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**Electronically filed**

February 2, 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  
July 2003 –December 2003

Dear Ms. Salas:

Enclosed is the Alabama Power Company's (APC) six-month status report for relicensing activities pertaining to FERC Project Nos. 2146, 2165, 82 & 618 (Projects) between the months of July 2003 and December 2003.

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 very 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. A meeting between the Commission and the USFS that APC attended;
4. The continued development of a Shoreline Management Plan; and
5. Periodic updates to the APC Hydro-Relicensing Website.

A table listing all relicensing meetings and activities including shoreline management plan workshops, and Issue Action Group (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 Issues**

### E2 – Erosion and Siltation

Over the past six months, this IAG has focused its efforts on completing the Draft Tailrace Erosion “Hot-Spot” Report and preparing to address other potential erosion and siltation issues including tributary and storage reservoir shoreline erosion. The IAG met on July 1, 2003 to discuss the draft erosion report. Additionally, APC is developing an Erosion Monitoring Plan to submit to the IAG for review.

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

Alabama Power is currently preparing its Section 401 Water Quality Certification applications for submittal to the Alabama Department of Environmental Management.

### E4 – Water Quantity, Use and Withdrawals

Alabama Power has finalized its “Issue Report” which describes the company’s existing FERC-approved water withdrawal and management policies. A draft report had been previously circulated to the stakeholders for review and comment.

### 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. The report is currently being revised to address comments received at that meeting and will be issued as “final” in the first quarter of 2004.

## E6– Threatened, Endangered and Sensitive Species

Alabama Power is drafting a report to document and summarize the E6 threatened and endangered species database. Additionally, 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 for any federally listed species. Alabama Power will begin informal consultation with the USFWS in February 2004.

## E7– Exotic Species and Aquatic Plant Management Program

Alabama Power revised the management program “Issue Report” to include new state laws governing stocking and species introductions in public waters. The revised Issue Report has been distributed to stakeholders and posted to the relicensing website.

## E9 – Habitat Fragmentation

*Fish Passage* - A Coosa Fish Passage Working Group was convened and held its initial meeting in June. The Working Group has focused on potentially providing fish passage at one or more U.S. Army Corps of Engineers dams on the Alabama River, downstream of the Coosa River Project developments. This Working Group has not met again in the past six months as they are waiting for the USFWS and their legal staff to make some determinations on future agreements and consultation relative to alternative fish passage on the Alabama River.

*Mussel Repopulation* – Technical experts from APC and the ADCNR have begun the process of identifying potential sites for the reintroduction of mussel species within the Warrior River Basin. They have reviewed and investigated 14 sites in the Warrior River Basin.

## E10 – Downstream Releases

*Weiss Bypass Working Group* – The Working Group has met three times in the past six months to discuss various aspects of minimum flows in the Weiss Bypass. Specifically, the

Group agreed that an adaptive management approach to flows in the Bypass is necessary. In December 2003, at the request of Group members, APC distributed examples of adaptive management approaches at other FERC projects and prepared and distributed a compact disc (CD) that included a summary of monitoring and research efforts in the Weiss Bypass. Based on this information, Group members will begin developing management goals and an adaptive management plan for the Weiss Bypass during the first quarter of 2004.

*Smith Tailrace Working Group* – The Working Group has met three times in the past six months and has focused on the need to maintain water quality below Lewis Smith Dam and maximize the trout fishery in the tailrace. The group met at the Dam in August 2003 to view a flow demonstration in the tailrace by canoe and from the bank. As part of this on-site field meeting, a trout stream specialist from the Tennessee Wildlife Resource Agency (Frank Fiss) provided input to Group members regarding flows and habitat in the tailrace. In September, the group met to discuss various flow plan proposals regarding flow frequency and duration. In November, the group discussed potential methods to deliver a supplemental base flow using modified penstock drain valves. The Group will meet several times over the next six months to develop and finalize a plan to deliver supplemental base flows to the tailrace.

#### E11 – Entrainment & Impingement

The IAG met on November 6, 2003 to discuss the draft final entrainment report and provide comments. Based on those comments, the report was revised and distributed as “final” to the IAG members on December 12, 2003. The IAG will meet in the first quarter of 2004 to develop and discuss recommendations to propose to the WCRT and CCRT regarding this issue.

#### E12 – Wetlands

APC prepared and distributed a report that summarized the E12 wetland database for the Coosa and Warrior projects in September 2003. The report includes explanations of wetland classification systems and how the wetland database was created, as well as a summary of wetland acreage for each project development.

## **Recreation Issues**

During the past six months the recreation IAGs have focused almost exclusively on developing 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 twice either individually or with other IAGs (in a combined Upper or Lower Coosa meeting) to discuss these plans. The draft concept design plans, which layout physical improvements and an implementation schedule, were specifically developed based on existing capacity, population projections, site security and construction feasibility as well as bank fishing, parking and ADA opportunities. 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.

APC generally drafted the design plans and then presented them to the IAGs for their comments, which were evaluated and either incorporated, or in cases where they were not incorporated, an explanation was provided to the specific commenter. The IAG was given the opportunity to comment on the actual design of the improvements as well as when the improvements should be made.

The results of these discussions were relayed by APC staff to local governments that were determined to be an essential partner in their eventual implementation (additional details provided below).

### **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 city governments.

Representatives from Alabama Power, acting as agents of the IAGs, have met with over

15 local county and municipal governments to discuss the plans and the potential implementation of the draft concept design plans. APC undertook this extra consultation effort to develop partnerships with local communities that will eventually lead to improved recreation facilities benefiting the local communities at the Projects.

After presenting background information about the relicensing process, APC representatives presented the draft concept design plans for discussion. Specifically, APC attempted to determine the local government's interest in the facility improvements and its ability to provide policing and litter removal services. These meetings typically involved officials who have not been regularly engaged in the relicensing process, but who have the local authority to work with APC on implementing these plans. APC reported to the IAGs on December 11, 2003, that these consultations were very appreciated by the respective local officials and as a result, APC received both very favorable support for the ongoing process and valuable feedback on the draft concept design plans.

In addition to meeting with local county and city governments, APC also met in August with the Alabama Departments of Transportation, and the Alabama Department of Conservation and Natural Resources. With a number of the concept design sites located on state right-of-way lands, their input and support is essential for implementation of the draft concept design plans.

### **FERC-USFS Meeting in which APC was in Attendance**

In July members of APC's relicensing team attended a meeting between the Commission and the US Forest Service. At this meeting the two agencies discussed coordination efforts concerning this relicensing and Commission policies relative to a number of Forest Service issues.

### **Shoreline Management Plan**

In the past six months relicensing stakeholders have met twice, once in September and again in November to continue developing the shoreline management plan. As with previous

shoreline management plan meetings, stakeholders first met in a large plenary group to discuss shoreline issues and then divided into smaller reservoir specific groups to continue discussing these issues. Following each meeting, summaries were distributed to stakeholders and placed on APC's hydro-relicensing website for review. Several stakeholders have submitted comments in response to these meeting summaries and APC has recorded and is reviewing the comments for possible inclusion into the next draft of the shoreline management plan.

In these shoreline management plan meetings, stakeholders have discussed and commented on several aspects of the shoreline management plan including its overarching goals, the newly drafted shoreline conservation policy, proposed shoreline classifications, best management practices, and modifications to the existing lake shore use permitting program.

### **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 July 2003 – December 2003

### **Shoreline Management Plan**

<b>Date</b>	<b>Agenda Items</b>
September 17, 2003	Plan Goals, Shoreline Conservation Policy, Shoreline Classifications
November 13, 2003	Shoreline Classifications, Permit Program, Best Management Practices

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

<b>Date</b>	<b>Agenda Items</b>
July 29, 2003	Process coordination, FERC policies relative to some FS issues

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

E2 Erosion and Sedimentation

<b>Date</b>	<b>Agenda Items</b>
July 1, 2003	Erosion Report Review; shoreline erosion; tributary erosion

E9 Habitat Fragmentation

<b>Date</b>	<b>Agenda Items</b>
July 18, 2003	Smith Reservoir

E10 Project Releases

<b>Date</b>	<b>Agenda Items</b>
August 21, 2003	Weiss Bypass
August 22, 2003	Smith Tailrace
September 17, 2003	Smith Tailrace
November 12, 2003	Weiss Bypass, Smith Tailrace

E11 Entrainment and Impingement

<b>Date</b>	<b>Agenda Items</b>
November 6, 2003	Review of draft final report

**Recreation Issue Action Group Meetings**

WR1, 3, 4 & 5 Smith

<b>Date</b>	<b>Agenda Items</b>
August 26, 2003	General relicensing
October 1, 2003	Draft Concept Design Plans

Combined Upper Coosa

<b>Date</b>	<b>Agenda Items</b>
August 27, 2003	Draft Concept Design Plans, Recreation Issues
December 11, 2003	Draft Concept Design Plans, Review of County Meetings

Combined Lower Coosa

<b>Date</b>	<b>Agenda Items</b>
August 27, 2003	Draft Concept Design Plans, Recreation Issues
December 11, 2003	Draft Concept Design Plans, Review of County Meetings

CR1, 3, 4 & 5 Logan Martin

<b>Date</b>	<b>Agenda Items</b>
October 1, 2003	Draft Concept Design Plans

Combined CR1, 3, 4 & 5 Weiss and Logan Martin

<b>Date</b>	<b>Agenda Items</b>
October 16, 2003	Requested Operational Changes

CR7 Cultural Resources

<b>Date</b>	<b>Agenda Items</b>
June 27, 2003	Existing Information, Field Studies
August 12, 2003	Field Studies
October 9, 2003	Collected Data
December 15, 2003	Coosa River Site Visits
December 17, 2003	Coosa River Site Visits

## ATTACHMENT B

List of Meetings between Alabama Power and state and local governments in regards to Recreation Facility Improvements July 2003 – December 2003

<b>Date</b>	<b>Local Government</b>
August 18, 2003	Alabama Department of Conservation and Natural Resources
August 18, 2003	Alabama Department of Transportation
September 22, 2003	Shelby County
September 23, 2003	City of Gadsden
September 25, 2003	Elmore County
September 25, 2003	Coosa County
October 14, 2003	Rainbow City
October 14, 2003	Etowah County
October 14, 2003	Cherokee County
October 14, 2003	City of Centre
October 14, 2003	City of Cedar Bluff
October 15, 2003	St. Claire County
October 15, 2003	Talladega County
October 15, 2003	City of Childersburg
October 21, 2003	Chilton County
October 22, 2003	Calhoun County
December 18, 2003	Cullman County
December 18, 2003	Walker County