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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF:

CLAYTOR PROJECT NO. 739-018

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Appalachian Power's Pulaski Service Center
4600 Newbern Road
Pulaski, VA 24301

The above-entitled matter came on for
Meeting, pursuant to notice at 9:00 a.m.
April 6, 2006

BEFORE: John Smith, FERC
 Michael Spencer, FERC
 Michael Watts, FERC
 Kristen Murphy, FERC

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

2 9:00 a.m.

3 MR. SMITH: Let's Get started. I'd like
4 welcome everyone to the Federal Energy Regulatory Commission
5 scoping meeting for the Claytor Hydroelectric project number
6 739. My name is John Smith, I'm a fisheries biologist at
7 FERC and with me today are my staff.

8 MR. SPENCER: I'm Michael Spencer; I'm an
9 engineer with the FERC and on this project.

10 MR. WATTS: And I'm Michael Watts, I'm also an
11 engineer at FERC.

12 MS. MURPHY: I'm Kristen Murphy; I'm a
13 terrestrial biologist, and I'm also covering cultural
14 resources.

15 MR. SMITH: And we also have the license
16 applicant with us, and you want do those introductions?

17 MS. ROGERS: Yes, I'm Teresa Rogers; I'm the
18 reservoir superintendent and I'll be leading the re-
19 licensing effort on behalf of with Appalachian Power
20 Company. And we have several other staff members here today
21 with various backgrounds, I'll let them introduce
22 themselves. And they are here in case you have any
23 questions related to our operations of our plant, that type
24 of thing. We also have the consultant here, Jody, that put
25 together our pre-application document so if you have any

1 questions about the existing information that we put in the
2 pre-application document, she'll be able to answer some
3 questions there as well. But we'll go ahead and go around.

4 MR. ROTH: I have a question, who gets to sit at
5 the table and who doesn't?

6 MS. ROGERS: Anybody that wants come on down!

7 R. SMITH: Anyone that wants to.

8 MR. ROTH: So it isn't a perk?

9 MS. ROGERS: Yeah, we only have so many tables so

10 --

11 MR. ROTH: There's no prerequisite?

12 MS. ROGERS: No, come on up. You might prefer a
13 table to lap.

14 MS. SMITH: I would like you to fill out one of
15 those tent cards with your name and who you're with. That
16 would be helpful.

17 MR. ROTH: Thank you.

18 AUDIENCE MEMBER: Go ahead John, you go first.

19 MR. MAGALSKI: Go first about what?

20 AUDIENCE MEMBER: Who you are.

21 MR. MAGALSKI: That's okay.

22 MR. PRICE: I'm Dillard Price, with American
23 Electric Power Company. I'm a plant support specialist.

24 MR. SIMMS: I'm Frank Simms, the hydro support
25 manager for AEP.

1 MR. MASSEY-NORTON: John Massey-Norton, I'm a
2 senior hydro geologist, American Electric Power.

3 MR. MAGALSKI: John Magalski with AEP in their
4 environmental services division in the water and ecological
5 resources service section.

6 MR. ALEXANDER: Wayne Alexander; senior real
7 estate agent with APPCO out of Roanoke.

8 MS. ROGERS: And Jody, do you want to introduce
9 yourself?

10 MS. CASON: Yes, my name is Jody Cason and I'm
11 Long View Associates. And I worked with many of you to
12 gather existing information that resulted in the pre-
13 application document.

14 MR. SMITH: Since we have kind of a small group,
15 I'd guess I'd like everyone to just briefly introduce
16 yourself and which group you are with. We'll start in the
17 back.

18 MR. BUCHANAN: I'm Brad Buchanan; outdoor
19 recreation supervisor for Montgomery County.

20 MR. CLARK: I'm Michael Clark, I'm the director
21 of Montgomery Country Parks and Rec.

22 MS. JENKINS: Dari Jenkins, Pulaski County Zoning
23 Administration.

24 MR. TICKNER: David Tickner, Community
25 Development Director for Pulaski County.

1 MR. McCARTHY: Tom McCarthy; county attorney for
2 Pulaski County.

3 MR. SOLTYS: I'm Peter Soltys; MACTEC
4 Engineering.

5 MS. BOLTZ: Suzie Boltz, EA Engineering.

6 MR. DODGION: Peter Dodgion; US Army Corps of
7 Engineers, environmental services.

8 MR. HOLLAND: Jeff Holland, Army Corps of
9 Engineers also environmental services environmental
10 analysis.

11 MS. MORGAN: Lisa Morgan, for the third time,
12 I'm from Army Corps Engineers but I am a project manager on
13 the restoration site.

14 MS. BULLARD: I'm Laura Bullard; I'm a landowner
15 on the lake.

16 MR. SMITH: And let's start at the table.

17 MR. ROTH: I'm Rick Roth, and I'm with Friends of
18 the New River.

19 MR. McLEOD: I'm Mike McLeod; I'm with the DEQ in
20 their Roanoke Regional Office.

21 MR. KITTRELL: Bill Kittrell; I'm the regional
22 manager for the Fisheries Division with the Department of
23 Game and Inland Fisheries.

24 MR. COPELAND: John Copeland; I'm a fisheries
25 biologist with the Department of Game and Inland Fisheries

1 so I do studies on Claytor Lake and New River.

2 MR. POWERS: I'm Ronnie Powers; I'm the President
3 of the Friends of the Claytor Lake and board chair for the
4 New River Watershed roundtable board of director.

5 MR. SMITH: Thank everyone for coming. Generally
6 for today's meeting, I will start off with some introductory
7 comments, go over the Commission's licensing process, the
8 purposes for our meeting today.

9 We'll have a brief presentation from Appalachian
10 Power on the Claytor Project. Then we'll proceed with the
11 discussion of the issues and the proposed studies. We'll go
12 over some important dates and then open it up for additional
13 questions and comments. But I hope that it's an interactive
14 meeting and please ask any questions as we go along if you
15 see a topic that comes up that you're interested in and
16 we'll discuss it at that time.

17 Has everyone filled out one of these registration
18 cards? Does anyone also -- I've got a stack of the
19 Commission's licensing process if anyone would like a
20 handout for that. We've got them out front. We also have
21 extra scoping documents. Does anybody --

22 MR. ROTH: Was that process document sent out to
23 us?

24 MR. SMITH: I don't know if it's on their website
25 or not but this is something we brought.

1 MR. ROTH: Thank you.

2 MR. SMITH: And we have a court reporter today so
3 I would like everyone to speak up and state your name and
4 affiliation at least the first couple of times when you're
5 commenting. You can file written comments on scoping, those
6 will be due in thirty days, on May 6.

7 There are instructions in the scoping documents
8 for how to file written comments.

9 We'd also like to encourage electronic filing.
10 And the mailing list process we are doing this time is a
11 little bit different. We distributed the scoping document
12 to everyone who was on our official mailing list as well as
13 the licensee's distribution list. Now, for future mailings
14 from the Commission, we're going to -- they will only be
15 distributed to the official FERC mailing list. So, if you
16 want to be on that official list you need to look in the
17 back of that scoping document to see if your agency or
18 yourself are included. If not, if you are not there and you
19 want to be included then you need to follow the instructions
20 in the scoping document on how to submit a request to be on
21 the mailing list.

22 And you can also indicate it, that you want to be
23 on the mailing, by just checking the box on the registration
24 card and we can have you added. The only thing to keep in
25 mind, if you are on our official list, you're going to get

1 filings, you're going to get issuances from the Commission
2 on the Claytor project whether it is related to re-licensing
3 or not. So, you will get some extra mailings. And if at
4 any point in time you want to be taken off the list, you
5 will need to write in and request that your name be removed.

6 Now, it's my understanding that Appalachian Power
7 will continue to maintain their distribution list and their
8 website, so all of the pre-filing paperwork that is going
9 back and forth, I assume you're still gonna receive it, as
10 you have already. I'm really just talking about the
11 Commission issuances. Is that clear?

12 The Appalachian Power and the Commission will be
13 following integrated licensing process, ILP for short. We
14 have a handout up front. There are a lot of boxes, a lot of
15 steps. I've just summarized it up here with eight of those
16 steps; beginning with the filing of the notice of intent and
17 the pre-application document which were filed January 6 of
18 this year.

19 Right now, we're in the scoping phase and we'll
20 be shortly entering the study plan development phase which
21 will take place over the next few months. Once the study
22 plans have been approved at the Commission, Appalachian
23 Power will commence their studies and the development of
24 their license application. The application must be filed by
25 June 30, 2009.

1 If it's complete, found adequate we would issue a
2 Ready for EA notice, soliciting terms and conditions,
3 comments, interventions, and then proceed with our
4 environment analysis; which at this time, we are planning on
5 doing a single environmental assessment. And shortly
6 thereafter, we would hope to be able to issue a decision on
7 the license. Any questions on the FERC process?

8 Our role is to license non-federal hydroelectric
9 projects and pursuant to the National Environment Policy Act
10 we are required to disclose the effects of those actions in
11 a document. And as I mentioned, we purpose to do that with
12 an environmental assessment. The scoping document that you
13 all should have includes a description of the existing
14 conditions, identifies a preliminary list of issues and some
15 proposed studies.

16 And the main purpose of these scoping meetings is
17 to whether we, in fact, adequately captured that list of
18 issues and whether we have adequately captured the studies
19 that are needed to fill any information gaps. Yes,
20 question?

21 MR. ROTH: My understanding of EPA is there is a
22 big difference environmental assessment and the EIS. Are
23 precluding a EIS at this point or it seems like if you're
24 saying we are just going to do an EA --

25 MR. SMITH: Preliminary, we yeah, we were

1 proposing --

2 MR. ROTH: So, what you state in the preliminary
3 report?

4 MR. SMITH: It's kind of like for re-licenses,
5 our default tends to be a single environmental assessment.
6 If we get a lot of comments for an EIS process, then we
7 would consider those comments. We're not precluding any
8 consideration of any other alternative. Anything else on
9 the process part? Teresa.

10 (A BRIEF RECESS WAS HELD)

11 MS. ROGERS: Again, my name is Teresa Rogers; I'm
12 the reservoir superintendent and I'll be heading up the re-
13 licensing effort for Appalachian. I want to just give you a
14 brief overview of the project and our operations.

15 A little bit about the reservoir; the length of
16 the Claytor reservoir is 21.7 miles, there is a 102 miles of
17 shoreline, the surface area is 4,472 acres. And you will be
18 hearing us talk lot about a full-pond elevation and project
19 boundary, the full-pond elevation is 1,846. As far as water
20 storage, there is 232,000 acre feet of water in the Claytor
21 reservoir.

22 The dam itself has a length 1,142 feet. The
23 height of the dam is 137 feet. It is a concrete gravity dam
24 and we have nine spillway gates that you can see somewhat in
25 this picture. Those are utilized when inflow into the

1 project itself exceeds the plant capacity to process it
2 through the generators, and that's when we'll start opening
3 up the spillway gates to continue that flow downstream.

4 There are four generating units at Claytor and
5 the plant capacity is 75 megawatts. Maximum discharge would
6 be over 10,000 CFS through all the units if they were
7 operating at full capacity. The average annual generation
8 between 1999 and 2004 was 193,000 megawatt hours.

9 A little bit about the project history. Site
10 investigation began in 1927 and lasted until 1935, and then
11 the dam was constructed between 1937 and 1939. It began its
12 commercial operation in August 1939. Now, the flood of
13 record for the project occurred in 1940 where the discharge
14 was 199,000 cubic feet per second of water. The tailrace
15 elevation rose 1,750 to 1,760 and the forebay went to 1,847.

16 Again, I'm was talking normal full-pond level
17 1,846 in the project boundary at 1,850. It's generally
18 1,850; there are some locations where it does go above 1,850
19 and you would just have to look at our property maps to know
20 exactly where those areas are.

21 The Claytor project is operated remotely from our
22 operation center in Roanoke and there is backup available in
23 our Columbus office. The ROC continually monitors the lake
24 level, the elevation of the water below the dam, the
25 generation, all the upstream and downstream river gauges and

1 the weather forecast.

2 Now, the Claytor project is operated is licensed
3 as a peaking facility. However, from April 15 to October
4 15, we generally operate in a levelized discharge mode and
5 that is to maintain a more constant discharge downstream.
6 Of course, that is suspended if and during floods if we do
7 have system emergencies where we need that power. Then from
8 October to April 14 we do operate in the peaking mode.

9 During peaking mode, discharges occur when the
10 demand for power is high, generally there is a morning peak
11 and an evening peak. The amount of peak depends on what the
12 system power needs are, what the inflow is, and what the
13 price of electricity is. And in general, the lake can
14 fluctuate around two feet. Now, from what I have talked to
15 operations, it's not two feet in a day; it would be over the
16 week.

17 Our minimum flow downstream is 1,715 cubic feet
18 per second and that can be discharged by -- well, we call it
19 auto cycle. You'll hear us talk about auto cycle and that's
20 when we operate one unit for 25 minutes every hour. So, if
21 you -- lots of times fishermen will watch for when we're
22 going to be generating.

23 Claytor is not a flood control project, however,
24 if ROC sees that, you know, there's a hurricane coming or
25 there's high inflow coming in from North Carolina, then

1 they'll make some preparations by dropping Claytor reservoir
2 to give that inflow some room to store and then discharge
3 over a long period of time. And when sometimes we get down
4 to 1,844, if you go below 1,844 you can start impacting the
5 marinas so if its going to be something really large, a
6 large inflow event, we may go down to 1,841 but do contact
7 the marinas so they know to prepare.

8 For fish spawning operation, what we do is we
9 operate the project to maintain a stable reservoir elevation
10 at about 1,844 or above. And that's from April 15 to June
11 15. And that is to protect that shallow water habitat along
12 the shoreline.

13 We do have a Claytor re-licensing website and it
14 is www.claytorhydro.com and we're putting all our
15 information on that website, related to re-licensing. Right
16 now, the pre-application document, notice of intent, that
17 information is on there, as well as the scoping document.
18 We'll also be putting all correspondence relating to re-
19 licensing, any comments that we receive we put on the
20 website so that everyone can follow what's going on.

21 And that's it, so if anybody has any questions.

22 MR. SMITH: Yeah, I did want to clarify one error
23 in the scoping document on page 1, the second paragraph.
24 Appalachian Power maintains a minimum average daily flow of
25 750 cubic feet per second, and then there is the phrase, or

1 inflow whichever is less, and you need to strike that out.
2 We'll correct that in the revised version. I think that is
3 fourteen years of working at FERC and typing that in but it
4 doesn't apply to this particular project.

5 MS. ROGERS: Yes, we would not be able to drop
6 below that 750 unless, you know, we would have to consult
7 with Game and Inland Fisheries in order to go below that
8 750. Any other questions?

9 One other thing, I did bring a map of Claytor
10 Lake. This is a satellite view of New River, not all of it
11 but you'll see our Byllesby Dam which are above Claytor and
12 the Claytor Dam is downstream. And I have a cross-sectional
13 view of the plant itself, so if you have any questions even
14 after the meeting, I'll be glad to show you the water
15 passageway through the units; how we generate power. And if
16 there's any areas today that we're discussing in particular
17 that you want to show us on the maps so we know exactly
18 where you are talking about that would be a good tool.

19 MR. SMITH: And just briefly to go back to the
20 mailing list, I don't want to belabor that but I forgot to
21 mention that you can also e-subscribe; so you can, if you
22 have internet access at least subscribe to this project.
23 You'll be notified of any filing or issuances. That might
24 be the way to go if you don't want to receive a lot of paper
25 mailings.

1 Okay, the next part of the meeting, we'd like to
2 discuss section four in the scoping document which is the
3 scope of cumulative effects and resource issues. At this
4 present time we didn't -- in the scoping document, we did
5 not identify any cumulatively effected resources. That is,
6 resources that are affected by the project operations
7 together with other activities in the basin.

8 So, one thing we want to do today is hear your
9 comments on whether you agree with that or whether there is
10 some issues that we need to consider in our assessment in a
11 cumulative fashion.

12 And then the second part, we need to go through
13 in section 4.2, the project specific effects for the
14 resources that are up on the slide. I don't have a slide
15 for each of these subsections, but I can either read through
16 them or we can just open it up for comments.

17 Are people familiar enough with the scoping
18 document or would some of you like me to just go through
19 them section by section? Are there any comments on the
20 geology and soils or aquatic resources sections on page 12
21 and 13?

22 MR. McCARTHY: Tom McCarthy, for Pulaski County.
23 A good point was raised last night with regard to the
24 effects of the project on existing and future water use by
25 other entities in the project area. Pulaski County would

1 very much like to see the fees for our withdrawal of water
2 for the county water system done away with.

3 And at the same time as Mr. Bandolin stated last
4 night, we are concerned about somebody taking water out of
5 our area to, so to speak, we are at a high point at where
6 gravity flows at other areas; we're very much concerned
7 about that being taken of the area.

8 MR SMITH: Now, last night I don't think that
9 anyone -- knew of any proposals, are you aware of any?

10 MR. McCARTHY: I'm not aware of any at this
11 point, but certainly we're following it up.

12 MR. McLEOD: It's been discussed in the past.

13 MR. SMITH: Recently or --

14 MR. McLEOD: In the 80's.

15 MR. SMITH: Okay.

16 MR. McCARTHY: And there is this water supply
17 thing, crisis, that is going on around the state too, which
18 would serve as some basis.

19 MR. SMITH: I think we agreed to add that issue
20 to the list based on the comments last night. Frank?

21 MR. SIMMS: Frank Simms from AEP. I think the
22 one thing we have to keep in mind though on water
23 withdrawals is that what we're looking at as a company and
24 as we feel should be looked at as part of the license is
25 what's related to project or within the project boundary,

1 those withdrawals. Those plans for water withdrawals within
2 the basin or outside the zone of influence let's say of our
3 project, are things that I think are more appropriately
4 answered by the State, like you say in the water supply
5 plans and so on.

6 So, we're looking at within that project
7 boundary. If somebody wants to come in and put in a
8 withdrawal, then that's where we would be going.

9 MR. SMITH: Yeah, I think I think we talked about
10 it in a context of if there is some effect of the project on
11 water quantity in the project and how that relates to other
12 activities. So, hopefully that should capture it.

13 MR. ROTH: I'm not sure where this fits in and I
14 really don't know a whole lot about it but I just want to
15 raise the issue. I have read a couple of things suggesting
16 that water reservoirs of this type have a lot of methane
17 releases into the atmosphere from down river decomposition
18 of organic material coming downstream. I just wonder if
19 that's something that should be looked at.

20 MR. SMITH: Does the State; is that something
21 that the State usually --

22 AUDIENCE MEMBER: Not that I'm aware of.

23 MR. SMITH: I mean, I think when they -- when the
24 water quality plans -- I don't know the details of
25 Appalachian Power's water quality studies or investigations,

1 if that was the issue.

2 MR. ROTH: It's not really a water quality issue,
3 its air releases. It's methane going into the atmosphere
4 which is a big concern these days because of global climate
5 change. So, it's just -- I don't know where to fit that in
6 or even if it should fit in.

7 MR. SMITH: I'm not sure about that either so, if
8 it's not a water quality -- I mean, if the water quality
9 agency doesn't have a -- doesn't look at it we have, yeah.
10 Comment's noted though. All right any other thoughts on
11 aquatics?

12 All right, how about terrestrial resources,
13 threatened and endangered species, pages 13 and 14?
14 Recreation, land use and aesthetics? Cultural resources,
15 developmental resources are on pages 14 and 15.

16 We had a fair amount discussion last night on
17 land uses and property owners around the lake and their
18 concern about erosion. So some of these -- aesthetics also,
19 aesthetics around the lake. So, those issues are going to
20 be added to a revised scoping document. Yes?

21 MR. McCARTHY: Again, Tom McCarthy for the
22 County. It may fit into this category, but it's a broad
23 category. The County would be very interested in further
24 cooperation between Appalachian Power as far as keeping the
25 lake clean of debris, and enforcing FERC regulations as far

1 as land use within the departmental boundaries.

2 MR. SMITH: Does your shoreline guidelines have
3 the County in the loop on that, right now?

4 MS. ROGERS: Yes, yes.

5 MR. SMITH: Any other comments on our preliminary
6 list of issues before I get into the proposed studies?
7 Appalachian Power identified its proposed studies in their
8 pre-application document. They're also summarized in the
9 scoping document, and they're further summarized on these
10 slides. So, I'll read through them, a lot of the details
11 are not going to be up there.

12 For geology and soils the proposed studies
13 include mapping to determine the loss of reserve volume due
14 to sediment flow. The identification of the loss of
15 shoreline upstream and downstream of the project. And
16 evaluate the effectiveness of the existing shoreline
17 stabilization guidelines and the review of existing fish
18 tissue and sediment monitoring data.

19 For aquatics, DO and temperate monitoring of
20 upstream and downstream of the project if needed. An
21 Instream Flow Needs Study. Evaluation of fish and mussel
22 species. A literature based review of entrainment and
23 impingement. Conduct a study of exotic and invasive plants.
24 A survey of shoreline and deep water habitat and evaluation
25 of stratification effects, and an assessment of the green-

1 backed floater mussels.

2 Any comments at this time on the studies for
3 either geology or aquatic resources?

4 MR. TICKNER: David Tickner, Pulaski County. I
5 can't remember what it was but it seemed like there seemed
6 like over the winter, there was issue of a certain type of
7 mussel or plant named AP lowered the water. Is that right?

8 MS. ROGERS: Uh-huh. You are referring to our
9 fall drawdown and we are going to be, during re-licensing,
10 looking at the effects of the fall drawdown on mussels and
11 habitat and other things, pretty all the affects of fall
12 drawdown.

13 MR. SMITH: Was it a -- Bill, you were mentioning
14 to me in the site visit what the mussels -- what were the
15 mussels that were effected by the draw down? It wasn't
16 necessarily one of the listed.

17 MR. KITTRELL: No it was more of a common
18 species, there's about five or six species that reside at
19 the reservoir and the ones that are red- tagged the most.
20 This is a mussel that's on endangered posts for state
21 listing.

22 MR. SMITH: Is this a riverine one or is it also
23 in the impoundment?

24 MR. COPELAND: It is more of a riverine than
25 associated.

1 MR. KITTRELL: So, I think they found one
2 upstream area of the lake during that study.

3 MS. ROGERS: Okay.

4 MR. KITTRELL: But the search was not as
5 thoroughly done in that area because of so much sediment
6 deposition, it's hard to get them out.

7 MR. SMITH: Any other comments on the proposed
8 studies for aquatics?

9 MR. ROTH: I just have a question. The Instream
10 Flow Needs Study, you're going to be working -- is AP going
11 to be working DGIF with that?

12 MS. ROGERS: I guess the way this works is the
13 next step is when we'll be putting together a proposed study
14 plan that will have more details than what our PAD document
15 has on how we propose to conduct it. And then we'll be
16 having a study plan meeting.

17 But we will be consulting with, you know, any
18 stakeholder that's interested in the study. And there'll be
19 an opportunity to comment on our studies and there is going
20 to work groups formed for each one of these types of studies
21 to kind of hash out the details of what needs to be done
22 during the study.

23 MR. ROTH: Thank you.

24 MR. SMITH: Any others?

25 MS. BULLARD: Excuse me, Laura Bullard. Teresa,

1 and the landowners will be able to work on those?

2 MS. ROGERS: Yes, yes.

3 MS. BULLARD: Those study groups? Thank you.

4 MS. ROGERS: I guess the first opportunity to
5 kind of identify who wants to be involved in each one of the
6 work groups will be during our study plan meeting because
7 what we do is we kind of go through each one of the proposed
8 studies and you'll have an opportunity to let us know if you
9 are interested in working on that study in a workgroup.
10 But, yeah, it's open to anybody who's interested, agencies
11 --

12 MS. BULLARD: Any possible date on that?
13 Developing those groups?

14 MS. ROGERS: The study plan meeting is --

15 MR. SMITH: I think it's July 20, I think.

16 MS. ROGERS: Yes, July 20. And if you are not
17 able to attend you still contact us and inform us that you
18 would be interested in attending. But it is open to
19 everybody.

20 MR. SMITH: For terrestrial resources, there will
21 be a review of current shoreline management guidelines;
22 surveys of the shoreline zone and wetland surveys. I don't
23 believe that any particular studies are identified for
24 federally listed threatened and endangered species at this
25 time. Were there any comments on the terrestrial lake T and

1 E?

2 For recreational land use and aesthetics: a
3 desktop analysis of water levels and travel times; to
4 develop a facilities inventory; recreational use and needs
5 assessment; a future use assessment and boating density
6 analysis; review the need for navigational aides; determine
7 they types of flow information needed; and an identification
8 of key aesthetic areas. Comments on land use or recreation?

9 MR. BUCHANAN: Brad Buchanan; Montgomery County,
10 Parks and Recreation. One of the things that would be
11 really helpful is also rating our -- you know -- monitoring
12 the river flows as far as downstream use. You know, not
13 just lake use as far as recreational use. We may need
14 scheduling, but you know I know that's a pretty -- it's
15 already mapped out, I don't know how you guys are doing it
16 but maybe just getting it out in the open more.

17 MS. ROGERS: I thought that was mentioned
18 somewhere. I've read too many things.

19 MR. SMITH: I think this is, that's it. Yeah. I
20 mean this has been boiled down so much a lot of the detail
21 might be missing. I think that --

22 AUDIENCE MEMBER: It's on page 18.

23 MR. SMITH: That idea is definitely in the
24 scoping document, but that's a good comment.

25 MS. ROGERS: And I guess one thing that didn't

1 make that list too was prepare a study of debris removal and
2 prevention needs, using available data, amount and type of
3 materials removed over the past year. So, debris.

4 MR. SMITH: Now, that was a mean omission, tell
5 me, as far as yesterday.

6 MS. ROGERS: It is in here. Yeah, it's consult
7 with Friends of Claytor lake and other interested
8 stakeholders to determine the type of flow information,
9 quantity scheduled for release and travel times desired in
10 determining options for providing this information to
11 public.

12 MR. BUCHANAN: Thank you.

13 MS. ROGERS: Yes, we've heard several comments
14 from the public and from different agencies that recreate
15 downstream that there's high desire to know that
16 information. And I get calls from people all the time
17 asking me, so it would help me to.

18 MR. SMITH: Yes?

19 MR. KITTRELL: Bill Kittrell, with Game
20 Department. I think that in the recreational assessments
21 that are considered -- are going to be considered to be
22 done, obviously the -- within the project it is critical,
23 but also the zone of influence from this project extends
24 well downstream.

25 I think it should be considered at least, looking

1 at a recreational assessment on the downstream areas below
2 the dam also because that zoned influence is a key component
3 to how much recreation they can place downstream as far as
4 flows and, you know, recreational access of boating and that
5 sort of thing.

6 MR. SMITH: Teresa, did you propose a geographic
7 scope on the recreational yet or --

8 MS. ROGERS: I don't know if that has been
9 clearly identified as far as the scope.

10 MR. SMITH: I know the general downstream areas,
11 you know, that concept is in there, but I don't know if the
12 actual --

13 MS. ROGERS: I don't think we actually put --

14 MR. SMITH: A boundary on it?

15 MS. ROGERS: -- a boundary on that.

16 MR. SMITH: Yeah, would you have a proposal, a
17 suggestion for the scope?

18 MR. KITTRELL: Not at this meeting.

19 MR. SMITH: No? Okay.

20 MR. ROTH: Bob Munson with NCR is very interested
21 in looking or founding such a study. He was at the last
22 meeting that I was at a year ago, but --

23 MR. SMITH: He was here last night.

24 MR. ROTH: He was?

25 MR. SMITH: Yes.

1 MS. ROGERS: I guess, we're talking about the
2 impact of project operation and we're proposing an overall
3 assessment of the operation, how it impacts fishery habitat,
4 recreation; boating, floating, fishing, mussels, water fowl,
5 furbearers, rare threatened and endangered species in their
6 habitat, or the reservoir and downstream of the dam. So, we
7 do recognize downstream. And then from the information
8 obtained, the intent is to develop a comprehensive operation
9 assessment that balances the use of the reservoir; the
10 geographic scope of this assessment will extend from the
11 project boundary at Alsonia to, I guess it's at the
12 headwaters at Bluestone dam. And we have kind of been using
13 that 460 bridge as that cutoff.

14 MR. ROTH: Right there at Glen Lynn?

15 MS. ROGERS: At Glen Lynn. So, we are looking at
16 effects of operation on downstream recreation. And I guess
17 I have set the boundary to that 460 bridge.

18 MR. ROTH: I wonder if that --

19 MR. KITTRELL: That's a little bit different than
20 --

21 MS. ROGERS: The assessment.

22 MR. KITTRELL: -- looking at recreational use and
23 needs assessment for the project. Now, obviously there is
24 going to be an overall assessment of the operation of the
25 project and its impacts on recreation but you may have to

1 have a better handle on what recreation looks like
2 downstream in order to determine what the impacts of the
3 operation are. It's something probably to be worked out
4 through the work groups, I guess.

5 MR. SMITH: Frank.

6 MR. SIMMS: Yeah, Frank Simms, AEP. I think in
7 general, Bill, when we look at recreation, what we're
8 looking at is direct project related recreational
9 opportunities. In that case, it's those recreational
10 facilities that abut the project boundary or can be extended
11 to be out an additional recreational access potentially to
12 allow tail water fishing directly below the dam.

13 Generally, you don't go then as for --
14 recreational facilities, we don't go farther than that. But
15 what Teresa is saying is correct too is that you do need to
16 go in your in stream flow needs and minimum flow releases to
17 have a clear understanding how those affect recreation
18 downstream.

19 MR. KITTRELL: Right.

20 MR. SIMMS: That's generally how it's divided up
21 into re-licensing.

22 MS. BULLARD: I'd like to add to let Teresa, you
23 know, comment on what Teresa read from the PAD page 1233.
24 There's no mention of land or overall assessment of land use
25 on the land and similar resources and no intention to

1 balance those resources. I just want to point out that I
2 feel like that's been not considered in the overall
3 assessment according to your PAD in that section.

4 MS. ROGERS: Okay, for recreation or for erosion?
5 Are you talking about erosion?

6 MS. BULLARD: For example, erosion; you mention,
7 I mean the PAD mentions overall assessment of operations in
8 the fish hatchery, the fishery habitat, but no mention of
9 impact on soil.

10 MS. ROGERS: You had mentioned this yesterday
11 about erosion induced by wakes. Is that what you are
12 referring to? Which would be for recreation?

13 MS. BULLARD: Well, I'm just saying I think there
14 ought to be an assessment of the impact of the operation on
15 land and soil resources. And I would like to see it paid
16 attention to, to balance those resource uses as well as the
17 other things mentioned in the application.

18 MR. SMITH: And we definitely agreed that if we
19 need to add it to that list of preliminary issues. It
20 didn't really show up in the rec land use section. So --

21 MS. ROGERS: And that may come in more under
22 geology and soils, under that erosion on page 126. That may
23 be where we are addressing this more.

24 MR. SMITH: And some of the studies they overlap
25 --

1 MS. ROGERS: They do.

2 MR. SMITH: -- a number of different resources,
3 and it's hard to, you know, pick which category to place it
4 under. But they mostly have it covered.

5 MS. BULLARD: Right, well this category is the
6 recreational land use resources and it wasn't mentioned, so
7 that's why I bring it up.

8 MR. SMITH: Right.

9 MS. ROGERS: Okay.

10 MR. SMITH: Any other land use comments,
11 aesthetics or recreation? For cultural resources the plan
12 is to consult with Indian tribes, the Shippo and interested
13 parties regarding the development of a programmatic
14 agreement. And at this time, we didn't identify or I should
15 say Appalachian Power did not identify any information gaps
16 for looking at developmental resources on the project.

17 MR. ROTH: What is developmental resources?

18 MS. ROGERS: It's like a change in the project.

19 MR. SMITH: Developmental would be whether they
20 want to increase capacity or -- you guys, what other
21 different things could you -- or to change operations for
22 power reasons.

23 MS. ROGERS: Right.

24 MR. SMITH: We talked about all the non-
25 development resources used but we also factor in the

1 developmental.

2 MS. BULLARD: Just for clarification, would that
3 mean financing of other issues around, effected by the lake?
4 Your developmental resources?

5 MS. ROGERS: I think it has mostly just to do
6 with our facilities itself as far as making changes,
7 proposed changes to the operation of the plant. We plan to
8 continue to be a peaking facility and we'll be accessing
9 peaking operations for the plant which is what we are
10 licensed for now. But we're not proposing to change any
11 units, adding any units, changing discharges. Not as far as
12 right now.

13 MR. SMITH: From FERC's perspective, we have to
14 be able to cost out the environmental measures and look at
15 the effects on power generation; of any measure that might
16 be agreed to are requested to put in the license.

17 MS. BULLARD: Well, then I was suggesting AEP
18 take some financial responsibility for shoreline
19 stabilization. I didn't know if this fit in that or not.

20 MR. SMITH: Now, an important part of the study
21 plan development is submittal of proposed studies. There is
22 seven criteria that are required to be followed when you're
23 going to submit a study request. Or if you're licensee and
24 you are developing a proposed study. These are identified
25 in the Commission's regulations in section 5.9. And

1 generally they include an identification of study goals and
2 objectives.

3 You need to consider existing resource management
4 goals, the public interest, what existing information is
5 already available. You need to be able to make sure there
6 is a nexus between the project operations and effects. The
7 methodology in the study should be consistent with accepted
8 practice. And there should be consideration of the level of
9 effort, and cost and why alternative studies would not
10 suffice. And this is a big important step to make sure that
11 any of those studies requested are submitted to the licensee
12 and to FERC follow the are in accordance with the study
13 criteria.

14 MS. ROGERS: We're planning on putting these
15 study criteria on our website as, that was a request that
16 was made last night. So, I'll have it there next week
17 sometime.

18 MR. SMITH: Yes, it's on our website, but no one
19 at the meeting could identify where so. I'm sure it's on
20 there. Some important dates then. The study request and
21 comments on scoping are due on May 6, one month. Appalachia
22 will then have to turn around and propose a study plan by
23 June 20 and hold study plan meeting on July 20 to discuss
24 any disagreements that remain.

25 Based on those meetings, they will prepare a

1 revised study plan by October 18, submit it to the
2 Commission. And we would make a study plan determination by
3 November 17, and issue a study plan determination letter.

4 MS. MURPHY: All those dates are also on page 30
5 of the scoping document.

6 MR. SMITH: And there is enough -- there's a
7 couple of other steps in addition to this. If there is
8 still a disagreement at the end of this process for the
9 study plan determination, mandatory conditioning agencies
10 can review a formal dispute resolution, which would take
11 place after the 17th. Any questions on the dates?

12 I think that's basically all we have as far as
13 the presentation goes so it's open now as far as any other
14 topics we didn't really cover.

15 MR. ROTH: I got a question again relating to the
16 NUBA process. If the default is in EA and there is no EIS,
17 is there ever a chance to take the so-called hard look at
18 alternatives? Alternatives to the proposal?

19 MR. SMITH: Well, we still look at the various
20 alternatives in the EA and there's, if necessary, there's an
21 opportunity, I mean, you have an opportunity to comment on
22 the EA depending on the level of comments we get it will
23 towards our decision as to whether to issue a final EA or
24 not. Our EA's look a lot like EIS's, just depending on --

25 MR. ROTH: That's what I'm trying to clarify is

1 where the line is.

2 MR. SMITH: Well, our attempt is to get a
3 licensing process that is moving smoother and quicker where
4 possible. So, we are attempting to go this route with a
5 single EA, but it depends on the comments we get and the
6 level of interest and concern.

7 MR. ROTH: Well then, the other question then,
8 just to make sure I don't miss something, is the EA
9 timeline. Is that in this process chart that you gave me?

10 MR. SMITH: The EA, to kick the EA process times,
11 I think it's the green boxes on the flow chart. It kicks in
12 after the license application is filed. We didn't go into
13 that in great detail. But we can if there are some
14 questions.

15 We evaluate the application when it comes in to
16 see if it's adequate just as we did under the traditional
17 licensing process and issue this ready for environment
18 analysis notice if we find that the application is adequate.
19 And then that's another level round of comments and terms
20 and conditions. The hope is though that a lot of the
21 disagreements have already been worked out.

22 MR. ROTH: So the EA is down the road?

23 MR. SMITH: It's down the road. It's a couple --
24 it's certainly after the -- it depends on many years of
25 studies are required I guess, because you could submit the

1 application early. The application is due on June 30, 2009,
2 so assuming they file it at that time, the EA process will
3 occur after that. Any other comments? I guess we'll close
4 the meeting then. Now's a good opportunity, while we're
5 here.

6 MS. BULLARD: So, out these studies will
7 recognitions of actions come? I mean, is that what will be
8 included as FERC considers the studies and application?

9 MR. SMITH: Well, I think that. I mean, that the
10 first step is to -- and I mentioned this a little bit last
11 night -- we are going to get agreement on the list of issues
12 first. And then the next important step is the agreement on
13 the study plan. And that's studies that are supposed to
14 address information gaps so that when they put together the
15 application, they adequately address all the issues of the
16 project with the results of those studies. Whether, I don't
17 know where you plan discussions of possible measures; I
18 assume that would be after the results come in or --

19 MS. ROGERS: I think you'd have to wait until you
20 have all your study results in and see what they say.

21 MR. SMITH: True. Right.

22 MS. ROGERS: There is a determination then.

23 MS. BULLARD: I just wonder where will come the
24 determinations and the recommendations of what to do with
25 all this information, you know, how if we find there are

1 erosion problems, what's to be done about it?

2 Or a sedimentation problem, what's to be done? Or
3 you know who determines what the licensee will then have to
4 do to rectify or control the problem?

5 MR. SMITH: Our preference with this licensing
6 process is that the groups -- this group that develops the
7 study plan, reviews the study and then continues to meet to
8 discuss possible measures. And those measures come in
9 within -- when the application is filed out, something has
10 been worked out. And that would be our preference. If that
11 isn't the case then FERC has to evaluate the different
12 alternatives.

13 MS. BULLARD: Is FERC one to then say, yes, you
14 will have to, in order to achieve re-licensure, you will
15 have to do these things first?

16 MR. SMITH: Well, we issue the actual license.
17 It's just our coming, we're bringing this project to the ILP
18 process making it so much of it up in the pre-filing phases.
19 We are trying to get some local agreements; we're trying to
20 get applications that then move quicker through the FERC end
21 of it.

22 MS. BULLARD: Uh-huh.

23 MR. SMITH: So, there's a couple of years that
24 you all will be able to meet and discuss the study results
25 and hopefully come to some agreements. But we are the

1 ultimate agency that issues the license. No, we do require
2 -- we can't issue a license without 41 from the State, so
3 that's another requirement that comes in that is the State's
4 responsibility. But we need it.

5 MS. BULLARD: What is it for?

6 MR. SMITH: It's for water quality certification
7 for the project.

8 MS. BULLARD: Thank you.

9 MS. MURPHY: If we look at, Krista Murphy, FERC.
10 If you look at box 16, the second to last blue box. You
11 really need prior opportunity for input. That is a good one
12 at, 150 days before the application comes due, they will
13 file a preliminary licensing proposal. And at that point, I
14 would presume they have 1,200 service reports back and then
15 you have a comment period following that before they
16 finalize that issue up.

17 MS. BULLARD: Okay, okay.

18 MR. SMITH: You have to end the process plan in
19 order to keep in mind to. That's in the pre-application
20 document and our scoping document you have it in the back,
21 it has all of the steps and who's responsible for each step.
22 Anything else? Okay, thank you.

23 MR. POWERS: Is this really the end of the
24 meeting?

25 MR. SMITH: The formal meeting. Unless you what

1 to stay, we have until noon before they --

2 MS. ROGERS: That's right, we can go two more
3 hours. Last night's meeting just so you know, we'll have
4 notes on that as well so if you were not able to meet or are
5 interested in what was said, you will be able to read in the
6 transcript.

7 MR. ROTH: I wonder if -- just as a suggestion, if
8 perhaps these kinds of presentations could be put on your
9 website as well? I mean, I do this all the time for my
10 students. It's pretty easy. You take PowerPoint and do a
11 handout then you post it as a pdf file. If you think that
12 might be useful.

13 MR. SMITH: I don't think there's a problem but I
14 would just need to check first and then I could send it to
15 Teresa. Would everyone just hand in these registration
16 forms when they leave, please?

17 (Whereupon, the above-entitled matter concluded)

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1 COMMONWEALTH OF VIRGINIA :

2 AT LARGE :

3 I, Nancy Hopping, Notary Public for the
4 Commonwealth of Virginia at Large, do hereby certify that
5 the foregoing deposition of J. RANDOLPH FOREHAND, M.D., was
6 duly taken and sworn to at the time and place and for the
7 purpose in the caption mentioned; that the deposition as
8 above set forth was recorded by me by audio tape recorder
9 and later transcribed into typewriting by me or under my
10 direction; and that I am not a relative or employee of
11 attorney or counsel of any of the parties, or a relative or
12 employee of such attorney or counsel, or financially
13 interested in this action.

14 Given under my hand this 23rd day of February,
15 2006.

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Notary Public

25 My commission expires on July 31, 2008.