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FEDERAL ENERGY
REGULATORY COMMISSION

July 29, 2002

ORIGINAL



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 Project, FERC Nos. 2146 (Coosa River Project), 2165 (Warrior River Project), 82 Mitchell Project, & 618 (Jordan Project) January 2002-June 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 projects referenced above. FERC approved APC's use of the alternative licensing procedures for the referenced projects on January 29, 2001. As part of the Federal Energy Regulatory Commission's (FERC) regulations for using the alternative process¹, 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 January 2002 and June 2002. As outlined in the Project Relicensing Communications Procedures, all copies of public correspondences and meeting minutes have been submitted to FERC.

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

1. Issue Progress/Studies
2. NEPA Scoping
3. Relicensing Website

A table summarizing major relicensing activities over the past six months is provided as Attachment A.

¹ Pursuant to 18 CFR §4.34(i).

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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 "B.K. Lovett". The signature is written in a cursive style with a large, looping initial "B".

R. M. Akridge
Manager
Hydro Services

Attachment A

Summary of Relicensing Team Activities, August 2001 – July 2002

Team	Date	Agenda Items	Special Presentations
WCRT, CCRT, RecRAT & EcoRAT MEETINGS			
	January 29, 2002	Operating Procedures, Overview of 2001, 2002 Activities, NEPA Scoping, Ecological and Recreation IAG updates	
	May 20, 2002	Modeling, Turbine Upgrades, Public Education, Ecological and Recreation IAG updates	Models, "Loafing Streams", HOBO demonstration of fish habitat structures

IAG MEETINGS

CRI, 2, 3, 4 & 5 IAG – Weiss

January 29, 2002	Discuss January Fieldwork and Inventory Data; Discuss Weiss Bypass Area; Discuss Step 2 Questions
March 12, 2002	Review Recreational Use Study; Discuss Step 2 Questions
April 2, 2002	Review Recreational Use Figures; Identify Public Use Areas that Regularly Exceed Design Capacity; Discuss Step 2 Questions
June 26, 2002	Discuss Standard Process Tracking Document; Discuss Step 2 Questions; Update of Summer Fieldwork
July 17, 2002	Discuss Standard Process tracking; discuss public safety

CRI, 2, 3, 4 & 5 IAG – Henry

January 30, 2002	Revise Workplan; Develop Vision Statement; Distribute Recreation Inventory Data
February 19, 2002	Review Vision Statement; Review Recreation Inventory Data

Team	Date	Agenda Items	Special Presentations
	March 12, 2002	Finalize Vision Statement; Review Recreational Use Figures; Discuss Step 2 Questions	
	April 19, 2002	Review Recreational Use Figures; Identify Public Use Areas that Regularly Exceed Design Capacity; Discuss Step 2 Questions	
	June 17, 2001	Discuss Standard Process Tracking Document; Discuss Step 2 Questions; Update of Summer Fieldwork	
	July 17, 2002	Discuss Standard Process Tracking document; discuss public safety issues	
<i>CRI, 2, 3, 4 & 5 IAG – Logan Martin</i>			
	February 20, 2002	Finalize Vision Statement; Discuss Step 2 Questions	
	June 26, 2002	Discuss Standard Process Tracking Document; Review Recreational Use Figures; Identify Public Use Areas that Regularly Exceed Design Capacity; Discuss Step 2 Questions; Update of Summer Fieldwork	
	July 17, 2002	Discuss Standard Process Tracking Document; discuss public safety	
<i>CRI, 2, 3, 4 & 5 IAG – Lay</i>			
	January 30, 2002	Revise Workplan; Develop Vision Statement; Distribute Recreation Inventory Data	
	February 19, 2002	Review Vision Statement; Review Recreation Inventory Data	
	March 13, 2002	Finalize Vision Statement; Review Recreational Use Figures; Discuss Step 2 Questions	
	April 5, 2002	Review Recreational Use Figures; Identify Public Use Areas that Regularly Exceed Design Capacity;	

Team	Date	Agenda Items	Special Presentations
		Discuss Step 2 Questions	
	May 22, 2002	Discuss Step 2 Questions	
	June 18, 2002	Discuss Standard Process Tracking Document; Discuss Step 2 Questions; Update of Summer Fieldwork	
	July 16, 2002	Discuss Standard Process Tracking Document; discuss public safety issues	
<i>CR1, 3, 4 & 5 IAG – Mitchell</i>			
	January 16, 2002	On-site meeting to discuss recreational use of the Coosa Wildlife Management Area and several other recreational facilities; This was not a formal IAG meeting	
	February 20, 2002	Discuss January Fieldwork; Update on Specific Sites	
	June 26, 2002	Discuss Standard Process Tracking Document; Review Recreational Use Figures Identify Public Use Areas that Regularly Exceed Design Capacity; Discuss Step 2 Questions	
	July 16, 2002	Discuss Standard Process Tracking Document; discuss public safety issues	
<i>CR1, 3, 4 & 5 IAG – Jordan/Bouldin</i>			
	January 29, 2002	Discuss January Fieldwork and Inventory Data; Discuss Step 2 Questions	
	February 20, 2002	Discuss Step 2 Questions; Discuss Downstream Recreational Flows	
	March 13, 2002	Discuss Step 2 Questions; Review Recreational Use Figures	
	April 5, 2002	Review Recreational Use Figures; Identify Public Use Areas that Regularly Exceed Design Capacity Discuss Step 2 Questions	

Team	Date	Agenda Items	Special Presentations
	May 22, 2002	Discuss Lake Jordan Home Owners and Boat Owners Association letter dated November 21, 2000; Discuss Step 2 Questions;	
	June 18, 2002	Discuss Downstream Flow Scenarios Update of Summer Fieldwork; Discuss Step 2 Questions	
	July 17, 2002	Discuss Step 2 Questions; discuss public safety issues	
<i>WR1, 2, 3, 4 & 5 IAG – Smith</i>			
	January 30, 2002	Discuss January Fieldwork and Inventory Data; Finalize Vision Statement; Discuss Step 2 Questions	
	March 12, 2002	Discuss Step 2 Questions; Review Recreational Use Figures	
	April 2, 2002	Identify Public Use Areas that Regularly Exceed Design Capacity; Discuss Recreational Use Figures; Discuss Step 2 Questions	
	May 22, 2002	Review Recreational Use Figures; Discuss Step 2 Questions	
	June 18, 2002	Update of Summer Fieldwork; Discuss Recreational Use Figures	
	July 17, 2002	Discuss Standard Process Tracking Document; discuss public safety issues	
<i>WR9 – Federal Lands and Waters</i>			
	January 30, 2002	Discuss Meeting Goals; Refine Issues; Develop Workplan	
	March 12, 2002	Joint meeting with WR1, 2, 3, 4 & 5 IAG; Discuss WR9 Revised Issue Sheet	
<i>E1 – Point & Non-Point Source Pollution</i>			
	January 30, 2002	Review issue background, finalize IAG membership and create a workplan	
	March 12, 2002	Pollution sites within the Warrior and Coosa Basins and ADEM's Clean Water	ADEM's Clean Water Partnership

Team	Date	Agenda Items	Special Presentations
		Partnership	
	June 25, 2002	Other agency reports, cooperation with the CWP, IAG progress, public education, IAG recommendations and consolidation with E3	
<i>E2 – Erosion & Sedimentation</i>			
	January 30, 2002	Review issue background, finalize IAG membership and create a workplan	
	March 12, 2002	Erosion types and causes and potential sites	
	June 25, 2002	Erosion study plan, preliminary surveys and dredging practices	
	July 16, 2002	Finalize erosion study plan; present photos and erosion “score” sheet from Weiss and Smith to team; set schedule for field trips to record erosion	Pam McDaniels (APC) presented photos and field data sheets from Weiss and Smith
<i>E3 – Water Quality in Lakes, Rivers and Tributaries</i>			
	January 30, 2002	Review issue background, finalize IAG membership and create a workplan	
	February 22, 2002	Water quality information needs and available data	
	March 12, 2002	ADEM & USFWS 303(d) information, APC water quality information, data gaps and the relicensing water quality report	APC Water Quality data
	July 16, 2002	Discuss Lay Lake Water Quality report	Bill Sim (APC) presented the format and content of the Lay Lake section of water quality report
<i>E6 – Threatened, Endangered & Sensitive Species</i>			
	January 15, 2002	TE&S database, IAG recommendations and inactive statues	
<i>E8 – Lake Level Fluctuations</i>			
	January 29, 2002	Stakeholder update	
	March 12, 2002	Review of previous discussion items	

Team	Date	Agenda Items	Special Presentations
<i>E10 – Project Releases</i>			
	January 29, 2002	Weiss bypass reach “strawman”	
	March 13, 2002	Study plan, APC flood flow model, potential flows, study transects and model test flows	
	May 22, 2002	Study transects, calibration flows, HEC-RAS model outputs, data collection and observation flows	Model test flows and transects review
	July 16, 2002	Working group meeting of E10 to discuss HSI data for species in bypass and discussed options for “natural” flow regimes in bypass reach	
<i>E11 – Entrainment & Impingement</i>			
	January 30, 2002	Review issue background, finalize IAG membership and create a workplan	
	March 13, 2002	Study plan, reference sites and data needs	
	May 22, 2002	Database, progress report and seasonal effects	Entrainment database and reference sites
	July 16, 2002	Review 2 nd progress report	
<i>E12 – Wetlands</i>			
	February 14, 2002	Wetlands database and the public education outline	
	March 13, 2002	Wetlands database and the public education outline	
	June 18, 2002	APC regulatory authority, IAG recommendations, public education development and inactive status	

1.0 Issue Progress/Studies

As indicated in the 1st Six Month Status Report (July 26, 2001), the Coosa Ecological Resource Advisory Team (EcoRAT), 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 team members with experience, expertise, and/or a regulatory mandate related to a particular issue. The following is a summary of the IAG activities during the past six months.

Ecological Issues

E1 – Point and Non-Point Source Pollution

The WCRT and the Coosa EcoRAT formed the E1 IAG in January 2002 to explore the effects of Point and Non-Point Source Pollution originating within the Warrior and Coosa Basins on the water quality of the lakes and rivers inside the project study area.

The E1 IAG held three meetings since January, the first of which involved developing a work plan. As part of the work plan, the IAG consolidated information on point sources of pollution within the Warrior and Coosa basins, explored opportunities to coordinate its efforts with those of the State of Alabama's Clean Water Partnership, reviewed existing public education efforts and discussed opportunities for new efforts, and drafted recommendations on how point and non-point source pollution effects should be addressed in the relicensing process.

This IAG completed the tasks outlined in its work plan and plans to consolidate its remaining efforts with those of the E3 IAG (see below).

E2 – Erosion and Siltation

The WCRT and the Coosa EcoRAT formed the E2 IAG in January 2002 to explore the effects of erosion and siltation within the Warrior and Coosa Basins on the ecology of the lakes and rivers within the project study area.

The E2 IAG held three meetings since January and has developed a work plan, discussed erosion processes and types, identified potential erosion "hot spots" within project boundaries, drafted an erosion study plan, conducted preliminary erosion surveys and reviewed dredging practices and regulations.

IAG members continue to work toward completing the tasks outlined in the work plan.

E3 – Water Quality in the Lakes, Rivers and Tributaries

The WCRT and the Coosa EcoRAT formed the E3 IAG in January 2002 to explore the effects of current project operations on the water quality in the project study area.

The E3 IAG held three meetings since January and has developed a work plan, discussed water quality indicators, and has begun preparing comprehensive water quality reports for each hydro development.

Members of the E3 IAG continue to work on the comprehensive water quality reports and other tasks identified in the work plan.

E6 – Threatened and Endangered Species

In January 2002, the E6 IAG presented the WCRT and the Coosa EcoRAT with recommendations on addressing threatened, endangered and sensitive species (TE&S).

The E6 IAG completed the development of a Coosa and Warrior TE&S database which includes species information and available recovery plans. The E6 IAG recommended that the TE&S database be made available to other IAGs once a range of operational alternatives has been identified and impact analysis becomes necessary. The IAG also recommended that this IAG reconvene if the issue of TE&S species resurfaced during the remainder of the relicensing process.

The E6 IAG is inactive until further analysis or new information requires action by the WCRT and/or the Coosa EcoRAT.

E8 – Lake Level Fluctuations

Since January, the E8 IAG has met twice to discuss lake level fluctuation issues. At these meetings the IAG discussed current project operations and reviewed the progress on the Alabama Department of Conservation and Natural Resources' fish spawning proposals.

The IAG is continuing to explore this issue and is seeking input from the stakeholders on pertinent lake level fluctuations issues.

E10 – Downstream Flows

Since January, the E10 IAG has been actively working on addressing instream flow issues within the Weiss Bypass Reach. IAG members have met three times and

gone on several field trips in the bypass reach. The IAG is developing a study to investigate potential minimum flows into the Weiss Bypass Reach. Agencies are developing and discussing resource management goals for the Weiss Bypass and APC is in the final stages of developing a HEC-RAS Model that will be used as a tool to guide the minimum flow study effort and subsequent analysis.

E11 – Entrainment & Impingement

The WCRT and the Coosa EcoRAT formed the E11 IAG in January 2002 to explore the effects of fish impingement, entrainment, and turbine mortality/injury at each project powerhouse on aquatic resources within the project study area.

The E11 IAG met three times since January and has developed a work plan, discussed the details of fish impingement, entrainment, and turbine mortality, reviewed the differences in entrainment studies, begun an entrainment desk-top analysis, drafted and revised an entrainment reference database, and is working on customizing existing information to better facilitate entrainment analyses.

The E11 IAG anticipates meeting several times in the coming months to continue its work on this issue.

E12 – Wetlands

In June 2002 the E12 IAG drafted its recommendations for addressing the wetlands issue.

Having met three times since January, IAG members were able to reach consensus on several recommendations including:

- utilizing the wetlands database as an analysis tool throughout this relicensing process, specifically in the development of the shoreline management plan;
- APC should make every effort to protect wetlands within its project boundaries;
- APC's continued cooperation with the USACOE regulatory processes, and
- public education measures should be developed in coordination with the R8 IAG to better inform the public as to the value and benefits of project wetlands.

The E12 IAG will be inactive until recalled by the WCRT and/or the Coosa EcoRAT.

Recreation Issues

R1, 2, 3, 4, & 5 IAGs²

Due to the interdependence of several recreation issues, to avoid duplicating efforts, and to facilitate issue resolution, the WCRT and Coosa RecRAT formed an IAG for each reservoir to address the following issues:

- R1 – Recreation Management (Access, Facilities, and Use)
- R2 – Public Safety
- R3 – Lake Level Fluctuations
- R4 – Downstream Flows
- R5 – Flood Control

All of the R1, 2, 3, 4 & 5 IAGs are working through a four step standard process to identify recreational interests and needs. Specific IAG activities that have occurred over the past six months are as follows:

- All CR1, 2, 3, 4 & 5 IAGs developed a Vision Statement for their specific reservoir.
- APC developed a Standard Process Tracking Document that captures IAG discussions and compiles all relevant information under each specific question. This document will be reviewed by the IAG members and become the IAG record.
- Several IAGs began work on concept design plans for recreation facilities/improvements. These plans are being developed to meet the recreational demand and use on specific reservoirs.
- Recreational Usage Estimates and Forecasts for the Coosa and Warrior Rivers were distributed to the IAGs. Note that the Jordan tailwater use figures will be available in early 2003. All IAGs reviewed the recreational use figures and agreed to the approach.
- During the March meetings, the IAGs agreed to incorporate the R2 Public Safety issue into the existing IAGs. The R2 Public Safety questions will be reviewed and discussed during the next several IAG meetings.
- APC is conducting fieldwork around the lakes to identify potential bankfishing areas, investigate specific recreation sites and to complete the recreational inventory maps and data necessary for FERC Form 80.
- IAGs have attempted to identify public use areas on their lakes that regularly exceed current design capacity. APC will obtain additional information regarding capacity during field investigations and interviews with agencies working on the lake.

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

- Meeting summaries, recreational inventory maps, and all other IAG information is found on APC's website at www.southernco.com/alpower/hydro.

In addition to the activities listed above, the following summarizes the activities of each reservoir's IAG.

Mitchell

Since January, this IAG has had two formal meetings. The focus of the meetings was to complete the Step 2 standard process questions and update the IAG regarding the development of concept designs for the Higgins Ferry Park site, the "Old Boy Scout" camp and the primitive water access sites in the Coosa Wildlife Management Area.

Several IAG members, ADCNR and APC held an additional on-site meeting in January to discuss issues related to recreational use of the Coosa Wildlife Management Area and several facilities around Mitchell Lake. This meeting yielded important information for the development of concept designs for several sites around Mitchell Lake.

The Mitchell IAG anticipates meeting several times in the coming months to begin work on Steps 3 and 4 of the Standard Process, review the Standard Process Tracking Document, discuss the R2 Public Safety Questions, and discuss concept design plans.

Jordan/Bouldin

Since January, this IAG had seven meetings. The primary focus of these meetings was to complete the Step 2 standard process questions. The meetings focused specifically on either lake or tailrace recreation issues. APC also held an on-site meeting to discuss Jordan project operations with interested IAG members at the Jordan Plant.

The IAG has completed all Step 2 Questions and is moving into Steps 3 and 4 of the process. Specific sites, such as Bonner's Point are being examined for potential enhancement opportunities. The IAG is also looking into the potential for providing additional bankfishing and swimming access on the eastern shore of the reservoir.

Many meetings have focused on developing potential modifications to the existing downstream recreational flow. IAG members agreed to suspend further discussion pending specific information on APC's proposed turbine upgrades at Jordan and the results of APC's recreational use survey in the Jordan Tailrace. This information will be compiled throughout the summer/fall and reported to the IAG in early 2003.

The Jordan IAG anticipates meeting several times in the coming months to begin work on Steps 3 and 4 of the Standard Process, review the Standard Process Tracking Document, discuss the R2 Public Safety Questions, and discuss concept design plans.

Logan Martin

Since January, this IAG held two IAG meetings to complete the Step 2 standard process questions.

The Logan Martin IAG anticipates meeting several times in the coming months to begin work on Steps 3 and 4 of the Standard Process, review the Standard Process Tracking Document, discuss the R2 Public Safety Questions, and discuss concept design plans.

Weiss

Since January, this IAG held four meetings to complete the Step 2 standard process questions. Several issues discussed in this IAG include Weiss Lake Improvement Association's request to modify lake levels, recreation in the Weiss bypass area, siltation, and bankfishing access sites.

Discussion of recreation in the Weiss Bypass area has been deferred until the E10 Project Releases IAG completes its study of flows in the Weiss Bypass.

The Weiss IAG anticipates meeting several times in the coming months to begin work on Steps 3 and 4 of the Standard Process, review the Standard Process Tracking Document, discuss the R2 Public Safety Questions, and discuss concept design plans.

Lewis Smith

Since January, this IAG held five meetings to complete the Step 2 standard process questions. One of the five meetings was held in conjunction with the WR9 (Federal Lands and Waters) issue group.

The Smith IAG anticipates meeting several times in the coming months to begin work on Steps 3 and 4 of the Standard Process, review the Standard Process Tracking Document, discuss the R2 Public Safety Questions, and discuss concept design plans.

Lay

The Lay IAG formed in January and has held five meetings. The primary focus of these meetings was to develop a vision statement and complete Steps 1 and 2 of the Standard Process. The IAG is discussing several issues including lake level fluctuations effects on recreation, public safety and recreation demand around the lake.

The Lay IAG anticipates meeting several times in the coming months to begin work on Steps 3 and 4 of the Standard Process, review of the Standard Process Tracking Document, discuss the R2 Public Safety Questions, and discuss concept design plans.

Henry

The Henry IAG formed in January and has held four meetings. The primary focus of these meetings was to develop a vision statement and complete the Steps 1 and 2 of the standard process questions.

The Henry IAG anticipates meeting several times in the coming months to begin work on Steps 3 and 4 of the Standard Process, review the Standard Process Tracking Document, discuss the R2 Public Safety Questions, and discuss concept design plans.

R8 – Public Education

The R8 IAG has reorganized its efforts to assist IAGs that have recommended public education measures as a means to address their specific resource issues. The R8 will work with IAGs to identify, customize and create public education materials that may address relicensing issues. Currently, the E12 and E1 IAGs are working with the R8 IAG to prepare sections of a relicensing public education plan that will be included as part of APC's license application.

WR9 – Federal Lands and Waters

Although there has not been an official IAG formed for this issue, APC, USFS and other interested stakeholders have met twice since January to discuss the WR9 issues. Issues related to federal lands and waters will resume in August.

3.0 NEPA Scoping

Building on previous issue and alternative scoping, including Issues Identification Workshops and Coosa-Warrior Relicensing Team Meetings, FERC and APC prepared a NEPA Scoping Document 1 (SD1) for both the Warrior and Coosa projects. FERC issued SD1 on February 12, 2002 to approximately 500 stakeholders.

Subsequently, FERC held a NEPA Scoping meeting to discuss SD1 and other pertinent relicensing issues on March 12, 2002 from 7:00 - 9:00 PM in Birmingham,

Alabama. This meeting was designed to give stakeholders an overall understanding of the operational and regulatory aspects of these projects and invite public comment. All comments were recorded and minutes of this meeting were posted on FERC's website. This meeting was followed by a 30-day comment period to allow those individuals who were not able to attend an opportunity to provide written comments.

Based on comments received regarding SD1, FERC is working on NEPA SD2

Jim and Barry: should we reference upgrades? If so, we can use the following paragraph.

4.0 Project Upgrades

Concurrent with the relicensing process, APC investigated the feasibility of upgrading their project units. APC determined that upgrading a unit at Jordan (#82) and a single unit each at the Lay and Bouldin developments (Coosa River Project, #2146) would be feasible during the next two years and may help in addressing existing relicensing issues. Other project upgrades will be presented and analyzed as an action alternative in the APEA and license application.

APC presented their proposed approach to upgrading units to the stakeholders at the May 20, 2002 meeting. APC is preparing the license amendment applications for review and comment by the stakeholders. APC anticipates filing the amendment application in the fall 2002.

5.0 Relicensing Website

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

Six-Month Status Reports:

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