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UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Loup River Public Power District  
Project No. 1256-029-Nebraska

Loup River  
Hydroelectric Project  
(FERC No. 1256-029)  
Scoping Meeting

Holiday Inn Express  
January 12, 2009

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P A N E L

KIM NGUYEN - Project Coordinator  
MARK IVY - Outdoor Recreation Planner  
NICK JAYJACK - Fisheries Biologist  
DAVID TURNER - Wildlife Biologist

1                                   (The following proceedings were  
2                                   had, to-wit:)

3                   MS. NGUYEN: I think we'll go ahead and  
4 get started. Welcome to the Federal Energy  
5 Regulatory Commission's scoping meeting for the Loup  
6 River Hydroelectric Project. I'm glad you all could  
7 make it out tonight. Thanks for giving us Nebraska  
8 weather.

9                   My name is Kim Nguyen. I'm a civil  
10 engineer and the project coordinator for the  
11 relicensing of the project.

12                   First I'd like to take care of some  
13 housekeeping items before we get started. Most of  
14 our presentations are from our scoping document  
15 which is in the back of the room if you'd like to  
16 get a copy and follow along.

17                   Our meeting is being transcribed by a  
18 court reporter, and her report will be filed with  
19 the secretary and become part of the record for this  
20 proceeding, so to assist her in getting a complete  
21 record, please state your name, followed by the  
22 spelling before speaking for the first time. There  
23 are also some registration forms available for you  
24 to fill out and give to the court reporter if you  
25 wish to make comments today, and that's all in the

1 back of the room.

2 Now, let's get started with our agenda.

3 First we'll have some introductions for  
4 the panel and my colleagues, the purpose of the  
5 scoping, followed by requests for information. Then  
6 we'll have the description of the project features  
7 and operations,, as well as the applicant's proposed  
8 environmental measures and studies will be presented  
9 by Mr. Neal Suess of the Loup River Public Power  
10 District. Then after that we'll talk about the  
11 scope of the cumulative effects, followed by a  
12 discussion of the resource issues that we have  
13 preliminarily identified, followed by our EA  
14 schedules and then opening it up for comments from  
15 you.

16 Now, let's start with our introductions.

17 MR. JAYJACK: I'm Nick Jayjack. I'm a  
18 fishery biologist.

19 MR. IVY: My name is Mark Ivy. I'm  
20 Outdoor Recreation Planner for FERC.

21 MR. TURNER: I'm David Turner with FERC,  
22 and I'm a wildlife biologist.

23 MS. NGUYEN: Okay. The purpose for  
24 scoping. NEPA, which is the National Environmental  
25 Protection Act, and our regulations and other

1 applicable laws requires an evaluation of  
2 environmental effects of licensing or relicensing of  
3 hydropower projects.

4 Some scoping -- the scoping process is  
5 used to identify issues and concerns from federal,  
6 state, local resource agencies, Indian tribes,  
7 nongovernment organizations -- or NGO's -- and other  
8 interested persons.

9 We also use scoping to determine the  
10 resource area, depth of analysis, and significance  
11 of issues to be addressed in our Environmental  
12 Assessment.

13 Scoping can help us identify how the  
14 project would or would not contribute to the  
15 cumulative impacts of the project area, and identify  
16 reasonable alternatives to the proposed action.

17 Lastly, scoping can help us determine  
18 resource areas and potential issues that do not  
19 require detailed analysis during the review of the  
20 project.

21 The type of information that we seek  
22 include, but are certainly not limited to,  
23 information, qualified data or professional opinion  
24 that may help define the geographic scope;  
25 identification of and information from other

1 environmental documents or similar previous, ongoing  
2 or planned studies relevant to the proposed  
3 relicensing of the project; any information or data  
4 describing past and present conditions in the  
5 project area; any resource plans and future  
6 proposals in the project area that you might know  
7 of.

8 And this information can either be given  
9 from your comments today orally, mailed to the  
10 Commission or they can be filed electronically, and  
11 we have instructions for all of this later on.

12 Now Neal is going to give us a little  
13 brief description of the project and the proposal.

14 MR. SUESS: Thanks, Kim.

15 First of all, I appreciate Kim and you  
16 guys coming out here today in, like you said, the  
17 beautiful weather that we had today and everybody  
18 else coming out tonight. I really appreciate you  
19 guys taking the time to come out here tonight.

20 My name is Neal Suess. I'm the president  
21 and CEO of Loup River Public Power District. With  
22 me also are two members of our staff Ron Ziola, our  
23 vice president of engineering; and Jim Frear, who is  
24 basically -- I guess I call him the canal guru. He  
25 knows pretty much everything that goes on about the

1 canal. And both are very important players in the  
2 project for us.

3 Also with us here tonight is one of our  
4 board members. As a matter of fact, he's the  
5 chairman of our board this year, Bob Clausen who is  
6 also a stakeholder in the fact that he actually  
7 lives and farms near the canal.

8 Finally, the last folks I want to  
9 introduce tonight are three of our consultants who  
10 are assisting us on the project from HDR out of  
11 Omaha: Lisa Richardson, George Waldow, and Dennis  
12 Grennan.

13 So the slide that Kim has put up here kind  
14 of gives you an animated overview of the canal  
15 system, the bypass reach and the power houses,  
16 including our regulating reservoirs off Lake Babcock  
17 and Lake North. The total project is in the  
18 neighborhood of about 36 miles from the headworks up  
19 near Genoa all the way down to the tailrace area  
20 which converges into the Platte River there by  
21 Tailrace Park, east of Columbus.

22 We'll go through some of the pictures that  
23 show you a little bit about what we have. What  
24 you're looking at right here is an overhead view  
25 looking north of the Genoa headworks area, and on

1 the map -- this map that you have here was the same  
2 map that was up there before. That would be in this  
3 area right here (indicating).

4 To give you a little bit of description of  
5 what each of these structures are, where the word  
6 Loup River -- where you see Loup River at, that's  
7 the Loup River upstream of the diversion. So that  
8 would be coming in -- this is the Cedar River and  
9 the Loup River that come together that form the Loup  
10 River there that comes from Fullerton. That's what  
11 you have right there.

12 The diversion weir, which is down in this  
13 area right here, that diversion weir is used to  
14 divert water from the river to the induct structure  
15 and then on into the settling basin.

16 The weir that you see is built up each  
17 year with wood and then sacrificed during the spring  
18 ice floes. And as the ice comes down, it's a  
19 sacrificial wall that's put up there every year.  
20 There's a concrete base to it, but we build it up  
21 each year to basically sacrifice it for the ice.

22 The sluice gate structure which you see  
23 south of the diversion weir is used to allow the  
24 water to flow into the bypass region of the Loup  
25 River, and basically that's where we would bypass

1 water if we weren't taking it and diverting it into  
2 the canal here southeast -- or southwest of Genoa.

3 What the intake gate structure does is  
4 that allows the water to flow into the settling  
5 basin, and then from there -- we'll talk a little  
6 more as we go through here what happens in the  
7 settling basin per se.

8 Up north you see the headworks office and  
9 shop and equipment shed. That's basically where we  
10 house our people and all the equipment that we have  
11 when we're they're not in use. That's basically  
12 just our office areas and everything like that.

13 We have a gate operator's house. We have  
14 a full-time person living at the house and that  
15 person monitors the water levels and the gates. We  
16 have other individuals who also monitor the water  
17 level and the gates during the day, but at night the  
18 gate operator is in charge of doing that and has a  
19 direct line to our hydroelectric facilities in  
20 Columbus because we have a 24-hour operations shift  
21 there, and they are in contact and are monitoring  
22 the river and the settling basin water levels.

23 The boiler house that you see right behind  
24 the gate operator's house, that is used -- we have a  
25 boiler in there, a propane boiler that's used to

1 steam the gates open in the winter. The gates on  
2 the inlet -- the gate structure obviously in weather  
3 like today will freeze up with the water flowing and  
4 we have to steam them open to open up the required  
5 number of gates that we need for intake into the  
6 settling basin.

7 Basically then what the settling basin  
8 does is it slows the water down and allows the  
9 sediment or sand to settle into the bottom of the  
10 basin. That is then dredged out to both the north  
11 and south sand management areas, and we'll discuss  
12 that in a little bit.

13 What you see here is a close-up version of  
14 the inlet gate structure from the Loup River side.  
15 There are 11 gates on this side, and as many as all  
16 11 can be open or as few as one or they can all be  
17 shut, depending on the particulars of the operation  
18 that we need at that given time and the water flow  
19 in the river.

20 And basically as we talked about before,  
21 this allows the flow of the river into the settling  
22 basin, and then during the winter we steam these  
23 gates open to keep water flowing as we need to into  
24 the settling basin at that point in time.

25 This is a view of the sluice gates from

1 the downstream or the bypass reach of the Loup  
2 River. There are three gates there, as you can see,  
3 and we use these sluice gates to control the flow of  
4 water into the bypass reach. When we need to bypass  
5 water past the canal for operational reasons, we  
6 can't use all the water at that particular time or  
7 we've taken all the water we can, we need to bypass  
8 it, we'll open these gates that you see here to  
9 bypass water into that bypass reach.

10           Once it gets past the sluice gates, the  
11 water flows onward to Genoa and Columbus and into  
12 the Platte River, and basically that's what you  
13 would see here. It would be flowing all the way  
14 down here until it converges with the Platte River  
15 here and then joins back up with the water from the  
16 canal here just downstream.

17           This is our dredge, and that sits in the  
18 settling basin. The dredge's name is Pawnee. It's  
19 a -- it's an original piece of equipment on the  
20 canal so that was put forth in 1937 or '38. It's  
21 about 70 years old. I'll talk a little bit more  
22 about some particulars with the dredge in a second,  
23 but we use this to remove the sediment or the sand  
24 from the settling basin. We use electricity to run  
25 the pump that sits on the dredge, and we have

1 various stations that we hook up to use that  
2 electricity with.

3 There are 13 discharge stations on the  
4 south settling -- south side of the settling basin  
5 and 15 discharge stations on the north side of the  
6 settling basin.

7 Dredging generally occurs during the  
8 months of March through May every year, and August  
9 through November depending upon weather and some  
10 other environmental issues concerning the least  
11 terns and the piping plovers.

12 Approximately 1 1/2 million to 2 million  
13 tons of sand are removed from the settling basin  
14 each year. Some of that is put on the south side  
15 management area and some of it is put on the north  
16 side management area.

17 Our board of directors has approved staff  
18 to start looking at a new dredge for the -- to  
19 replace the existing dredge that we have given that  
20 it's 70 to 75 years old. We are just starting that  
21 review process, and we will be moving forward with  
22 additional information over the next couple of years  
23 to look at replacing this dredge. So this is kind  
24 of a unique piece of equipment that we have here.

25 One other thing that happens outside of

1 the settling basin specifically right now on the  
2 north sand management area is we have a company  
3 and -- we reached an agreement with the company now  
4 called Preferred Rocks to remove sand, and that  
5 agreement was reached with them in 2006. They  
6 remove sand from the north sand management area and  
7 market that on their own. That is something that  
8 they -- we've given them the right to do through a  
9 lease arrangement with them.

10 The removal operation has been very slow  
11 to date. Although there has been a lot of moving  
12 sand, there hasn't actually been much that has been  
13 sold at this point in time, and we work very closely  
14 with this company.

15 What you see here is the Monroe power  
16 house and the substation at the Monroe power house  
17 looking at it back down to the southwest. The --  
18 there are three turbines at the Monroe power house.  
19 Each turbine is capable of generating about 2 1/2  
20 megawatts per turbine for a total of 7 1/2 megawatts  
21 out of the Monroe power house. Each turbine can  
22 pass about a 1,000 cubic feet per second of water  
23 through it.

24 To give you an idea, the canal itself has  
25 a design limitation of 3,500 cubic feet per second

1       which is also our water right with the Nebraska  
2       Department of Natural Resources.  And basically if  
3       we take any more than 3,500 cubic feet per second,  
4       we exceed -- I guess I shouldn't say -- it's not  
5       really that we exceed the capacity of the canal, but  
6       it's pretty fully loaded and we'd be running bank to  
7       bank.

8                        So the Monroe power house, each of the  
9       turbines is capable of passing 1,000 cubic feet of  
10      water, so it would be 3,000 cubic feet.  But then  
11      there's an additional radial bypass gate that can  
12      also bypass water, and it can bypass quite a bit of  
13      water upwards of, I believe it's -- and, Ron, is it  
14      3,000 --

15                      MR. ZIOLA:  It's pretty much the whole  
16      canal.

17                      MR. SUESS:  So the radial bypass can  
18      bypass by itself 3,500 cubic feet per second if we  
19      needed it to.

20                      So again, the substation that you see  
21      there is a 34.5 kilovolts substation, and that goes  
22      out to our subtransmission system and distributes  
23      power then within our system at the Monroe power  
24      house.

25                      And just so you know, we've now basically

1 moved up from the headworks to the Monroe power  
2 house. We're now moving to the Columbus power  
3 house. I'll talk a little bit about Lakes North and  
4 Babcock.

5 What you see here is a view of the  
6 Columbus power house looking to the north. There  
7 are three turbines each at the Columbus power house  
8 capable of generating about 15 megawatts each at  
9 those -- for a total of 45 megawatts.

10 Each turbine can pass 2,060 cubic feet per  
11 second through the turbines and there is no bypass  
12 gate here at Columbus power house, so there is no  
13 way to bypass water other than by running the  
14 turbines. The amount of flow at the turbines or at  
15 this particular location is limited by the intake  
16 valve capacity, and that's the capacity of the canal  
17 from Lake North and Lake Babcock to the Columbus  
18 power house, and its capacity is only 4,800 cubic  
19 feet per second.

20 We use the regulating reservoirs at Lake  
21 North and Lake Babcock to basically store water for  
22 a very short period of time, less than 24 hours, in  
23 order to generate at the Columbus power house the  
24 needs for NPPD.

25 The Monroe power house is a run of the

1 river facility. Whatever water comes through it  
2 either bypasses through the gates or it gets run and  
3 generated power through the turbines.

4 At Columbus power house we have the  
5 ability to do some minor storing based upon the  
6 needs of NPPD who is our power supplier and  
7 purchases all the energy from the power house. NPPD  
8 dictates to us through a contract when they would  
9 like us to generate, and barring operational  
10 emergencies, what we need to generate for reasons of  
11 protecting the canal or other such emergencies, we  
12 generate at NPPD's will.

13 They generally like us to generate over a  
14 two-peak period every day. We'll generate a lot in  
15 the morning hours when people are walking up and in  
16 the evening hours when people are coming home from  
17 work, and during the irrigation season it might go  
18 on a little longer as irrigators come back on line  
19 toward the 11 and 12 o'clock hour.

20 This is a view of the outlet weir looking  
21 back to the east. This is basically at the  
22 confluence of the Loup power canal and the Platte  
23 River which is down at this particular area. That  
24 is about one mile downstream of the confluence of  
25 the Loup River and the Platte River.

1                   And so you have the confluence of the Loup  
2                   and Platte here just to the south and east of  
3                   Columbus, and then just a little further to the  
4                   south and east you have the tailrace canal and the  
5                   Platte River that come together.

6                   And I'm almost done with my presentation,  
7                   but part of the Preliminary Application Document  
8                   that we filed with the Federal Energy Regulatory  
9                   Commission listed a number of studies that we were  
10                  going look at during the process of relicensing the  
11                  hydroelectric facilities. I want to go through a  
12                  brief description of each of the studies that you  
13                  see here up here on the board.

14                  The first study that we're looking at is a  
15                  sedimentation study, and we're hoping that in this  
16                  study we're going to determine if the project  
17                  affects sediment transport within the bypass reach  
18                  and the Platte River downstream of the canal.  
19                  Basically what we're going to look at is what  
20                  happens -- you know, the fact that we remove sand  
21                  and sediment, how it effects the bypass reach,  
22                  what's happening downstream of the tailrace and the  
23                  Platte River, and what benefits and/or detriments  
24                  are associated with that.

25                  On the hydrocycling we're going to

1 determine the effects of the project on the  
2 hydrograph and the stage of the Platte River  
3 downstream of the canal. Because of the way we  
4 operate the project and our ability to hydrocycle,  
5 we -- sometimes there's a lot of water that comes  
6 down the tailrace canal into the Platte River,  
7 sometimes there's very little water at different  
8 times during the day. We're going to see what the  
9 effect of that is on the lower Platte River  
10 downstream of the canal.

11 As far as the water temperature of the  
12 Platte River, we're going to determine what the  
13 effects are of the temperature at Platte River and  
14 come up with some kind of a graph to look at that.

15 Same with the water temperature in the  
16 Loup River bypass reach. We're going to determine  
17 if the project affects the temperature in the Loup  
18 River bypass reach. We're going to do that here at  
19 Genoa and possibly some other places.

20 The flow depletion in the Loup River  
21 bypass reach. We're going to determine the  
22 magnitude of the flow reduction in the Loup River  
23 bypass reach due to our operations. Obviously if  
24 our operations were not -- there's a limited amount  
25 of flow here. We take the majority of the flow that

1 we can that comes into the headworks structure,  
2 and -- but there is some flow in the bypass reach  
3 and we're going to try to study that effect.

4 Fish sampling. We're going to determine  
5 the species abundance, the composition and  
6 distribution of sports fisheries in the canal.

7 Under fish passage, we're going to study  
8 the flow of the diversion weir and the sluice gate  
9 structures, analyze if a reasonable pathway exists  
10 for fish movement upstream from the point of  
11 diversion. In other words, movement from the bypass  
12 reach into the upper parts of the Loup River.

13 There's going to be a recreation user --  
14 we're looking at a study of a recreation user survey  
15 to determine the public awareness, usage and demand  
16 of existing recreational facilities.

17 There will be a creel survey done to  
18 determine the status of fisheries and how they are  
19 used by anglers in the canal.

20 The land use inventory is to determine  
21 land use of properties abutting the project to  
22 identify potential conflicts and opportunities  
23 associated with that land use.

24 And the final one is the Section 106  
25 compliance. As many of you know, the project is

1 considered to be in an historic district. What we  
2 plan to do is develop a plan, develop a relationship  
3 between the State Historical Preservation Office and  
4 the district to protect this as a resource, and  
5 we'll be developing a plan with those.

6 That is all of my presentation at this  
7 point in time, Kim.

8 MS. NGUYEN: Thank you, Neal.

9 The next item on our agenda is the scope  
10 of cumulative effects. After our review of the PAD,  
11 as Neal mentioned, we have identified three  
12 threatened and endangered species that may be  
13 cumulatively affected by the project the piping  
14 plover, the interior least tern, and the pallid  
15 sturgeon.

16 Our geographic scope of analysis for these  
17 three species is defined by the physical limits and  
18 boundaries of the proposed action's effect on the  
19 species; contributing effects from other hydro and  
20 non-hydro activities within the area.

21 We have tentatively identified the Loup  
22 River basin and the lower Platte River to its  
23 confluence with the Missouri River as our geographic  
24 area.

25 The temporal scope of our cumulative

1 effects analysis will include a discussion of past,  
2 present and future action -- well, excuse me --  
3 past, present, and reasonably foreseeable future  
4 actions based on a potential term of a new license  
5 of 30 to 50 years.

6 Now we'd like to go into the resource  
7 issues that we have identified in the scoping  
8 document.

9 The first one is geology and soils, and  
10 we'd like to look at the effects of the continued  
11 project operation and maintenance of the  
12 recreational boating on shoreline erosion.

13 The next resource is cultural, and the  
14 effects of continual project operations and  
15 maintenance on cultural, historic, archeological and  
16 traditional resources in the project area of  
17 potential effects and their eligibility to be  
18 included in the National Register of Historic  
19 Places.

20 Our next issue is what we call  
21 developmental resource, and that talks about the  
22 effects of the proposed project and its  
23 alternatives, including any recommended  
24 environmental measures on the power economics of the  
25 project. Nick is going to talk about the aquatic.

1                   MR. JAYJACK: We identified a number of  
2 issues that have to do with potential project  
3 effects on aquatic resources associated with the  
4 project, and the first set of them have to do with  
5 potential effects of the project on water quality.  
6 And in particular, we're going to be looking at how  
7 the project might effect water temperature  
8 downstream of the diversion on the Loup River in the  
9 bypass reach.

10                   We're also going to look at a few other  
11 water quality parameters including dissolved oxygen  
12 and how the project might effect that and in turn  
13 how that effects fish in terms of reduction in  
14 oxygen.

15                   We're also going to look at -- this might  
16 be a concern for swimmers -- E. coli effects, how  
17 the project might effect that. So it would be those  
18 sorts of things that we would look at under the  
19 field water quality.

20                   Neal talked about the hydrocycling that  
21 occurs at the Columbus power house, so we're going  
22 to take a look at a couple of potential effects that  
23 might occur related to that. So, in particular,  
24 we're going to look at effects on fish habitat and,  
25 again, on water quality, water temperature.

1                   And we'll also be examining project  
2 effects on fish passage, and our key focus will be  
3 on the weir at the diversion structure here in Genoa  
4 in the main area.

5                   And then finally the effects of the  
6 project operations and in particular dewatering on  
7 the Loup River and the Platte River and the effects  
8 it might have on stranding fish and isolating them  
9 in pools, especially for extended periods of time in  
10 the summer months when the days are hot and water  
11 temperatures are up.

12                  MR. TURNER: Pretty much like Nick was  
13 explaining, the terrestrial resource issues, it  
14 really boils down to the project operations and  
15 recreation related effects of the flow diversions of  
16 the Loup River and how that might be affecting  
17 species composition within the bypass reach.

18                  We're also going to look at how the  
19 project and recreation might be affecting those  
20 resources as well.

21                  They include -- as you can follow along in  
22 your scoping documents hopefully -- it's how those  
23 maintenance and operation effects might be affecting  
24 the number of charismatic and -- the number of  
25 charismatic and imported species like the bald

1 eagle, migratory birds like the bank swallow and the  
2 cliff swallow, and a couple of particular species of  
3 plant. I think what is noted in a couple of areas  
4 is the small white lady's slipper.

5 But I think the real focus of this project  
6 is probably going to be on threatened and endangered  
7 species and how that affects the operations in the  
8 sand management areas and how those project  
9 operations are affecting those threatened and  
10 endangered species. And there are three that we  
11 have identified here, and that's the pallid sturgeon  
12 down in lower Platte and the least tern and the  
13 piping plover.

14 And, again, it really boils down to how  
15 those project diversions are affecting the -- and  
16 project operations like up in the sand management  
17 area are affecting their habitats and conduction of  
18 those.

19 There's a number of aspects that are  
20 defined in the scoping document, and you look at --  
21 we're going to be looking at like longevity and  
22 creating a quality nesting habitat for the least  
23 tern and the piping plover. A lot of biological  
24 aspects we'll be looking at. But again, it really  
25 just boils down to what those project diversions,

1 including the timing, the duration, and how they're  
2 managing the sand areas are affecting those -- those  
3 three species.

4 And that includes pretty much all the  
5 aspects in terms of their winter operations as well  
6 as their operations during the spring and summer.

7 We also have under the Endangered Species  
8 Act have to consider all the species that may occur,  
9 and there's one that Fish & Wildlife Services  
10 identified, and that's the Western prairie fringed  
11 orchid, so we'll be looking at those effects, too.

12 That pretty much covers it for the  
13 endangered species, and I'll turn it over to Mark  
14 for recreation.

15 MR. IVY: We have also identified a few  
16 recreation issues to address.

17 The effects of existing recreational  
18 facilities and public access within a project  
19 boundary on current and future recreation demand,  
20 and also barrier free access, or universal access.

21 I want to look at the effects of water  
22 quality on recreational fisheries, swimming,  
23 canoeing, and boating.

24 And I'm also interested in the effects of  
25 the project diversion on recreation use within the

1 bypass reach. So that's the Loup River that goes  
2 around the canal.

3 It would be really interesting to document  
4 the amount and types of use that occur along that  
5 bypass reach because we're really not sure what's  
6 going on there at this point.

7 And we need to better understand the  
8 recreational use of the existing facilities. And  
9 you already mentioned that you plan to do a study to  
10 assess that; see who is using the facilities and how  
11 they're using them.

12 Next we're going to talk about the land  
13 use and aesthetics. There's a couple of issues  
14 there. The effects of the current project on  
15 operations, maintenance, and recreation on adjacent  
16 land uses, and the effects of encroaching vegetation  
17 and bank stabilization measures on the aesthetics.  
18 So there's a couple of places where they had to use  
19 the bank stabilization and what kind of impacts do  
20 they have.

21 And another issue that I thought of today  
22 when we were out driving around and looking at it,  
23 there's a lot of urbanization that is occurring and  
24 encroaching upon the canal and your facilities, and  
25 how is that going to impact how you manage and

1 operate those facilities?

2 MS. NGUYEN: Thank you, Mark. The next  
3 item on our agenda is our EA schedule -- our  
4 Environmental Assessment schedule -- and we have the  
5 license application being filed sometime in 2012.  
6 That's to incorporate at least a minimum of two  
7 years of studies. That's why it's so far in the  
8 future.

9 Then we issue what's called a Ready for EA  
10 Notice, and that's in July. That's when our NEPA  
11 process actually really gets started. That's when  
12 we get comments, recommendations from all the  
13 agencies on that notice -- on that REA notice, and  
14 that's done September 2012.

15 We hope to issue an EA some time in May of  
16 2013, and then the agencies have comments on the EA  
17 and they're modified -- they have an opportunity to  
18 modify any of their recommendations, and that's in  
19 July.

20 There's also a detailed process plan and  
21 schedule in our SD1, Appendix A, if you're  
22 interested in looking at a more detailed schedule.

23 If there are comments from the scoping  
24 today, you can give them orally and the court  
25 reporter will obviously transcribe them and put them

1 in as part of the record. You can also mail them in  
2 to us by February 10 -- and the address is up here  
3 on this slide -- to our secretary. Just make sure  
4 you have Loup River Project and the project name on  
5 the first page of your file.

6 So now we get to the meat of the project,  
7 why we're here. We'd like to hear from you. So  
8 we'd like to open it up for comments from you about  
9 anything we've said here today, any of the issues  
10 you might want to talk about more, any questions you  
11 might have for us concerning the Loup River. Please  
12 don't be shy.

13 MR. TURNER: This is David Turner. Really  
14 the purpose of this meeting is to lay out some of  
15 the things that we've seen based on the  
16 documentation that's coming to us -- before us. And  
17 as we consider the new applications filed, we want  
18 to be able to consider all your concerns as well as  
19 what we have been able to identify.

20 So this is your opportunity to tell us  
21 where there are issues that may be in the back of  
22 your mind, what you may have experienced over the  
23 last 30 to 50 years -- 30 years of this license,  
24 where you'd like to see things changed. And it  
25 gives us an indication of what kind of information

1 we're going to need to evaluate those kinds of  
2 benefits that you guys might be considering in terms  
3 of changes in those operations and new recreation  
4 facilities or whatever might be on your mind or what  
5 you might be proposing. We need to be able to  
6 evaluate that and balance those against the cost  
7 of -- to the project itself and find out if it is in  
8 the public interest to require the district to put  
9 those things in.

10 So this is your opportunity to tell us.  
11 And we kind of really briefly went over that  
12 schedule, but there is going to be a number of  
13 opportunities for you to give us that input. This  
14 is the first. And we're doing it early in the  
15 process so we make sure we know what's out there and  
16 what's on the table and what kind of information we  
17 need to evaluate that.

18 And then as you get the ball going, as the  
19 district goes along and prepares its application,  
20 you'll be able to comment on the application, and  
21 then when that comes in -- and Kim talked about the  
22 comments, recommendations from the agencies, terms  
23 and conditions, but that also applies to you and the  
24 general public. You can review their application.

25 You'll have the chance to review our draft

1 environmental assessment, tell us where we missed  
2 the boat or where you see our analysis was maybe  
3 faulty and we can reconsider those things. So this  
4 is your first opportunity but not your last.

5 So feel free to speak up so we know where  
6 the holes are and what we need to be considering.

7 MR. POPE: Good evening. My name is  
8 Patrick Pope, P-O-P-E. I'm a vice president and the  
9 chief operating officer for the Nebraska Public  
10 Power District. And as I listened to Neal describe  
11 the project, I couldn't help thinking about the  
12 history of the project, the fact that probably since  
13 it's inception NPPD and our predecessor companies  
14 have been involved in some way, shape or form with  
15 this project.

16 I think it's also fair to say that for  
17 that entire period this project has brought  
18 significant benefits not only to Loup customers and  
19 the NPPD customers but also the rate payers for the  
20 state of Nebraska. The project has also brought  
21 significant benefits to the reliability of a  
22 transmission system in the state of Nebraska and  
23 continues to provide several key functions for us.

24 The Monroe units, as Neal described, are  
25 run of the river. They do provide an economical

1 energy source for NPPD and our customers.

2 The Columbus units while providing that  
3 economical energy resource also provide some other  
4 what we call ancillary services that are very  
5 valuable in the operation of our transmission  
6 system. They provide spinning and nonspinning  
7 reserves. They're a valuable source of voltage  
8 control and load falling for the district, and we've  
9 come to depend upon them significantly in the  
10 operation of our system.

11 We also appreciate the flexibility of the  
12 multiple units that both power houses bring to the  
13 operation, and we appreciate the efforts of the Loup  
14 personnel. They've got a great staff that works  
15 with our staff to make sure these units are operated  
16 in a way that really looks out for the environmental  
17 issues, but also the reliability and operational  
18 things that we need to have happen.

19 When you look at what's going on in our  
20 world today also, with all the concern for  
21 greenhouse gases and where our energy supplies will  
22 come from in the future, these types of projects, I  
23 believe, are going to be even more important in the  
24 future. They do not emit any greenhouse gases.  
25 They are a renewable energy source, and we need to

1 make sure that we're capturing the value that  
2 they've provided and can continue to provide for  
3 many years to come.

4 The ability at the Columbus hydro to be  
5 able to store water in the reservoirs and use that  
6 during peak periods is another extremely valuable  
7 attribute for NPPD. We would urge the Commission to  
8 try to maintain as much flexibility for the project  
9 in their operational capabilities as possible. We  
10 use the units as a peak shaving tool during the peak  
11 hours, and we also use -- depend upon those as a  
12 very quick source of energy if we do have system  
13 problems because the hydro units can be very, very  
14 responsive.

15 We support -- wholeheartedly support the  
16 relicensing of the Loup project, and we appreciate  
17 the opportunity to comment. Thank you.

18 MR. GIBBS: I'm Gary Gibbs from Columbus,  
19 and I represent the Nebraska Off-highway Vehicle  
20 Association, NOVA, and we kind of manage or take  
21 care of this little area up here with the four-wheel  
22 ATVs. We've kind of had a pretty good relationship  
23 with Loup for over 20 years and we kind of manage  
24 that area.

25 Our membership in Nebraska is a little

1 over 1,600 people. Probably 80 -- 75, 80 percent of  
2 them have used this area at one time or another, and  
3 just in the Columbus/Grand Island area we probably  
4 have in that chapter almost 700 members. They use  
5 that.

6 So, I just wanted to let everyone know  
7 it's one of the only places to ride in this end of  
8 the state. We've had a pretty good relationship, I  
9 think, and have a pretty good -- no problems with  
10 anything, and we do all the clean-up and taking care  
11 of that area. And our area is all on the north side  
12 of the river so we're pretty much out of that area.

13 And I don't know. I think we have quite a  
14 few members. Who all is here from NOVA? We had a  
15 pretty good showing for the weather. But, like I  
16 said, in our whole state this is one of the only  
17 places we have to ride so it's a pretty important  
18 park to us.

19 MS. NGUYEN: Did you come on your ATV's?

20 MR. GIBBS: Not tonight. No. It's a  
21 little too cold. It's probably -- I'm sure some  
22 weekenders are probably out there. The weather  
23 don't bother some of us, I guess.

24 Any other questions? Thank you.

25 MS. NGUYEN: Thank you. Thank you for

1 coming.

2 MR. TURNER: Surely that can't be all. I  
3 mean all you guys are here just to support that one  
4 park?

5 MR. IVY: I know a lot of you came here to  
6 learn and listen and see what's going on, but if you  
7 do have something to say, we did come here from  
8 Washington, D.C. just to talk to you.

9 MR. DEURING: How is that going to affect  
10 the -- like the recreation part of the whole deal,  
11 like the campground and fishing and the four-wheeler  
12 park down the road?

13 MR. IVY: How is the licensing process  
14 going to affect it?

15 MR. DEURING: Yeah. Is it going to shut  
16 everything down or is it going to stay open? I  
17 guess that's my question.

18 MR. IVY: What we're here to do is figure  
19 out what kind of use is going on and has gone on in  
20 the past and what kind of demand there is for the  
21 future. And as Neal was saying, there's going to be  
22 a study done to see what kind of recreation uses  
23 occurred. And we're not here to come and shut  
24 anything down. We're just here as fact finders.

25 MR. DEURING: I understand that, but are

1       they going to have to shut it down, like the camping  
2       ground and four-wheeler park to do the studies for  
3       like a year or so or just kind of as it goes?

4               MR. IVY:  No.  It's really observation,  
5       come out and watch and see what's happening and  
6       count.  How many people are out there and what are  
7       they doing?  Maybe stop you and say, you know, would  
8       you mind answering a few questions?

9               MS. NGUYEN:  Survey type study.

10              MR. JAYJACK:  This is Nick Jayjack.  When  
11       we do our analysis and environmental assessment,  
12       basically we weigh different -- different measures  
13       or, let's say, the recreational enhancements against  
14       our baseline.  Or we weigh it against what the  
15       baseline condition is.  So what we're trying to do  
16       early in the process now is just to establish what's  
17       out there and learn how many people are using this  
18       area, what time of year are they using it, you know,  
19       what are the effects of that?  That sort of thing.  
20       So, that's basically what the initial study period  
21       is all about is just establishing what's out there  
22       so that if a recommendation in the future comes to,  
23       let's say, enhance the usage of that area, then we  
24       have a good feel for what kind of benefit we're  
25       going to get from that, and we establish that

1 benefit based on what the condition is today and  
2 what's happening out there as opposed to what was  
3 happening out there 30, 50, 60 years ago.

4 MR. DEURING: It's -- like I said, it's a  
5 fun place to go riding. It's just the only place,  
6 you know -- the only place on this side of the state  
7 to go, and for a lot of people, you know, it's only  
8 an hour drive away, and, you know, I don't know  
9 about a lot of people, but I usually go there a  
10 couple times a month, you know, at least two or  
11 three times a month no matter if it's cold or what.  
12 It's fun all year around pulling a sled or just out  
13 having fun, I guess.

14 MR. NYJACK: I guess I have a general  
15 question regarding the recreation use. I sense some  
16 concern, and I guess I'm wondering, has there been  
17 opposition in the past to use of this area for like  
18 ATV use or is your concern stemming from what might  
19 happen to it in the future?

20 MR. DEURING: What might happen to it down  
21 the road. I guess what my concern is, you know,  
22 what I was telling you before. It's the only place  
23 around here to go riding. You know, I kind of feel  
24 like it's a home to me, you know. Is it going to  
25 get shut down or are we going to have to worry about

1       trying to find somewhere else to go down the road  
2       would be my concern.

3               MR. GIBBS: We've had nationwide ATV and  
4       dirt bike areas been shut down for numerous reasons,  
5       a lot of it's due to some of the environmental, the  
6       Endangered Species Act and some things. So as a  
7       group we're pretty concerned, you know, when  
8       something comes up. So, you know, we've had no  
9       problems up to this date, really, but it's -- we  
10      have to be aware because, you know, it can happen.

11             MS. NGUYEN: Anything else?

12             MR. WELLS: Brad Wells. Is there a lot of  
13      historical data years back and how does that -- I  
14      mean, for research -- on the conditions pre-canal as  
15      opposed to where you're at now? You're probably not  
16      even that far yet, are you?

17             MS. NGUYEN: Well, what we have right now  
18      is what's been filed through this PAD, which is --  
19      that Neal and the Loup River filed back a couple  
20      months ago. And we're here to gather this  
21      information, any historical data, history you have  
22      that we need to have. That's why we're here, to see  
23      if there's something out there that we don't have  
24      yet. So we're building up our database.

25             MR. TURNER: They talked about our

1 baseline. It's what's there today and how that's  
2 being used today and its values that's occurred over  
3 the past license. And we are -- we're forward  
4 looking in our process. How does that -- are those  
5 needs being met? Are there other needs that need to  
6 be met under the new license? So the baseline is  
7 what is today and not necessarily historic. So  
8 while we will consider that from a cumulative point  
9 of view, it's not our baseline.

10 MR. NYJACK: We'll sometimes use historic  
11 data to help us decide what things might look like  
12 in the future if we implement a certain condition.

13 Let's say if we wanted to add more flow --  
14 hypothetically speaking, we wanted to add more flow  
15 to the Loup River below the diversion structure. We  
16 might -- we might look at what -- if we had the  
17 data, we might look at what the fishery looked like  
18 way back when, you know, to get an idea of what kind  
19 of benefit we would get out of putting more flow in  
20 the Loup River bypass reach.

21 Again, it's a hypothetical example. We're  
22 so early right now. I'm just trying to explain how  
23 we'd use that historic data.

24 MR. RHODENHORST: My name is Tim  
25 Rhodenhorst. I live about a quarter mile from the

1 canal out there between the power house in Lake  
2 North, and I irrigate out of the canal there just to  
3 bring it to your knowledge, whatever. It's a pretty  
4 decent way to irrigate the crops there. I know all  
5 along there I know different guys that irrigate  
6 there, too, and I guess I'm one of them and Sam  
7 Grennan, he's is one of them, too. But there's  
8 quite a few guys that do irrigate out of the Loup  
9 power canal.

10 MR. TURNER: We are aware of the  
11 irrigators.

12 MR. RHODENHORST: Just bringing it to your  
13 attention.

14 MS. NGUYEN: Anything else? Hearing  
15 nothing, I thank you again for coming, and we hope  
16 to be working very closely with you. And, like I  
17 said, just take a scoping document. Our address and  
18 everything is in there and send us anything you  
19 have. We really appreciate it.

20 MR. TURNER: And be aware that this is the  
21 beginning the process. We've got a few more years  
22 ahead of us, so I recommend that you keep in touch  
23 with the district and follow along with the process  
24 plan, look for our scoping documents.

25 We might -- what you should probably do if

1       you go to FERC.gov, you can e-subscribe and get any  
2       filings and issuances that the Commission may issue  
3       or things that get filed with us. And you get  
4       e-notification if you have that capability, which  
5       most people do these days. And you can stay abreast  
6       of what's going on. So I would recommend that you  
7       do that so you understand what's happening and keep  
8       abreast of what's happening here, too.

9               MR. NYJACK: So basically you would get an  
10       e-mail with a link if you wanted to look at the  
11       document. And if you weren't interested in it, you  
12       delete that particular e-mail. When things get hot  
13       and heavy and stuff starts coming in, though, if you  
14       e-subscribe, you'll probably get quite a few e-mails  
15       on -- for short periods of time.

16              MS. NGUYEN: Okay. With that we'll close  
17       our meeting. Thank you very much again.

18       (At which time the meeting adjourned at 8:00 p.m.)

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C E R T I F I C A T E

STATE OF NEBRASKA )  
 ) ss.  
COUNTY OF DOUGLAS )

I, Margaret Tyska Heaney, General Notary Public within and for the State of Nebraska, do hereby certify that the foregoing proceedings of the Federal Energy Regulatory Commission was taken by me in shorthand and thereafter reduced to typewriting by use of Computer-Aided Transcription, and the foregoing forty (40) pages contain a full, true and correct transcription of all the proceedings to the best of my ability;

IN WITNESS WHEREOF, I hereunto affix my signature and seal the 15th day of January, 2009.

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MARGARET TYSKA HEANEY  
GENERAL NOTARY PUBLIC

My Commission Expires: October 18, 2012