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BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

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In the Matter of: : Project Number

NORWAY-OAKDALE : P12514-000

HYDROELECTRIC PROJECT :

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Best Western Brandywine  
728 South Sixth Street  
Monticello, Indiana

Wednesday, May 18, 2005

1                   The above-entitled matter came on for hearing,  
2                   pursuant to notice, at 7:00 p.m.

3

4                   BEFORE:

5

LESLIE SMYTHE

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Louis Berger

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75 Second Avenue

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Needham, Massachusetts

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## 1 APPEARANCES (CONTINUED):

2

3 Bill Hindsley - NIPSCO

4

5 Lee Emery - FERC

6

7 Sergiu Serban - FERC

8

9 Mario Finis, P.E. - Montgomery Watson Harza

10

11 Carolyn Holsopple - FERC

12

13 Alynda Foreman - FERC

14

15 Spence Smith - Louis Berger

16

17 Bert Valenkamph - NIPSCO

18

19 Brian Clever - Schiff Hardin, LLP

20

21 Mike Canner - NIPSCO

22

23 James Fitzer - NIPSCO

24

25 Steve Bedross - Montgomery Watson Harza

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

(7:00 P.M.)

1  
2  
3 MS. SMYTHE: I think we can probably get started.  
4 It's a little past 7:00 and I think probably everybody who  
5 intends to come is either here or can sneak in and we won't  
6 pay any attention.

7 We are gathered here this evening because we're  
8 having our first scoping meeting for the proposed combined  
9 application for the Norway/Oakdale Project. The application  
10 was submitted to the Federal Energy Regulatory Commission  
11 and as part of our responsibility under the Federal Power  
12 Act we're obligated to analyze the proposed project from an  
13 environmental perspective and to prepare a document which is  
14 consistent with the requirements of NEPA, that's the  
15 National Energy, or Environmental Policy Act. That's a  
16 multi-disciplinary analysis. We look at the national  
17 environment, the social environment, the economic  
18 environment and the project itself and try to come up with a  
19 combined set of measures which will balance all of those.

20 In order to make that a fair and open document we  
21 come to the public and we solicit input on what should go  
22 into that NEPA analysis and what your feelings are on  
23 various subjects and also any information that you can  
24 provide us that will make our analysis more complete and  
25 just plain better. So that's the basic reason why we're

1 here.

2           What we want to do from you is we're going to  
3 start out with an introduction to the project and to what's  
4 being proposed for it. And then we will have questions and  
5 provide answers to the extent we can for you tonight and any  
6 input that you want to give us. When we're all finished  
7 with this we're having another meeting tomorrow morning,  
8 same kind of meeting but hopefully with more agencies  
9 attending.

10           And then you will have another opportunity to  
11 comment in writing. And in the scoping documents, if you  
12 had picked one up there at the front, on page seven or eight  
13 I think it is, it explains how you can submit your written  
14 comments or you have materials that you think will help us  
15 to do our analysis. And you can file those materials in  
16 paper form or you can file them electronically, but the  
17 instructions are in the scoping document as to how that's  
18 done.

19           My name is Leslie Smythe. I'm moderator for this  
20 meeting and I'm also coordinating the preparation of the  
21 NEPA document as a contractor to FERC. I work with the  
22 Louis Berger Company.

23           Here is our major members of the FERC team.  
24 Sergiu Serban is the coordinator from FERC who is going to  
25 make sure that the process is according to the rules and

1 regulations and keep us all in check. And Lee Emery, who's  
2 next, is in charge of all the aquatic studies; the water  
3 quality and fisheries and things of that nature. And  
4 Carolyn Holsopple is heading up the terrestrial studies and  
5 the recreation and land use.

6 We have other team members, or FERC has other  
7 team members, but we couldn't bring everybody tonight. But  
8 the idea is we like to have different kinds of ears  
9 listening so that we can appreciate the information that you  
10 give us and make sure that we ask the right questions.

11 And then also from my company we have Lynda  
12 Foreman, who is Carolyn's counterpart on the terrestrial  
13 side, I think. And Spence Smith, who is Lee Emery's  
14 counterpart on the aquatics. So we have quite a few people  
15 who will be trying to work together to pull this document  
16 together when we finally get it done.

17 A little later on I'll explain the schedule that  
18 we'll carry on with after we're finished tonight. But, is  
19 there anything else we need to, oh, when we get to the point  
20 where everybody's contributing we are going to be recording  
21 everything. The court reporter is here. He records  
22 everything that is said. This will be put into the public  
23 record which is accessible on FERC's  
24 eLibrary. And the public record is also kept for anything  
25 that you file in writing. So everything is documented and

1 the preparation of this proceeding is going to be publically  
2 available.

3 Also, if you're thirsty, there's water and  
4 glasses, I think. Please get a scoping document, if not  
5 now, then sometime before you leave. And make sure you sign  
6 in. We need to have everybody's name. That also goes into  
7 the public record, every participant, whether in person or  
8 in writing. And, at the request of the reporter, when it  
9 comes time for you to speak he will want to know who you  
10 are. So before you speak identify yourself and any  
11 affiliation that you might have. That will be recorded for  
12 our record.

13 So, if there's nothing else, for the moment I'm  
14 going to turn this over to Bill Hindsley who's with NIPSCO.  
15 He's going to give us an overview of the project and their  
16 application process to date.

17 MR. HINDSLEY: We drew straws and I got the short  
18 straw, so -- okay? Most of you probably know me. I'm Bill  
19 Hindsley. I'm in charge of the dams. I've been out at the  
20 dams for 25 years now. And then as Leslie said, we're going  
21 through a lengthy process.

22 Up here on the screen you can see Illinois  
23 Oakdale Hydroelectric Project. If you go to their eLibrary  
24 and want to look at the FERC documents for the hydro project  
25 you use the FERC number, P12514-000, and that would get you

1 to everything that's posted for Norway and Oakdale.

2 Northern Indiana Company, NIPSCO, just a little  
3 bit about us. Full service utility provider including power  
4 and natural gas. Basically what we're saying there is that  
5 as an electric company we're a generating plant. We have  
6 transmission lines. We have distribution lines. So we  
7 really run the full gamut of the electrical.

8 On the gas side it's basically the same thing.  
9 We come from the well heads down in Texas, run transmission  
10 lines and distribution to the customer also. So we're a  
11 dual company.

12 We have gas fired, or coal fired, gas fired,  
13 hydro power generation facilities. We've actually got three  
14 coal fired plants over by the name of Bailey, Michigan City  
15 and Schahfer. I'd like to talk about them just a little  
16 bit. I think at Schahfer they also have some gas fired, is  
17 that correct?

18 PARTICIPANT: Yes.

19 MR. HINDSLEY: Okay, and of course, the two hydro  
20 plants at Norway and Oakdale. Parent company, NiSource,  
21 that's our parent company. We're actually a division of  
22 NiSource. NiSource delivers energy to over 3.7 million  
23 customers from the Gulf Coast through the Midwest to New  
24 England. We produce and distribute electric to the northern  
25 one third of the State of Indiana. But that gas comes all

1 the way, like I said, from Texas all the way up through the  
2 Midwest, all the way up to New England. So it's the bigger  
3 part of our company.

4 Hydro power at Norway and Oakdale represents less  
5 than one percent of NIPSCO's generation. As I said, we had  
6 the three power plants, the coal power plant, they produce  
7 the majority of our electricity. In other words, they  
8 produce the other 99-point-whatever percent. So hydros  
9 produce very little of the power of NIPSCO land.

10 We also on our website, if you go to [www.NIPSCO](http://www.NIPSCO)  
11 or [www.NiSource](http://www.NiSource) we have a listing of a lot of the papers  
12 that does that, is involved with the licensing also. So you  
13 can go to our website and work your way through it and find  
14 the hydros and some of the documents that are on there also.

15 The Norway and Oakdale Hydroelectric Project  
16 located near Monticello, Indiana. Norway Dam impounds ten  
17 miles along Lake Schahfer. I go into a little bit more  
18 detail. Actually, about six foot average depth is the  
19 deepest part behind the dam of 30 foot. Oakdale Dam  
20 impounds a ten mile long lake of Lake Freeman. It's a  
21 little bit deeper, I think 16 feet average with 45 foot  
22 depth behind Oakdale.

23 Then we have approximately 12 miles of river  
24 along the Tippecanoe River, so between the two dams. With a  
25 little map you can tell we got two miles of river, ten miles

1       worth of lake between the two dams.

2                   Picture of Norway when it's flooding, flood gates  
3       open, nice little picture. Norway development, they started  
4       operation in 1922 or 23. We actually started building in  
5       1922 and finished in 1923. It took 14 months to build.  
6       Starting from the right side of the picture, over here, the  
7       left earth embankment. Then we have the overspill spillway,  
8       the gated spillway, the powerhouse, the substation on the  
9       left and then the transmission lighting running from the  
10      substation out. It comes into the Monticello substation  
11      over by the old RCA building.

12                   Picture of the gated spillway, three flood gates,  
13      30 foot wide, 20 foot high, will discharge about 7500 cubic  
14      feet per second per gate. Power house, we have four  
15      vertical Francis Turbines. That's the type of turbine or  
16      water wheel in the, in the generator. Westinghouse  
17      generators, total capacity is 7.2 megawatts. I'll talk about  
18      running the river a little later, but basically, well, I'll  
19      wait until I get to that.

20                   Rated head, 28 foot. Hydraulic capacity is 3640  
21      cubic feet per second. I mentioned 7500 cubic feet per  
22      second per flood gate. We could put this 3640 through the  
23      generators at Norway. A lot of time people go by and say  
24      there's no water going through the dam. That's because you  
25      really can't see the water actually going through the

1 generators. It actually discharges under, underneath the  
2 river head. So when you go by you don't think we're putting  
3 any water through, we're more than likely putting it through  
4 the generators.

5 Power house, this is upstream of the power house.  
6 Right there it's 30 foot deep. And that's the intakes of  
7 the generators. And the gated spillway on down to the left  
8 there. Oakdale development again flooding. It looks like  
9 that generator's going, got two flood gates open and maybe  
10 even two siphons, it looks like.

11 Starting from right to left again, well, it  
12 started operation in 1925. It was built in '24, '25, again,  
13 about 14 months to build it. Starting from right to left,  
14 the east concrete dam, the power house, gated spillway,  
15 siphons then along part of the earthen embankment, and the  
16 actual substation for Oakdale is on top of the power house.

17 The power house, again, we got the vertical,  
18 three vertical Francis Turbines. Same type of turbine at  
19 both places. There are Allis-Chalmers generators out there.  
20 Total capacity 9.2 megawatts. The head on, I think, the  
21 head on is about 45 foot, discharge 3190 cubic feet. Here  
22 it's showing the gated spillway. The gated spillway is to  
23 the right. The siphon is to the left underneath these gate  
24 warning signs.

25 Normal project operations, we're essentially run-

1 of-the-river, I mentioned that just a little bit ago. And  
2 what that basically means is water -- Tippecanoe River  
3 dictates how many, how much discharge we can put through the  
4 dam. Like today we haven't had any rain for about two  
5 months so the river flow is pretty low and we're only  
6 running one generator like at Norway, only discharging like  
7 1000 cfs. So it's pretty low and so we can't run the other  
8 three generators. We threw them on and actually ran one and  
9 it was actually lower than the lake. So we're only running  
10 one generator there right now.

11 Lake Shafer, we maintain the level of the lakes  
12 within a certain parameter. Again, our license we stated  
13 that from October 1st to May 31 that we maintain the lake  
14 plus or minus .6 tenths of a foot. And from June 1st to  
15 September 30th, plus or minus .25 hundredths of a foot.  
16 Lake Freeman, the same amount. Our intent at that time  
17 was we had most of our flooding in October to May so we put  
18 a wider area on the lake because usually when we flood we  
19 have, we're reacting to the flood so the lake levels are  
20 already a little bit more. Very little flood continuation  
21 capability. What that's basically saying is, we're aware  
22 the river is not flood controlled. And with the size of our  
23 reservoirs, our reservoirs are still small, that we really  
24 can't be a flood control dam.

25 FERC licensing, Leslie mentioned a little bit

1 about it. This is the steps we kind of went through. The  
2 year 2000 FERC wrote us a letter and wanted to investigate  
3 whether we fell into their jurisdiction or not. And done  
4 some investigating and decided that the Tippecanoe River was  
5 navigable and -- Tippecanoe River was -- that we should be  
6 licensed under them.

7 In November of 2001 we got our first stage  
8 consultant document. We also, at that time, have been in  
9 public meetings, agency meetings, AG tours and dam, maybe  
10 some of you attended those.

11 Draft license application filed in September of  
12 2003. That was our first draft that we sent in to FERC and  
13 sent to a lot of the agencies around for them to review and,  
14 maybe, I did it again, maybe come back to us and let us know  
15 what they thought.

16 The first stage consultant -- licensing. All  
17 agencies responded back to us from the draft licensing what  
18 they thought maybe we should do or what they'd like to see,  
19 that type of thing. Then we incorporated a lot of what they  
20 said to us into the license and we actually filed the  
21 license application in June of 2004. And that's the process  
22 we're working on right now.

23 Water quality certification issued by IDEM,  
24 Indiana Department of Environmental Management. One of the  
25 reasons, or one of the things that is required with this

1 license is we get a water quality certification from them.  
2 So we had to apply to them for that. We had to do some  
3 things that they would like to see done before we could get  
4 the certification. And we did those. And on March 24th  
5 they sent us the actual certification.

6 Right now we're in recreation water use quality  
7 and fish/mussel settlement negotiation with resource  
8 agencies. We've met with U.S. Fish and Wildlife. We've met  
9 with the NR. We've met with IM and addressed some of the  
10 issues they had and negotiated between them on how we're  
11 going to correct these situations.

12 From what we received back from the draft license  
13 and we addressed this in the license application. Some of  
14 the things we addressed in there was, again, current  
15 engagement in negotiations with resource agencies. And  
16 current proposals are with water use quality, fish/mussel  
17 and recreation.

18 Some of the current proposals we put into the  
19 draft application are, or not, into the application itself  
20 under water use and quality; Indiana DNR has kind of  
21 requested of us that we maintain the lakes plus or minus .25  
22 feet of a  
23 single elevation year round. And that, under admirable  
24 conditions such as flooding conditions, ice jams, other  
25 abnormal conditions, earthquakes, that kind of thing that we

1 can go to a plus .75 feet or a minus .25 feet.

2 We also said in the application that we would  
3 notify by writing to certain agencies, and I think we talked  
4 about SFLEC being one of them that we would write them and  
5 let them know what are the scheduled draw downs.

6 Tailrace DO, dissolved oxygen monitoring in 2005  
7 was mitigating litigation measures to follow if warranted.  
8 This is part of our thing we had to do for IDEM for the  
9 certification of water quality. So we're monitoring the  
10 water quality as far as oxygen right above the dam and right  
11 below the dam and seeing if it drops below a certain  
12 standard. And we're going to do that from June 1st through  
13 September 30th, monitor the water quality, the DO in the  
14 water and if we see where we have a problem then we're going  
15 to go the IDEM U.S. Fish and Wildlife and Indiana DNR to  
16 say, okay, this is what we found and this is how we plan on  
17 correcting it.

18 Fish and Mussels, it says NIPSCO is working with  
19 resource agencies to arrive at a mutually agreed solution to  
20 upstream fish passage, downstream fish passage, fish  
21 entrainment and Unionid mussel issues, I've been practicing  
22 that word all night.

23 Basically what some of the things that Indiana  
24 DNR and U.S. Fish and Wildlife come out with was they would  
25 like to see passages up and down. Some for fish going up

1 and some going down. Fish entrainment is basically, and  
2 correct me if I'm wrong, it's the fish going through the  
3 actual turbine and they have some concern with what fish are  
4 going through, how many and that kind of thing. And mussel  
5 issue is there are certain mussels that they would like to  
6 see upstream. It's not upstream right now. And so we're  
7 working with them on how to get those mussels upstream  
8 instead of doing fish passages.

9 NIPSCO recreation. Again, we say the same thing.  
10 On the lake levels, plus or minus .25 feet during normal  
11 operations, the .75 minus .25.

12 The other thing we're going to do, develop and  
13 implement recreation management plan, update the plan every  
14 six years in conjunction with FERC 4-BD to ensure recreation  
15 needs are met. Follow with it, you know, we'll probably  
16 develop that plan and we'll probably work with SFLEC a  
17 little bit on that. We don't know what the plan's going to  
18 partake at the present moment.

19 I think that's the end, Leslie. It's your turn.

20 MS. SMYTHE: Thank you. Does anybody have any  
21 questions for Bill?

22 MR. MILLS: Bill, is this going to be a  
23 containment --

24 MR. HINDSLEY: Your name?

25 MR. MILLS: Norman Mills.

1 MR. HINDSLEY: Okay.

2 MR. MILLS: Dissolves oxygen, is that a  
3 continuous regiment?

4 MR. HINDSLEY: June 1st through September 30th,  
5 24 hours a day, seven days a week, all right?

6 MR. MILLS: That's what I'd like.

7 MR. VALENKAMPH: Bert Valenkamph, NIPSCO, yeah,  
8 we're going to have continuous around the clock monitoring.

9 MR. MILLS: Okay.

10 MR. VALENKAMPH: Of both facilities, both down  
11 stream and upstream.

12 MR. MILLS: I don't know whether I need to  
13 address this or not, but there has been, over the last few  
14 years some humorous attempts at explaining why the  
15 Tippecanoe is declared --

16 MR. HINDSLEY: We kind of discussed that today.

17 MR. EMERY: Maybe we ought to let FERC answer  
18 that.

19 MS. HOLSOPPLE: You can float a feather down it.

20 MR. SERBAN: Well, we got an order that, by which  
21 this project was found jurisdictional and it was assigned to  
22 me. I never dug into it. I didn't question their judgment  
23 and I left it at that.

24 Now Lee says that he's a little familiar with  
25 that process in the sense of there are some people at FERC,

1 a group of people that all they do is this, look for  
2 projects around the country and see if at any point they  
3 were navigable. Now we're talking about the past. You can  
4 go as much as a couple hundred years in the past if it was  
5 ever navigable. So what they go on, I don't know. They  
6 believe that.

7 MR. EMERY: It could be a number of factors from  
8 simple factors, even canoeing or transportation of goods or  
9 passing lumber. They do a very thorough search. If  
10 somebody wants to go back in Indian records, they really did  
11 a lot of searching to find out.

12 MR. MILLS: But before dams.

13 MR. EMERY: In some cases, yeah, sure.  
14 Historically, looking at the historical record of things.

15 MR. BEDROSS: Steve Bedross with MWH, consultant  
16 for NIPSCO. You can find the FERC navigability report, I  
17 believe, on the eLibrary.

18 MR. EMERY: Probably everything's online at FERC.

19 MR. BEDROSS: It may not be in this project  
20 document, but it's out there somewhere. I'm sure we can  
21 find it.

22 MR. MILLS: And the explanation --

23 MR. BEDROSS: Yeah, there's about a 20 page  
24 explanation about why the water's navigable.

25 MR. HINDSLEY: We asked the same question, you

1 know, why now when we went for eight years before that and  
2 we weren't, you know, and this is the answer we got, a 20  
3 page document with all the stuff on it.

4 MR. BEDROSS: It sounds like federal government.  
5 There's some good stories in there about the Indian records  
6 and things like that, so it's an interesting read.

7 But they went back, the Indians paddled down the  
8 Tippecanoe to the Battle of Tippecanoe of 1812 or something  
9 like that. It's one of the things they had pointed out.

10 MR. EMERY: This has happened in other cases  
11 where there, we have many unlicensed projects across America  
12 and their studies determine whether they should be coming  
13 under our license jurisdiction or not. So, it's not unusual  
14 that it's here for this particular project.

15 MR. MILLS: Thank you.

16 MR. HINDSLEY: Any other questions? Thank you.

17 MS. SMYTHE: Okay, just to carry on from here,  
18 we'd like any input, obviously questions that you have for  
19 us, too, about how it is we tend to go about doing this NEPA  
20 analysis. You've been given some of the process to date by  
21 Bill. Here's where we carry on now.

22 After the period of time, and it's a fixed period  
23 of time, until the end of May that we will receive scoping  
24 documents, at that point we look at all the information that  
25 we've got. All the comments and all the input and

1 information and data that we've been able to collect, and  
2 the license application.

3 And we make a decision as to whether we have  
4 sufficient information to conduct our NEPA analysis. And  
5 very often it turns out there is something that we don't  
6 have that we think we need. And if that's the case we will  
7 prepare what's called an additional information request.  
8 And we make a formal request to NIPSCO to provide whatever  
9 it is we think we still need in order to do our analysis.  
10 And sometimes they would have to go back to an agency for  
11 that, might have to crunch some numbers, whatever. But that  
12 also has a fixed turnaround.

13 And at some point we are going to have all the  
14 information we need. And that's a critical point because  
15 when we decide we're ready to start doing the analysis a  
16 notice is put out, an official notice, called a Ready for  
17 Environmental Analysis notice, an REA. And that's, it's  
18 important because it starts, it triggers a clock that  
19 engages the agencies in our process.

20 So when the REA is issued the, all of the  
21 resource agencies who have any authority to contribute to  
22 our process must submit their recommendations, their terms  
23 and conditions, any prescriptions for fisheries. Under the  
24 various mandates of law they have to give those to us within  
25 60 days of the issuance of that REA.

1                   Then NIPSCO has another 45 days to respond to  
2                   that and say we think you're not being fair, you're asking  
3                   for too much, we've already been over this ground, why now,  
4                   why didn't you ask us for this last year when we talked  
5                   about that. That 45 day clock then follows me.

6                   So now 105 days after the issuance of the REA  
7                   everything stops and we proceed with our analysis in  
8                   earnest. Now that isn't to say that people can't still send  
9                   things in to us, but the really nitty-gritty has been  
10                  achieved at that point.

11                  And our dates at the moment are, we think we'll  
12                  probably have our AIR, if we're going to have any additional  
13                  information requests that will probably come out in June.  
14                  And we're hoping that if we do have them we'll have them,  
15                  our information received back and that critical REA will go  
16                  out towards the end of August or beginning of September.

17                  Then 105 clock, 105 day clock runs, which puts us  
18                  into the start of our environmental analysis which we hope  
19                  we'll have completed and have an environmental assessment  
20                  document on the street for you to read in March of 2006.

21                  Then again, there's more opportunities for  
22                  comment, more opportunities for public input, even after  
23                  that. But once we've got that first document out it's a  
24                  little bit fuzzy. The further we get out in time, the  
25                  fuzzier the process becomes because lots of things can cause

1 it to shift.

2 So, as I said, everybody's got a chance now to  
3 read that scoping document which doesn't say anything  
4 different, I hope, than what we've said here, except that I  
5 think it says the closing date for scoping is 30 days after  
6 the date of issuance of the scoping document, which is not  
7 correct. The date of the issuance of the scoping document  
8 was the 21st and we're giving until the 30th of May to have,  
9 so it's an extra ten days pretty much beyond what it says in  
10 the scoping document.

11 But again, it describes in there to whom you send  
12 the information. Bill told you you have to identify the  
13 project number on anything that you submit. Anything in  
14 writing is to be done in eight copies, which sounds  
15 formidable. But apparently the reason for that is because  
16 FERC is a very large organization and if you depend on  
17 someone within the secretary's office to make copies and  
18 distribute to all the people that need to see things you  
19 just might not make it. So this is insurance for you that  
20 anything you give us gets in the right hands as quickly as  
21 possible.

22 And I mentioned before, electronic filing is very  
23 much appreciated by everybody. That way you only have to do  
24 it once and everybody can access it much cleaner. So if you  
25 are able to do that, by all means, use the e-filing method

1       which is described in the scoping document.

2                   Did I leave anything out? So no questions? We  
3       had a wonderful site visit today, by the way. It was a  
4       great day to be out there just enjoying the great outdoors.  
5       We learned a lot, we appreciate very much your efforts in  
6       showing us. Yes, sir?

7                   MR. PELFREE: Lloyd Pelfree, I own a piece of  
8       property. I have lived on the lake for a time. Obviously,  
9       -- move up to the lake that's been manned by NIPSCO in the  
10      past and now by the FSLEC.

11                   As a homeowner, I obviously have some concerns  
12      how new licensing relates and so forth in the dams. Is that  
13      going to be a plus for us? Are we going to have better  
14      fisheries? Are we going to have other rules that we're  
15      going to have to abide by? Are we going to have to take out  
16      docks? What were the downfalls? I would like you to  
17      address some of those things that have happened in other  
18      programs --

19                   MR. EMERY: Which lake?

20                   MR. PELFREE: Pardon?

21                   MR. EMERY: Which lake do you live on?

22                   MR. PELFREE: Freeman.

23                   MR. EMERY: Freeman.

24                   MR. SERBAN: It's going to be, it's going to have  
25      positive repercussions, I mean, there's going to be a lot of

1 positive that's going to result for you guys around the  
2 lake.

3 MR. PELFREE: What are some of the things?

4 MR. SERBAN: Like all these fisheries will be  
5 improved. There will be probably some more recreation and  
6 more, it's going to be probably improved recreation sites or  
7 boat, boat, what's called, launching.

8 MR. PELFREE: That doesn't necessarily help those  
9 of us that live on the lake. That's helping those that --

10 MR. SERBAN: Yeah, there's, okay.

11 MS. HOLSOPPLE: You probably won't have to take  
12 out your boat dock. And putting more, I don't know if  
13 there's anymore room for docks out on the lakes. But any  
14 existing facilities that property owners own on the lake I  
15 don't think we would mandate.

16 MR. EMERY: Typically we have agencies put  
17 together a recreation plan, management plan for these bodies  
18 of water. And that, you can do a number of things with  
19 that. It means they may better time to draw down, repair of  
20 docks. It may restrict some length and sizes of docks  
21 perhaps.

22 MR. PELFREE: Are those grandfathered in  
23 normally? I mean, there's some people that might have a  
24 large dock and some people have small docks.

25 MR. EMERY: Right, no, I understand that.

1                   MR. PELFREE: I mean, obviously, if you're a  
2 homeowner and maybe trying to sell down and get out of here,  
3 you guys are coming in and ruining my property value.

4                   MR. EMERY: Yeah, I don't think you're going to  
5 see a drastic change in terms of overall effective, anything  
6 we might do with licensing on your current project, or  
7 current properties.

8                   MR. PELFREE: Well, will we go through you then  
9 or will we go through FSLEC or --

10                  MR. EMERY: If you have some specific comments or  
11 concerns you can ask us, file them with us about it. There  
12 will be a development of a recreation plan. You could work  
13 with some comments with the licensee or with the lake,  
14 FSLAC, who are managers also of the lakes. They may have  
15 some ideas.

16                  AUDIENCE MEMBER: Do you have a new microphone?

17                  MR. EMERY: I don't know. Can you hear me?

18                  MS. HOLSOPPLE: I don't think these are  
19 microphones for the room. I think these are just  
20 microphones that go directly to the court reporter.

21                  AUDIENCE MEMBER: Can you guys hear me over  
22 there? Okay.

23                  MS. HOLSOPPLE: We'll make an effort to speak  
24 more loud.

25                  MR. PELFREE: So really then there could be some

1 drawbacks or there could be some positive things?

2 MR. EMERY: Perhaps, yes, you know, I don't have  
3 the answer yet, because they will have to be developing a  
4 plan. But I know there's a great concern to take care of  
5 the homeowners, to make, perhaps as I said, better time to  
6 draw down, first one lake and then the other lake instead of  
7 two simultaneous. Or there's, it looks like there would be  
8 very little change in elevations of the lakes over the  
9 course of the year. So those are some positive things for  
10 a homeowner.

11 MR. PELFREE: How would the taxpayer, if they're  
12 not going to have a clear agency involved, is that going to  
13 cost more money every time you pick up a project as far as  
14 hiring more people and doing things differently, or staff?

15 MR. EMERY: No, that would remain pretty much  
16 unchanged. Our ownership would not change the number of  
17 folks involved in running or operating the project. So  
18 there should not be any additional cost, I would not think,  
19 for the public at large.

20 MS. SMYTHE: Any other questions?

21 MR. EMERY: I'd like to know if anybody has any,  
22 you know, I'm doing the aquatic resources and the fishery  
23 resources and the water quality, if somebody is aware of  
24 some kind of study that's been performed in these bodies of  
25 waters or has some information that may helpful in terms of

1 describing what may happen to these resources by the  
2 operation of these projects. We don't have all the answers.  
3 That's why these scoping meetings are held, to get input  
4 from you folks if maybe we've missed something in our  
5 outline of what resources we're going to look at and how  
6 we're going to approach those resources, the analysis. So  
7 if anybody's aware of anything we'd like to hear about that.

8 MS. SMYTHE: We did provide in the scoping  
9 document just general lists of those things and which area,  
10 each resource area, meaning fisheries and aquatic resources,  
11 water use and quality and recreation and land use in the  
12 studies, and so on. We did give an itemization of the sorts  
13 of things we're thinking about analyzing. If you take this  
14 scoping document home with you tonight, you look through  
15 those list and you say, well I didn't say anything about  
16 this. If you have an issue or a concern we really want to  
17 know about that too. We don't just want information. We  
18 want to know what your feelings are and your opinions are on  
19 how things are at the moment, if you're happy with the  
20 status quo or whether you want to have something changed.  
21 Whatever your views are, we'll certainly review them and  
22 take them into account in our analysis. So there's really  
23 no subject area that's excluded during this scoping process.  
24 Everything pertains if it's of interest to you.

25 MR. MILLS: I've done a very scientific study on

1 the fishing activity in Lake Freeman. Whenever the dam goes  
2 down or whenever the lake goes down fishing the next year is  
3 lousy. And it usually take about two or three years to come  
4 back.

5 MS. SMYTHE: When you say, it goes down, are you  
6 talking about it being drawn down?

7 MR. MILLS: Yeah, I mean, that's the serious  
8 stuff.

9 MS. SMYTHE: Right.

10 MR. MILLS: And I don't see any way out of it  
11 unless Bill puts it on the scuba -- But the, and the other  
12 thing that a lot of people around the lake, and I live on  
13 the lake two, just like Lloyd does and Don does. It would  
14 be very helpful if we had more advanced notice of the lake  
15 being drawn down so we could repair stuff.

16 MR. EMERY: I think that will occur under new  
17 license and a better plan of operation and recreation  
18 management plan. They said, I think there's a proposal now  
19 to time one lake draw down and then the next one in a  
20 sequential manner rather than simultaneous.

21 MR. MILLS: Well, we asked -- asked for a five  
22 year plan, tens years for each, staggered five years.  
23 That's really not very practical, I think, because you can't  
24 predict the maintenance requirements for the dam.

25 MR. EMERY: Right.

1 MR. MILLS: At least I don't think you can.

2 MR. HINDSLEY: Bill Hindsley from NIPSCO. Maybe  
3 a partial answer to what you're saying is one of the things  
4 we are negotiating with Indiana DNR and U.S. Fish and  
5 Wildlife,  
6 -- is that SFLEC people be included. We have offered to  
7 them in January, if we're going to have a draw back the  
8 schedule all down that year, have a meeting with everybody  
9 in January telling them we are going to have a scheduled  
10 draw down and give them what information we have at that  
11 time. And then later on in the early spring or late spring  
12 maybe give more details to our draw down. So we are  
13 offering that.

14 MR. MILLS: That's excellent.

15 MR. HINDSLEY: And you know, the other thing is  
16 if we're not going to have a draw down that we issue a  
17 letter stating we're not going to have any scheduled draw  
18 downs.

19 MR. MILLS: Yeah, good work.

20 MS. SMYTHE: Anybody else?

21 MR. EMERY: Recreational access is sufficient?  
22 Over-sufficient? Short?

23 MR. MILLS: I don't go out on the lake on  
24 Saturday or Sunday.

25 MR. EMERY: That means there's a heavy use?

1 MR. MILLS: Tremendous.

2 MR. EMERY: Both lakes?

3 MR. MILLS: I think Shafer's probably worse than  
4 Freeman.

5 MR. EMERY: Okay.

6 MR. MILLS: I asked the DNR on more than one  
7 occasion if they have any kind of rule of thumb that says  
8 how many boats per acre from a safety point of view. And  
9 they thought that would be something nice to have, but they  
10 don't have anything.

11 MR. BEDROSS: Steve Bedross from MWH. Those  
12 criteria do exist. They're out there and we could probably  
13 get those for you --

14 MR. MILLS: Oh, yeah.

15 MR. BEDROSS: I mean, boats per acre is  
16 considered crowded or not crowded.

17 MR. MILLS: But does it have the element of law  
18 or just --

19 MR. BEDROSS: No, it would be a general planning  
20 criteria.

21 MR. MILLS: Well, okay, but even that would be  
22 helpful.

23 MR. BEDROSS: Yeah, we could certainly provide  
24 that.

25 MR. EMERY: Something like that could be

1 incorporated into a recreation plan that would be developed  
2 for this project or shoreline management plan for a whole  
3 gamut of things.

4 MS. GIBBS: This is Linda Gibbs. I just have a  
5 question, with the other things that are going on this,  
6 these two lakes, with the sewer going in, what testing does  
7 the FERC foresee that might be coming up later on? Because  
8 hopefully the water quality will be improving. So what do  
9 you foresee as far as more testing or future testing with  
10 this, you know, sewer just going in around here now. It's  
11 going to, I would hope, affect the, improve the water  
12 quality.

13 MR. EMERY: Well, the project would have to meet  
14 state standards. So, depending on how frequently the state  
15 would require testing to maintain the state's standards.  
16 Right now this starts June of this year we start the DO  
17 monitoring below the dam where there's been some difficulty  
18 in the past on occasion. So we'll see how that goes and  
19 whether it has to be more water released. But in terms of  
20 the overall, it would have to meet state standards. The  
21 frequency of testing, I'm not sure how frequent that would  
22 occur.

23 MS. GIBBS: What type of testing might that  
24 involve?

25 MR. EMERY: The water quality certificate

1 requires certain levels of DO, I don't know, temperature and  
2 sediments, visibility, I'm not sure. So I don't know how  
3 frequent that would happen.

4 MR. BEDROSS: Steve Bedross. The water quality  
5 certification the way it's written just requires DO  
6 monitoring.

7 MR. EMERY: Okay.

8 MR. BEDROSS: No temperature or anything else in  
9 that water quality certification. But obviously if, because  
10 temperature plays a part in DO we're looking at temperature  
11 also. And I guess --

12 MR. EMERY: But there should, probably would be  
13 an overall improvement in water quality once the sewer  
14 systems are more, more operational, I guess.

15 MR. BEDROSS: I guess I can speak maybe to  
16 Linda's question too. It seems to me that it would behoove  
17 NIPSCO to monitor a little bit longer is the water quality  
18 is going to improve before they agree to spilling water to  
19 take care of DO problems because of the sewage.

20 MS. GIBBS: Well, I'm asking about getting more  
21 of the stuff out, shouldn't that help also?

22 MR. MILLS: What's the question?

23 MS. GIBBS: I was asking what other types of  
24 testing might be involved later on because the sewer's  
25 going, continuing to go around the lake and hopefully

1 improve the water quality. What kind of testing might we  
2 expect, you know, to monitor that?

3 MR. MILLS: We do the -- stuff now.

4 MR. ROBBINS: My name is Don Robbins, -- lake  
5 here. There is a Hoosier River Watch program funded by the  
6 DNR. Are you folks aware of this?

7 MS. SMYTHE: Not yet.

8 MR. ROBBINS: Not what?

9 MS. SMYTHE: Not yet, but we will become.

10 MR. ROBBINS: Okay, but there is a program out  
11 there and it is called the Hoosier River Watch program and  
12 there are some workshops around the state that people can  
13 get involved with and do these, like dissolve oxygen  
14 contents, --program is too complicated to do, like on the  
15 back porch, so to speak. That needs to be done by a  
16 professional who knows what, have the equipment to do that.  
17 But there is a program out there that, I do have some  
18 information on it if anybody is interested in the program  
19 they can either contact me or the SFLECC office and we'll  
20 get it to them.

21 MS. SMYTHE: Thank you. Well, if nobody else has  
22 any questions I guess we're adjourned. Thank you very much  
23 for coming. And if you think of anything after the fact you  
24 have several mechanisms. We even have Carolyn's phone  
25 number and her e-mail address.

1 MS. HOLSOPPLE: I have business cards.

2 MR. MILLS: I have one more question, I think.  
3 My wife said, what do they mean by recreation, better  
4 recreational, and I couldn't answer her. Maybe you guys  
5 can.

6 MS. HOLSOPPLE: What was the, what kind of  
7 recreation? What did they mean by what?

8 MR. HINDSLEY: I think he's saying better  
9 recreation, how you're going to make it better.

10 MS. HOLSOPPLE: In our analysis of, in our NEPA  
11 document where we analyze the various issues we will detail  
12 and describe what recreation areas are currently existing,  
13 what kind of facilities. Whether it's swimming beaches,  
14 boat launches, fishing piers, whatever's available in the  
15 area. And we will decide if that's adequate, if NIPSCO  
16 maybe should be building new facilities or upgrading  
17 currently existing facilities. So something that would  
18 result in better recreation opportunities for people that  
19 live on the lake or people that don't live on the lake and  
20 need to access it through a different type of public access.  
21 Just hopefully in upcoming years, in the next foreseeable  
22 future, because these licenses go from 30 to 50 years. What  
23 would make a better recreation management for the whole  
24 area. Does that answer your question?

25 AUDIENCE MEMBER: I think so. Can you do

1 anything about too many wave runners on the lake?

2 MS. HOLSOPPLE: Again, that goes back to the  
3 capacity that they were talking about. I think that's a  
4 touchy subject. I don't know if we have jurisdiction over  
5 that. I think that might be a state jurisdictional thing or  
6 a county government or local government.

7 MR. MILLS: Well, we're told there, --  
8 environmentally -- issues.

9 MS. HOLSOPPLE: That's not the first time we've  
10 heard that. One of the things with, you know, NIPSCO is  
11 actually required to provide and allow recreation access to  
12 everyone. That's, because of their free use of the water,  
13 that's something that they have to give back. So it's kind  
14 of hard for us to restrict how many people go on the lakes  
15 and use them and what kind of boats are permissible on the  
16 lake. And I think that might be something that would fall  
17 under the state's jurisdiction if they would decide to do  
18 some sort of plan were, you know, they close off their  
19 parking lots and say, no more for today, there's too many  
20 already here. I don't think that's something that we have  
21 any control over.

22 MR. MILLS: Well, I guess I was driving at the  
23 environmental impact. You might have some say on that.

24 MS. HOLSOPPLE: We can certainly expose it.  
25 Right, I will write that down as a --

1                   MR. MILLS: But I thought for example that, in  
2 Yellowstone, you go to Yellowstone, that they prohibited  
3 wave runners because of the environmental impact?

4                   MS. HOLSOPPLE: Right. Part of the difficulty is  
5 when the land ownership is private and it doesn't belong to  
6 the operator. Most hydro projects need the applicant, the  
7 licensee owns the land around the lake and the lake bottom,  
8 and some land just above high water level. And in those  
9 cases it's their responsibility to provide public access  
10 because the public doesn't own that land. They do.

11                   But in this situation where they don't want  
12 hardly anything and it's either privately owned or state  
13 owned, or state managed, or county managed, we can make  
14 suggestions and we can show the situation the way it is.  
15 But we wouldn't be able to mandate how it's changed, just  
16 make suggestions that might need to be changed.

17                   MR. MILLS: Do you consider the SFLECC land  
18 privately owned?

19                   MS. HOLSOPPLE: I don't really understand what  
20 SFLEC --

21                   MR. MILLS: Saving the trees and lakes  
22 environmental conservation corporation.

23                   MS. HOLSOPPLE: Okay, maybe if someone here can  
24 explain better to us exactly how that entity functions and  
25 who all it's composed of and how they --



1 information.

2 MR. EMERY: Those people who have signed in  
3 tonight or have some kind of a sign in sheet, any future  
4 items that we'll be sending out you'll probably be getting a  
5 copy of it like the environment assessment or something else  
6 we issue.

7 MR. HINDSLEY: You can also sign up on their  
8 website for it will automatically notify you through e-mail  
9 if there's a new document posted for that particular  
10 project.

11 MR. MILLS: My computer is in a Dave's  
12 shop --

13 MR. HINDSLEY: That's a thing it can do also.

14 MR. EMERY: Is someone going to make  
15 a statement about what the organization does or  
16 just provide it to us later in writing? SFLEC,  
17 ECC?

18 MR. JOHNS: Well, I'm Daryl Johns, I'm the  
19 Executive Director of Crane Lakes Environmental Conservation  
20 Program. I guess it was our understanding that NIPSCO had  
21 already given you the relationship that we have with them.  
22 So I don't know if any further explanation needs to be done.

23 MS. HOLSOPPLE: I'm not clear on the  
24 relationship. So if you wouldn't mind briefly going over it  
25 again just so it's clear?

1                   MR. JOHNS: Okay, well, when the dam was  
2 initially built Indiana Hydroelectric Company had the power  
3 of eminent domain to buy up all the land that they thought  
4 would flood from the -- river. And very soon after that  
5 NIPSCO acquired that property and owned it for 70, 75 years.  
6 And in fact, in 1995 that land was donated to the Shafer  
7 Crane Lakes Environmental Conservation Program. We are a  
8 not-for-profit public benefit corporation and we do the  
9 shoreline maintenance, shoreline management. And we also  
10 are involved in a dredging project to reduce the sediments  
11 and to trap sediments before they get into the main --

12                   MR. EMERY: Can we have a written management plan  
13 for how you're managing these bodies of water?

14                   MR. JOHNS: Not for certain. We have guidelines  
15 and --

16                   MR. EMERY: Could you provide us with a copy of  
17 those guidelines for the record?

18                   MR. JOHNS: Sure.

19                   MR. BEDROSS: Steve Bedross. A lot of this stuff  
20 will be in the application, especially under, I think it's  
21 the land management section. All the SFLEC's shoreline  
22 management guidelines.

23                   MR. EMERY: They're already, they're in that  
24 application?

25                   MR. BEDROSS: Basically what we did is we just

1 cut and pasted stuff that Daryl provided us into the  
2 application. MR. EMERY: Okay.

3 MS. HOLSOPPLE: And in your proposed recreation  
4 management plan that you are looking into developing, are  
5 they one of the consulting parties that you're going to be  
6 working with?

7 MR. HINDSLEY: That would be one of them that  
8 we've looked at.

9 MS. HOLSOPPLE: Okay.

10 MR. HINDSLEY: Probably the main source.

11 MS. HOLSOPPLE: Okay.

12 MS. SMYTHE: Thank you. Okay, anybody else?  
13 Thank you for coming, have a nice evening and don't forget  
14 that you can keep contributing anytime through various  
15 mechanisms. We appreciate your participation.

16 (Whereupon, at 8:00 p.m., the meeting was  
17 adjourned.)

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