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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

- - - - -x
IN THE MATTER OF: : Project Number:
HELLS CANYON PROJECT : P-1971-079
- - - - -x

Doubletree Hotel Boise Riverside
2900 Chinden Blvd.
Bosie, Idaho

Thursday, September 7, 2006

The above-entitled matter came on for scoping
meeting, pursuant to notice, at 7:09 p.m.

BEFORE:
TIM WELCH, FERC

P R O C E E D I N G S

(7:09 p.m.)

1
2
3 MR. WELCH: Welcome everyone on behalf of the
4 Federal Energy Regulatory Commission. I'd like to welcome
5 you all to our first public meeting on the Draft
6 Environmental Impact Statement for the relicensing of the
7 Hells Canyon Project.

8 My name is Tim Welch. I'm the branch chief of
9 West Branch II in the Commission's Division of Hydropower
10 Licensing and I'd like to once again welcome everyone to
11 this meeting.

12 Before we begin I'd just like to say that our
13 Chairman, Joseph Kelliher, before our monthly Commission
14 meeting starts we have this tradition of saying the Pledge
15 to the Flag. So in keeping with that tradition, I'd like to
16 ask those of you who wish to join me to stand and do the
17 Pledge to the Flag.

18 (Pledge recited.)

19 MR. WELCH: As I said I'm Tim Welch and I have
20 several colleagues here with me, both from the FERC staff
21 and also from our contractor, Louis Berger. At this point
22 I'm going to turn things over to the project manager, Alan
23 Mitchnick.

24 MR. MITCHNICK: Hi. I want to welcome everybody
25 to this meeting. I know there are a lot of other things to

1 do, so I'm glad you were able to make it. Even though I
2 realize many of you are here just to get out of the smoke,
3 but we're glad to have you here anyway.

4 Just a few ground rules I'd like to go through,
5 emergency exits are behind us in both directions. Restrooms
6 are through the door and to the right and open bar is next
7 door.

8 (Laughter.)

9 MR. MITCHNICK: Let me at this time introduce the
10 staff that we have here. First, I'll start with the
11 Commission staff who are working on this project, Emily
12 Carter and Allan Creamer. I'd also like to introduce the
13 contractor staff who prepared the Environmental Impact
14 Statement for us. Ellen Hall to my left and Frank Winchell.
15 I'm sorry, Fred Winchell -- we have a Frank Winchell who
16 works at the Commission -- and Eileen McLanahan who is
17 working in the back.

18 Let's go through some ground rules. We do have a
19 court reporter and five people so far have asked to speak.
20 So when we get to that part of the program, I will ask you
21 to either come up to the podium and use the microphone or
22 we'll bring a microphone to you, but that will allow the
23 court reporter to record your statement, your comments.
24 We'll go over this again, but if you're going to speak, give
25 your name, the spelling of your name and your affiliation if

1 you have an affiliation.

2 Before we get started, I just want to talk a
3 little bit about the schedule -- where we are and what
4 still needs to be done as part of this relicensing process.
5 As you all know, the DEIS was issued on July 25th of this
6 year. Copies are available. We have CD versions in the
7 back. We also have plenty of hard copies and we had hoped
8 to have hard copies here, but they're some where between
9 D.C. and Idaho in somebody's basement somewhere. But if you
10 would like a hard copy, we can get you one. Just leave me
11 your name and mailing address and we'll try to get a copy
12 out to you tomorrow or Monday.

13 Despite all the rumors, I did not injure my
14 shoulder trying to pick up one of those two volume EISSs.

15 (Laughter.)

16 MR. MITCHNICK: Although I certainly could have.
17 A copy is also available on the Commission's website through
18 e-Library and there are handouts in the back that talk about
19 how to access e-Library. You also might be interested in e-
20 Subscription if you want to be notified every time something
21 is filed with the Commission or the Commission issues
22 something you can subscribe to that particular docket and
23 get an e-mail notification and easy access to that document.
24 That's real helpful if you're interested in keeping on top
25 of the project.

1 The EIS was noticed by the Commission on July
2 28th and also noticed by EPA on August 4th. This is the
3 first of five public meetings that we're going to be having
4 this week and next week. The meeting tomorrow at 10 o'clock
5 at this same location where we expect agencies to attend, but
6 everybody is welcome to attend and participate. We'll be
7 having a meeting in Halfway on Monday, a meeting in Weiser
8 on Tuesday and a meeting in Lewiston on Wednesday. Comments
9 on the EIS are due no later than October 3rd. The EPA
10 notice said October 2nd, but apparently they use a different
11 calendar than we do.

12 (Laughter.)

13 MR. MITCHNICK: So October 3rd is the correct
14 date and comments can be e-filed through the Commission's
15 website and there's information in the back on how to do
16 that. So you don't have to file an original and eight
17 copies. You can file paper copies with the Secretary of the
18 Commission and information, again, is in the back. There is
19 also an opportunity, as part of this proceeding, to file for
20 interventions. So if you haven't filed for intervention,
21 this is another opportunity to do so and you need to file
22 before the end of the comment date.

23 The Commission did issue a notice within the last
24 two weeks granting late intervention to a number of late
25 interventions that were filed back in 2004 or whatever. So

1 if intervention was granted as part of that notice, there's
2 no need to file. If you're already filed interventions,
3 there's absolutely no need to file another request. The
4 final EIS is scheduled for February 27, 2007.

5 I just want to explain a little bit about what
6 else is needed to occur before the Commission can make a
7 decision on this relicensing. The first thing is water
8 quality certification. The States of Idaho and Oregon have
9 until December 27th of this year to issue their water
10 quality certificate. The Commission can't issue a license
11 without a water quality certificate from these two states
12 unless water quality certification has been waived.

13 Under the National Historic Preservation Act,
14 Section 106, the Commission issued a draft programmatic
15 agreement, which was sort of outlining the procedures that
16 the licensee would follow in protecting the cultural
17 resources through the license period. And we requested
18 comments within 30 days and we've received a number of
19 comments, but there's still more comments that we are
20 waiting for.

21 The Endangered Species Act compliance is also
22 another issue that needs to be addressed before we can move
23 on a license decision. We requested formal consultation
24 with the U.S. Fish and Wildlife Service and National Marine
25 Fishery Service on August 3rd and a consultation period

1 roughly runs 135 days from initiation. The formal
2 consultation will involve the four species of salmon along
3 with bull trout and the bald eagle.

4 Another aspect is the Fish and Wildlife
5 recommendations. Under Section 10(j) the Commission must
6 adopt recommendations of federal and state Fish and Wildlife
7 agencies unless they can find them inconsistent with
8 applicable law. The Commission found numerous
9 recommendations inconsistent and under Section 10(j) must
10 attempt to resolve those inconsistencies. So we are in the
11 process of scheduling a series of meetings with the state
12 and federal Fish and Wildlife agencies in the middle of
13 October.

14 The last issue that needs to be addressed are the
15 land management conditions under Section 4e of the Federal
16 Power Act. We have preliminary conditions that we address
17 in the draft Environmental Impact Statement and those
18 conditions will be finalized after the final impact
19 statement is issued, and hopefully we'll clarify some of
20 these procedural matters at tomorrow's meeting where we
21 expect the agencies to attend.

22 Before we get into the DEIS, I just want to ask
23 if anybody has any questions about the schedule or about
24 process without getting into the DEIS at this point. Any
25 questions?

1 (No response.)

2 MR. MITCHNICK: Okay, the draft EIS is the
3 Commission staff's first attempt to address the more 550
4 recommendations that were made in response to the notice
5 requesting comments, which includes 218 Fish and Wildlife
6 recommendations, 45 Federal Land Management conditions, 23
7 alternate 4e conditions and numerous tribal conditions,
8 state agencies conditions and conservation group
9 recommendations.

10 In the DEIS we've developed a staff alternative
11 that adopts many of the recommendations that Idaho Power has
12 proposed. We modified many of those recommendations. We've
13 added numerous additional recommendations. The two
14 significant recommendations are some of the operational
15 recommendations that we made. One was the increased flows
16 for downstream salmon migration or flowing migration and the
17 other one was ramp and race to protect spawning of salmon
18 downstream of the project.

19 Today's meeting will be an opportunity to let us
20 know what you think about the conclusions in the impact
21 statement. Let us know if we were wrong, why we were wrong
22 and certainly we would appreciate any additional information
23 that you would have that would allow us to reconsider the
24 issue. If we value resources differently than you might
25 have valued, this is your time to let us know. If you

1 believe we misunderstood your recommendations, this is the
2 time to help us clarify what you want to see with the
3 project.

4 All comments that are filed in response to the
5 EIS notice or presented at any of the five public meetings
6 will be made part of the public record and will be evaluated
7 as part of the final impact statement. Again, I think we're
8 pretty much ready to hear from you. I would say limit your
9 comments to five minutes, but I don't think that is going to
10 be an issue tonight. But as a courtesy to others, try to be
11 as brief as you can. Again, if you make a comment at this
12 meeting, you're welcome to attend any of the meetings, but
13 there really isn't a reason to repeat your comments at
14 subsequent meetings; but you're certainly welcome to attend
15 all of the meetings.

16 At this point I will ask the speakers who what to
17 make a statement to come up or whatever you would like, feel
18 more comfortable doing. If you would like to come up to the
19 podium or we could bring the microphone to you. That's your
20 choice. Again, please give your names, the spelling of your
21 name, your affiliation to the court reporter, Chris, so he
22 can make sure that your comments are properly noted.

23 At the moment we have five people who wish to
24 speak and the first one is Reed Burkholder. Reed?

25 MR. BURKHOLDER: Hi, welcome to Boise.

1 I was disappointed when I read the EIS that you
2 did not examine the biological benefits of dam removal. The
3 EIS is full of stuff about reintroduction of chinook, spring
4 chinook upstream from the Hells Canyon Complex. There's
5 talk of bull trout, you know, resident salmonids. It's the
6 problem with them. They need marine nutrients that
7 translates to salmon carcasses, which they no longer have.
8 So the suggestion is to haul them in and dump them in the
9 creek. Well, dam removal accomplishes all of that and so
10 dam removal is kind of happening all around the country.
11 Surely, you know that. I think you guys authorized the dam
12 -- Edwards Dam on the Kennebec River. I believe that was
13 your authorization to tear that out, the first time that
14 happened to a functioning hydropower dam. Is that correct?
15 Pretty close. Okay. Since then, you know, dozens of dams
16 have been removed from the country and it really is
17 something we should examine rather than giving a license for
18 another 30 to 50 years. We can't predict the future in
19 another 30 to 50 years, but I can tell you some interesting
20 things about electricity. Let's just nail down what Hells
21 Canyon does. I want to talk about the power.

22 You did put a statement in here that "We conclude
23 that there is a continuing need for the power-generating
24 capacity of the Hells Canyon Project." I disagree and I'd
25 like to tell you why. Power is really easy to come by. I

1 don't know where you all live, but I'm quite conscious that
2 every city, every metropolitan area, every rural area in the
3 United States of America has adequate reliable power. There
4 are plenty of peaking power. There are plenty of base load.
5 Everybody has it. Our computers run on it. Our lights run
6 on it. Power is so easy to acquire that when California
7 thought it had an energy crisis about five years ago, they
8 generated -- they constructed in a 14-month period 4623
9 megawatts of new generating capacity, 17 new power plants.
10 To put that number in perspective, the Hells Canyon Complex
11 can be relied to the tune of about 300 megawatts.

12 In the fall of each year river flows are low and
13 generation drops. Hydro is an extraordinarily unreliable
14 technology. I'm kind of a student of this and I follow the
15 numbers and it's funny, if you have a coal-fired plant that
16 can generate 11,067 megawatts -- excuse me, 1167, which is
17 the number attributed to the Hells Canyon Complex, you can
18 get 1167 any hour of any day of any year that you wanted.
19 But if you have a hydropower plant you can never do that any
20 hour of any day and every year when the river flows are low,
21 which they are right now and they will continue to be until
22 probably January, those dams virtually disappear as power
23 producers. I mean 300 megawatts is nothing.

24 Let's put it in perspective. I have here a list
25 of the 60 biggest power plants in Texas. The largest is W.

1 A. Parrish at 3969 megawatts and the smallest, at position
2 60, is Texas City CoGen at 450 megawatts. Now that means
3 that 60 power plants in Texas can outproduce the Hells
4 Canyon Complex in the late fall and early winter of every
5 single year. You see we have, in Hells Canyon, an amount of
6 power generating that really is quite insignificant. I'm
7 going to give you another example.

8 I read an article in our newspaper about a year
9 ago about the Frontier Line Project. This is a transmission
10 project to connect California with the coal fields of
11 Wyoming. Okay, the line would be capable of carrying from
12 new generation in Wyoming 12,000 megawatts of energy. Hells
13 Canyon Complex can be relied on for about 300. I really
14 disagree that we need this power. Power is easy to get.
15 Everybody's got it.

16 And now I want to talk about what we've given up
17 to get this little amount of energy. There's no technology
18 in this country that destroys as much of the environment as
19 hydropower. Hells Canyon is a great example. I want to
20 flip this upside down and say let's imagine we're going to
21 build Hells Canyon Complex now. Okay, I'm a power company
22 and I want to build Hells Canyon Complex. Well, I have to
23 go out and purchase or get permission to use 18,000 acres,
24 which is the surface area of those three reservoirs. Now I
25 know I can build a gas turbine on about 50 acres and get the

1 same amount of generation. But to do it in hydro I have to
2 go out and purchase all the land underneath Brownlee, Oxbow
3 and Hells Canyon dams. I have to be willing to inundate 95
4 miles of a river that's running through a wilderness area,
5 the Hells Canyon wilderness, the Hells Canyon National
6 Recreation area.

7 I have to be willing to extirpate all the spring
8 chinook, fall chinook and spring chinook runs that were
9 still alive at the time that Brownlee was put in at the time
10 we were going to build this project. I have to be willing
11 to chop off the ability of sturgeon to go up and down the
12 river. I have to be willing to inundate the finest white
13 water rapids in the Northwest. They're now lying underneath
14 Hells Canyon Reservoir.

15 Now I'm a power company and I want to build the
16 Hells Canyon Complex and I know that I can go out here in
17 cheap grass country between here and Mountain Home -- if
18 you're not from here, but that's 40 miles away -- and I can
19 build a gas turbine or if I can get permission, I can build
20 a coal-fired plant. I can do it on 50 acres, a hundred
21 acres. No big deal. I'm not going to destroy any rivers.
22 I'm not going to destroy anything.

23 I challenge you guys on the Commission and who
24 wrote the EIS, you find me a technology that's harmful as
25 Hells Canyon hydropower and I'll show you another hydropower

1 project. But you won't find it in coal and you won't find
2 it in natural gas and you won't find it in nukes. As bad as
3 they are in their own specific ways, hydro is unique. So
4 I'm the power exec thinking about buying 18,000 acres to do
5 something I can do on about 50 if use a modern technology.
6 I'm going to use up, destroy, inundate 95 miles of a river
7 through a wilderness area. No other technology would do
8 that. I'm going to harm all these species and I really
9 think I'm going to build this project. I'm not going to
10 build this project. There's no way I'm going to build this
11 project.

12 The reason we're talking about Hells Canyon Dam
13 today is simply we inherited our grandparents project. None
14 of us were here planning that project. The guys who planned
15 that project are dead or in nursing homes. We just
16 inherited this problem. When I was a kid in Boise, Idaho,
17 we had ocean run steelhead still running through downtown
18 Boise. They've been gone since 1958 since Brownlee was
19 constructed. You know I know power took a lot away from
20 this community and I think you guys have overlooked the
21 preferred alternative. The preferred alternative should be
22 project retirement which translates to dam removal. Thank
23 you very much.

24 MR. MITCHNICK: Thank you for your comments.

25 The next speaker is Brett Crow.

1 MR. CROW: Thank you. My name is Brett Crow, B-
2 R-E-T-T C-R-O-W, and I'm just here as a private citizen.
3 Thank you for the opportunity to comment on this draft EIS.
4 My comments will be supported by more extensive written
5 documentation that I will be submitting. My central
6 conclusion is that the draft EIS is fundamentally flawed. I
7 considered DEIS data with an elementary number fork. For
8 example, the 6000 gigawatt hour per year figure for
9 electricity production measures from zero to 6000 on a
10 number line, which provides a beneficial effect measurement
11 about continuing current generation practices. Measuring in
12 the other direction from 6000 to zero provides a harmful
13 effect measurement about ending those generation practices.

14 More generally, measurements about continuing
15 current generation practices automatically provide
16 corresponding and inseparable measurements about ending
17 those same practices, and the measurement magnitudes must be
18 the same in both directions.

19 I then examined certain reported effects supposed
20 that each measurement was correct and posed two questions.
21 First, does each measurement remain correct under different
22 non-power water storage plants all the way from emptying
23 reservoirs and not generation power to leaving them full and
24 not generating power? The answer to this question is no.
25 Second, are all of the measurements consistent with a single

1 such non-power water storage plant? The answer to this
2 question should be yes and it is not. That is the DEIS
3 inconsistently us about the losses and gains expected if
4 power generation ends no matter what non-power water storage
5 plant is considered. Therefore, because the measurement
6 magnitudes must be the same in both directions, the DEIS
7 inconsistently informs us about ongoing beneficial and
8 harmful effects of power generation.

9 Scientists can find systematic measuring errors.
10 Statisticians can find confounding, Congress can find a
11 subsidy framework and lawyers can find an equal
12 consideration failure. For example, project operations
13 prevent mainstream, main stem -- excuse me -- salmon passage
14 access on 95.4 river miles. If that's correct, measurements
15 proceeds from zero obstructed miles. We are not measuring
16 from "never built the project" which is false and now
17 impossible. So zero must refer to ending water storage if
18 power generation ends.

19 Project operations provides 230,000 annual
20 reservoir visits, which we stand to loss if generation ends
21 and the measurement is correct. These measurement are
22 consistent because ending storage would produce zero
23 reservoir visits. But ending storage means recovering both
24 river base recreation and dry-land habitats that are
25 historically degraded. The DEIS omits any ongoing lose of

1 the first recovery opportunity as if non-power water storage
2 means just bypassing turbines and understates the ongoing
3 loss of the second as if non-power water storage means
4 holding Brownlee Reservoir at 32 percent of its capacity.
5 And if either of these non-power water storage option
6 applies, then the first two measurements about salmon
7 passage and recreation use on the reservoir are incorrect.

8 These error alter our perception of this balance
9 by understating negatives; namely, those things that weigh
10 against a new license and suggest mitigation measures just
11 as faulty cost accounting alters our perception of a
12 corporate balance sheet. This DEIS is fundamentally flawed
13 because it contains systematic measurements errors just as a
14 typical slice of Swiss cheese contains holes. Thank you.

15 MR. MITCHNICK: The next speaker will be Brian
16 DiLenge. I hope I pronounced that correctly. Anybody named
17 Brian? I'm sorry.

18 MR. DiLENGE: My name is Brian DiLenge, B-R-I-A-N
19 D-i- L-E-N-G-E, and I'm here as a private power boat user
20 and want to talk about navigation. I have a letter I'd like
21 to read that we've sent out to several of our members that
22 have signed and sent them in to you guys and we have some of
23 them here today.

24 It says, "Dear Secretary Salas, the Western
25 Whitewater Association was incorporated in 1978 as an

1 organization membership dedicated to promoting access and
2 safe use of power boats on western rivers and reservoirs,
3 including the Snake River Reach. Our membership has grown
4 from approximately 20 original members in 1978 to 776
5 members currently. We're based in the four northwestern
6 states: Idaho, Washington, Oregon and Montana. We also
7 have members in Wyoming, Nevada, California and two
8 provinces of Canada.

9 'The Corps of Engineers has carefully studied
10 navigation for the Canyon and it has determined the safe
11 minimum flow requirement for all boats, commercial or
12 private. I support the Corps recommendation as submitted to
13 the Federal Energy Regulatory Commission in January 2006.
14 The Corps recommendation does provide for navigation and
15 power interests, as required by the Federal Power Act, the
16 draft Environmental Impact Statement, FERC staff
17 recommendation does not provide for navigation as required
18 by the FPA.

19 'I disagree with the FERC staff recommendations
20 in the DEIS that they say the Corps recommended 8500 cfs
21 minimum flow only benefits the 34 to 40 plus commercial
22 boats. The boating public has various levels of skill and
23 experience navigation power boats in white water. The FERC
24 staff recommendation minimum of 6500 cfs will unacceptably
25 decrease the margin of safety and severely limit the

1 recreational opportunities of the public boating and myself.

2 'A typical condition determined only by Idaho
3 Power the DIS allows them to go to a minimum flow of 5000
4 cfs without consulting the Corps Navigation Section. I do
5 not support this. I feel the Corps needs to be involved
6 when determining any minimum flow levels. The FERC staff
7 recommendation has considered only the interest of power and
8 does not address the public safety for navigation. The FERC
9 staff recommendation is based primarily on economic analysis
10 provided by Idaho Power. The staff also made incorrect
11 assumptions about the abilities of power boat operators in
12 low water, which lead to the conclusion that their minimum
13 flow would not reduce recreational opportunities of private
14 power boaters.

15 'The analysis only looked at the commercial power
16 boat recreation industry, but failed to look at the economic
17 impact associated with the private sector and related
18 businesses. The FERC staff minimum flow recommendation will
19 reduce private power boat use, which will limit recreational
20 opportunities of the boating public and is in conflict with
21 the FPA. In the interest of public safety, the Corps
22 recommendations for safe navigation should be implemented in
23 the final EIS and that the FERC staff recommendation should
24 be modified to agree with the Corps recommendation.
25 Sincerely, Brian DiLenge, WWA member."

1 Personally dispute Idaho Power's opinion that
2 8500 only addresses commercial use of the 35 to 40 footers.
3 We believe, as stated in the letter, that it will affect
4 public boat use as ourselves and it has a problem. It also
5 affects the low minimum flows that they are projecting, also
6 will affect our ability to put in boats, power boats at the
7 boat ramps. There are several undocumented wrecks. As
8 private boat owners we do not have an agency such as the
9 commercial use does with the Coast Guard. We do not have an
10 agency that we report our wrecks to. Within the
11 organization, as I stated, we have over 700 members and we
12 can state several low-water incidents with the private power
13 boats.

14 One of our big question is how can you folks
15 allow Idaho Power to run their flows unregulated down to
16 5000 cfs whenever they see fit to store water? Another
17 question we also noticed was why was the Corps not allowed
18 to dispute Idaho Power's report? Then just for our own
19 knowledge, when will all the public comments be available
20 for our study and research? Thanks. That's it.

21 MR. MITCHNICK: Brian, before you leave, are you
22 planning to file additional information with the Commission
23 outlining your concerns and the problems that you --

24 MR. DiLENGE: Yes, we have several printed out
25 letters and we also have signatures from several members.

1 They're going to mail them to you and we also have a few
2 letters we'd like to enter in today with member signatures,
3 give them to you folks tonight.

4 MR. MITCHNICK: I meant any information you can
5 provided on incidents that have been documented about the
6 lack of safety or accidents or any type of situation like
7 that that you think should be brought to our attention we
8 would appreciate.

9 MR. DiLENGE: We actually had an incident that
10 happened last year during steel head season. The water --
11 Idaho Power dropped the water level for some reason last
12 fall below the 8500 mark and we actually did have rescue and
13 wild shoot that did expose some rocks that an individual
14 went down below, but one of the other issues that we have as
15 private power boaters their ramping rates from 8500 to
16 15,000. We do have some, you know, leeway on their floats,
17 but going from 6500, you know, up to 15,000 that will, you
18 know, inhibit a lot of members of our club.

19 Our basic thing is safety. You know, we have a
20 lot of members that run this river because it is safe. 8500
21 is a safe flow for, you know, not novice power boaters, but
22 amateur power boaters that have basic river running
23 experience. Taking it down that low is going to expose a
24 lot more rocks. It's going to narrow up the channel with
25 the commercial traffic and our traffic and rafting traffic,

1 in general, it's going to narrow up the Canyon and just make
2 our -- the margin of safety a lot narrower and that's our
3 concern is basic public safety for everybody -- commercial
4 traffic and private traffic, and the issues we have is, for
5 example, the boat ramp at the dam right now 8500 is about
6 the minimum flow that we are able to launch power boats at
7 the dam. If it goes below 8500, 90 percent of us can't
8 launch or power boats there. The ramp's too short and it
9 drops off and we just can't. So you're going to -- that
10 minimum stream flow is going to severely limit our access to
11 the river and increase our margin of safety.

12 MR. MITCHNICK: What period of year would you
13 like to see the 8500? Is that something that's needed year
14 round or just for --

15 MR. DiLENGE: We, as power boaters, would like to
16 see it year around. I mean I hate to use the term "status
17 quo," but the last few years has been very good. Everything
18 has been going really well down there. We can launch our
19 power boats from the dam with the boat ramps that we have
20 available to us now, except for the exception last year when
21 it got down to 8000, exposed a couple of rocks a gentleman
22 hit out of Fruitland. You know, things have been going
23 pretty well down there for commercial and private boaters.
24 But we just believe, you know, the Snake River has a large
25 drawing to it because of its safe power boating and its

1 opportunities to white water jet boat enthusiasts and we're
2 just afraid that dropping the minimum flow will
3 significantly have impacts on the local communities --
4 Riggins, OxBow, Whitehead, Lewiston. You should see the
5 number of sales of white water jet boats right now. I mean
6 it's a booming industry right now. We're just afraid that
7 the drop of flows insurance rates could go up because people
8 start wrecking more boats. It'll affect all of us,
9 including commercial power boaters, private power boaters,
10 our insurance rates and we'd just like to see it stay where
11 it is, a solid minimum flow of 8500 at least all year long
12 so we can use the river. There is a permit season in there
13 that does limit the use, but steel head season is extremely
14 popular down there. So we would just like to see minimum
15 flow of 8500.

16 MR. MITCHNICK: Okay. Thank you.

17 MR. DiLENGE: Thank you.

18 MR. MITCHNICK: The next speaker will be Mike
19 Bell.

20 MR. BELL: Ladies and gentlemen, thank you. I'm
21 Mike Bell. I'm also a private power boater with Western
22 Whitewater Association. I do just have a couple of
23 questions and a couple of comments I would like to offer
24 tonight.

25 I was a little disappointed that Idaho Power did

1 feel as though they needed to do an economic resource study
2 on private power boaters. As we talked before, hitting rock
3 in a river boat there's nothing cheap about it. It could
4 run into thousands, sometimes 10s of thousands of dollars.
5 And again, it is our position and our concern that by
6 lowering those flows those accidents will happen more and
7 more frequently. Without that recommendation by Idaho Power
8 are you saying that there is no impact to private boaters or
9 was it just overlooked?

10 Brian had already talked about it, but I do want
11 again mention why did the team disregard the Corps minimum
12 recommendation? It's very critical that 8500 for safe
13 navigation. Safety, safety, safety.

14 I'm a little concerned of the fact that along
15 those same lines 6500 minimum flows -- I've been running
16 Hells Canyon for 10 years as a private boater and at 6500 it
17 absolutely scares me. I would rather run high water at
18 50,000 than 6500 just because of the risk of hitting a rock,
19 putting somebody through the windshield of a boat in a place
20 where nobody can get to them.

21 Again, to Brian's point, in the low flows at 6500
22 -- I don't have a large river boat. It's a 21-foot boat and
23 in order to launch on that ramp the minimum is 8500. When
24 the water goes down, myself, who I value Hells Canyon, the
25 time we're able to spend and I think I speak for many of our

1 club members when I make the comment that if I couldn't go
2 there I'd sell the boat. If I can't run Hells Canyon to
3 catch sturgeon in the summer and run it safely, I can't in
4 good conscious take my family or my friends knowing that an
5 accident could happen. I just want you, as a team, to
6 consider these minimum flows of 5000 as unacceptable. Thank
7 you for your time.

8 MR. MITCHNICK: Thank you.

9 MR. WELCH: I have a question for Mike or Brian.
10 I may have missed this. What's your membership?

11 MR. BELL: It's the Western Whitewater
12 Association.

13 MR. WELCH: No, how many folks about?

14 MR. BELL: 776.

15 MR. MITCHNICK: The next speaker is Kevin Lewis.

16 MR. LEWIS: Good evening. My name is Kevin
17 Lewis. That's K-E-V-I-N L-E-W-I-S, and I'm the
18 conservation director for Idaho Rivers United. First off,
19 I'd like to thank you for the opportunity to comment tonight
20 and also to serve notice that IRU will be filing written
21 comments, probably rather extensive written comments, prior
22 to the close of the comment period.

23 For the last 15 years IRU has participated in
24 hydropower licensing -- in the hydropower licensing process.
25 Our predecessor, Friends of the Payette, was founded to

1 fight and ultimately defeat ill-conceived hydropower
2 proposals north and south folks of the Payette. Since that
3 time the IRU has worked on hydropower issues throughout
4 Idaho, including the Hells Canyon relicensing.

5 The draft Environmental Impact Statement, DEIS,
6 fails to balance power production and environmental
7 protection necessary to improve riverine health in the Snake
8 River and Hells Canyon. Some of our areas of concern
9 include anadromous fish passage for spring, summer, fall
10 chinook and steelhead; water quality, both in the reservoirs
11 and below Hell Canyon Dam; flow fluctuations and stream
12 gauging below Hells Canyon Dam and sediment replenishment in
13 Hells Canyon, below Hells Canyon Dam.

14 And a couple of comments regarding sediment in
15 Hells Canyon. IRU applaud the FERC staff recommendation to
16 provide gravel augmentation power project, Hells Canyon Dam.
17 I think that's very necessary. Unfortunately, FERC staff
18 follows with a recommendation to reject the Forest Services
19 4e condition requirement to require sand augmentation.
20 That's a little disconcerting because under the Federal
21 Power Act 4e conditions are mandatory conditions afforded to
22 certain federal agencies and FERC has no legal authority to
23 modify or reject 4e conditions. The courts have repeatedly
24 rebuffed FERC's attempts to exercise authority over 4e
25 conditions and yet it appears the FERC staff still hasn't

1 received that message.

2 Actually, August 26, 2006, we have another
3 decision, The United States Court of Appeals in Tacoma v.
4 FERC where the Court makes it pretty plain that FERC has no
5 authority to modify or reject 4e conditions. So I would
6 urge FERC, the staff to look at that again.

7 In closing, Hells Canyon and the Snake River is
8 really a national treasure. Idahoans can have affordable
9 power and a healthier Snake River and we believe it's FERC's
10 responsibility to make this happen. Once again, we will
11 provide extensive written comments later on. Thanks a lot.

12 MR. MITCHNICK: Just one clarification I'd like
13 to make about your comment on how FERC treats 4e conditions,
14 and just to clarify that the staff alternative included
15 those conditions that we thought were appropriate. That
16 doesn't mean that they would not be included in the license
17 just because we don't agree with them. I just want to make
18 that clear that not including them in the staff alternative
19 doesn't mean that they won't be included in the license.

20 MR. BELL: Thanks.

21 MR. MITCHNICK: Does anybody else wish to make a
22 statement at this point?

23 Norm?

24 MR. SEMANKO: Good evening. My name is Norm
25 Semanko, S-E-M-A-N-K-O, and I'm executive director and

1 general counsel for the Idaho Water Users Association
2 headquartered here in Boise.

3 The Idaho Water Users Association is an
4 organization that was formed in the 1930s. We represent
5 primarily irrigation districts and canal companies as well
6 as municipal providers, municipalities and other water
7 providers in the State of Idaho. Our membership altogether
8 delivers water to about 2.5 million acres of irrigated land
9 primarily located upstream of the Hells Canyon Project on
10 the Snake River and its tributaries. We also have
11 significant membership at Lewiston Orchard Irrigation
12 district downstream of the project and in Rathdrum prairie
13 area in northern Idaho.

14 The Idaho Water Users Association has been a
15 long-time intervenor in the project since 1971 through our
16 attorney at the time, Roger Ling, for now over 30 years.
17 We've been an intervenor in 1971. We will be providing
18 extensive written comments on the draft EIS and we will also
19 be filing a request for intervention in, I guess, would
20 1971079 just to make the record a little clearer with regard
21 to our involvement.

22 A few comments for this evening, No. 1, on the
23 question on whether to relicense the Hells Canyon Complex,
24 which I guess is a threshold question. Our members strongly
25 support relicensing. Secondly, we agree with the draft

1 EIS's conclusion that project retirement and alternatives
2 short of relicensing are not reasonable. There is a
3 continuing need for the power generation provided by the
4 Hells Canyon Complex and we think that that was properly
5 assessed in the draft EIS and the correct conclusion was
6 come to.

7 There have been several episodes where parties
8 have requested that FERC order Idaho Power Company to
9 evaluate or study the option of removing or retiring or
10 decommissioning or breaching, or whatever term is in vogue
11 these days, the dams and continually FERC has rejected that
12 and we have supported FERC's position in that and will do as
13 necessary in the future.

14 No. 3, we are opposed to upstream passage of
15 anadromous fish above Brownlee and agree with the draft
16 EIS's conclusion that it is not feasible to include passage
17 and reintroduction of fish in the new license. We also
18 commend NOAA on its decision not to require upstream fish
19 passage as a condition of the license. In our comments in
20 order to help perhaps buttress FERC's conclusion with regard
21 to the non-feasibility, FERC's comments seem to be limited
22 to the biological and there are significant social and
23 economic reasons for the non-feasibility of reintroduction.
24 The impacts on the economies that have developed, the
25 cities, the municipalities that have developed upstream of

1 Hells Canyon. The Bureau of Reclamation projects that
2 exist, the potential impacts on those projects on the
3 millions of acre feet that have been diverted, that have
4 been stored and the millions of acres that are irrigated,
5 not to mention the subdivisions, the parks, the school yards
6 and all of those things that rely upon a dependable supply
7 of water that would all be impacted by the reintroduction of
8 what is a threatened or endangered species above the
9 projects.

10 Also, we will be detailing how reintroduction of
11 the species could impact the historic agreement that was
12 entered into between the water user community, the State of
13 Idaho, the federal government and the Nez Perce Tribe as
14 ratified by the legislature in Idaho and Congress and the
15 Snake River Basin Adjudication Court with regard to
16 Endangered Species Act issues and related matters. We have
17 great concerns that reintroduction would cause dramatically
18 negative impacts on that agreement.

19 Fourth, we are concerned about the draft EIS's
20 conclusion that flow augmentation is beneficial to fish
21 migration. The weight of the science suggest that flow
22 augmentation does not provide any meaningful benefit to
23 anadromous fish listed under the Endangered Species Act. We
24 will be providing extensive documentation of why this is
25 true, but just as a teaser, in the draft EIS on page 559, it

1 talks about the 2003 independent scientific advisory board's
2 conclusions "That there is a range of flow over which
3 survival of PIT-tagged smolts increased with increasing flow
4 and a range of higher flows in which fish survival appears
5 to be independent of incremental changes in flows." The
6 draft EIS goes on to conclude that flow augmentation is good
7 for the fish, and what we mean to illustrate to the
8 Commission is that a good water year is because of Mother
9 Nature. You cannot turn a bad water year or even an average
10 water year into a good water year through flow augmentation.
11 There is a major difference between the relationship between
12 flow and survival and between flow augmentation and
13 survival. It's the difference between a tidal wave and a
14 thimble full of water, and just as an illustration from the
15 very report that the draft EIS cites from -- I'll read from
16 a federal district court opinion by Judge Redden of the
17 Federal District Court of the District of Oregon, December
18 29th of last year, in which he says, "In its report issued
19 on February 10, 2003, entitled Review of Flow Augmentation
20 Update and Clarification, independent scientific advisory
21 board noted as a preliminary matter that many questions
22 remain regarding the relationship between river flows and
23 salmon production. In summarizing the present science on
24 the issue, the ISAB noted that 'the benefit to salmon of
25 incremental adjustments to flow has not been well

1 quantified.'" "

2 ISAB then stated "A different perspective emerged
3 from this latest review. We realize that the prevailing
4 rationale for flow augmentation is inadequate. It is
5 neither complete nor comprehensive. There is room for
6 alternative explanation of data that have scientific
7 justification and practical value for managing the hydro
8 system for multiple uses including salmon recovery. The
9 prevailing flow augmentation paradigm, which asserts that in
10 river smolt survival will be proportionally enhanced by any
11 amount of added water is no longer supportable. It does not
12 agree with information now available." And Judge Redden
13 went on to deny a request for injunctive relief for
14 additional flow augmentation from the Columbia River system.

15 As a spectator here tonight, it bothers me that
16 you have folks coming up here and you have to make a tough
17 decision about whether additional flows should be provided
18 for power boaters, for example. But at least you can weigh
19 the dollars against some tangible benefit. For flow
20 augmentation, you're talking about a \$6.6 million per year
21 foregone power cost over the benefit of what? What benefit
22 is being provided to the fish? We don't think that there's
23 any measurable benefit.

24 Fifth, with regard to any minimal stream flows
25 included in the license, the 100 cfs at Oxbow, for example,

1 we don't believe this is in controversy, but it should be
2 made clear that such minimum stream flows are part of the
3 Idaho Power's water rights are therefore subordinate to
4 upstream water rights that have been developed for
5 beneficial purposes upstream. Thank you for the opportunity
6 to testify tonight. And as I said, we will be providing
7 written comments by the deadline. Thank you.

8 MR. MITCHNICK: Thank you. Is there anybody else
9 who would like to speak? I think you had your hand up
10 first. Could you give your name and affiliation and spell
11 your name, please?

12 MR. DANIELS: Yes, sir. My name is Lee Daniels
13 from Weiser, Idaho, a member of the Coalition of Heavily
14 Impacted and sometimes damaged rural neighbors of Brownlee
15 Oxbow. I'm here in part, not that I'm an expert leader to
16 split hairs with information in the draft impact statement,
17 but as rural neighbors I want you folks to try to realize
18 that we are the ones most directly affected and impacted,
19 and sometimes damaged at different times of the year.

20 As you know in the rural areas in your trips out
21 here we don't have Microns and Hewlett-Packard and the big,
22 big Boise money machine and the political machine that's
23 over here that the previous speaker just mentioned and I'm
24 delighted to follow another lawyer as he is and I'm a range
25 watershed forester that's lived at the head waters of

1 Brownlee Reservoir starting in 1956, and living at the
2 waters of Brownlee Reservoir is a nightmare in a number of
3 ways. And I try to take time and our neighbors try to take
4 time, and we appreciate your willingness to come to Weiser -
5 - I believe it's about the 12th of September -- we feel
6 pretty fortunate.

7 On the other hand, we feel like that our
8 neighbors area being left out. Adams County is very heavily
9 impacted and as long as you're out here we sure would not
10 like you to go home without having something at Council and
11 Riggins, Idaho -- Riggins being the corner of the far west,
12 southwest corner of Idaho County. They're so heavily
13 impacted just below the dam, Hells Canyon Dam.

14 It seems kind of odd that -- and I'm sure there's
15 good reasons why you're doing what you're doing -- that we
16 end up with four hours tonight or thereabouts and then four
17 hours tomorrow apparently for agency folks that don't want
18 to do it tonight and yet there's not enough time, for
19 whatever reasons, to do anything at Farewell Ben Huntington
20 on the Oregon side and those folks just have fits and all
21 kinds of problems in the operation of Brownlee Reservoir,
22 the yo-yo of the water up and down, the noxious weeds.
23 They're losing so much in the way of winter game range
24 habitat and we've got something to trap. We've got
25 something to hunt and I guess photographers have something

1 to take pictures of if we can get these critters to survive
2 the winter. But not once have we seen Idaho Power Company
3 that makes these windfall profits of unbelievable
4 proportions begin to pocket and come up with some mule deer
5 or some deer checkers like you manufacture for range sheep
6 to help keep these critters alive.

7 I had the opportunity with my granddad until he
8 passed away and my father to trap down there, Huntington
9 Homestead, et cetera, and that was a great place to trap
10 furs. Now the water yo-yos up and down like water in a
11 bathtub and I'd like to see anything that can survive, and
12 the ice problems. Brownlee is used, as you know, kind of
13 like a toilet flush some of the time and what has Idaho
14 Power done since 1959 when Brownlee filled with water the
15 first time to even think about solving this problem? As
16 they sit here in this warm Boise high rise building and are
17 very much removed from the facts and the truth on the ground
18 and especially during the wintertime when we've got plenty
19 of ice and snow on the roofs.

20 Finally, there's a little, tiny step forward to
21 purchase a couple of ranches on the Idaho side, the
22 Cottonwood Ranch, about 1900 acres I believe early November
23 or late October this past year of '05, just a small first
24 step; and the cost of those critical pieces of habitat are
25 dirt cheap compared to what we have lost in shorter and

1 shorter hunting seasons, no trapping season at all any more
2 because again the water yo-yos up and down, hiding cover,
3 security habitat and those critical elements, you know,
4 there's just no way they can survive the exposure to
5 elements, weather elements, the lack of nutrition, the lack
6 of thermal habitat and that needs to be replaced. Any
7 eighth grader can figure that out, just replace it.
8 However, there's a catch. The cream is under water. That
9 was the ranch bottoms. That was the old hay meadows. That
10 was the areas that weren't grazed do heavy by sheep and
11 cattle and that's the survive the winter areas on both the
12 Oregon side and the Idaho side.

13 So when Idaho Power talks about purchasing some
14 replacement habitat -- I think you all call it mitigation --
15 it's almost a joke when you compare losing 25,000 acres of
16 cream and replace it with 25,000 acres or thereabouts of
17 skim milk. By skim milk, I mean cheap grass, rim rocks and
18 that kind of rather poor habitat to try to eek out a living
19 through the wintertime.

20 Folks over at Boise they don't savvy that. They
21 don't understand it and that includes some of the scientists
22 with Idaho Power relicensing team. They're not over there
23 to see the struggles, to see the predator problems, to do
24 some artificial feeding. Anybody that's enjoying free use
25 of the public-owned water resource flowing down the mighty

1 Snake River ought to be doing a whole lot more than building
2 a fish hatchery or two. And when it comes to terrestrial
3 habitat, about any eighth grader can figure out that the
4 prime piece of the property versus the skim milk ones.
5 Therefore, it's very conservative, but what needs to be
6 secured on the Oregon side and the Idaho side is at least
7 95,000 acres of skim milk, of what's left to compensate and
8 I think we're talking easily over 300 miles or probably more
9 than that of reservoir shoreline. Let's call it starvation
10 reservoir shoreline.

11 The islands need to be purchased, you know, above
12 and below Weiser, above and below Ontario, above and below
13 Parma as replacement riparian systems. But for FERC to just
14 go along and get along and listen to mainly Idaho Power and
15 what they want to do on the cheap makes us gray-headed. So
16 we just beg of you to come out here one more time in the
17 wintertime, and I don't mean the blowing snowstorm of
18 November 19 and 20 '03 as you came and went from Halfway,
19 but you don't need to be guided by Idaho Power scientists.
20 The scientists that know the facts on the ground are our
21 university people as well as the Oregon Department of
22 Wildlife and the Idaho Department of Fish and Game, but
23 somehow there's a significant disconnect from Washington,
24 D.C. or even Boise as to what the problems are and believe
25 me those problems have a lot of hair in the butter in

1 changing the color, in changing the perspective, in changing
2 the facts as to what needs to be replaced. I'm not a real
3 estate person, but I think it behooves you to think, go back
4 and rethink this thing of going along and getting along and
5 this Administration and the three new very recent
6 appointments that now dominate the FERC Commission, and I
7 don't think any of them have ever trapped, hunted or maybe
8 they fished a little bit, but we'd sure like to take them on
9 some December and January trips if they would ever show up
10 out here and I just would like to leave with that challenge
11 and I hope you would relay it, both as contractors and as
12 FERC staff of how important it is to get out there on the
13 ground when the stress periods exist and during nesting
14 periods. When we have 6 inches or a foot of snow and the
15 cream riparian wind break shelter belts thermal habitat is
16 under water, it looks like Siberia.

17 Yes, it's relatively low elevation, but the storm
18 patterns that come down the Burnt River and down the Powder
19 River are very significant compared to banana belt Boise and
20 probably Meridian and Mata. When you get just three or four
21 miles north of Payette, Idaho, the winter climate changes
22 dramatically and that country turns into an icebox and
23 you've got a lot of steep rock north slopes that are shaded
24 throughout two and three months of the winter. They don't
25 melt out much. And when we have some snow on the ground

1 that's pretty stiff, it's like putting a piece of plastic or
2 a tin roof on top of what little feed there is for game to
3 try to survive and there isn't much.

4 So yes, and I know that the textbooks and all of
5 the scientists say, oh my God, we can't be doing any
6 emergency feeding. Oh yes, we can. We don't want to turn
7 it into a Jackson Hole, Wyoming, no. But when we know
8 pretty well, you know, immediately right after we've had
9 some significant storms and that ice sheet, crusted snow, if
10 you will, is so tight on the ground. Helicopters do exist.
11 Idaho Power should be paying for some helicopters and
12 emergency feeding of two things, deer pellets that are made
13 for range sheep out on the Mountain Home Desert that do not
14 have urea in them. They also should be putting out some
15 range protein supplement blocks and that would help with the
16 major deficiency of nutrition.

17 There needs to be some planted and drift
18 irrigated replacement shelter belts. Examples are down
19 below Clarkston, Lewiston, Idaho on the Lower Granite where
20 the Army Corps, I guess, with BPA money probably that put in
21 several of those and certainly all that shade and what not
22 attracts people during the summertime. But the mule deer
23 population, the game birds having a real place to survive
24 the winter. Why are we not doing that on both sides of
25 Brownlee? It's because of irresponsibility by Idaho Power

1 executives that couldn't give a hoot and if you can get by
2 on the cheap, just continue doing that. But that is some of
3 the important parts of our rural economy. Yes, we have lost
4 the oceangoing fish up and down the Weiser River, the
5 Payette River, the Wild Horse River, Indian Creek. On the
6 Oregon side the Burnt River and the Powder River.

7 And the previous speaker talked about, you know,
8 it would just be terrible to replant some fish. Well, they
9 don't want to replant the fish and fight the juveniles
10 trying to float through tail first down through Brownlee
11 Reservoir killing fields, they'd better start raising some
12 surplus hatchery adults and put them in the Weiser River so
13 sportsmen can return and have a legitimate opportunity.

14 I don't need to explain to you folks what losing
15 those -- boy, I wish somebody would pipe that thing down
16 next door -- what that's done to the restaurants, the
17 motels, the businesses and we know what fish attract. When
18 you look at Riggins, Pollack, Pinehurst and the Little
19 Salmon River from the surplus fish at Rapid River Hatchery.

20 Is it possible for me to ask any questions or
21 just make a statement and that's pretty much the limits or
22 the boundaries?

23 MR. MITCHNICK: You can ask questions and we'll
24 try our best to answer.

25 MR. DANIELS: Would you folks -- any -- is there

1 partly contractors and partly FERC staff? There's a mix?

2 MR. WELCH: That's correct.

3 MR. DANIELS: And the contractors -- do some of
4 you folks live here in Idaho or from Seattle or some place
5 else?

6 MS. HALL: I live here.

7 MR. DANIELS: I sure hope that you would
8 genuinely consider, No. 1, postponing the due date for
9 public comments. I know I tried to participate in this, in
10 the so-called "phoney-baloney" collaborative process
11 starting 8 or 10 years ago and a lot of folks didn't even
12 know about the draft impact statement being out. Therefore
13 -- didn't it come out late July? And some of us didn't
14 learn about it -- still haven't learn about it -- some of us
15 learned about it, I think, the last few days of August and
16 luckily made a phone call. You folks sent some out and we
17 appreciate that, but not near enough.

18 Therefore, we'd like to see the public comment
19 period deadline extended from October, and I'm not sure what
20 the date, but give us the extra time when we're not
21 harvesting, when we're not hunting, when we're not so busy
22 and get that due date into the wintertime or at least the
23 late fall or winter and the cut off should be the last day
24 of the year. Most folks are holiday-hyped anyway, so
25 they're not going to be doing too much, you know, on trying

1 to assemble the public input and the data and so forth, and
2 that small little postponement would be giving some folks a
3 lot better opportunity. And it would also provide you folks
4 one more chance in a realistic field trip that should be
5 spending one night on the Oregon side and one night on the
6 Idaho side where these problems are and not just a quicky
7 windshield drive-by deal to get back to Boise to the
8 airport. And it's up to you and I don't know what the
9 ethics are of your sidebars with respect to meeting with
10 local people, but there are sure a lot of trappers, hunters
11 and fishermen and rural neighbors that would appreciate one
12 more opportunity. As I understand it or what I've been told
13 with your having to advertise any kind of a meeting like
14 this that you're not able to go to the councils at this late
15 time, even on an open house type basis because of the
16 hearing officer or whatever this gentleman's job is. But to
17 not go to Riggins is really unfortunate, to not visit that
18 Rapid River fish hatchery is short of what needs to be done
19 in factfinding and I guess I can't emphasize that enough.
20 To not go to Farewell Bend or even Ontario and Huntington is
21 a major, major omission, to not have one at Richland and
22 have it up there at Halfway as a substitute is a mistake.
23 So I hope -- I'd like to leave you with that challenge in
24 hopes that we slow this thing down. I know Idaho Power they
25 just can't wait. They're like a bridled horse that wants to

1 stampede as they get closer and closer to the gate. Well,
2 let's slow this process down a little bit. It's gone on for
3 10 years and they can live with the interim agreement or
4 whatever this is since late July's expiration '05 and we get
5 better information. We get more rural citizen participation
6 and I think you folks would be really happy with the
7 information you would garner in seeing it up close and
8 personal.

9 What's the possibilities of that?

10 MR. MITCHNICK: Well, we appreciate your
11 suggestions and that is something that we will be thinking
12 about.

13 MR. DANIELS: I'd like to also mention -- and I
14 know it's not environmental impact so much as it is
15 economic, rural economic impacts and that really needs to be
16 strengthen. Our legislature came to town on a whirlwind
17 legislative session the 25th of August that we call Santa
18 Claus Christmas come early the 25th, but not of December,
19 but August. And Idaho Power with their front entity called
20 IACE, Idaho Association of Commerce and Industry, they
21 orchestrated with a few other out-of-state, mainly out-of-
22 state owned large corporations that don't want to pay our
23 school operation and maintenance tax. So Idaho Power they
24 enjoy quite a Christmas gift and our county of Washington
25 County they enjoy \$200,000 decrease in property tax and I

1 hope you folks would write that down.

2 Adams County where Oxbow and Hells Canyon
3 facilities lay \$100,000. That's not far from \$300,000 and
4 by golly I think there's a thing called in lieu payments
5 that are badly needed, in lieu of decreasing property taxes
6 that are hurting us at length. It also indirectly and
7 directly affects, as Idaho Power mooches and mooches and
8 mooches off of volunteer EMT, Search and Rescue and Initial
9 Attack rural fire suppression just like babies. We're sick
10 of it. It's time that these big boys who make this massive
11 profit start paying for these things like any other entity
12 would have to do as a legitimate business and have some
13 payments in lieu of decreasing property taxes. Our county,
14 I guess they were challenged -- what, the state tax
15 commission centralized tax assessment and we ended up having
16 to pay back to Idaho Power \$95,000 two years ago for crying
17 out loud and we don't have the tax base and we sure don't
18 have it with Idaho Power, given their sleight of hand time
19 and time and time again. And it's just something that needs
20 to be in the -- we need to get all the cards on the table
21 face up and by having a cut off date at the end of December
22 '06 would really provide a much better opportunity than this
23 quickie, behind the back stuff that's going on over here at
24 Boise and what we fear with our Administration and the three
25 new appointees and their confirmation in July that they just

1 don't have any idea what's going on out here.

2 We badly need a helicopter emergency services
3 center in lieu of or in substitute of this volunteer stuff
4 that Idaho Power wants us to do for them, and there's a good
5 opportunity, according to Senator Craig and our congressman
6 and the germane senators, the two senators on the Oregon
7 side, to come up with 50 to 52 percent of the cost of a
8 helicopter emergency center to get on top of these what are
9 mainly city people that do sometimes do get in trouble with
10 boat accidents and hunting accidents and get lost and so
11 forth that we an no longer, especially with decreasing Idaho
12 Power property taxes, we can't afford to keep subsidizing
13 this stuff and one, if not two, helicopter service centers
14 when you have that kind of a congestion and that many people
15 is not a pipe dream by any sense and it really needs to be
16 looked at.

17 Yes, the rural impacts are very significant, but
18 it's not in the picture. It's not being discussed and when
19 we make trip after trip over here to Boise -- I wish I had
20 the gasoline and the time back of coming over here what,
21 starting 10 years ago in this overblown, inflated
22 collaborative stuff. Idaho Power was not seriously
23 listening. They developed the minutes of the meetings that
24 they sent to you folks in what some of us feel like was
25 somewhat of a con job. Look at these fancy almost National

1 Geographic paper that the minutes of the meeting are about
2 and you know, I think when they consulted with FERC staff
3 we'd like to know what they were told by you folks that have
4 been through so many of these previous relicensing were
5 done. But how they twisted it is a shame, just a shame and
6 the bad blood that exist on the Oregon side and the Idaho
7 side, the Rural Neighbors Coalition is status. So it's time
8 for Idaho Power to help with the local museums. Look at the
9 history that's under water, archeological values and they
10 haven't -- Idaho Power hasn't shared a nickel's worth of
11 windfall profits on any of the museums along the Oregon
12 side, none that I'm aware of, that people have written them
13 letters asking for some feedback on grant money. Oh no, we
14 can't afford that. Life goes on. They didn't have any
15 trouble using the money build that big, 10 years ago that
16 big corporate high rise palace castle is what we call it in
17 downtown Boise and within months they closed our Customer
18 Service offices, that downtown center. Put a piece of tape
19 on the door, the business door with an 800 number. Now is
20 that legitimate grassroots public service? I challenge that
21 and I hope you will, too. The service center in downtown
22 Cambridge they closed it and brought the few remaining
23 people that they couldn't force to early retirement down
24 here to the urban sprawl mecca of Boise, Meridian and I
25 understand, Alvin, that you want to get on with this, but

1 these are important things that I don't think many of you
2 have heard before and I really hope -- I guess hope and pray
3 that you'll do some investigation of the unfinished business
4 that's gone on when these things are not that expensive to
5 take care and do the mitigation enhancement field projects
6 that are intended.

7 Tim, you look kind of you don't believe what I'm
8 saying.

9 MR. MITCHNICK: I believe every word you're
10 saying, Mr. Daniels?

11 MR. DANIELS: Are you sure?

12 MR. MITCHNICK: Yes, sir.

13 MR. DANIELS: Well, come out and take a look. My
14 number is 549-2601.

15 MR. MITCHNICK: I've got your number.

16 MR. DANIELS: And I challenge you and I hope the
17 rest of you would please come and see it yourself and not be
18 on some guided tour by the executive hierarchy of Idaho
19 Power, and there's also a nickname developed in the last
20 couple of years called "Enron, Jr. Jr." That's what Idaho
21 Power has turned out to be as far as the impacts on us and
22 our schools and the lack of help with our museums, emergency
23 services, taking take of winter nutrition and the winter
24 game range habitat components. It's not that hard to do,
25 but we can't continue down this road on the cheap, and

1 that's exactly what's happening. And if you folks fall for
2 that, you know, I hope you're not thinking that what I'm
3 telling you is just an April 1st Fool's Day joke because
4 it's not. Spend the day with the game wardens that are out
5 and about in the dead of winter and the elected soil and
6 water conservation district people. They'll show you a lot.
7 But a lot of folks have given up on this lengthy process and
8 say, "Washington, D.C. ain't about to listen no more than
9 Idaho Power executives on the top floor of the executive
10 suite." Well, I, for one, am not giving up and I'm not
11 going to give up until the last, until the lights go out
12 because this thing is immensely important to us economically
13 as well as environmentally. Thanks for listening to me.

14 MR. MITCHNICK: Thank you, Lee.

15 MR. YATES: I really wasn't planning on speaking
16 tonight. I think the opportunity with a small crowd I'd go
17 ahead --

18 MR. MITCHNICK: Please give -

19 MR. YATES: My name is Mark Yates and I am
20 representing one of the commercial -- I'm representing my
21 commercial business down in Hells Canyon. I live in Hells
22 Canyon. I see the impacts and I see what's happening down
23 there daily, and I'm going to concentrate on what's
24 important to me, my business. It's on navigation flows.
25 One of the things -- well, FERC came out with was that you

1 were not going to recommend the COE's recommendation of 8500
2 or passing end flows, whichever. Said it was too great an
3 economic burden on hydropower, and I believe your
4 consultants probably did this. I don't know this for a
5 fact. And we believe that it was based on Idaho Power's
6 response to the COE's recommendations.

7 Now one of the things -- Idaho Power did a real
8 good job of not answering the COE's recommendations. They
9 turned it into an economic setting, and after looking at
10 that I missed the boat. I should have gotten rid of my big
11 boats and bought a smaller boat. I'd made more money. And
12 the economic analysis on it also provided that Idaho Power
13 would lose out on approximately \$12 million. Idaho Power
14 said \$8 million and due to other factors that was increased
15 to \$12 million and Idaho Power's analysis was done only on
16 the commercial industry that's represented down there in the
17 Canyon, and we felt that there were big holes in their
18 analysis. They used obsolete estimates on the commercial
19 jet boat profitability. They used inappropriate discounting
20 of the jet boat sector, their present values. They ignored
21 the direct linkage to the manufacturing sector of jet boats,
22 what would happen to it. They ignored the cost of risk and
23 safety in the insurance of human life cost. They ignored
24 the cost to the non-commercial sector and that is bigger
25 than our commercial sector. The private sector is the whole

1 thing.

2 The COE's recommendation -- the FERC came out
3 with the statement that this recommendation only benefits
4 large boats. That is not true. To use an analogy that -- I
5 don't like to use analogies, but if you were to look at the
6 aviation industry the FAA comes out with safety guidelines,
7 spacing between planes when they're landing, maybe a
8 thousand feet. They don't reduce that down to 500 feet.
9 Planes will still clear at 500 feet, but what happens? The
10 acceptable risk gets smaller and smaller. Accidents can
11 happen. Things happen. That is the same thing that has
12 happened by going to 6500 from 8500. There's a lot of
13 misconceptions out there that 8500 will cause there not to
14 be water in the reservoirs. That is not -- that's a false --
15 -- you know that for a fact. The water will still be there.
16 They're not going to be able to store as much. They're
17 going to have to pass a little more water. However, it's in
18 the need of public safety.

19 Idaho Power's comments on the safety factors that
20 there was 44,000 boaters down there, made it look like there
21 was 44,000 boaters. There was 44,000 passengers down there
22 of which about 30,000 go through the Canyon on the
23 commercial boats and we hope that number stays small because
24 that's how we make our living by providing a safe
25 experience.

1 The canned implant model that they used is used
2 inappropriately. It's scaled national coefficients. It
3 diluted our sector. We think we're a pretty strong niche
4 market in the canned implant model takes into recreation in
5 all kinds of fields and so basically our industry got
6 diluted out and so it shows there is no impacts. It ignored
7 the positive impacts of all the recreational private power
8 boating industry.

9 So you guys we missed the boat on this one,
10 pardon the pun. But you know, I've got to say there's huge
11 issues here. This is one small one that will be easy to
12 work out. I want to see these dams relicensed. I want to
13 see a healthy state, Oregon and Idaho. I want to see power
14 to the people who need it. I want to see fish and wildlife.
15 I want to see everything happening down there.

16 I think you need to go back, relook at it, do an
17 economic study. It won't take that long. It won't put you
18 back pass your timeframe. We don't want to -- it needs to
19 be done. The Corps needs to do it. They need to do an
20 economic study on this. Idaho Power has admitted or said
21 that the Corps didn't do it. It's not required by the
22 Corps, but I think they -- if they're coming into their new
23 fiscal year, they probably could afford to do it.

24 My business, to be blunt and direct, I'm one
25 business. I can go away. If that is implemented, 6500, the

1 problem is I have no way -- I take reservations months in
2 advance and I'm looking at the projected water flows, what
3 the water is during the year and if it's a good water year,
4 I know we're going to probably have water in the short water
5 months. But the way the system works now we have no idea
6 knowing what Idaho Power is going to do. They can go to
7 6500. They can go to 29,000. If I'm down below in the
8 Canyon itself and the water drops to 6500, I have no
9 recourse. I'm there. I'm stuck. I can't get back. So
10 therefore -- and this happens to other boats -- so to be on
11 the safe side, if it's a 6500 minimum, I will have to honor
12 that minimum, change what we do and that means 50 percent of
13 my customer base we'll lose. We run 7 to 10,000 people
14 through a year. That means I'm going to stop taking 3500
15 people in. I believe that is recreational opportunity going
16 away, and just my company. There are other companies out
17 there and therefore I think we need to relook at this issue
18 again and we're not that far off. 8500 provides a safe
19 environment, gives us the safety that we need without having
20 to worry about having a passenger injured. Thank you very
21 much.

22 MR. MITCHNICK: Thanks.

23 MR. YATES: I will be providing more detailed on
24 their study refuting a lot of it.

25 MR. MITCHNICK: Is there anybody else who would

1 like to make a statement for the record?

2 (No response.)

3 MR. MITCHNICK: Does anybody have any questions
4 of FERC staff while you have the opportunity to ask
5 questions?

6 MR. DANIELS: Could you give us the three names
7 of the Commission appointees.

8 MR. MITCHNICK: Come to the microphone, please.

9 MR. DANIELS: Could you give us the names of the
10 three new Commissioners that were apparently confirmed in
11 July and a little bit of background as to where they came
12 from or who they worked for?

13 (Laughter.)

14 MR. MITCHNICK: They are so brand new I haven't
15 seen them around the building yet. The three new
16 commissioners are Mr. Spitzer, Wellenhoff and Moeller. I do
17 not have a good idea of the background. I know they're from
18 Nevada, New Mexico and I believe the D.C. area. Their
19 biographies are on the FERC website. You go to the FERC
20 website and I think you click on "About Us" or something
21 like that and you can get the biographies and their pictures
22 and everything. I'd recommend that you do that.

23 Any other questions?

24 MR. CROW: Brett Crow again. I'll come back up
25 and pose a question. In part just because I don't want to

1 have any misunderstanding with regard to my earlier remarks
2 when I spoke about river base recreation. I'm talking about
3 that within the project boundaries, so Hells Canyon Dam up
4 to where Brownlee goes when its full. I don't want you to
5 misunderstand and think that my concern is downstream. All
6 of the measurements I'm thinking about are there were the
7 reservoir set, there were the dams sit all the way up to
8 where Brownlee goes to when its full.

9 Well, we know that there are times of year on a
10 regular basis when Brownlee's level drops down and therefore
11 exposes some number of miles of the Snake River above where
12 the reservoir level sits. That's the river base recreation
13 I'm talking about and I didn't find any mention in the DEIS
14 about people using the river when Brownlee's level drops.
15 It just beggars my imagination to think that when Brownlee
16 is down low nobody ever, ever uses that stretch of river.
17 So I'm wondering if -- I'm partly clarifying what I said
18 earlier and I'm wondering if you can indicate to me why that
19 seems to be the case that there's no discussion whatsoever
20 in the DEIS of people using that stretch of river when
21 Brownlee's down low.

22 MS. HALL: Well, I don't really have much of a
23 response for you other than the fact that if -- our
24 recreation specialist isn't here tonight, so I'll kind of
25 cover for him by saying, if there's recreation in that

1 stretch of the river when Brownlee's down low and we've
2 somehow overlooked that, then you can expect to see some
3 discussion of it in the final EIS.

4 MR. CROW: That's fine.

5 MS. HALL: As usual with things like this,
6 especially when people raise issues or think that we have
7 skipped something or mischaracterized something, then the
8 more specific information you can provide us with the better
9 off we all are.

10 MR. CROW: That's fine. Thank you.

11 MR. MITCHNICK: Are there any other questions?

12 (No response.)

13 MR. MITCHNICK: I appreciate you spending some
14 time here. I know you have a lot of other things to do such
15 as listen or watch the Boise State football game. So I
16 appreciate your coming. Again, the comment date is October
17 3rd. We look forward to your written comments and anything
18 that you might have to add to the record.

19 Thanks a lot and remember we have another meeting
20 tomorrow at 10:00 a.m. to do this all over again. Thank
21 you.

22 (Whereupon, 8:50 p.m., the above-entitled matter
23 was concluded.)

24