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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Project Number:
YADKIN AND YADKIN-PEE DEE RIVER : P-2197-073
HYDROELECTRIC PROJECTS : P-2206-030
- - - - - x

Stanly County Agri-Civic Center
26032-b Newt Road
Albemarle, NC

Wednesday, January 24, 2007

The above-entitled matter came on for scoping
meeting, pursuant to notice, at 1:00 p.m.

BEFORE:
LEE EMERY, FERC

P R O C E E D I N G S

(1:00 p.m.)

MR. EMERY: Before we get started, we want to say a few words of what we want to do at this meeting and then have Pat Weslowski present the scoping information.

Some of you may or may not know what FERC is, FERC, Federal Energy Regulatory Commission. It's a regulatory agency and we're responsible for the licensing of non-federal hydroelectric power projects. We're required by federal law and by our own agency regulations to look at and evaluate the effects of licensing or relicensing hydropower projects. In today's meeting we'll be asking you what aspects of the projects -- to help us identify some of the scoping issues that we've identified in the scoping document and your input will help us to further identify or clarify those items that we've already identified.

We're still in the early stages of this process of a relicensing process and you'll have other opportunities to participate as this process continues onward. We will be preparing an Environmental Impact Statement. This will be ultimately used by the five commissioners to make a decision on whether this project should be licensed or not licensed and what conditions would be in effect for any new license issued for the project.

I'll look at the sign-in sheet to see how many

1 people wanted to speak today and we'll estimate how much
2 time for each. We'll divide it into those comments for the
3 Yadkin first and then those comments for the Yadkin/Pee Dee
4 Project secondly. That's all I have right now. Thanks.

5 MS. WESLOWSKI: Good afternoon. Thank you, Lee.

6 We're going to have a brief program beginning
7 with an introduction of the folks in front of you. We'll
8 discuss a little bit about what scoping is intended to do.
9 We'll give you the anticipated schedule for the
10 Environmental Impact Statement. We'll talk about the type
11 of information we will be looking for from you in addition
12 to what you would like us to hear. We'll briefly describe
13 the proposed environmental measures for both of the
14 projects. We'll give you an idea of the scope of the
15 cumulative effects that we'll include in the Environmental
16 Impact Statement and we'll go over the resource issues that
17 we have identified thus far based on the filings of both
18 projects' proceedings.

19 As far as the people who are here -- first, we'll
20 do the ground rules. John, could we go back a slide? Thank
21 you. One more slide. No, go forward. All right, we'll do
22 the ground rules.

23 (Laughter.)

24 MS. WESLOWSKI: It's always smoother the first
25 time. Just some basic ground rules. This is a small group

1 and I'm sure that you all know these and that you'll show
2 respect for each other. There will be time limits although
3 they are fairly generous today. You need to sign in if you
4 wish to speak. We ask you to sign in even if you don't wish
5 to speak. And if you've brought written comments with you,
6 you can leave them with the court reporter over here and
7 he'll make sure that those get attached to the public record
8 for this proceeding.

9 You've already met Lee Emery. He's the project
10 coordinator for the FERC team on this task. He's a fishery
11 biologist. His co-coordinator is Steven Bowler. He's also
12 a fishery biologist. My name is Pat Weslowski. I'm with
13 the Louis Berger Group and we are supporting FERC in the
14 preparation of the NEPA documents for these two projects and
15 I'm coordinating the Berger team.

16 At the table to the far left we have Peter Foote,
17 who is with Louis Berger. He's a fishery biologist. Now to
18 the table we have Sarah Florentino. Sarah could you just
19 wave? She's with FERC and she's a terrestrial ecologist.
20 Dr. Bernard Hay whose with the Louis Berger Group. He's a
21 water quality specialist and he has a lot of experience in
22 sedimentation issues. Ken Hodge, who is probably still at
23 the desk, he's a civil engineer and he's with the Louis
24 Berger Group. John Hart at the Powerpoint is with the Louis
25 Berger Group and he's a hydrologist. Allyson Connor with

1 the FERC team who's a recreation specialist and Leslie
2 Yaukey who is with the Louis Berger Group and she's also a
3 recreation specialist. It almost feels like there are more
4 of us than there are you at the moment, but we've been out
5 looking at the project with our counterparts to understand
6 the resources.

7 The purpose of scoping, under the National
8 Environmental Policy Act and FERC's own regulations and
9 various other laws: they require an evaluation of the
10 environmental effects of the relicensing Yadkin and the
11 Yadkin/Pee Dee Projects. Scoping is part of the NEPA
12 process. This meeting is part of gathering input from you,
13 the agencies, the public, tribes in some cases, state,
14 local, regional organizations comments on what you are
15 concerned about. There was a scoping document issued on
16 December 21st. There are copies of that scoping document at
17 the registration desk and I think some of you probably
18 picked them up last night. The schedule for preparation of
19 the Environmental Impact Statement currently is to have a
20 document available for public comment in September and
21 between now and then we are doing scoping and there will be
22 a ready-for-environmental notice issued. I think the
23 earliest would be the end of February. I think in the
24 tendering notices it was advertised as April, but the
25 earliest at which that notice would go out would be the end

1 of February. Then agencies and other entities would have
2 two months to comment and the applicant can provide reply
3 comments and then we would prepare the environmental
4 document, as I said, anticipated for September.

5 The types of information that would be useful to
6 us and to FERC include significant environmental issues that
7 we should address in the Environmental Impact Statement,
8 other studies in the project area that you may know about
9 that are relevant to these two projects that may not already
10 be in the public record. And as you probably know,
11 everything that is filed with the Secretary of FERC is
12 docketed and made available to the public through their e-
13 Library process and in their public library.

14 We're also interested in information that
15 describes the past and present conditions at the projects as
16 well as resource plans and specific future plans, not
17 speculative ones, but ones that have some sense of or some
18 likelihood of being realized. Those types of plans in the
19 project area. That type of information is useful for us in
20 doing our cumulative effects analysis.

21 Now I would like to ask Gene Ellis from Alcoa if
22 you'd like to come up and make a few remarks.

23 MR. ELLIS: Thank you, Pat. I'm Gene Ellis. I'm
24 the licensing and property manager for Alcoa Power
25 Generating, Inc. On behalf of Alcoa, I would like to thank

1 you for joining us at this FERC meeting. We've been working
2 on the relicensing of the Yadkin Project for more than four
3 years and this marks another milestone in the process. When
4 we first began the process, we encouraged those with an
5 interest in the future operation of the Yadkin Project to
6 get involved. We've had tremendous amount of community and
7 agency involvement every step of the way and that
8 participation is leading us to a relicensing agreement that
9 offers important environmental protections and significant
10 recreational benefits to the people of North Carolina.

11 For the past two years, we've been working with
12 representatives of over 25 organizations and agencies to
13 develop this relicensing settlement agreement. We're
14 finalizing that agreement and we'll be filing it with FERC
15 after it's completion. The agreement builds on concepts
16 that were outlined in our agreement in principal that we
17 released to the public last summer. That agreement in
18 principal and our final agreement, both reflect the input,
19 involvement and influence of a wide collection of
20 stakeholders from local governments and state and federal
21 agencies to homeowner groups and environmental interests.
22 I'm very proud of the progress that we've made and I
23 believe that it represents a true balance of the issues.

24 In the agreement in principal and the work that
25 we have completed in the final agreement, we touched on

1 every major issue that was raised -- keeping more water in
2 High Rock Lake to support recreation and enhance fish and
3 wildlife habitats, improving water quality, ensuring the
4 long-term protection of our land and cultural resources,
5 providing a consistent water flow to support downstream
6 interest, enhancing recreation through the development of
7 new swim areas, camp areas, fishing piers and so on.

8 We look forward to formally submitting that
9 agreement to FERC soon. I'm glad that FERC is taking this
10 opportunity tonight to hear directly from the agencies that
11 we've been working with in the process. I do appreciate the
12 opportunity to speak and I look forward to hearing the
13 agency comments.

14 MS. WESLOWSKI: And Phil Lucas from Progress
15 Energy.

16 MR. LUCAS: Thank you, Pat.

17 I'll mirror the same comments that Gene made. We
18 at Progress Energy initiated this process in early 2003 with
19 the filing of our Notice of Intent to the FERC and also the
20 issuance of our initial consultation document. From that
21 point, we worked with the stakeholders that identified
22 themselves as having an interest in the process and formed
23 resource working groups. And from that point with the
24 resource working groups, we identified the issues and then
25 developed study plans and actually conducted studies in the

1 field and then after those were completed shared the results
2 of those studies with those same stakeholder groups.

3 From that point we moved forward and tried to
4 develop a settlement, which culminated last fall in an
5 agreement in principal which was signed and also it was
6 filed with the FERC staff. Since last fall, we've been
7 working with this same group of parties that signed the
8 agreement of principal to develop a formal settlement
9 document. And at this point I believe we have turned over
10 all of the technical working sessions over to the attorneys
11 group that is finalizing the proper legal language for those
12 areas and will develop that formal document for us to sign.
13 And that will hopefully culminate at the end of April for
14 the signing of that document. That's the target that we
15 have at this point and then also that document will be filed
16 with the FERC.

17 So again, I look forward to the comments today
18 and appreciate the opportunity to be here with you.

19 MS. WESLOWSKI: Thank you both, Gene and Phil.
20 We're going to briefly orient you to the projects. We are
21 including in the Environmental Impact Statement Yadkin and
22 the Yadkin/Pee Dee Projects, which involve a total of six
23 developments upstream to downstream -- the High Rock Dam
24 development, Tuckertown Dam, Narrows Dam, Falls Dam, Tillery
25 Dam and Blewett Falls Dam.

1 At the Yadkin Project, as I said, there were four
2 developments along about 20 miles of river. The High Rock
3 development is a storage and release operation. The
4 Tuckertown, Narrows and Falls developments are run-of-river
5 operations. That is to say flow that goes in comes out in
6 equal amounts. The four developments total 209 megawatts of
7 installed capacity. There are 26 recreation sites that
8 exist at those four developments. In the Yadkin Project
9 releases a required flow below the Falls Dam that consist of
10 1500 cubic feet per second 10 weeks prior to the recreation
11 season and then 1610 cfs from May 15th to the end of June
12 and then 1400 cfs from July 1 through September 14th.

13 At the Yadkin/Pee Dee Project, there are two
14 developments along approximately 30 miles of river. The
15 Tillery development is a store and release operation and
16 Blewett Falls is a re-regulating operation and run-of-river
17 when the flows exceed 7400 cfs. The two developments have
18 108.6 megawatts of installed capacity. There are eight
19 existing recreation facilities at those two developments and
20 they release at Blewett Falls 1200 to 2400 cfs seasonally
21 adjusted minimum flows. The operational constraints that
22 exist at the Yadkin Project: they operate under a headwater
23 benefits agreement that requires a specific flow below Falls
24 Dam. I just gave you the value of that flow.

25 A headwater benefits agreement basically reflects

1 the additional energy production that is possible at
2 downstream project because of the storage in the upstream
3 project. So High Rock is a storage facility and it enables
4 the downstream developments to operate and there are
5 benefits that accrue back to the High Rock for that.

6 Now I'd like to give you a brief overview of the
7 proposed measures that are included in the draft agreement
8 in principal for both of these two projects and this is a
9 very brief synopsis. These measures are given in detail in
10 the scoping document. So if you want the details, you
11 should look there. Also, in the scoping document we
12 included what each applicant included in their license
13 application and you understand that the agreement in
14 principals, the drafts are subsequent documents, so the
15 license applications have what were proposed at that time
16 and the draft agreement in principals reflect where each of
17 these projects is in their current settlement negotiations.

18 We're going to give you the agreement in
19 principals measures. At the Yadkin Project the proposal is
20 to increase minimum flows downstream of Falls Dam to
21 maintain higher summer water levels in the reservoirs,
22 basically to operate within 4 feet of full pool as opposed
23 to the current operations of 6 feet of full pool, to reduce
24 winter draw down levels at the reservoirs to within 10 feet
25 of full pool, to stabilize water levels during the spring

1 spawning season for fisheries for the benefit of fisheries,
2 to improve dissolved oxygen below the High Rock Dam and the
3 Narrows Dam and based on those efforts to see what makes
4 sense at the other two dams, to implement a diadramous fish
5 plan, diadramous fish are basically those fish who migrate
6 between salt water and fresh water and that's a plan that
7 would be developed or implement in cooperation with the two
8 applicants and various state agencies, to implement a rare,
9 threatened and endangered species plan. That would be
10 dealing with rare wildlife, plants, fish, monitor the Yadkin
11 River goldenrod, which is one endangered species that's
12 unique to the Yadkin Project.

13 Also proposed is funding to monitor fresh water
14 mussels in the Falls tailwater, to monitor and control
15 invasive and exotic plants, to implement a transmission line
16 management program. That's for vegetation around the
17 transmission lines at the projects, annual nesting surveys
18 of bald eagles, implementation of an historic properties
19 management plan, implementation of a recreation plan that
20 has a lot of components to it. I'm just citing a couple
21 here. That plan would include the provision of accessible
22 improvements at various recreation facilities, the
23 installation of two accessible public fishing piers, the
24 provision of a new recreation facility on the Rowan County
25 site side of High Rock Lake, improvement of the portage

1 trails, a review and amendments the shoreline management
2 plan within two years of license issuance. And at the
3 Yadkin/Pee Dee project, again, increase of minimum flows and
4 you can appreciate if you increase in the upper projects so
5 that increase is being felt down through the lower two
6 projects or developments, maintaining higher water levels in
7 the reservoirs, installing flow monitoring gauge below
8 Tillery Dam, implementing dissolved oxygen improvements,
9 implementing with Alcoa and the agencies the diadramous fish
10 plan that I mentioned, protection of riparian lands along
11 the east side of the Pee Dee River, which is also part of
12 the Fish Protection Program, providing enhancements and
13 accessible improvements at the recreation facilities,
14 providing new trails and a fishing pier at the Stoney
15 Mountain access area, closing the existing informal public
16 boating access at the Tillery tailraise and providing a new
17 public boating access area at the mouth of Clark's Creek in
18 Richmond County, providing funds for a shoreline public
19 fishing area in the Steel Bridge area in Stanly County and
20 improving boat ramps, enhancing the Yadkin/Pee Dee Trail,
21 adopting protective shoreline management policy for Blewett
22 Falls Reservoir, conducting a lake sediment survey at the
23 Blewett Falls Reservoir, protecting grassy island area lands
24 and the lands needed for canoe portage at Blewett Falls,
25 implementing a historic property management plan and

1 providing a joint law enforcement facility at Lake Tillery.

2 Those are very briefly the enhancements that are
3 proposed in the Yadkin and the Yadkin/Pee Dee draft
4 agreements in principal. The Environmental Impact Statement
5 will look at cumulative effects. The resource issues that
6 we've identified as likely being cumulatively affected are
7 water quality, sediments and fisheries resources. For water
8 quality and sediments, the geographic scope of that
9 assessment will be the upper influence of the Yadkin Project
10 downstream of the Scott Kerr Dam, a downstream to below
11 Blewett Falls to the hydrologic influence of that project.

12 For fisheries, we'll be extending that geographic
13 scope down to the Atlantic Ocean because the fish,
14 obviously, are coming to and from the ocean. The temporal
15 scope or the timeframe of our analysis will be 30 to 50
16 years into the future. The general resource areas that will
17 be included in the impact statement, subject to comment, are
18 geology and soils, aquatic resources, terrestrial resources,
19 plants, wildlife, threatened and endangered species -- and
20 we typically treat the federally-listed threatened and
21 endangered species in a separate chapter in these documents
22 -- recreation, land use and aesthetics, cultural and
23 developmental analysis, the developmental resources, the
24 project economics, so to speak.

25 The specific effects or effects on specific

1 resources that we've identified thus far based on what's
2 been filed on these two projects are, in terms of the
3 issues, shoreline erosion, potential effects on riparian
4 habitat and wetlands, potential effects on flood elevations
5 and sedimentation, potential effects on the salinity in the
6 lower Pee Dee River downstream of the Blewett Falls
7 development and in that estuary in the inner coastal
8 waterway, potential effects on water quality, including
9 temperature and dissolved oxygen, potential effects on fish
10 species, particularly the diadromous American chad, for
11 instance, and the restoration plans that are proposed,
12 potential effects on the federally-listed rare, threatened
13 and endangered species, wetlands and wildlife, aquatic and
14 evasive species, potential effects on shoreline management
15 and land use practices within the project boundaries,
16 potential effects on aesthetic resources, on recreational
17 facilities and recreational opportunities, potential effects
18 on properties listed in the National Register or eligible
19 for listing in the National Register of Historic Places, and
20 project economics. Those resource issues are common for the
21 two projects.

22 We are ready to hear from the audience.

23 MR. BOWLER: Again, I'm Steven Bowler from the
24 Federal Energy Regulatory Commission and I'm modeling the
25 good behavior of giving your name before you speak, please.

1 And I wanted to mention that I arranged the venue and I
2 apologize for the slightly awkward setting. We've having so
3 many seats for a modest crowd. It would be nice to have a
4 more intimate room, but it would have cost us more to rent
5 two rooms for the two meetings today and we're saving some
6 bucks for the taxpayers.

7 Based on the number of people who signed up,
8 we'll allow people to speak for up to 10 minutes. I'll be
9 calling the next speaker and announcing who's on deck to
10 follow that person. Again, please come up to the
11 microphone, give your name and your organization's name.
12 Please spell out any acronyms and spell any names or
13 organization names that don't have common spellings. Any
14 written materials you can take to the recorder and he'll
15 attach them to the record.

16 We will be generating a transcript from this
17 meeting. It'll be one transcript, which will be filed under
18 both project numbers and you can talk to the recorder about
19 getting copies of that. It should be available in a couple
20 of weeks. Also, depending on how the time goes, we may
21 insert a break at some point.

22 Before I call up the first speakers, I wanted to
23 do a bit of business on our part, which is to put into the
24 record the fact that we, in our scoping document
25 inadvertently admitted three comprehensive plans that are on

1 the FERC, the Federal Energy Regulatory Commission's
2 approved comprehensive plan list. We omitted those from the
3 scoping document and we are placing these in the record for
4 the project. The three plans are the restoration plan for
5 the diadromous fish of the Yadkin/Pee Dee River Basin 2006,
6 Fisheries and Wildlife Management for the Yadkin/Pee Dee
7 River Basin 2005 and North Carolina Wildlife Action Plan
8 2005.

9 With that, I will call the first speaker Danny
10 Johnson to be followed by Larry Turner. The first 10
11 speakers or so will either Yadkin or both projects and then
12 we will do the Yadkin/Pee Dee people.

13 MR. JOHNSON: My name is Danny Johnson and here
14 today representing the South Carolina Department of Natural
15 Resources. The Department of Natural Resources is a state
16 agency with responsibilities for managing fish, wildlife,
17 land, water and marine resources. Our mission is to serve
18 as principal advocate for and steward of South Carolina's
19 natural resources. The comments I'm going to be providing
20 today are going to be general and brief and we do intend to
21 provide written comments in great detail before your
22 February 26th deadline.

23 Both the Alcoa Project and the Progress Energy
24 Project are located within the State of North Carolina, but
25 they are of interest to the Department of Natural Resources

1 due to the impact the operation has on the rate of Pee Dee
2 River flow coming to South Carolina. Our primary interest
3 in FERC relicensing of these projects is to ensure that the
4 flows released from the project are sufficient to meet our
5 needs for aquatic habitat, navigation, water supply and
6 water quality.

7 Under current operating procedures authorized by
8 the existing FERC licenses, flows being delivered to South
9 Carolina are highly variable and frequently much lower than
10 would naturally occur. On a typical weekday, flows range
11 from about 3600 cubic feet per second to 9000 cubic feet per
12 second during a 24-hour period and on weekends, flows maybe
13 only 300 cubic feet per second for the entire weekend. We
14 believe these highly variable and frequently low flows are
15 too divergent from natural conditions and are adversely
16 impacting our interest in the Pee Dee River.

17 We have been actively involved in the relicensing
18 processes for both the Alcoa and Progress Energy Projects
19 for more than three years now. We've been involved in the
20 resource assessment and settlement negotiation phases for
21 both projects. Throughout these processes, both Alcoa and
22 Progress Energy have been highly receptive to our input and
23 have invited us to participate in those studies that are
24 relevant to our areas of interest.

25 Our interest in obtaining adequate flows for

1 aquatic habitat were evaluated through the conduct of an
2 instream flow incremental methodology study in which we
3 participated. Navigation needs were addressed through
4 application of a methodology and criteria developed by our
5 agency. Our interest in water supply and water quality,
6 including salinity inclusion in the lower river area were
7 addressed through a cooperative effort of the licensees, the
8 Pee Dee River Coalition, which is a group consisting of the
9 public and industrial water users on the South Carolina part
10 of the Pee Dee River, the U.S. Geological Survey, our sister
11 agency, the South Carolina Department of Health and
12 Environmental Control and ourselves.

13 The results of these studies and efforts is a
14 flow release regime at both projects that is sufficiently
15 protective of South Carolina Department of Natural
16 Resource's resource interest. The regime includes
17 seasonally adjusted daily average releases from the Alcoa
18 Project that can be re-regulated by the downstream Progress
19 Energy Project to provide seasonally adjusted continuous
20 flows to South Carolina that will meet our multiple resource
21 needs.

22 Another result of these studies is the
23 development of a low inflow protocol that prescribes how
24 projects will be operated and flows released during periods
25 when there is not enough water in the system to meet all

1 user needs. The flow release regime and low inflow protocol
2 are included or referenced in agreements in principal for
3 both projects which have been signed by our agency and they
4 are requirements we would recommend for inclusion in
5 licenses issued for the two projects. The elements of these
6 agreements in principal are summarized as action
7 alternatives in Section 4.1.2.1 of FERC's Scoping Document
8 One.

9 We would point out on page 13 of that section
10 there appears to be an error indicating that the release
11 from the Alcoa Project is a weekly average when, in fact,
12 it's a daily average. The licensees and signatories to the
13 agreements in principal to both projects are currently
14 engaged in a process to convert the agreements in principal
15 into more comprehensive settlement agreements, which can be
16 proposed to FERC as license articles. We are hopeful and
17 have every expectation that this conversion process will be
18 successful and completed in the near future. If it is
19 successful and the settlement agreements continue to include
20 provisions protective of our interest, the South Carolina
21 Department of Natural Resources intends to sign those
22 agreements and would recommend that the FERC include them as
23 a preferred alternative in the Environmental Impact
24 Statement.

25 I thank you for the opportunity to make these

1 comments. And as I indicated, we will make detailed
2 comments later.

3 MR. BOWLER: By the way, the speakers are
4 welcomed to use either of the microphones, whatever is more
5 convenient. So Larry Turner and then followed by Raymond
6 Johns.

7 MR. TURNER: My name is Larry Turner and I'm here
8 today representing the South Carolina Department of Health
9 and Environmental Control. DHEC, as we are known, is
10 responsible for environmental protection programs in South
11 Carolina, including the air and water pollution control,
12 solid and hazardous waste management, drinking water
13 programs, water pollution control programs, including MPDS
14 permitting program and the 401 Certification Program. We
15 are currently working with FERC on four South Carolina
16 projects that are requiring 401 certification, including
17 Duke's Catawba River relicensing, SCE&G Saluda River
18 relicensing, Santee-Cooper's relicensing of the C&T Project
19 and the Augusta Canal relicensing project.

20 The 401 certification from the State of South
21 Carolina is not required for the APGI in Progress Energy
22 Carolina's projects due their location in North Carolina.
23 However, the State of South Carolina and the Department of
24 Health and Environmental Control have a vital interest in
25 the relicensing process due to the project impacts on

1 downstream flows in the South Carolina portion of the Pee
2 Dee River.

3 There are a multitude of interest among the
4 various stakeholders in the process. Our primary interest
5 in the Pee Dee River Basin is flow and if I understood
6 correctly when you were giving your project description, you
7 listed existing conditions and you gave certain flows. I
8 believe what you gave was not the existing conditions, but
9 the proposed conditions because the current flows in the
10 river can drop down to 150 cfs resulting in weekend
11 droughts, so to speak, and it is not the 1200 cfs minimum
12 that was stated in the introduction.

13 These existing, highly variable flows do have a
14 negative impact on water resources in South Carolina. What
15 we would like, through this process, is to ensure that we
16 have minimum flows to support fish and wildlife, minimum
17 flows to protect navigation, waste assimilation and for
18 public and industrial uses, both consumptive and non-
19 consumptive. Also, flows to minimize salt water intrusion
20 in the lower part of the river basin and adequate flows
21 during droughts.

22 We'd like to thank APGI and Progress Energy for
23 the opportunity to participate in the relicensing process
24 and for allowing us to be a full part of the process. We've
25 taken an active part in the negotiations and in development

1 of the agreements in principal. We've participated in
2 development of the final settlement agreement, both through
3 the comprehensive agreement group and through our attorney's
4 involvement in the legal subcommittee.

5 We've also taken an active part with the
6 licensees in the State of North Carolina in development of
7 the low inflow protocol that ensures that competing uses
8 will be treated equally during periods of drought. The
9 Department's decision as to whether to sign the final
10 agreement will be dependent on the wording of the final
11 document, which we have yet to see, but we anticipate in the
12 near future. However, we are pleased with the negotiated
13 project flows contained in the AIP and are confident that
14 they will be protective of water uses in South Carolina. We
15 are hopeful that the final wording of the relicensing
16 settlement agreements for both projects is such that the
17 department can fully support them. We're equally hopeful
18 that a final settlement agreement containing both provisions
19 of the agreements in principal can be accepted by the
20 Commission as the preferred alternative.

21 The department will be providing written comments
22 to the condition prior to the close of the comment period.
23 We are hopeful that those comments can be based on the
24 proposed final relicensing settlement agreements and that we
25 will be able to fully support those agreements. Thank you.

1 MR. BOWLER: Thank you. Raymond Johns followed
2 by David Ezzell.

3 MR. JOHNS: Good afternoon. My name is Raymond
4 Johns, J-O-H-N-S, not Jones. I represent the U.S.
5 Department of Agriculture Forest Service, specifically in
6 this situation the Uwharrie National Forest. We've been
7 involved since the inception of the project about three or
8 so years ago, primarily in the Narrows and Falls reservoir
9 section of the Yadkin Project, which the Uwharrie National
10 Forest borders. We would like to note our support of the
11 agreement in principal and forthcoming settlement agreement.
12 We believe that through our process with the cooperative
13 stakeholders group that we've reached a comprehensive
14 agreement that addresses the resource needs associated with
15 the operation of the Yadkin Project and that this adequately
16 protects and utilizes national forest system lands.

17 The agreement is also consistent with Uwharrie
18 Land and Resource Management Plan, which we will be filing
19 formally with FERC in the near future for consideration as a
20 comprehensive plan in the process. With this, we'll also be
21 filing specific comments and will encourage FERC to
22 incorporate the resource settlement agreement as a preferred
23 alternative in the environment assessment. Thank you.

24 MR. BOWLER: Thank you. After David Ezzell, Todd
25 Ewing.

1 MR. EZZELL: My name is David Ezzell. The last
2 name is spelled E-Z-Z-E-L-L and I represent the Stanly
3 County Health Department. The primary goal and purpose of
4 the Stanly County Health Department is to promote and
5 protect the health of the residents of the county. Various
6 environmental factors positively or negatively impact the
7 health status of our community. For many years, our
8 department has been concerned with the increasing occurrence
9 of arsenic contamination of private drinking water wells and
10 many of these wells have significantly high levels of
11 arsenic.

12 In Stanly County, it is estimated that nearly one
13 third of private homeowner wells are contaminated.
14 According to our data, 60 percent of the wells that we've
15 sampled have arsenic concentrations in excess of 1 part per
16 billion and 32 percent have levels in excess of 20 parts per
17 billion, which is the EPA's maximum ECL. These levels are
18 disproportionate high along the river and lake areas
19 compared to the rest of the county.

20 As an Environmental Impact Statement is prepared
21 for this relicensing project, we would like to raise a
22 question for further review and assessment concerning
23 possible groundwater contamination at the Alcoa Badin
24 landfill and any other possible undocumented landfills.
25 From our understanding, the landfill was used extensively

1 for over 40 years to disposed spent pot liner waste from the
2 smelting operation and this is an EPA classified hazardous
3 waste. We also understand that arsenic is one of the many
4 by-products of the smelting operation.

5 A 1991 report from the superfund section of the
6 Division of Solid Waste Management identified the presence
7 of arsenic and other heavy metals in soil samples at this
8 landfill location. We do realize that Stanly County is
9 located in the Carolina slate belt. We've got the geology,
10 the mineral deposit presents particular problems with
11 arsenic concentrations as naturally occurring. We do know
12 that. However, our question is could this landfill and any
13 other undocumented landfills be a contributing factor in the
14 groundwater contamination from arsenic? Private well water
15 tests performed on land laying immediately adjacent to the
16 lakes bordering the eastern side of the county have been
17 identified as having very high concentrations of arsenic.
18 These results are well above EPA levels and according to a
19 2003 report from the Department of Environment and Natural
20 Resources the wells in our county have one of the highest
21 probabilities to exceed the EPA concentrations of any county
22 here in the central region of North Carolina.

23 Given the data and conditions that we've observed
24 in terms of water quality issues, we feel it is important to
25 go on record encouraging further assessment to determine if

1 there's a contributing relationship between the landfill and
2 our groundwater contamination. Thank you.

3 VOICE: Off mic.

4 MR. EZZELL: Yes, yes, it is. It's located
5 approximately 400 feet off of Badin Lake.

6 MR. BOWLER: After Todd Ewing, Marty Barfield.

7 MR. EWING: Good afternoon. My name is Todd
8 Ewing. I'm a fisheries biologist representing the North
9 Carolina Wildlife Resources Commission. The North Carolina
10 Wildlife Resources Commission is the agency charged with
11 protecting, regulating and when necessary, enhancing fishery
12 and wildlife populations within the State of North Carolina.
13 Also, we are charged with providing the public with access
14 to the inland waters of North Carolina, mainly through
15 motorized boating access.

16 The goal of our agency, through these two
17 relicensing proceedings, is two licenses that are
18 comprehensive in that they look at all six reservoirs and
19 the two river reaches as one. We feel that that will allow
20 us to better manage and protect the entire Yadkin/Pee Dee
21 Basin and not just looking at this as each individual
22 reservoir or even two separate projects.

23 The Wildlife Resources Commission has been
24 actively involved in both these relicensings from their
25 earliest onset. We have participated in numerous study

1 groups and virtually ever negotiating meeting and we are
2 currently signatories to both processes agreements in
3 principal. Currently, we are working with both licensees to
4 formalize the agreements in principal and convert them into
5 final settlement agreements. Since those final settlement
6 agreements have not come to fruition yet, we are not
7 prepared to make any detail statements regarding the merits
8 of any of the provisions in either application. We will,
9 hopefully, be able to provide those in written comment by
10 the February 26th deadline.

11 We look forward to working with Alcoa and
12 Progress Energy over the next few weeks, months -- I won't
13 go any further than that -- in finalizing these agreements
14 and we think we are close and we look forward to wrapping
15 this up. Thank you.

16 MR. BOWLER: Thank you. Marty Barfield followed
17 by Steve Reed.

18 MR. BARFIELD: Good afternoon. My name is Marty
19 Barfield. I am the vice chair of the Pee Dee Coalition,
20 which is a South Carolina based group. I'm also the
21 designated technical representative for the coalition. The
22 Pee Dee River Coalition is a non-governmental organization
23 comprising 22 industrial and municipal water users located
24 on the Great Pee Dee River in South Carolina. Our members
25 are located as far north as the Town of Cheraw, South

1 Carolina proceeding south to the Grand Strand areas situated
2 along the South Carolina coast.

3 The PDRC was formed to ensure that a voice
4 representing South Carolina interest in addition to South
5 Carolina governmental agencies was involved in the
6 relicensing of the North Carolina hydroelectric dams located
7 along the Yadkin and Pee Dee Rivers. The combination of the
8 licensees six dams -- four owned by APGI, Inc. and two owned
9 by Progress Energy -- controls the flow of river water in
10 the Great Pee Dee River into South Carolina. As a result,
11 the PDRC has been an active participant in both the APGI and
12 Progress Energy stakeholder groups and has agreed with and
13 signed both licensee's non-binding agreements in principal.

14 At this point the PDRC also agrees with and
15 supports the draft settlement agreements currently being
16 finalized in each stakeholder process. The PDRC intends to
17 sign and be party to both final settlement agreements. The
18 PDRC's chief concern throughout the process has been the
19 identification and agreement to acceptable minimum river
20 flow into South Carolina, both as a function of normal
21 conditions and low inflow periods. The economic and social
22 welfare of the Pee Dee and Grand Strand regions is tied, in
23 large part, to maintain an acceptable flow in the Great Pee
24 Dee River. The PDRC believes that the minimum flow
25 schedule, as included in the current licensee's AIP as a

1 draft final settlement agreements are protective of current
2 and future South Carolina economic and social interests.

3 Further, the PDIC has been party to discussions
4 and technical review of information provided through
5 accepted scientific analysis to agree with the flow
6 schedules as agreed upon in the stakeholder process. The
7 outcome of the process results in agreements that provide
8 for management of the resource while balancing upstream and
9 downstream interest. The PDRC intends to continue
10 participating in the relicensing process with our chief
11 concern being the maintenance of the agreed upon minimum
12 downstream river flow schedule. We intend to support and
13 sign the formal settlement agreements with the two licensees
14 and we further urge the Federal Energy Regulatory Commission
15 to accept the settlement agreements as the best, most
16 balanced approach to meeting stakeholder needs as well as
17 serving for the basis for license reissuance. Thank you.

18 MR. BOWLER: Thank you. Steve Reed followed by
19 Mark Bowers.

20 MR. REED: My name is Steve Reed. The last name
21 is spelled R-E-E-D. These comments are for the Alcoa
22 Project. I represent the North Carolina Division of Water
23 Resources of the Department of Environment and Natural
24 Resources. Also, represented our division of Parks and
25 Recreation in the Alcoa proceedings.

1 Our Division of Water Quality has been an active
2 participant throughout the Alcoa process as well. Our
3 divisions have participated in all aspects of the
4 Alcoa/Yadkin relicensing stakeholder process. We also
5 appreciate APGI developing a collaborative relicensing
6 process. We've been members, as other agencies have
7 mentioned, of the issues advisory groups, the technical work
8 groups. We participated in study scoping, study design and
9 in some cases even data collection.

10 We continue to be part of the stakeholder team.
11 We are signatories to the agreements in principal. We're
12 continuing to work with Alcoa/Yadkin and all of our other
13 fellow stakeholders in developing a comprehensive
14 relicensing settlement agreement, which we hope will be
15 finished in the very near future. We will be submitting
16 written comments by your February 26th deadline and hope
17 that the final version of the relicensing settlement
18 agreement will be part of those comments and we will be able
19 to support it as the preferred alternative for FERC's
20 Environmental Impact Statement. Thanks.

21 MR. BOWLER: Thank you. Mark Bowers followed by
22 Prescott Brownell.

23 MR. BOWERS: Good afternoon. I'm Mark Bowers
24 with the U.S. Fish and Wildlife Service. Our mission is to
25 conserve, protect and enhance the fish, wildlife and plants

1 and the habitats that they depend on for the citizens of the
2 United States, including the people of North Carolina. I'm
3 based out of Raleigh. I'm just going to go over a few of
4 our main issues. These are common to both projects.

5 The first one is the instream flow regime and the
6 minimum flows for the Pee Dee River and the Yadkin River and
7 the river ecosystem which depends on those flows. We are
8 also interested in pursuing fish passage and fish passage
9 agreements in dramadrous fish restoration with both
10 licensees. We're currently having negotiations that are
11 going in a positive direction.

12 Another resource area is shoreline management and
13 protection and balancing development with natural resource
14 needs. One of our statutory requirements again is
15 threatened and endangered and rare species and to implement
16 protection and management plans for those species. We are
17 also interested in public access and use of the resources
18 and how they can be used to benefit the people of North
19 Carolina and the surrounding counties. We're also
20 interested in the low inflow protocol and how that affects
21 people in South Carolina downstream of all the projects.

22 We're currently not in agreement with the early
23 agreements in principal mainly because of the license term
24 and the instream flows affecting 19 miles of the Pee Dee
25 River below Lake Tillery. We are, however, in agreement

1 with all the rest of the agreements in principal and do
2 support the direction in which they are going and anticipate
3 that our comments will probably follow the agreements as
4 they are currently being proposed with only one or two
5 exceptions. Those being the license term, again, and some
6 instream flow issues that we've not worked out. So I
7 appreciate your time. Thanks.

8 VOICE: Off mic.

9 MR. BOWERS: Yes. The Fish and Wildlife Service
10 has a general policy of not going longer than 40 years for
11 license terms and both licensees have requested 50-year
12 licenses, which is the maximum that FERC will allow. Given
13 the scope of the projects and the magnitude of all of the
14 six dams involved, we feel like a 40-year license term might
15 be more appropriate and that's what we'll recommend in our
16 scoping comments. We, again, will provide written comments
17 to FERC by the February 26th deadline. Thank you.

18 MR. BOWLER: Prescott Brownell followed by Ben
19 West.

20 MR. BROWNELL: Good afternoon. I'm Press
21 Brownell with the National Marine Fisheries Service. We're
22 part of the U.S. Department of Commerce and I'm with the
23 South Atlantic Branch Office. We're stationed in
24 Charleston, South Carolina. We cover the area of the
25 Atlantic Coast from Virginia down to Key West.

1 Our primary interest in participating in this
2 process is part of our mission, which is to protect the
3 nation's marine and ocean fishery resources and ensure their
4 management so that we can retain sustainable fisheries on
5 into the future. A part of our mission also are the
6 migratory anadromous species that utilize both the ocean
7 waters and river basins of the southeast and that's been our
8 primary interest here.

9 I would like to say we've been involved in this
10 project since its beginning and we certainly do appreciate
11 the general collaborative and cooperative approach that has
12 been put forth by both licensees. It's been very
13 cooperative and I think has helped a lot in identifying the
14 issues, the many issues and conflicting water resources that
15 need to be considered. It's been a long process and a
16 highly complicated process with many conflicting water uses
17 and I think we're doing the best that we can do as a process
18 to address all those things.

19 We have not been as actively involved in the
20 settlement process, the AIP process, as others in that we
21 recognize early on we would be unable to participate in all
22 of the many meetings and discussions that took place, but we
23 did notify the licensees and the stakeholders early in the
24 process that we would strive to consider any agreements
25 reached through the settlement process as we developed our

1 conditions and terms through the FERC process.

2 Also, we'd like to note that the Winyah Bay
3 Estuarian System that also includes the Yadkin/Pee Dee, the
4 Waccamaw and the Black River Basins are a very important
5 resource for us in terms of fisheries and that entire basin
6 area is presently the focus of some important state and
7 federal efforts to restore migratory stocks of these sea-run
8 anadromous fish species. This important estuarine and
9 riverine system contains important wild population, although
10 considerably diminished from former levels, they're wild
11 populations of American shad, blueback herring, striped
12 bass, Atlantic sturgeon and the federally-listed short-nosed
13 sturgeon. I'm talking to the chorus here to some extent as
14 many of us are very well aware of this who have been
15 involved in the process. But I know there are others
16 present here today.

17 VOICE: Off mic.

18 MR. BROWNELL: Anyway, the Atlantic Fisheries, by
19 the way, for shad and herring were among the most
20 economically important fisheries in the United States prior
21 to 1940. Unfortunately, those fisheries have been
22 considerably diminished since that time. Actually, the
23 gradual slide in population numbers began in the late 1800s,
24 but particularly the declines of those species took place
25 after 1950. Unfortunately, the ocean fisheries for shad and

1 herring were closed in 2005, formerly, a very important
2 economic ocean fishery. We call the ocean intercept
3 fishery. Those were closed in 2005 and we have hope that
4 those can again be restored by controlling harvest as well
5 as many of the factors that are involved in reducing those
6 populations. The fisheries for sturgeons, commercial
7 fisheries, were closed in 1997, partly, as a result of the
8 overall population declines, but also one of the species
9 here is an endangered species that was listed in 1968 and
10 again in 1973, the endangered short-nosed sturgeon.

11 The Pee Dee River, including the tailwater area
12 of the Blewett Falls Dam is presently within the known
13 distributions limits of short-nose sturgeon and the Atlantic
14 sturgeon. NOAA considers the primary historical spawning
15 habitat for both of these species to include a fall-line
16 zone and the lower to mid-Piedmont reaches of the Yadkin-Pee
17 Dee River and major tributaries. It's pretty much the same
18 story throughout the Atlantic River Basins. Primary and
19 presently accessible spawning habitats are restricted to a
20 relatively small reach of the Pee Dee River below Blewett
21 Falls Dam downstream to the point where the river enters the
22 coastal plain. It's approximately 25 miles downstream below
23 Cheraw actually. This restricted area of primary spawning
24 habitat represents a reduction by probably up to 90 percent
25 compared to original habitat that was available for those

1 species and blockage of spawning habitats by dams is
2 considered by NOAA throughout its range actually to be one
3 of the most important factors currently limiting populations
4 of both of the sturgeon species, including the endangered
5 short-nosed sturgeon. However, we have some things to work
6 with here fortunately and I think we can bring about some
7 improvements.

8 The American shad, blueback herring and other
9 herring-like species, I would not, do provide vital web
10 support for federally- and state-managed marine and
11 estuarine fisheries and marine mammal populations as well.
12 Atlantic stocks of shad and herring comprise probably less
13 than 1 percent of the levels that existed prior to the
14 1940s. That diminished stock of both shad and herring is
15 now among the factors believed by NOAA to be a significant
16 factor to be addressed as we seek to achieve sustainable
17 marine fisheries for many popular species, including highly
18 migratory species -- billfishes and sharks, bluefish, cobia,
19 mackerel and the snapper-grouper complex among others.

20 Throughout their range on the Atlantic Coast,
21 herring and particularly shad, sturgeon and striped bass
22 spawning habitats have been reduced by probably 70 to 90
23 percent by construction of dams during the periods from 1890
24 through the 1970s. Dams particularly block vital spawning
25 habitats. They have continuing impacts as a result of that

1 and they do alter natural river flows often interfering with
2 reproduction of many species, particularly, the anadromous
3 species that must live in both fresh and salt water.

4 The relicensing of these projects provide an
5 important opportunity and we are addressing these issues and
6 we have an opportunity, particularly, to establish healthy
7 ecological river flows and as well some safe passage for
8 many anadromous species to some of the spawning habitats
9 blocked since construction of the Blewett Falls Dam early in
10 the 20th Century.

11 The Marines Fisheries Service and the Fish and
12 Wildlife Service and the states of North and South Carolina
13 are presently working with the licensees cooperatively to
14 see if we can develop appropriate plans for establishing
15 fish passage to the extent that we can at the project dams,
16 particularly the lower dam and to establish ecological flows
17 and water quality conditions for protection and restoration
18 of these riverine fisheries. I think we're getting very
19 close to a very good arrangement here.

20 Some specific comments -- we do intent to provide
21 written comments in more detail and some additional
22 information needs in response to Scoping Document One and
23 the scoping meeting discussions. NOAA Fisheries has
24 established anadromous fish passage for American shad and
25 blueback herring and passage for the catadromous American

1 eel as management objectives for the Yadkin/Pee Dee River
2 Projects and this objective should be addressed fully in the
3 EIS.

4 We anticipate issuing our official fishway
5 prescriptions for the Blewett Falls Dam pursuant to Section
6 18 of the Federal Power Act during the process upcoming.
7 Passage, by the way, for short-nose and Atlantic sturgeon
8 has been under consideration by the Marine Fisheries
9 Service. Based on the information presently available, it
10 is likely, although we have not made a decision yet. We are
11 still collecting information. We anticipate that passage
12 for sturgeon will be reserved and not prescribed at this
13 opportunity.

14 I also would mention the alternatives we think
15 analyzed in the EIS should include adequate protection for
16 the endangered short-nose sturgeon and the related Atlantic
17 sturgeon, which is a species of concern. We're currently
18 involved in a status review for the Atlantic sturgeon and
19 probably will be arriving at listing decisions in the near
20 future, this year. However, we believe it's very important
21 to take a look at the Atlantic sturgeon as well and to
22 develop conditions, to the extent we can, and to develop a
23 chosen alternative that will prevent further declines and
24 potential jeopardy in the future of the Yadkin/Pee Dee River
25 of short-nose sturgeon.

1 We recommend the EIS include a well-supported
2 biological assessment developed through close coordination
3 with the Service in accordance with the Interagency
4 Endangered Species Act, Section 7 consultation guidance. We
5 would be happy to discuss in more detail some of the
6 information we have available.

7 I would also point out because of the effects of
8 the project on areas of the lower river basin, including the
9 Winyah River Basin, there will need to be or we recommend
10 there be an essential fish habitat consultation paragraph
11 included in a special section of the EIS. We look forward
12 to working with you on that to answer some details about how
13 to actually perform that essential fish habitat consultation
14 pursuant to the Magginson/Stevens Act.

15 Again, I appreciate the cooperative efforts that
16 have been put forward by the licensees, both to make this a
17 very productive and cooperative process. Thank you very
18 much.

19 VOICE: Off mic.

20 MR. BROWNELL: There's been a significant amount
21 of information collected over the last 20 years or so,
22 particularly in the last 5 years.

23 VOICE: Off mic.

24 MR. BROWNELL: I'd say within the area that we
25 would call the tailwater area as from the dam.

1 VOICE: Off mic.

2 MR. BROWNELL: Yes, certainly. We certainly
3 will. Those will come along with our preliminary terms and
4 conditions as well in more detail. Thank you.

5 MR. BOWLER: Is there anybody else who's here to
6 speak just on the Yadkin Project who hasn't spoken?

7 (No response.)

8 MR. BOWLER: So Ben West will wrap actually on
9 both projects and then we'll start on the Yadkin/Pee Dee
10 Project.

11 MR. WEST: Good afternoon. My name is Ben West.
12 I am a biologist with the Environmental Protection Agency,
13 Region IV office in Atlanta, Georgia. I'll be speaking on
14 both projects and we very much appreciate the opportunity
15 provide these preliminary comments at this meeting. EPA's
16 role and statutory responsibilities in the FERC relicensing
17 process include our role of reviewing and commenting on the
18 actions of other federal agencies in accordance with the
19 National Environmental Policy Act and Section 309 of the
20 Clean Air Act and our overall responsibilities for
21 administration of the Clean Water Act, which establishes a
22 national goal of restoring and maintaining the chemical,
23 physical and biological integrity of the nation's waters.

24 EPA's primary interest throughout this process
25 have been to work to improve water quality in the

1 reservoirs, major tributaries, tail race areas and
2 downstream river reaches and restore or increase downstream
3 flows to better protect aquatic life. Currently, discharges
4 from all six developments do not meet state water quality
5 standards for dissolved oxygen during several months of the
6 year. It is our interest to ensure that discharges from all
7 six of these dams meet state water quality standards. In
8 addition, the EPA is interested in continuing long-term
9 water quality monitoring in the project area to determine
10 compliance with these water quality standards.

11 Another important EPA role in the relicensing
12 process includes strong support and assistance the states of
13 North and South Carolina during the Clean Water Act, Section
14 401, water quality certification process for this process.
15 The EPA has participated in the enhanced licensing processes
16 for both these since its inception in 2002 and 2003 and we
17 are a designated participant in the ongoing settlement
18 agreement proceedings. We've been involved with several
19 issue advisor groups, resource working groups related to the
20 development of study plans and have conducted reviews and
21 submitted comments on draft study reports. EPA submitted
22 comments on the draft license applications and signed onto
23 both agreements in principal that are included in the
24 scoping document.

25 The EPA is very supportive of the collaborative

1 process that has been used to develop the AIP. The AIP
2 reflects attempts to balance many stakeholder interests
3 through intensive mutual gains negotiations and we continue
4 to participate in those negotiations for this project and
5 are hopeful that a comprehensive relicensing settlement
6 agreement for both projects will be developed that address
7 our interest identified previously.

8 We will provide more detailed written comments
9 within the established scoping comment period. But I would
10 like to raise the following issues for your consideration as
11 you prepare the draft EIS and complete the licensing process
12 for this project. EPA is very supportive of FERC's decision
13 to complete a comprehensive environmental impact statement
14 for both projects. Great job. A joint EIS for these two
15 projects will be important to analyze the hydraulic
16 relationship complex issues and connected operations
17 associated with both projects.

18 The EPA also supports FERC's intent to conduct a
19 thorough analysis of not only the direct impacts of the
20 project, but also the indirect and cumulative impacts.
21 Scoping Document One appears to identify the appropriate
22 issues and geographic and temporal scopes for an adequate
23 cumulative effects analysis. However, it is unclear the
24 distinction of having different geographic scopes for
25 assessment of impacts to water quantity versus water

1 quality. The EPA recommends a similar geographic scope for
2 both.

3 And with regards to water quality, Section 401 of
4 the Clean Water Act establishes certain rights for states to
5 protect their water quality from discharges associated with
6 activities for which a federal permit or license is
7 required. For this project, the State of North Carolina
8 will provide the appropriate water quality certification.
9 However, when water quality concerns arise in a state other
10 than as a state where the license activity is to occur,
11 another process comes into play. Under Section 401(a)(2) of
12 the Clean Water Act, the EPA is responsible for protecting
13 downstream states water quality interest. The implementing
14 regulations for this section of the Clean Water Act are 40
15 C.F.R., Part 121, Subpart B. These regulations identify a
16 detailed notification process that includes the EPA's
17 regional administrative and the affected downstream state as
18 well as opportunities for an additional public hearing and
19 potential license conditions that would be necessary to
20 ensure compliance with applicable water quality requirements
21 of the affected state.

22 Since Scoping Document One has identified that
23 this project will likely have downstream impacts to water
24 quantity, water quality and aquatic resources ins the State
25 of South Carolina, the EPA recommends that FERC coordinate

1 with the EPA and South Carolina to meet the requirements of
2 this section of the Clean Water Act and ensure the new
3 license complies with applicable water quality requirements
4 in South Carolina. Thank you.

5 MR. BOWLER: Now on to the Yadkin/Pee Dee
6 Project. We have Jim Mead followed by Patrick Moore.

7 MR. MEAD: My name is Jim Mead. That's spelled
8 M-E-A-D. I'm an environmental specialist representing the
9 North Carolina Division of Water Resources. As Steven said,
10 these comments pertain to Progress Energy's Yadkin/Pee Dee
11 Hydroelectric Project.

12 Our division is the lead agency for FERC
13 relicensing with the North Carolina Department of
14 Environment and Natural Resources. I would note that we are
15 not the same as the Department's Division of Water Quality,
16 which is the 401 water quality certifying agency within
17 DENR. The Division of Water Resources has been heavily
18 involved in the relicensing process from its very beginning.
19 As several folks have noted during their comments, a major
20 issue identified during the relicensing process has been the
21 downstream flows released from both the Tillery and Blewett
22 Falls Projects. We've actively participated throughout in
23 study planning for the instream flow incremental methodology
24 study to address the issue of downstream flows. Also
25 included in that involvement has been study design,

1 including selection of transects. The workup of that --
2 well, actually participating in field data collection,
3 calibration of the physical habitat simulation models,
4 developing the habitat versus flow relationships and
5 conducting the time series analysis. All parts of the
6 instream flow incremental methodology study.

7 In short, our active involvement has made us very
8 comfortable with the outputs from the habitat modeling for
9 the reaches downstream of both the Tillery and Blewett Falls
10 Projects. The work group process that was convened by
11 Progress Energy has allowed interpretation of these results
12 to be fully discussed and also allowed us to evaluate
13 multiple scenarios for downstream releases from the two
14 different projects. We did sign the agreements in principal
15 and very much support that process. We remain hopeful that
16 the process will culminate in a final comprehensive
17 agreement that we can support and we will also be submitting
18 written comments within the deadline prescribed.

19 MR. BOWLER: Thank you. Patrick Moore and is
20 there anybody else on Yadkin/Pee Dee, both projects, the
21 Yadkin Project?

22 (No response.)

23 MR. MOORE: Good afternoon, everyone. My name is
24 Patrick Moore and I'm recovering attorney representing the
25 Coastal Conservation League and American Rivers. For those

1 stakeholders who are thinking, man, Garrett has gotten
2 younger and better looking. You are not losing your mind.
3 I'm relatively new to both projects. I've been working on
4 this for I guess about nine months, which is in settlement
5 terms like joining the baseball team at the bottom of the
6 ninth inning, but we're still working hard. I'm also on the
7 attorney's groups. So I'm involved on that side, too.

8 I should preface my comments by saying we have
9 signed the agreements in principal and we're looking forward
10 to signing the final agreement in April. With that said, we
11 think a whole record of decision and a robust NEPA document
12 are very important things. I just have a few brief comments
13 to that effect.

14 In terms of the record, a recent additional
15 information request from FERC asked for habitat duration
16 analysis. And in reviewing what was provided by Progress
17 Energy, I saw some weighted usable area tables but did not
18 see that habitat duration analysis and we think that's
19 pretty important for a full record of decision. In terms of
20 things to be included in the NEPA document, some things that
21 should definitely be analyzed are fishflows in the Tillery
22 Reach after passage is achieved at Blewett Falls, short-nose
23 and Atlantic sturgeon habitat and spawning requirements
24 below Blewett Falls, an analysis of non-motorized
25 recreational boating below Tillery and Blewett, an analysis

1 of the proper flood plain flows for the Pee Dee River flood
2 plan and that's a very brief summary of our interest and
3 we'll be providing much more detailed comments in written
4 form. Thank you.

5 MR. BOWLER: Thank you. Last chance for any
6 additional speakers.

7 (No response.)

8 MR. BOWLER: In that case, as several of the
9 speakers mentioned, the deadline for filing written scoping
10 comments is February 26th. At the table where you signed in
11 we have a sheet that has the address for the Secretary of
12 the Commission if you want to mail them in. And if you want
13 to do it electronically, you can go to www.FERC.gov and e-
14 File those comment.s If you're going to do, still get the
15 sheet to make sure you have the project numbers.

16 VOICE: (Off mike.)

17 MR. EMERY: (Off mike.)

18 MR. BOWLER: Please written comments file them by
19 February 26th and otherwise we thank you for your comments
20 today. Thank you. Some of you came quite a distance to be
21 here. We appreciate it and we look forward to your written
22 comments and to working with you through the rest of the
23 process. Thank you.

24 (Whereupon, at 3:00 p.m., the above-entitled
25 matter was concluded.)