

Electronically filed

July 31, 2003

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 2003 – June 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 January and June 2003.

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

1. Progress Summaries of Ecological, Recreation and Forest Service Issues;
2. Continued Development of a Shoreline Management Plan; and
3. Periodic Updates to the APC Hydro-Relicensing Website

A table summarizing Warrior and Coosa Relicensing Team meetings (WCRT and CCRT) as well as Issue Action Group (IAG) meetings over this six-month period is provided in Attachment A.

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
Manager, Hydro Services

1.0 Progress Summary of Ecological and Recreation Issues

The WCRT and the CCRT continue to address ecological and recreation relicensing issues during their plenary group meetings as well as through the smaller issue-focused, IAGs and issue reports. The following summaries highlight ecological, recreation and Forest Service relicensing efforts occurring within the past six months.

Ecological Issues

E1 – Point and Non-Point Source Pollution

An “IAG Report” with proposed recommendations and a record of IAG consultations was submitted to and approved by the WCRT and the CCRT at their January meeting. The approved E1 recommendations are:

1. The IAG recommends that APC use the Coosa Basin Assessment, the Warrior Basin Assessment, the Alabama Department of Environmental Management (ADEM) 303(d) list, and the NPDES information for developing the Coosa and Warrior Environmental Assessments. Additional information identified by the IAG will also be used in this effort.
2. The IAG recommends that APC continue to stay involved with the Clean Water Partnership (CWP) process.
3. The IAG recommends that APC share technical data with the CWP.
4. The IAG recommends that APC coordinate with ADEM and Alabama Department of Economic and Community Affairs (ADECA) to cooperate on public education efforts at the state and local levels.
5. The IAG recommends that APC incorporate ADEM and ADECA public education information into their Shoreline Management Plan.
6. The IAG recommends that this IAG consolidate its efforts with those of the E3 IAG.

E2 – Erosion and Siltation

Over the past six months, the 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 non-tailrace erosion sites. The draft report was submitted to IAG members for review and

comment in May 2003. Additionally, APC has been planning a draft Erosion Monitoring Plan to be submitted to the IAG in the fall.

E3 – Water Quality in the Lakes, Rivers and Tributaries

Based on comments and suggestions received at its February IAG meeting, APC has completed the final water quality reports for each of the Warrior and Coosa Projects and distributed them to IAG members. The IAG has continued to discuss several water quality issues, including dissolved oxygen, aeration techniques and potential facility enhancements, as well as water quality information that will help in the formation of recommendations to the WCRT and CCRT. APC has also begun collecting water quality data in the Weiss Bypass.

E4 – Water Quantity, Use and Withdrawals

An “Issue Report” was presented to the WCRT and CCRT at their June meeting. This report describes APC’s existing water withdrawal and management policies. This report is currently being revised to address stakeholder suggestions and comments.

E5 – Toxins

APC is currently preparing an “Issue Report” for the WCRT and the CCRT to summarize and explain the current baseline of information regarding toxins in the basins. This report will assist the WCRT/CCRT in developing a potential course of action to address this issue within the relicensing process.

E6– Threatened, Endangered and Sensitive Species

An “IAG Report” with proposed recommendations and a record of IAG consultations was submitted to and approved by the WCRT and the CCRT at their January meeting. The approved E6

recommendations are:

1. Make the TE&S Species database available to other IAGs within the relicensing process.
2. Reconvene the E6 IAG should TE&S Species need further analysis as to the effects of project alternatives and recommendations.

E7– Exotic Species and Aquatic Plant Management Program

An “Issue Report” with proposed recommendations was presented to and approved by the WCRT and the CCRT at their January meeting. The approved Issue Report highlights APC’s existing efforts and proposes recommendations to address this issue within the context of relicensing. The approved E7 recommendations are:

1. APC will continue to administer its Aquatic Plant Management and Mosquito Control programs on the Coosa and Warrior Projects as described in the E7 Issue Report.
2. APC will use the E7 Issue Report to prepare relevant sections of the Environmental Assessments for the Coosa and Warrior Projects.
3. APC will include the E7 Issue Report as part of the Shoreline Management Plans for the Coosa and Warrior Projects.

E8 – Lake Level Fluctuations

The Crappie Spawning Agreement proposed by this IAG at the end of 2002 is still under consideration by the Army of Corps of Engineers and APC. APC hopes to have an update on this issue by the Fall of 2003.

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.

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.

E10 – Downstream Releases

Weiss Bypass Working Group – The Working Group has met three times in the past six months to discuss sample outputs from the HEC-RAS model and potential methodology for evaluating various flow scenarios.

Smith Tailrace Working Group – The Working Group has met twice since January to discuss downstream releases. The Working Group has focused on the need to maintain water quality below Lewis Smith Dam and maximize the artificial trout fishery. Additionally, the group has discussed potential measures to enhance trout habitat and angler experiences. ADCNR representatives have contacted a biologist from the Tennessee Wildlife Resources Agency with trout stream expertise to provide suggestions for improving in-stream habitat and the general health of the trout fishery.

E11 – Entrainment & Impingement

The IAG met in February to discuss the progress on the entrainment study and provide suggestions on several key steps in the entrainment analysis. Based on stakeholder suggestions, the IAG is currently completing its desktop analysis of fish impingement, entrainment, and turbine mortality.

E12 – Wetlands

An “IAG Report” with proposed recommendations and a record of IAG consultations was submitted to and approved by the WCRT and the CCRT at their January meeting. The approved E12 recommendations are:

1. The E12 IAG recommends that APC provide protection for wetlands located within the project boundaries of the Warrior and Coosa hydroelectric projects. Specifically, APC should:
 - a. Incorporate the wetlands database into APC’s GIS database as a tool for administering the Shoreline Management Plan.

- b. Continue to cooperate with the ACOE wetland permitting process for developments that impact jurisdictional wetlands.
 - c. As part of the Shoreline Management Plan, APC will investigate guidelines to protect riparian zones located within the project boundary.
2. The E12 IAG recommends that the R8 IAG (Public Education) identify existing materials or programs that can be used to provide public education on wetlands and determine if additional education materials/programs should be developed. This effort should include:
 - a. Providing the E12 IAG Public Education Outline to the R8 IAG to provide direction,
 - b. 1 to 2 members of the E12 IAG working with the R8 IAG.

APC is also preparing a database report that will include a summary of wetlands in the database and appropriate maps.

Recreation Issues

R1, 2, 3, 4, & 5 IAGs

Over the past six months on two to three occasions, all the reservoir-specific recreation IAGs (R1, 2, 3, 4 & 5) have met to continue working through the four-step standard process, review the Lake Clean-up and Woody Debris recommendations, continue discussions on public safety, recreation access and other resource issues, and begin working on their respective draft concept design plans. Discussions common to all the reservoirs are highlighted below with IAG specific discussions following.

Lake Clean-up and Woody Debris Recommendations

The following Lake Clean-up and Woody Debris recommendations were presented to and subsequently accepted by the WCRT and the CCRT at their January meeting in Birmingham.

Lake Clean-up Recommendation: “A general statement will be put in the project recreation plans that states the Alabama Power Company will continue to help promote and assist lake reservoir

groups and other stakeholders in their efforts to remove trash and litter from APC reservoirs.”

Woody Debris Recommendation: “A general statement will be put in the project recreation plans that states that Alabama Power Company in coordination with Lake Associations, and the Marine Police Division will periodically monitor and review the amount, location and origin of woody debris on APC reservoirs. Should an inspection lead the Marine Police Division to conclude that a significant public safety issue might exist because of APC’s practice of releasing woody debris and trash accumulations from its dam trash racks downstream, APC will, at the request of the Marine Police Division, reopen this issue for discussion and resolution. Similarly, should the Alabama Department of Environmental Management conclude that a significant water quality issue might exist for the abovementioned reason, APC will, at the request of the Alabama Department of Environmental Management, reopen this issue for discussion and resolution.”

Draft Concept Design Plans

Since January, each reservoir IAG has begun preparing recreation draft concept design plans. These plans are being created with the intent to improve existing recreation facilities and provide for future recreation demand. To date, draft concept design plans have been presented to the Weiss, Neely Henry, Lay, Mitchell and Jordan-Bouldin IAGs. The Logan Martin and Smith IAGs have also been working on their respective draft concept designs, but will not formally discuss them until this fall. The draft concept design plans were prepared based on stakeholder input, an assessment of existing facilities and perceived recreation demand over the next twelve years. The Weiss, Neely Henry, Lay, Mitchell and Jordan-Bouldin IAGs have each met to review their respective plans with stakeholders providing comments and suggestions on how to improve them. Common elements found in these draft concept designs plans include parking, ADA access, boat launch areas, bank-fishing and public safety improvements.

Public Safety

Conducted in association with this relicensing process and with input from all of the recreation IAGs, APC implemented an annual funding program to help the Alabama Marine Police improve public safety on all of APC's hydroelectric reservoirs, including those subject to this relicensing. This program will be implemented effective July 1, 2003.

In addition to the shared issues outlined above, the Weiss, Neely Henry and Logan Martin IAGs have independently met to continue discussions on lake level fluctuations, woody debris, changes to operational rule-curves, modeling efforts and potential sedimentation issues at their respective lakes. Additionally the Weiss and Logan Martin IAGs have reached consensus on a sedimentation monitoring plan. At the Logan Martin Project, APC will conduct a river bottom cross sectional baseline survey similar to the one conducted at the Weiss Project in 2002. APC will then revisit this issue and perform limited analyses in 2005 to determine if sedimentation is a problem and what, if anything needs to be done to address the issue.

Lewis Smith

This IAG has met twice since January. In addition to the shared issues outlined above, this IAG has reviewed the Shoreline Management Plan, received a general relicensing update and discussed other recreation issues including styrofoam litter issues and public safety.

Lay

This IAG, in addition to the shared issues outlined above, has focused on public safety issues including the APC-AL Marine Police Agreement and recreation access issues.

Mitchell

Since January this IAG has primarily discussed the shared issues outlined above.

Jordan-Bouldin

In addition to the shared issues outlined above this IAG has reviewed their progress with the four-step standard process, recreation access, and lake level fluctuations.

R6 – Shoreline Management Plan

See Shoreline Management Plan Section 2.0 below.

R7 – Cultural Resources

FERC has held several meetings since January to discuss cultural resources issues. This group continues to discuss the area of potential effect, the development of a programmatic agreement, the consequences of project operations, as well as cultural and historical site identification standards and methods.

R8 – Public Education

There have been no meetings of this group in the past six months. This IAG is convened at the request of other IAGs.

WR9 – Forest Service IAG

See *Forest Service Issues* below.

Forest Service Issues

APC has met with USFS representatives on several occasions over the past six months to discuss issues pertaining to Bankhead National Forest lands included in and adjacent to the Lewis Smith Project boundary. Meetings have focused on potential ways to satisfy USFS information/study requests relative to ecological and recreation issues. These discussions have focused on water quality, aquatic and terrestrial habitat fragmentation, lake level fluctuations, informal access areas, woody debris clean-up, beach sand maintenance, recreation capacity, recreation facility improvements and the Sipsev Fork Wild and Scenic River. Below are brief descriptions of progress relative to these issues.

Water Quality - APC has begun collecting supplemental water quality data in several tributaries to Smith Lake: Clear Creek, West Sipsev, and Brushy Creek.

Aquatic Habitat Fragmentation - APC has developed a draft study plan and is currently working with USFS technical experts in implementing this plan. The technical group has agreed to a list of species to investigate and APC is currently gathering information on those species. APC is also working with the USFS to develop GIS maps of potential aquatic barriers in the Smith Lake watershed.

Terrestrial Habitat Fragmentation – APC developed a study plan with input from Dr. David Whetstone and engaged him to perform limited surveys of USFS lands adjacent to Smith Lake to determine the degree of project induced impacts on terrestrial species adjacent to the lake.

Lake Level Fluctuations - APC is currently performing limited surveys on USFS adjacent to Smith Lake to determine the potential impact of lake level fluctuations on terrestrial threatened, endangered and sensitive species. General levels of erosion are also noted in these surveys.

Informal Access Areas – APC has surveyed all of the Informal Access sites identified by USFS to determine if any ecological resource impacts are occurring as individuals use USFS property in association with accessing Smith Lake.

Woody Debris Clean-up – APC has worked cooperatively with the USFS to address this issue. APC

and the USFS have discussed a joint effort to remove woody debris from USFS recreation sites. APC has proposed that the most effective approach to debris removal is to delay the removal until late May because lake levels should be stabilized at that time and then only one clean up would be necessary.

Beach Sand Maintenance – APC has stated that they are interested in working with the USFS to address this as a relicensing issue. APC has been researching and investigating ways to address this issue and work with the USFS.

Recreation Capacity – APC and the USFS have discussed existing recreation capacity as well as how both entities can plan for future recreation needs. APC has prepared a report of all recreation use data and the USFS is reviewing this report to determine its adequacy and applicability to the USFS recreation sites.

Recreation Facility Improvements –The USFS had identified some specific sites and tasks that could be enhanced and has requested APC consider cooperating on improving these sites. In addition to improving access, the USFS has identified several common repairs that need to be addressed. Due to budget shortfalls, the USFS is looking to work with APC to develop alternatives to address these improvements.

Sipsey Fork Wild and Scenic River – The USFS is concerned that project operations may be having an adverse impact on the Sipsey Fork Wild and Scenic River, specifically in regards to how various water elevations might encourage motorized boating into areas of the Wild and Scenic River have historically not available to motorized boating. APC has provided operational data and GIS maps of various operating elevations and are continuing discussions with the USFS to determine potential management options and to further investigate this issue.

2.0 *Shoreline Management Plan*

Since January, the development of a Shoreline Management Plan has been jointly undertaken by the WCRT and the CCRT. The WCRT and the CCRT have met twice in the past six months to review the draft SMP outline and revisions to that outline. The WCRT and the CCRT have continued to address this issue in their meetings because an SMP is a comprehensive plan, encompassing both ecological and recreation issues. In January, the groups discussed a process for developing the SMP as well as a very preliminary outline of what will be included in the SMP. The WCRT and CCRT agreed to develop overarching goals, objectives and common components of the SMP first and then focus on reservoir specific issues that will be included in each respective plan. Also at this meeting, the two groups reviewed APC's existing shoreline permitting processes. Based on input provided by stakeholders at the January meeting, APC revised the SMP outline and presented those revisions to the two groups at their June meeting. At their June meeting, WCRT and CCRT members discussed the revised SMP outline and using small "break out sessions", provided substantial feedback to APC on the overall goals of the SMP as well as specific components including land classifications, shoreline permitting and potential best management practices. APC plans to revise the SMP again and begin meeting with reservoir specific groups to discuss their issues relative to the SMP.

3.0 Relicensing Website

As outlined in the Projects' Relicensing Communications Procedures, all copies of public correspondences and meeting summaries have been posted on APC's relicensing website at www.southernco.com/alpower/hydro.

APC publishes all relicensing materials including meeting notes summaries, studies, IAG work products and other reports, 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

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

Attachment A

Summary of Relicensing Team Activities – January 2003 – July 2003

WCRT and CCRT MEETINGS

Date	Agenda Items	Special Presentations
January 22, 2003	Ecological and Recreation IAG Recommendations, Shoreline Management Plan	Getting to Consensus / Decision Making Processes
June 19, 2003	E4 IAG Report, Shoreline Management Plan	Relicensing Process Update, Water Withdrawals

Forest Service Issues

Date	Agenda Items	Special Presentations
January 23, 2003	Comments to NEPA Scoping Document 1	
February 11, 2003	Recreation Issues	
April 24, 2003	Ecological and Recreation Study Requests	
March 19, 2003	Recreation Issues; Matrix of Issues	
May 8, 2003	Water quality study requests; habitat fragmentation	
June 18, 2003	Water quality, aquatic and terrestrial habitat fragmentation, informal access areas	

IAG MEETINGS

Ecological

E3 Water Quality in Lakes Rivers and Tributaries

Date	Agenda Items	Special Presentations
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Date	Agenda Items	Special Presentations
February 19, 2003	Draft Reservoir Water Quality Reports	

E9 Habitat Fragmentation

Date	Agenda Items	Special Presentations
June 18, 2003	Coosa Fish Passage Working Group	

E10 Project Releases

Date	Agenda Items	Special Presentations
February 19, 2003	Weiss Bypass and Smith Tailrace Working Groups	
March 19, 2003	Weiss Bypass and Smith Tailrace Working Groups	
June 18, 2003	Weiss Bypass and Smith Tailrace Working Groups	

E11 Entrainment and Impingement

Date	Agenda Items	Special Presentations
February 19, 2003	Entrainment Report Progress	

Recreation

WR1, 3, 4 & 5 Smith

Date	Agenda Items	Special Presentations
January 14, 2003	Lake Clean-up and Woody Debris Recommendations	
March 19, 2003	Relicensing Update, Shoreline Management Plan, Miscellaneous Issues	

CR1, 3, 4 & 5 Weiss

Date	Agenda Items	Special Presentations
March 10, 2003	Modeling	Modeling Efforts

Date	Agenda Items	Special Presentations
May 07, 2003	Public Safety Proposal, Sedimentation	
June 18, 2003	Draft Concept Design Plans	
CR1, 3, 4 & 5 Neely Henry		

Date	Agenda Items	Special Presentations
March 18, 2003	Draft Concept Design Plans	
May 07, 2003	APC-AL Marine Police Public Safety Proposal, Lake Level Fluctuations	
CR1, 3, 4 & 5 Logan Martin		

Date	Agenda Items	Special Presentations
March 10, 2003	Modeling	Modeling Efforts
May 07, 2003	APC-AL Marine Police Public Safety Proposal, Lake Level Fluctuations	
CR1, 3, 4 & 5 Lay		

Date	Agenda Items	Special Presentations
March 18, 2003	Public Safety Issues, Underwater Timber	
May 1, 2003	APC-AL Marine Police Public Safety Proposal, Lake Level Fluctuations	
June 18, 2003	Draft Concept Design Plans	
CR1, 3, 4 & 5 Mitchell		

Date	Agenda Items	Special Presentations
February 19, 2003	Draft Concept Design Plans	
April 30, 2003	APC-AL Marine Police Public Safety Proposal	

CR1, 3, 4 & 5 Jordan/Bouldin

Date	Agenda Items	Special Presentations
March 18, 2003	Standard Process, Recreation Access, Draft Concept Design Plans	
May 07, 2003	APC-AL Marine Police Public Safety Proposal, Lake Level Fluctuations	