also evaluate them  
24 upstream. And in fact you mentioned somewhere on the slide,  
25 I saw reference to looking at the resource needs of the

1 County. I don't know where that came from, but I would  
2 think that upstream would be essential.

3 MR. CREAMER: To the extent that there is an  
4 nexus. Again, I got back when this was -- when we put this  
5 together, a lot of the issues that were identified in the  
6 PAD were based on what had been previously identified  
7 through our three or four meetings that AEP previously had.

8 Most of the comments that we had gotten at that  
9 point had to do with the water needs downstream. So if you  
10 see it's limited to that, that's the reason why. We've  
11 never really talked too much about water needs.

12 MR. TANGER: I wasn't at those meetings,  
13 obviously, but I'm here today to tell you that's of extreme  
14 interest.

15 MR. CREAMER: We'll add those to the record.

16 MR. TANGER: One other thing. That is also on  
17 the recreation, it talks about evaluating future  
18 recreational use and need for additional boat access  
19 facilities and it's talking about doing that I think  
20 basically on the lakes at Smith Mountain Lake and Leesville  
21 Lakes. And I would hope also that would be extended  
22 upstream and downstream. Especially downstream, and these  
23 are the are where I know there is an issue and upstream as  
24 well.

25 The areas that might still be part of the lake,

1 but where the runoff river comes into it.

2 MR. CREAMER: We'll take a look at that.

3 MR. CAPRARIO: May I again -- Jerry Caprario,  
4 Leesville Lake resident. Is there a projected life of the  
5 Smith Mountain Lake Project?

6 MR. SIMMS: Is there a projected life? No. We  
7 have projects that date back as far back as the 1890s,  
8 hydroelectric facilities and dams. And they are still  
9 running, they are still operating, they are still viable.  
10 So to say we have a projected life on Smith Mountain, no.  
11 It depends on how well it's maintained, but who knows how  
12 long.

13 MR. CAPRARIO: I'm asking from the direction of  
14 silting, erosion.

15 MR. SIMMS: That's one of the things we want to  
16 look at in one of the studies -- it's okay if I said that  
17 out -- in one of the studies that we are proposing is to  
18 look at siltation in the lake and that's what Allan eluded  
19 to in the within the study, will give us possible an  
20 indicate of that. And that's of interest to us too.

21 MR. CAPRARIO: Thank you.

22 MR. CREAMER: Thank you.

23 MR. DOTHALON: My name is George Dothalon and I'm  
24 here on behalf of United Valley home builders and the issue  
25 that I've come to the other day was the respect of the

1 private ownership property around the lake. And it does not  
2 appear that that is an issue in your scope document from the  
3 discussions I've seen here today.

4 Another gentlemen asked you how do you make it an  
5 issue and if you file comments then there will be comments,  
6 but is there a procedure that you can assure yourself that  
7 this will be an issue that will be included in the scope  
8 document that you're studying?

9 MR. CREAMER: Can you repeat what the issues was  
10 again?

11 MR. DOTHALON: The effect of the plan on the  
12 private ownership of the property around the lake.

13 MR. CREAMER: What plan?

14 MR. DOTHALON: The shoreline management plan.

15 MR. CREAMER: Okay and you want to know how you  
16 can ensure that that's an issue that we'll consider?

17 MR. DOTHALON: That's correct.

18 MR. CREAMER: By virtue of the fact that you  
19 brought it up, it's something that we'll look at.

20 MR. DOTHALON: I mean, it seems like there are  
21 issues that are on these documents and this is a issue we  
22 need to study, by from what the other gentleman said, didn't  
23 you say you will keep the comments. Is there a difference  
24 between a comment and an issue?

25 MR. CREAMER: No. In terms of comments, we

1 identify what the issues are that we need to look at.  
2 That's really -- there is no difference between a comment  
3 and an issue and if you provide comment, that simply says,  
4 well this is an issue that I think you need to look, then  
5 that's what your comment is.

6 MR. DOTHALON: And that could probably be done  
7 just as effectively in writing as coming here?

8 MR. CREAMER: It can be done in writing as well  
9 as oral testimony. There really is no difference. It  
10 depends on how you -- if you have time to come down and  
11 provide your own testimony, that's fine. It does into the  
12 public record. But if you don't, and you're not inclined to  
13 get up in front and speak, then you can provide your  
14 comments in writing.

15 MR. DOTHALON: Thank you.

16 MR. CREAMER: Any other questions? I want to  
17 come back to this other gentlemen who wants to provide a  
18 quick statement. No other questions? Go ahead.

19 MR. POINDEXTER: Thank you folks. Cole  
20 Poindexter, I appreciate you letting me do this, as I will  
21 not be able to do this tomorrow. Well, I want to thank you  
22 for one of the most important and prudence on the -- sits  
23 in a important place was a gentleman's agreement of January  
24 26, 1988 and the Appalachian agreed to end the picking  
25 through the regional bound. Prior to that, the issues of

1 public safety, severe stream bank erosion, sedimentation of  
2 aquatic habitat, water quality, including temperature and  
3 other problems. Habitat desecration during low flows daily  
4 and weekly and the loss of recreation on the sticks in the  
5 River.

6 That implementation of the 650 cfs flow was  
7 successful. As stream banks are re-vegetating, water  
8 quality is spawning excellent small minnow population as  
9 well as other species and recreation is improving.

10 Its for these reasons that we request a  
11 replacement of the single generator at the Leesville Dam for  
12 the constant flow generators. This continuous flow of  
13 operation will complete the stream bank repair, especially  
14 in the Leesville area and ensure the habitat and recreation  
15 downstream.

16 Now while the drought of 2002/2003 certainly  
17 stands strong in our minds, we feel that that is a problem  
18 that can and must be dealt with when it happens again. The  
19 upper and lower communities get together during these times  
20 and work with Appalachian to develop a flow regime that we  
21 think will work in balancing the needs of all. Thank you.

22 MR. CREAMER: Thank you. Any other comments or  
23 questions before we close the meeting for today and  
24 reconvene in the morning. Yes.

25 MS. MILES: I can't be here tomorrow and I was

1 wondering if I can just share a brief comment on behalf of  
2 an organization.

3 MR. CREAMER: Sure.

4 MS. MILES: I'm Erin Miles Spickard and I'm here  
5 representing CPR, Citizens for the Preservation of the  
6 River.

7 SPEAKER: Can you talk up, we can't hear you back  
8 here.

9 MS. MILES: You can't hear me, met me stand up.  
10 I introduced myself as Erin Miles Spickard and I'm here  
11 representing Citizens for the Preservation of the River.  
12 It's an association of riparian property owners downstream  
13 of the Leesville-Smith Mountain Project in Campbell,  
14 Charlotte, Halifax, and Pittsylvania Counties.

15 My father co-founded CPR in 1987. One of the  
16 first things which he did and the organization did was to  
17 open negotiations with AEP over the damages caused to our  
18 properties and our interests downstream by the way they  
19 operated the Leesville Dam.

20 AEP listened proactively, began to gather facts,  
21 negotiated in good faith, and on January 26, 1988,  
22 instituted a new mode of release from the Leesville Dam.

23 They did this in spite of the fact that their  
24 prior operation had been in compliance with their existing  
25 FERC license.

1           On a hand shale and a gentleman's agreement, AEP  
2           has operated the Leesville Dam for the past 17 years in such  
3           a way to end the old regime of up to 9 foot daily  
4           fluctuations which were dangerous for public safety,  
5           damaging to the alluvial banks, detrimental to the aquatic  
6           habitat, harmful to water quality and led to the elimination  
7           of recreational canoeing because of weekend low flows on  
8           Virginia's first state scenic River.

9           AEP received accolades for their corporate good  
10          neighbor policy and CPR won a national Take Pride in America  
11          Award during the first Bush Administration for their efforts  
12          in improving private lands.

13          We think that now it is time to incorporate these  
14          benefits into the new FERC license. Flows should be  
15          levelized, not just by informal agreement but by conditions  
16          in the license. The 650 weekly average flow needs to become  
17          instantaneous with no more peak releases through the  
18          Leesville Dam except during power system emergencies.

19          In fact, the benefits of the 1988 agreement need  
20          to brought fully to those landowners and aquatic habitat  
21          immediately downstream of the Dam.

22          Towards that end, AEP really needs to install a  
23          continuous release generation unit at the Leesville Dam.  
24          Installation of such a unit will ensure generating  
25          efficiency, while also enhancing the ecological integrity of

1 the stream and alluvial banks.

2 We commend AEP's management of the projects since  
3 January 26, 1988 and during normal drought prolonged  
4 conditions. They have been sensitive to the needs of all the  
5 stakeholders. Thank you for your consideration and for not  
6 forgetting that major impacts from this project reach over  
7 80 miles downstream from the Leesville Dam.

8 MR. CREAMER: Thank you. Anything else before we  
9 close down and reconvene tomorrow?

10 (No response.)

11 Okay, thank everybody for coming today and look  
12 forward to seeing you all tomorrow.

13 (Whereupon, the meeting was adjourned at 4:50  
14 p.m.)

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