

**Electronically filed**

July 29, 2004

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

Re: Six-month Status Report on the Relicensing of Alabama Power Company's Hydroelectric  
Projects, FERC Nos. 2146, 2165, 82 & 618  
January 2004 – June 2004

Dear Ms. Salas:

Enclosed is Alabama Power Company's (APC) six-month status report for relicensing activities pertaining to FERC Project Nos. 2146, 2165, 82 and 618 (Projects) between the months of January 2004 and June 2004.

Over the past six months APC has continued to work cooperatively with a number of interested stakeholders to move forward on addressing and resolving key relicensing issues. APC has held several meetings and public workshops with stakeholders and has worked diligently to engage local parties that have not actively participated in this relicensing process.

Major relicensing activities occurring during this six-month period and detailed in this status report are:

1. Progress summaries of ecological and recreation Issue Action Groups (IAGs);
2. A detailed description of state and local consultation efforts regarding proposed recreation facility improvements;
3. The continued development of a Shoreline Management Plan;
4. Discussion of Alternatives, the NEPA Process and the Relicensing Proposals to Date;  
and
5. Periodic updates to the APC Hydro-Relicensing Website.

A table listing all relicensing meetings and activities including Shoreline Management Plan workshops, and IAG meetings has been provided as Attachment A.

A list highlighting APC meetings between state and local governments regarding recreation facility improvements has also been provided as Attachment B.

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

Very Truly Yours,

R. M. Akridge  
General Manager, Hydro Generation

## **Ecological Issue Action Groups**

### E2 – Erosion and Siltation

The Erosion “Hot-Spot” Report, which was in draft format at the time of the last update, was finalized in April 2004. The report details erosion survey work conducted on the Coosa and Warrior Projects and identifies several areas that likely will require monitoring and possibly repairs to reduce erosion. Over the past six months, the E2 IAG has developed a Draft Erosion Monitoring Plan, which is currently in review and likely finalized by August 2004.

### E3 – Water Quality in the Lakes, Rivers and Tributaries

Alabama Power has prepared and submitted Section 401 Water Quality Certification applications for the Warrior and Coosa Basin Projects to the Alabama Department of Environmental Management (ADEM). The applications are currently being reviewed by ADEM.

### E5 – Toxins

APC prepared an “Issue Report” for the Warrior Cooperative Relicensing Team (WCRT) and the Coosa Cooperative Relicensing Team (CCRT) to summarize the current baseline of information on toxins in the basins. This report was presented to the WCRT/CCRT on November 13, 2003. Based on comments received from the CCRT and WCRT during the November meeting, revisions were made and the report was finalized in May of 2004. The final version of the E5 Toxins Issue Report can be found on APC’s relicensing website.

### E6– Threatened, Endangered and Sensitive Species

Since the previous update, APC has completed compilation of a report to document and summarize the E6 Threatened and Endangered Species Database. The E6 Threatened and

Endangered Species Database Summary Report was finalized in April 2004 and has been posted to the relicensing website.

On August 14, 2003, FERC designated APC as its non-federal representative for the purpose of initiating consultation with the U.S. Fish and Wildlife Service (USFWS) under Section 7 of the Endangered Species Act. In mid-January 2004, APC initiated informal consultation with USFWS and submitted proposed lists of species to be analyzed as part of the Section 7 process. A follow-up meeting was held with USFWS in February 2004 to discuss the proposed species lists, the Section 7 process, and a proposed timeline for consultation. The proposed species lists were subsequently reviewed by USFWS and revised species lists were issued in March (Coosa) and April (Warrior) of this year. Currently, APC is working with USFWS staff to assess the status of listed species in the Warrior and Coosa Basins, determine data availability and needs, and initiate analyses under Section 7.

#### E9 – Habitat Fragmentation

*Fish Passage* - The Coosa Fish Passage Working Group met on April 14, 2004. The Working Group continued discussions regarding the potential for APC to assist with providing fish passage at one or more U.S. Army Corps of Engineers dams on the Alabama River, downstream of the Coosa Project developments. According to USFWS staff, discussions are ongoing with their legal staff and they are nearing a recommendation regarding this matter. In the meantime, a “concept document” which details seven elements that the USFWS deems necessary to successful establishment of alternative passage on the Alabama River has been drafted and is undergoing internal APC review.

#### E10 – Downstream Releases

*Weiss Bypass Working Group* – This Working Group has met three times in the past six months to discuss various aspects of establishing minimum flows in the Weiss Bypass. The group’s efforts over the past six months have focused primarily on development of a Draft Adaptive Management Plan (AMP). To facilitate development of the AMP, three technical

groups were formed (fish, mollusks and macroinvertebrates, and water quality) during the first quarter of 2004. These technical groups developed management goals and objectives for the Weiss bypass, which were subsequently revised and approved by the larger Working Group. In addition, a Draft AMP, as well as a Draft Monitoring Plan, was developed for the Weiss Bypass and both are currently under revision by the Working Group. To provide baseline data needed to implement the adaptive management strategy, spring spawning sampling of the fish communities of the bypass was conducted in March 2004 and preliminary fish and macroinvertebrate samples were collected in May 2004.

*Smith Tailrace Working Group* – The Smith Working Group has not met over the past six months, but has scheduled a meeting in mid-July 2004 to discuss a protection and enhancement package for the Smith Tailrace area.

### E13 – Wildlife Management

Based on consultation with staff from the Wildlife Division of the Alabama Department of Conservation and Natural Resources (ADCNR), APC developed a draft Wildlife Management Plan framework for the project lands surrounding the Warrior and Coosa basin developments. The draft plan was submitted to the ADCNR in May 2004 and is currently being reviewed by the agency. A meeting between APC and the ADCNR has been scheduled for July 30, 2004 to discuss the draft plan.

### **Recreation Issue Action Groups**

During the past six months the recreation IAGs have focused almost exclusively on developing and prioritizing the draft concept design plans, which were created to address recreation access and use concerns at existing (formal and informal) project sites. Each reservoir IAG met at least once either individually or with other IAGs (in a combined Warrior and Coosa meeting) to discuss these plans. The draft plans, which layout physical improvements and an implementation schedule, were specifically developed based on existing capacity, population projections, community support, site security and construction feasibility, as well as considering

bank fishing, parking and facilities and access that meet American with Disabilities Act (ADA) requirements. Typically a draft concept design plan included parking, road access and recreation improvements and a schedule of when these improvements should be made. In some cases a phased approach (multi-year) was proposed for implementing facility improvements.

### **State and Local Consultation Efforts Re: Proposed Recreation Facility Improvements**

As a result of numerous discussions concerning the draft concept design plans, the recreation IAGs agreed that their successful implementation would require consultation with and participation from local county and municipal governments. During late 2003 and early 2004, APC representatives, acting as agents of the IAGs, met with over 15 local county and municipal governments to discuss the plans and the potential implementation of the draft concept design plans. Specifically these meetings were aimed at determining the local government's interest in the facility improvements and its ability to provide policing, litter removal, and other services. During the first six month of 2004, follow-up meeting were held with a number of counties and municipalities as APC continues to work to develop partnerships that will lead to improved recreation facilities benefiting the local communities surrounding the Projects.

### **Shoreline Management Plans**

A public meeting was held on April 14, 2004 to continue developing the Shoreline Management Plans (SMP). Prior to the meeting, stakeholders were provided with a copy of the Revised SMP and a list of changes to the document that were made as a result of previous comments. As with previous SMP meetings, stakeholders first met in a large plenary group to discuss shoreline issues and review shoreline classification maps with APC representatives and then divided into smaller reservoir specific groups to continue discussing issues relative to their reservoirs.

In this SMP meeting, stakeholders discussed and commented on several aspects of the shoreline management plan including its overarching goals, the newly drafted shoreline conservation policies, shoreline classification maps, best management practices, and

modifications to the existing lake shore use permitting program. Of particular note for this meeting, stakeholders were informed that APC is implementing a residential permitting fee structure to recoup a portion of the costs of administering their permitting program. Several comments were received based on this information and APC is evaluating these comments before implementing the final fee structure. Following the meeting, meeting notes with a summary of all comments received were distributed to stakeholders and placed on APC's hydro-relicensing website for review. Several stakeholders have submitted comments in response to the meeting and APC has recorded and is reviewing the comments for possible inclusion into the final draft of the SMP.

### **Meetings with the US Forest Service**

Informal discussions between APC and the U.S. Forest Service (USFS) regarding ecological and recreation issues were held in February, April and June of 2004. In addition, on July 1, 2004, USFS, FERC and APC met to discuss USFS issues at the Smith development, adjacent to Bankhead National Forest. While these discussions were not formalized by preparation of meeting notes, consultation is ongoing with the agency and a more formal meeting has been planned for August 19, 2004.

### **NEPA Process and Presentation of Relicensing Proposals to Date**

On June 10, 2004, APC met with the CCRT and the WCRT to discuss the timeline of remaining relicensing activities, with emphasis on the development and distribution of the Applicant Prepared Environmental Assessments (APEAs) for the Coosa and Warrior River Projects and the draft License Applications; and to present the proposals and various alternatives that APC had received to date. Kleinschmidt reviewed this information with the CCRT and WCRT and discussed how the documents were a compilation of the various agreements reached by the IAGs. In some cases where the IAGs did not come to agreement, the alternative views are presented. These discussions will be fully addressed in the APEAs, which are to be distributed to the stakeholders in the early fall 2004. Ron McKittrick (FERC) provided guidance on writing the document and the types of information FERC expects to see relative to the overall length and detail of the APEA. He also discussed with the CCRT and WCRT the idea of crafting license articles that closely mimic FERC's license articles. Retaining flexibility within the license

article is highly recommended by FERC.

## **Relicensing Website**

As outlined in the relicensing communications procedures, all copies of public correspondences and meeting summaries have been posted on APC's hydro-relicensing website at [www.southernco.com/alpower/hydro](http://www.southernco.com/alpower/hydro).

APC publishes all relicensing materials including meeting notes, summaries, studies, IAG work products and other reports, as well as memos and documents to its hydro-relicensing website. The following list of internet web addresses identifies 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](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](http://www.southerncompany.com/alpower/hydro/RTI_coosa.asp)

Warrior – [http://www.southerncompany.com/alpower/hydro/RTI\\_warrior.asp](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](http://www.southerncompany.com/alpower/hydro/c_issuesandstudies.asp)

Warrior – [http://www.southerncompany.com/alpower/hydro/w\\_issuesandstudies.asp](http://www.southerncompany.com/alpower/hydro/w_issuesandstudies.asp)

## **ATTACHMENT A**

List of Relicensing Team Meetings and Activities January 2004 – June 2004

### **Coosa and Warrior Cooperative Relicensing Teams (CCRT and WCRT)**

<b>Date</b>	<b>Agenda Items</b>
June 10, 2004	NEPA Process, Relicensing Proposals, and Recreation Report

### **Shoreline Management Plan**

<b>Date</b>	<b>Agenda Items</b>
April 14, 2004	Shoreline Management Policies, Shoreline Permitting Process and Fees, Shoreline Classifications

### **Meetings with the US Forest Service**

<b>Date</b>	<b>Agenda Items</b>
February 19, 2004	Ecological Issues / Recreation Facility Improvements
April 20, 2004	Ecological Issues / Recreation Facility Improvements
June 17, 2004	Ecological Issues / Recreation Facility Improvements

### **Ecological Issue Action Group Meetings**

E6 Threatened, Endangered and Sensitive Species

<b>Date</b>	<b>Agenda Items</b>
February 18, 2004	ESA Section 7 Consultation
April 15, 2004	ESA Section 7 Consultation

E9 Habitat Fragmentation

<b>Date</b>	<b>Agenda Items</b>
April 15, 2004	Fish Passage on the Coosa River

## E10 Project Releases

<b>Date</b>	<b>Agenda Items</b>
February 4, 2004	Weiss Bypass Working Group
March 9, 2004	Weiss Bypass Spring Spawning Fish Sampling
March 18, 2004	Weiss Bypass Working Group
April 15, 2004	Weiss Bypass Working Group
May 10, 2004	Weiss Bypass Fish and Macroinvertebrate Sampling
May 20, 2004	Weiss Bypass Working Group

## Recreation Issue Action Group Meetings

Warrior (R1, 2, 3, 4 & 5)

<b>Date</b>	<b>Agenda Items</b>
January 7, 2004	Draft Concept Design Plans

Combined Warrior and Coosa (R1, 2, 3, 4 & 5)

<b>Date</b>	<b>Agenda Items</b>
May 5, 2004	Concept Design Process Review, Recreation Plan and Adaptive Management

## Recreation Meetings with Other Stakeholders

<b>Date</b>	<b>Stakeholder Group</b>	<b>Agenda Items</b>
February 16, 2004	Alabama B.A.S.S. Federation	Recreation Facility Improvements
March 23, 2004	Mitchell Lake Homeowner's Association	Recreation Facility Improvements
March 23, 2004	Alabama Marine Police	Public Safety Update

## **ATTACHMENT B**

List of Meetings between Alabama Power and state and local governments in regards to Recreation Facility Improvements January 2004 – July 2004

<b>Date</b>	<b>Local Government</b>
January 6, 2004	Winston County
April 7, 2004	Chilton County
April 13, 2004	Alabama Department of Conservation and Natural Resources
May 5, 2004	City of Southside
June 9, 2004	Winston County
June 15, 2004	City of Gadsden