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January 30, 2002

Ms. Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Status Report on the Relicensing of Alabama Power Company Hydroelectric Projects, FERC Nos. 2146 (Coosa River Project), 2165 (Warrior River Project), 82 (Mitchell Project), 618 (Jordan Project)
August 2001 – January 2002

Dear Ms. Salas:

Enclosed is an original and eight (8) copies of Alabama Power Company's (APC) six-month status report for activities related to the relicensing of the Coosa River Project, Warrior River Project, Mitchell Project, and Jordan Project. Approval of APC's use of alternative licensing procedures for the referenced projects was issued on January 29, 2001. As part of FERC's regulations for using alternative procedures¹, APC is required to submit a status report of the relicensing process every six months. This status report includes relicensing activities and milestones that were completed between August 2001 and January 2002. Copies of all public correspondence and meeting minutes have been submitted to FERC as called for in the approved Project Relicensing Communications Procedures.

The major categories of relicensing activities in this status report include:

1. Notice of Intent
2. Issue Progress/Studies
3. NEPA Scoping
4. Relicensing Website.

A table summarizing major relicensing team activities in the past six months is provided as an Attachment A to this status report.

¹ Pursuant to 18 CFR §4.34(i).

1.0 Notice of Intent (NOI)

APC filed its NOI for the above referenced projects on November 16, 2001. A copy of this document has been placed on the APC relicensing website: http://www.southerncompany.com/alpower/hydro/c_correspondance.asp

2.0 Issue Progress/Studies

As indicated in the 1st Six Month Status Report (July 26, 2001), the Coosa Ecological Resource Advisory Team (EcoRAT), the Coosa Recreation Resource Advisory Team (RecRAT) and Warrior Cooperative Relicensing Team (WCRT) have each formed Issue Action Groups (IAGs). IAGs are small working groups composed of individual Applicant Prepared Environmental Assessment (APEA) Team members with experience, expertise, and/or a regulatory mandate related to the issue at hand. The following is a summary of the activities of each IAG that has formed and/or operated in the past six months.

Ecological Issues– As denoted by the “E” before each issue number

E6 – Threatened and Endangered Species

The E6 IAG has continued to work toward its goal of producing a comprehensive database of all threatened, endangered, and sensitive species (TE&S) in the project study area, including all available recovery plans. Upon completion, this database will be made available to all other IAGs for use in developing study plans and performing impact analyses. It is anticipated that the E6 IAG will complete its work and report back to the WCRT and EcoRAT with its results at meetings scheduled for the end of January 2002. At that point, the E6 IAG will become inactive until proposed alternatives and recommendations that might effect TE&S species require analysis.

In September 2001, APC agreed to partner with the US Forest Service (USFS) to study the federally endangered and state-protected flattened musk turtle on Lewis Smith Reservoir. APC agreed to provide \$24,000 per year for the two-year study that began in the Fall of 2001.

E8 – Lake Level Fluctuations

The WCRT and Coosa EcoRAT formed the E8 IAG to explore the effects of current and proposed lake level fluctuations and recommend a range of alternatives. The E8 IAG has held several meetings since its inception. To date, the E8 IAG has: finalized a workplan (including deliverables and schedule); discussed management goals and

objectives; discussed information needs; and discussed and reviewed operations models based on Alabama Department of Conservation and Natural Resources (ADCNR) recommendations.

At the December 4, 2001 meeting, the USFS indicated it would coordinate with the ADCNR to develop a set of recommendations based on the USFS Forest Plan, agency mandates, and threatened, endangered and sensitive species and present them to the E8 IAG members. It is anticipated that the E8 IAG will continue working toward its goal of developing and analyzing alternatives to current lake level fluctuations.

E10 – Downstream Flows

The WCRT and Coosa EcoRAT formed the E10 IAG to explore the effects of altered hydrology on the aquatic resources of the project study area. The E8 IAG has held several meetings and, to date, has: finalized a workplan; discussed management goals and objectives; discussed information needs; and discussed potential study areas.

At the January 2002 meeting, the E10 IAG will continue work on developing study plans with the ultimate goal of providing flow recommendations to the WCRT and EcoRAT.

E12 – Wetlands

The WCRT and Coosa EcoRAT formed the E12 IAG to determine the extent of coverage of existing wetland data for the project study area. The E12 IAG has held several meetings and, to date, has: finalized a workplan; reviewed and compiled a GIS wetlands database; and discussed opportunities for educating the public on wetlands.

Pending final approval by the group, it is anticipated that the E12 IAG will recommend that the WCRT and EcoRAT accept the GIS wetlands database for use in describing the existing environment and analyzing impacts to wetlands from potential action alternatives. After making this recommendation, the E12 IAG will become inactive until proposed alternatives and recommendations that might effect wetlands require analysis.

Recreation Issues

CR1, 3, 4, & 5 IAGs²

Due to the interdependence between several of the identified recreation issues and to avoid duplicating efforts that might occur if discussed separately, the WCRT and Coosa RecRAT decided to form an IAG for each reservoir to address the following

² “CR” references a Coosa Recreation issue. The number following corresponds to an actual issue number.

issues:

- CR1 – Recreation Management (Access, Facilities, and Use)
- CR3 – Lake Level Fluctuations
- CR4 – Downstream Flows
- CR5 – Flood Control

The intent of this reservoir-specific approach is to facilitate issue resolution. The following summarizes the activities of each reservoir's recreation IAG to date.

Mitchell

This IAG includes APC, Lake Mitchell Home Owners/Boat Owners (HOBO), Alabama BASS Federation, ADCNR, and other concerned stakeholders. This group was the first Recreation IAG formed and as such, developed the standard process used by other Recreation IAGs. Development of the standard process involved all IAG members, as well as the other HOBOs on the Coosa River System.

Once the standard process was defined, the Mitchell IAG: developed a Recreation Vision Statement for Mitchell Lake; then completed Step 1 of the standard process – “Determining Desired Future Condition” and Step 2 – “Establishing Baseline Conditions.” The IAG is currently working on Step 3 – “Determining What is Needed and When” and Step 4 – “Decide How Needs Will be Met and Who is responsible.”

Jordan/Bouldin

This IAG is actively working on the standard process for the Jordan and Bouldin developments. IAG members include APC, Lake Jordan HOBO, state, federal and local agencies, and other concerned stakeholders. This IAG has developed a Vision Statement for the Jordan development, has completed Step 1 – “Determining Desired Future Condition”, and is currently working on Step 2 – “Establishing Baseline Conditions.”

Logan Martin

This IAG is actively working on the standard process for the Logan Martin development. IAG members include APC, Logan Martin Lake Association, Alabama BASS Federation, and ADCNR. This IAG has developed a Vision Statement for Logan Martin Lake, has completed Step 1 – “Determining Desired Future Condition”, and is currently working on Step 2 – “Establishing Baseline Conditions.”

Weiss

This IAG is actively working on the standard process for the Weiss development. IAG members include APC, Weiss Lake Improvement Association, and ADCNR. This IAG has developed a Vision Statement for Weiss Lake, has completed Step 1 – “Determining Desired Future Condition”, and is currently working on Step 2 – “Establishing Baseline Conditions.”

Lewis Smith– WR1, 3, 4, and 5

This IAG is actively working on the standard process for the Smith development. IAG members include APC, Smith Lake Civic Association, Smith Lake Environmental Preservation Committee, USFS, other state and federal agencies and other concerned stakeholders. This IAG has developed a final draft Vision Statement for the Smith development, completed Step 1 – “Determining Desired Future Condition”, and is currently working on Step 2 – “Establishing Baseline Conditions.”

Lay, Neely Henry

Similar to the other reservoirs, IAGs for Lay and Neely Henry will be formed and begin working through the standard process at the January 2002 meetings.

R8 – Public Education

This IAG has developed and compiled a comprehensive list of public education and awareness programs relevant to this relicensing. The R8 IAG is currently inactive, but will become active over the next several months to address specific items (*e.g.*, developing a wetlands education plan). IAG members include APC, state and federal agencies, various HOBOS and other lake organizations, U.S. Army Corps of Engineers (ACOE), and other concerned stakeholders. During the course of this relicensing, this IAG will assist other IAGs with development of programs to address public awareness and education.

WR9 – Federal Lands and Waters

APC hosted a meeting at the Bankhead National Forest on October 25, 2001 with representatives from the USFS. APC and the USFS are working cooperatively to identify issues at recreation sites on Bankhead National Forest associated with operation of APC’s Lewis Smith development (Warrior Project). APC and the USFS will continue to work towards completing the task of issue identification in the next six months.

3.0 NEPA Scoping

Based on relicensing activities to date, APC believes it has satisfied one of the most important NEPA scoping requirements—public input on identifying issues. APC has been soliciting public input on relicensing issues since 1999 and conducted formal Issue Identification Workshops in November and December 2000. As such, APC is interested in helping FERC satisfy the statutory requirements of NEPA while avoiding duplication of previous efforts (*i.e.*, Issue Identification Workshops). APC has solicited input from the relicensing teams on how the statutory NEPA scoping requirements can be satisfied. APC identified several interested stakeholders and formed a NEPA IAG.

The NEPA IAG includes representatives from APC, FERC, NPS, ACOE, USFS, EPA, American Rivers, and Alabama Department of Economic and Community Affairs. This IAG is responsible for developing draft NEPA Scoping Documents for the Coosa and Warrior Projects and assisting in planning the NEPA Scoping meetings. This IAG has reviewed and provided comments on the first draft of the NEPA Scoping Documents and will distribute the final draft to the WCRT and CCRT. The NEPA IAG will then have several additional telephone conference calls to assist FERC in finalizing the documents and planning the NEPA Scoping meetings.

4.0 Relicensing Website

APC continues to use its relicensing website to disseminate relicensing information. The following is a list of URLs (web addresses) for locations on the relicensing website to view, download, and/or print documents relevant to this status report:

Notice of Intent, 1st Six Month Status Report

http://www.southerncompany.com/alpower/hydro/c_correspondance.asp

Team Information (meeting mailouts, meeting summaries, operation procedures)

Coosa - http://www.southerncompany.com/alpower/hydro/RTI_coosa.asp

Warrior - http://www.southerncompany.com/alpower/hydro/RTI_warrior.asp

Issues and Studies (IAG information, issue statements)

Coosa - http://www.southerncompany.com/alpower/hydro/c_issuesandstudies.asp

Warrior -

http://www.southerncompany.com/alpower/hydro/w_issuesandstudies.asp

If you have any questions, please contact Jim Crew at (215) 257-4265 or Barry Lovett at (205) 257-1268.

Very Truly Yours,

A handwritten signature in black ink that reads "R. M. Akridge". The signature is written in a cursive style with a long horizontal flourish extending to the right.

R. M. Akridge

Attachment A

Summary of Relicensing Team Activities, August 2001 – January 2002

Team	Date	Agenda Items	Special Presentations
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WCRT, CCRT, RecRAT & EcoRAT MEETINGS

EcoRAT RecRAT WCRT	September 11-12, 2001	Cancelled due to National events Planned to: Update and discuss E6, E12, E7, CR1, R8 and NEPA IAGs; Introduce next IAGs; Review 2002 meeting dates; Review June Meeting Summary	Presentations: Updates on E6, E12, E7, CR1, and R8
EcoRAT RecRAT WCRT	September 28, 2001	Discuss Issue Sequencing Introduce next IAGs; Review 2002 meeting dates; Review June Meeting Summary Update and discuss E6, E12, E7, CR1, R8 and NEPA IAGs;	Presentations: Updates on E6, E12, E7, CR1, and R8

IAG MEETINGS

CRI, 3, 4 & 5 IAG – Weiss

October 15, 2001	Revise Workplan; Discuss future development of the Vision Statement
October 24, 2001	Review Workplan and Standard Process; Develop Vision Statement; Review Recreation Inventory Data
November 6, 2001	Review October 24 th Meeting Summary; Review Vision Statement
December 4, 2001	Discuss Step 1 and 2 questions

CRI, 3, 4 & 5 IAG – Logan Martin

October 12, 2001	Revise Workplan; Discuss future development of the Vision Statement
October 23, 2001	Review Workplan and Standard Process; Develop Vision Statement; Review Recreation Inventory Data
November 8, 2001	Review October 23 rd Meeting Summary; Review Vision Statement

Team	Date	Agenda Items	Special Presentations
	December 5, 2001	Discuss Step 1 and 2 questions	
<i>CRI, 3, 4 & 5 IAG – Mitchell</i>			
	July 26, 2001	Discuss Workplan	
	August 9 ,2001	Discuss Tasks 1, 2, & 3 of the Standard Process	
	August 22, 2001	Discuss results of Tasks 1, 2, & 3; Discuss Task4	
	October 23, 2001	IAG Update; Review Vision Statement	
	November 8, 2001	Review October 23 rd Meeting Summary; Finalize Vision Statement; Discuss Step 2 questions	
	November 29, 2001	Discuss the remaining Step 2 questions; Discuss recreation management	
<i>CRI, 3, 4 & 5 IAG – Jordan/Bouldin</i>			
	October 17, 2001	Revise Workplan; Discuss future development of the Vision Statement	
	October 23, 2001	Review Workplan and Standard Process; Develop Vision Statement; Review Recreation Inventory Data	
	November 7, 2001	Review October 23 rd Meeting Summary; Review Vision Statement	
	December 5, 2001	Discuss Step 1 and 2 questions	
<i>WRI, 3, 4 & 5 IAG – Smith</i>			
	October 10, 2001	Revise Workplan	
	October 24, 2001	Review Workplan and Standard Process; Develop Vision Statement; Review Recreation Inventory Data	
	November 6, 2001	Review October 24 th Meeting Summary; Review Vision Statement	
	December 5, 2001	Discuss Step 1 and 2 questions	

Team	Date	Agenda Items	Special Presentations
<i>WR9 – Federal Lands and Waters</i>			
	October 25, 2001	Meeting at Bankhead NF to discuss USFS issues related to recreation sites	
<i>R8 – Public Education</i>			
	August 22, 2001	Discuss Workplan	
	September 24, 2001	Discuss Results of Task 1	
	October 24, 2001	Discuss list of public education programs and outreach	
<i>E6 – Threatened and Endangered Species</i>			
	August 7, 2001	Discuss Workplan	
	September 4, 2001	Discuss results of Task 1 & 2	
	October 24, 2001	Discuss T&E Species Database; Update on Flattened Musk Turtle	
	January 15, 2002	Discuss Final Recommendations; Discuss discontinuing E6 IAG activity	
<i>E8 – Lake Level Fluctuations</i>			
	October 11, 2001	Review Workplan; Discuss agenda and goals for October 24 th meeting	
	October 24, 2001	Finalize Workplan ¹ Discuss management goals and objectives; Discuss information needs	Presentation – Project Operations – Andy Sheppard-APC
	December 4, 2001	Discuss and review operations models for ADCNR recommendations; USFS to develop and present recommendations based on forest plan, agency mandates, and TE&S species	
<i>E10 – Downstream Flows</i>			
	October 11, 2001	Review Workplan; Discuss agenda and goals for next meeting	
	October 23, 2001	Finalize Workplan ¹	Presentation – Project

Team	Date	Agenda Items	Special Presentations
		Discuss management goals and objectives; Discuss information needs	Operations – Andy Sheppard-APC
	November 11, 2001	Revise Workplan; Discuss Potential study areas	
<i>E12 - Wetlands</i>			
	August 16, 2001	Discuss Workplan	
	October 23, 2001	Review wetlands database; Discuss public education	
<i>NEPA IAG</i>			
	October 4, 2001	Discuss Workplan Discuss work scope and products	
	October 24, 2001	Review preliminary draft of Scoping Document 1	