



April 9, 2012

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, D.C. 20426

RE: Motion to Intervene and Comments for Alabama Power Company's Final Licensing Application (FLA) dated June 8, 2011, as amended, for Martin Dam (FERC Project #349-173).

Dear Secretary Bose:

The Lake Martin Home Owners and Boat Owners (HOBOS) Association, Inc., appreciates the opportunity to participate in the ILP Relicensing Process for Martin Dam (Project # 349). Our 2,100 member, all volunteer, non-profit organization represents the home owners and small businesses of the three county area of Lake Martin, and, as such, the HOBOS primary goal is to protect and preserve the lake for future generations.

To insure the continued representation and involvement to reach the goals stated below and to represent HOBOS interests, the group feels it is imperative to intervene (Enclosure 1) in these proceedings on behalf of the members and stakeholders of Lake Martin.

Previous filings on July 12, 2011(Enclosure 2), and January 9, 2012 (Enclosure 3), by the HOBOS pertinent to the filing of the FLA by Alabama Power Company (APCo) on June 8, 2011 are attached to this document and are to be considered an integral part of this filing. Since the HOBOS felt it important to file these letters prior to the official comment period, the letters are filed again to insure the data is included. In addition, a comment filing to the Preliminary Licensing Proposal, dated April 7, 2011 (Enclosure 4), is included because the letter has comprehensive information concerning Alabama Power's use of the controversial MCDA analysis, to justify decisions. The Lake Martin HOBOS have attended every relicensing meeting conducted by Alabama Power and/or FERC and the requests made by the group have been simple and clear:

1. To prevent the dire circumstances of the drought of 2007, when the lake did not refill the lake, the winter pool flood control level should be raised by five feet to 486' msl. APCo studies prove this change is feasible and studies indicate the change would improve the economy of the three county area.

*Post Office Box 1030
Dadeville, Alabama 36853*

Ms. Kimberly D. Bose

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2. The HOBOS requested a Rule Curve change to extend the Summer Rule Curve of 491' msl, from the current ending date of September 1, to October 15. Not only should the Summer Rule Curve be extended, but the Operating Rule Curve should be extended in correlation with the Summer Rule Curve. APCo has resisted a rule curve change and instead substituted PME measures, which are discussed fully in previous filings. Please see HOBOS letter of January 9, 2012.
3. Alabama Power Company was instructed by FERC in a 1973 agreement to notify Russell Lands' representative group, Lake Martin Resource Association (LMRA), when certain changes were anticipated in the operation of the lake, or, in some cases to gain approval prior to taking action. As representative for 2,100 stakeholders of Lake Martin, the HOBOS request that FERC direct APCo to treat the Lake Martin Home Owners and Boat Owners Association, Inc., Russell Lands and/or Lake Martin Resource Association equally in *all* matters.

Due to concerns by several stakeholder groups that the ILP process was not being followed by Alabama Power Company a letter was filed with FERC dated February 25, 2011, outlining the concerns of the groups and requesting review of the process by FERC. Subsequent to the filing APCo filed a reply to the letter with FERC; however, no response has ever been received from FERC. The six groups of stakeholders felt the situation warranted the action taken and feel a response from FERC is desired. Subsequent to the letter of February 25, 2011, APCo cancelled a promised meeting and no further opportunities to address the issue have been provided. (See Enclosure 5)

The HOBOS have appreciated the interest and involvement of all FERC representatives and look forward to completing the relicensing process to everyone's satisfaction.

FOR THE BOARD OF DIRECTORS

Sincerely,



Jesse M. Cunningham

President

Lake Martin HOBOS

jesse@lakemartin.org

Enclosures:

1. Motion to Intervene
2. HOBOS Comments FLA dated July 12, 2011
3. HOBOS Comments FLA dated January 9, 2012
4. HOBOS Comments PLP dated April 7, 2011
5. Stakeholder group filing, dated February 25, 2011

ENCLOSURE 1

MOTION TO INTERVENE

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

| | | |
|---------------------------|---|---------------------|
| Alabama Power Company |) | Project No. 349-173 |
| |) | Martin Dam Project |
| |) | |
| Final License Application |) | |
| _____ |) | |

**MOTION TO INTERVENE
BY
LAKE MARTIN HOME OWNERS AND BOAT OWNERS ASSOCIATION, INC**

I. Introduction

By notice dated February 8, 2012, the Federal Energy Regulatory Commission (FERC) solicited comments, motions to intervene and protests regarding the application for New Major License, FERC No. 349-173.

The Lake Martin Home Owners and Boat Owners Association, Inc., hereby moves to intervene in this proceeding pursuant to 18 C.F.R. § 385.214.

Please direct service of process and other communications concerning this proceeding to the following individual:

Jesse Cunningham
Lake Martin HOBOS
P.O. Box 1030
782 Ridge Road
Dadeville, Alabama 36853
jesse@lakemartin.org

II. Motion to Intervene

A. Interest of the Intervenor

The Lake Martin Home Owners and Boat Owners Association, Inc. is a 501(c)(3) non-profit, all volunteer, advocacy group for the protection and preservation of Lake Martin that was founded in 2007. Membership in the organization consists primarily of home owners of lake front homes surrounding Lake Martin. Full-time residents, part-time residents, as well as small business owners make up the organization of approximately 2,100 stakeholders. The Lake Martin HOBOS may be reached by mail at: P.O. Box 1030, Dadeville, Alabama 36853

B. Grounds for Intervention

Intervention by the Lake Martin HOBOS is in both the public and private interest as required by 18 C.F.R. § 385.214. As property owners fronting Lake Martin, members have a unique and unquestionable concern and interest in the future license and operation of the lake, by the licensee. As advocacy representatives for the proper care of the environmental concerns the HOBOS maintain daily contact with virtually all aspects of the lake and its operation.

No other party to the proceeding is uniquely qualified to represent the interests of the home owner, recreational boat owner, and the small businessmen dependent upon a healthy lake.

The HOBOS have participated in every meeting during the ILP relicensing process and respectfully request to be permitted to participate in this final process, as a full partner to the proceedings.

Respectfully submitted,

A handwritten signature in black ink, reading "Jesse M. Cunningham". The signature is written in a cursive style with a large, sweeping initial "J".

Jesse M. Cunningham
President
Lake Martin HOBOS
jesse@lakemartin.org

CERTIFICATE OF SERVICE

I hereby certify that on this ninth day of April, 2012, this Notice of Intervention for the Lake Martin Home Owners and Boat Owners, Inc. was electronically filed with the Federal Energy Regulatory Commission, and via USPS, or by email to each person designated on the Service List compiled by the Commission Secretary for this project.

A handwritten signature in black ink, reading "Jesse Munifan". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.



July 12, 2011

Enclosure 2

VIA EMAIL

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, D.C. 20426

RE: Martin Dam Project #349-150

Dear Secretary Bose:

The members of the Lake Martin Home Owners and Boat Owners Association, Inc, a 501c(3), non-profit organization made up of Lake Martin residents, property owners, and small business owners feel that we must appeal to the FERC to suspend the initiation of the Environmental Analysis for the relicensing of Martin Dam. Alabama Power Company has filed the Final Licensing Application (FLA) which proposes a PME measure to annually evaluate maintaining the reservoir's pool elevation above its flood control guide curve from September 1st to October 15th, if various discharge and reservoir stage specifications are met for the Tallapoosa and Coosa River Basins. However, Alabama Power did not provide supporting historical data and related analysis for each of the specifications proposed for the PME.

It appears, Alabama Power's PME recommendations for the extension of the summer pool levels to October 15th, is being offered as an alternative to stakeholders' recommendation to extend the flood control guide curve (rule curve) to the end of September. We feel that studies conducted during the relicensing process support the extension; however, APCo substituted the PME measure without sufficient analysis to justify its merit and environmental impact ramifications. Moreover, Alabama Power has begun a publicity effort to gain support for their change, Mr. Jim Crew, Relicensing Manager, has been quoted in the media on at least three occasions as saying the PME measures will allow extended summer levels at least 25% of the time, based on historical data from the past 60+ years. However, no supporting documentation is offered to support this claim. We believe this last minute change violates the rules of the ILP process since no information has been made available for stakeholder review.

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Dadeville, Alabama 36853-1030*

Secretary Bose
July 12, 2011
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The fall extension of summer pool levels is the most critical of the proposals made by stakeholders and we request that all stakeholders be provided modeling output and related data and analyses pertinent to this PME proposal for their review, prior to proceeding with the environmental analysis.

FOR THE BOARD OF DIRECTORS:

Sincerely,

A handwritten signature in black ink, reading "Jesse M. Cunningham". The signature is written in a cursive style with a large, sweeping initial "J".

Jesse M. Cunningham
President
Lake Martin HOBOS



January 9, 2012

Enclosure 3

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

RE: Response by Alabama Power Company to FERC letter of August 11, 2011 (Project No. 349-173) Martin Dam

Dear Secretary Bose:

The Lake Martin Home Owners and Boat Owners Association, Inc (HOBOS) requested in a letter to your office on July 12, 2012, that FERC request more detailed information and justification for the PME measures proposed by Alabama Power Company as an alternative to the stakeholder requested rule curve change to require the extension of the summer pool level from September 1, until approximately October 15. In addition, the Lake Martin HOBOS have requested a winter rule curve change that will raise the winter level of the lake by five feet.

To put the HOBOS request in perspective one should consider the relative economic importance of Lake Martin to the surrounding communities and economy of the three county area. The rule curve changes will make the lake more appealing to visitors, more accessible to all boaters, safer due to greater water depth, and economically beneficial to area businesses. For example, according to the Southwick Economic Impact Study (Studies 12g,h), if the lake is raised five feet higher in the winter, 76% of homeowners will be able use their boats and docks whereas only 29% will be able to use their boats and docks under the Alabama Power proposal of a three foot increase in winter level.

Responses Reference Questions in the AIR:

Question 1 – Existing and Proposed Guide Curves

Rationale for Martin's Operating Guide Curve. Since the initiation of the relicensing effort for the Martin Project, stakeholders have inquired about the rationale for the operating guide curve in the current license and have requested an explanation of how this curve (in addition to the flood control guide curve or rule curve) might be affected or changed in a new license. Principals from Alabama Power said they would address these concerns during Martin Issue Group (MIG) meetings and related studies that assessed possible changes to the operation of the Martin Dam Project. However, except for Alabama Power's reference to the amendment made to their license application in 1973 and the brief description provided in its Final Application document of 8 June 2011—no meaningful discussion or analytical basis has been provided to

explore and assess the impacts of the existing operating guide curve and possible curve alternatives that account for the changes in the Tallapoosa Basin's hydrology and hydraulics owing to the addition of the Harris Project as well as turbine upgrades at Martin that have occurred during the tenure of the current license. In effect, the proposed operating guide curve is nothing but a carryover from the existing license (except for proposed changes for winter-pool months), and it appears to be justified solely upon an agreement made between two rival stakeholder groups and Alabama Power during the last relicensing effort. No justification is offered for this curve that is supported by historical data or studies that have been done, and no other alternatives for an operating curve for the Spring through Fall months were assessed. Several stakeholders engaged in the MIG process recommended that the operating guideline be modified along with any proposed Spring or Fall changes to the rule curve or at least be reassessed according to any PME measures that are associated with it such as the proposed conditional Fall extension. Apparently, Alabama Power ignored these requests.

Description of Current Operations. Alabama Power's AIR response regarding current and proposed operations states that outside of times when conditions necessitate flood control operations, Alabama Power operates the Martin Dam project (in their words) "to maintain the maximum reservoir elevation possible regardless of whether the current elevation is between the Flood Control Guide Curve and the Operating Guide Curve and the Drought Control Guide Curve while still meeting all downstream flow commitments and power system needs." "Releases from Martin are and will be determined by current conditions within the basin and downstream minimum flow requirements."

What is not clear by this description is how much consideration, if any, is given to optimizing the recreation and related socio-economic benefits at and surrounding the Martin Project, compared to what Alabama Power refer to as 'current conditions within the basin.' This is particularly important since Martin was designated in 2011 as Alabama's only 'Treasured Alabama Lake', the State's newest water resource use classification for lakes distinguished by their outstanding water quality and exceptional recreational attributes.

Unfortunately, Alabama Power offers no historical evidence to support their contention that they have and will strive 'to maintain the maximum reservoir elevation possible' according to past and proposed modes of operation. Simple graphical depictions of pool elevations relative to flood and operating guide curves together with accompanying hydrographs of Martin Project inflows versus reservoir discharges could show how well Alabama Power's actual operations did in fact 'maintain maximum reservoir elevation possible..' given past opportunities to do so. We recommend, as shown below in Figures 1a and 1b, that Alabama Power graphically depict the impacts of their operations for the months of August through October for the non-drought years that are listed in their response to Question 9, for conditional criterion 1 and explain how operations were impacted by these guidelines. The years 1998 and 1988 are good contrasting examples of Alabama Power's apparent proclivity to not achieve and maintain the maximum reservoir elevation possible, even when hydrologic conditions indicate that a higher pool elevation could be maintained to accommodate the recreational and related socio-economic beneficial uses of a possible fuller pool.

Figure 1a. Martin 1998 Summer-Fall Pool Elevation vs. Guide Curves

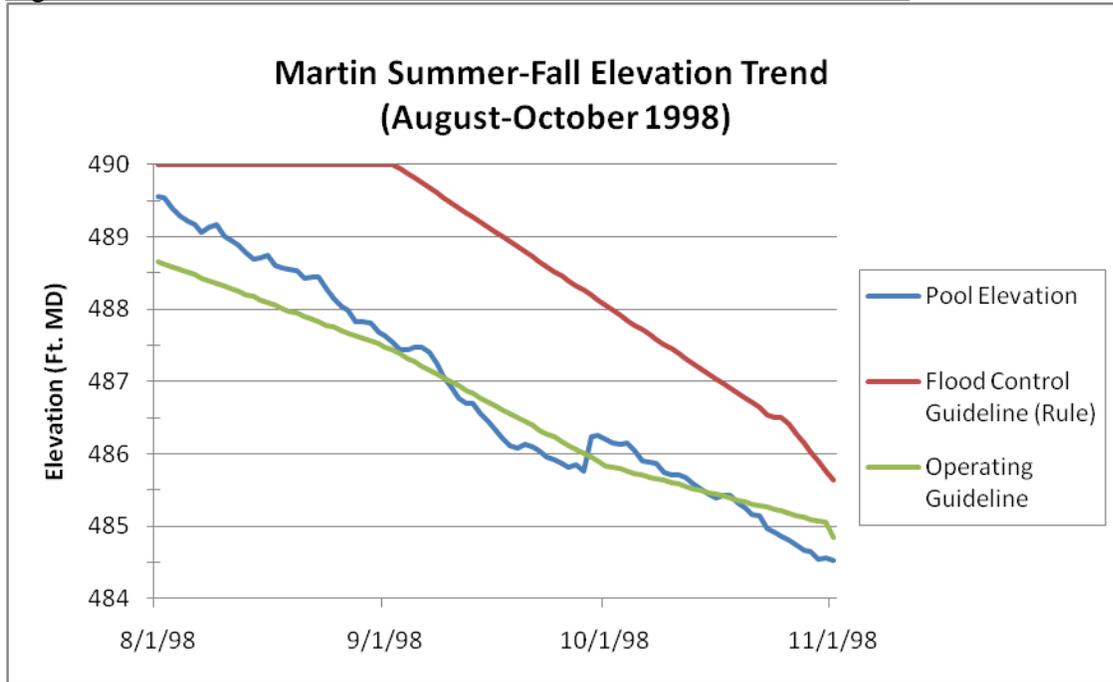
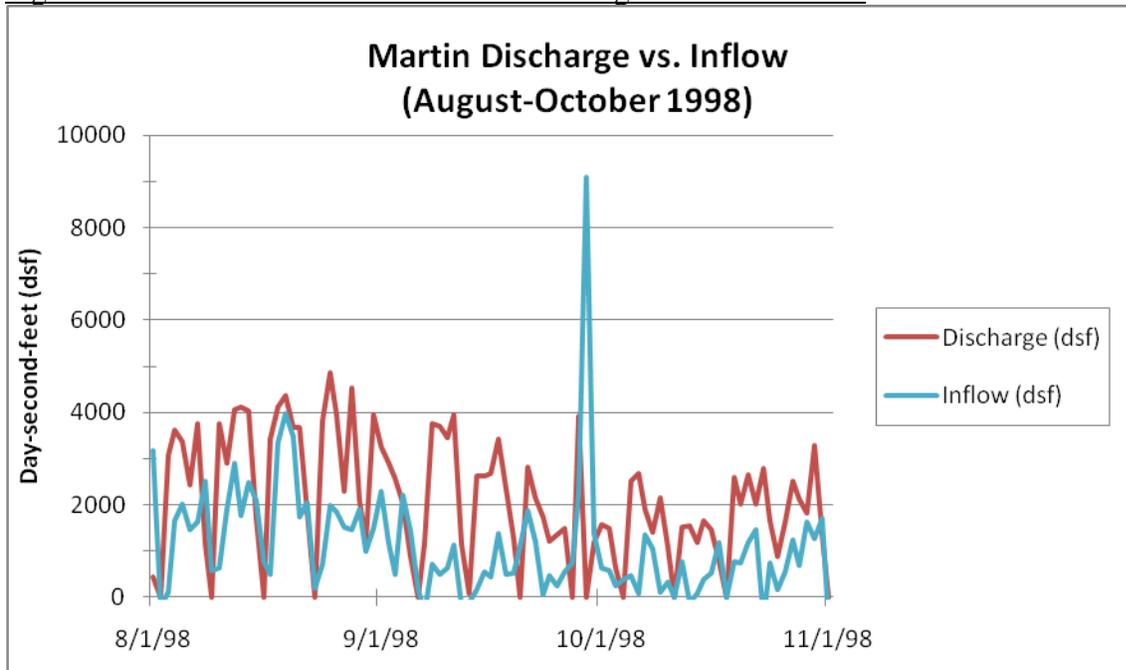


Figure 1b. Martin 1998 Summer – Fall Discharge vs. Inflow Trend



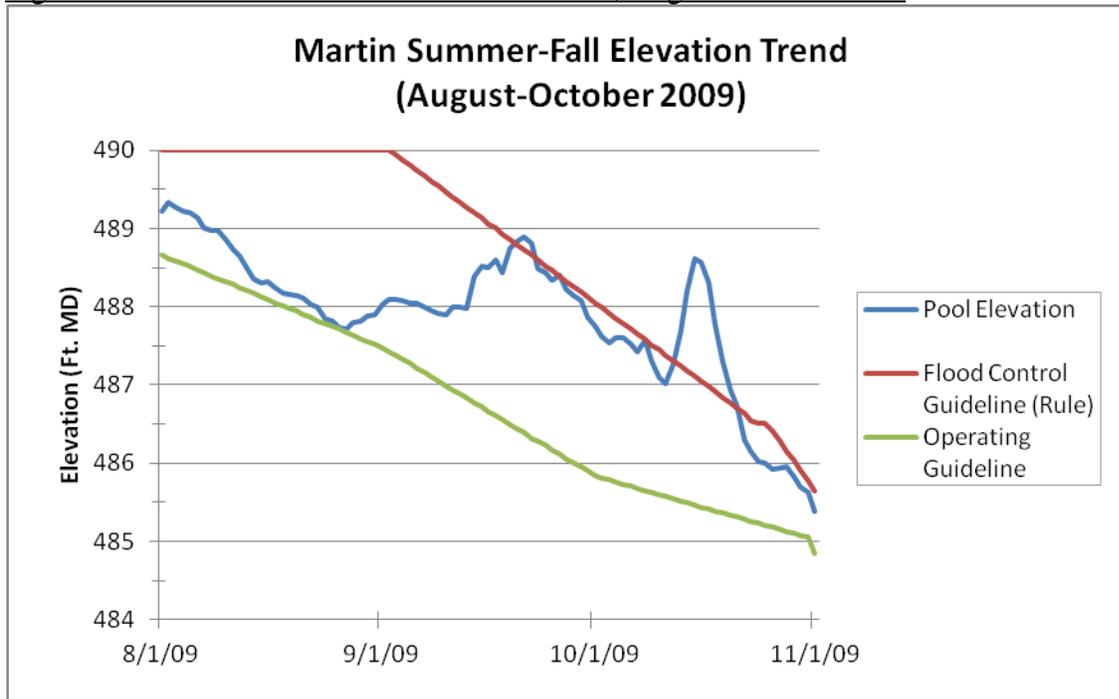
For 1998 and other years with wetter than normal fall seasons, it appears the operating guide curve serves as an operational target so that discharges from generation are increased to offset inflows that might otherwise facilitate the attainment and stability of higher pool levels during this seasonal period.

Question 7 – Historical Reservoir Levels

Contrary to FERC's request, Alabama Power only provided tabular data (Excel spreadsheet) of daily water levels for the past 20 year and did not include graphical formatted data to illustrate reservoir management in sufficient detail, especially during the late Summer – Fall period for which a conditional Fall Extension PME measure is proposed for Martin. The HOBOS recommends that daily reservoir levels be plotted for Martin for the period 1 August through 31 October relative to the daily flood control/rule curve and operating guide curve elevations for this period for each year since 1984. The HOBOS also recommends that the daily inflow and discharge data for the same timeframes be plotted in graphical form to better depict and assess the management of the Martin pool elevation relative to inflows and discharges from the project. This depiction could be done in conjunction with a comparison of the discharge data for Martin with the unimpaired flow data for the Tallapoosa River at the Martin Dam site and would illustrate how Martin Dam operations during the months of September and October significantly increase the magnitude of discharge downstream relative to the natural flow regime for this time of year. This has contributed to large fluxes of fresh water downstream into the Mobile Basin's estuary which do not naturally occur during the low-flow period of the year. Results from preliminary assessments of these data suggest that the current flood control guide curve for September, in effect, forces discharge of storage—lowering the Lake's pool elevation and thereby contributes excess flow downstream. This excessive discharge has been at the expense of retaining water in storage at Martin during September and early October to facilitate on-site and surrounding recreation benefits.

Another related impact the existing (and proposed) rule curve has during the months of the proposed conditional Fall extension (September-October) is a 'yo-yo' pool elevation effect during wetter years. The progressive decrease in elevation of the rule curve requires water to be released for flood control compliance and the pool elevation drops accordingly. But when inflows increase during this period, the lake 'pops' up often above the flood curve and the lake is dropped back down until the next inflow flux. This yo-yo effect disrupts recreation access to the lake and contributes to the damage of floating docks, piers and watercraft subject pool level changes. The most recent example of this is the Fall of 2009 as shown in Figure 2.

Figure 2. Martin Summer-Fall Elevation Trend, August-October 2009



Question 9 – Conditional Fall Extension

APCo's response to AIR Question 9, subparagraph, a, Alabama Power states: "FERC has asked only the number of years that condition 1 was met so that is what Alabama Power is reporting." That is not what FERC stated in their August 11, 2011 AIR letter. FERC specifically asked Alabama Power to summarize the historical data for condition No. 1 to indicate how often the reservoir reached the proposed trigger elevations and to include any modeling results that indicate the approximated number of occurrences likely to occur in the future. Unfortunately, Alabama Power not only failed to comply with FERC's request, they offered a meaningless percentage calculation to characterize the likelihood of the occurrence of condition once in any given year versus a meaningful measure of the total possible number of occurrences based on the historical record. The frequency of daily occurrences for the month of September could have at least been summarized by a number of ways—one of which could be an exceedence curve for September daily pool elevations relative to the elevation of the operating guide curve. Exceedence curves of pool stage from HecRes Sim modeling of fall extension options were discussed at MIG modeling meetings and provided to stakeholders. Additionally, a simple plot of pool elevation relative to the operating guide curve for September could have been compared to corresponding flow rate plots of discharge, inflow, and unimpaired flow flows for the 21 of the 29 years in which the September pool elevation for Martin was above its operating guide curve to better understand past operations, their effect on pool elevation changes and Tallapoosa flows at and downstream of the Martin project.

The information provided by APCo in their response to FERC's request of August 11, 2011, was rudimentary, at best, provided little clarity, and raises additional questions that should be answered prior to declaring the process REA. In the Final Licensing Application (Exhibit B,

page B-6) APCo proposed PME measures in lieu of a rule curve change to accomplish the stakeholder requested changes that would extend the summer pool levels from September 1 until October 15. The APCo proposed PME measures would only be initiated if four criteria were met and enough water flow was available. Criteria number 4 requires that certain lakes on the Coosa River system and Harris Lake (Tallapoosa River) be no less than one foot below rule curve. However, in the letter from FERC to APCo requesting additional information, FERC requested data at one and two feet below rule curve. How did this softening of criteria come about?

The information provided by Alabama Power is insufficient to judge the feasibility and operational impact of all four 'trigger' criteria for their proposed conditional fall extension. Moreover, none of the criteria proposed for a pool elevation enhancement for the September timeframe requires that the flood control guideline or rule curve be less than the full-pool elevation of 491 feet MSL. It begs the question as to why there is a need to contrive an enhancement measure to waive compliance with a flood control rule provision rather than adjust the rule curve by extending at full pool until the end of September and establish operational criteria, as Alabama Power already professes, "to maintain the maximum reservoir elevation possible balancing equitably all competing on-site and downstream needs. Such a balance suggests that both the flood control rule curve and the proposed operating curves should be adjusted for the month of September to better meet these needs.

It is the opinion of the HOBOS that PME measures are not appropriate for this important stakeholder request. The PME measures, as requested by APCo, will not work because Alabama Power would have total control of all criteria and would be able to manipulate the lakes and rivers at its pleasure, to the detriment of Lake Martin stakeholders. APCo officials misrepresented the potential benefit of the PME measures by stating in the news media that the measures would extend the summer pool approximately 25% of the time, and numbers as high as 35% have been discussed; when, in fact, APCo set the criteria with no research, and no idea of the outcome. The answers provided by APC, to question 9, in the AIR response, provide only the historical data of the years when each criterion is met for ONE DAY in September of that year. APCo is clear in stating that even if all four criteria are met there may not be adequate water flow to support an extension. This matter must be further discussed to meet the spirit of the ILP process. This proposal is not ready for the issuance of an REA.

During the ILP Process the HOBOS have made every effort possible to make the relicensing a fair and open exchange of ideas. The requests are simple and obtainable:

1. Increase the winter pool level by five feet.
2. Extend the summer rule curve (and lake level) from September 1 until October 15.

Over the past four years stakeholders have expended a tremendous amount of time and energy to protect the best interests of Lake Martin. Alabama Power has invested significantly in the Lake and has reaped considerable financial rewards over the years, but Lake Martin represents much more to the economic well being of the area today, and times have changed from the days where the lake was considered "backwaters" and the sole property of "power company". The land may belong to the Company, but the water belongs to the Citizens of Alabama. Everyone has a stake in the operation of Lake Martin.

To better understand the insignificance of Martin Dam generation to Alabama Power (APCo) one need only understand that according to a filing by APCo with FERC on October 27, 2011, the annual generation by Martin Dam yielded 174.5 million KWH. In the 2010 Annual Report, APCo showed corporate annual production of 70.7 Billion KWH, which means Lake Martin's share of total production was 0.246%. The total production of the entire Tallapoosa River system of Harris, Martin, Yates, and Thurlow Dams represent only 0.62% of APCo's generation. It is worth noting that 5.81 Billion KWH/yr (8.2%) was sold to non-affiliated entities, much of it to other out of state utilities, which means that Alabama Power's production far exceeds the power necessary to satisfy Alabama customers. Most importantly, none of the requests made by the stakeholder members will change the production of KWH from Martin Dam; the changes will only alter the timing of releases to better serve all 7,500+ homeowners, plus the many thousands of visitors to the lake.

In addition, the filing of Alabama Power on January 9, 2012, to correct issues with the AIR , filed on December 9, 2011, states that Lake Martin has approximately 4,000 individual docks, yet in the same section APCo states there are 6,901 individual properties. While APCo keeps the files and approves docks it seems improbable that 2,900 homes exist on the lake without docks. Maybe there are 100, but not 3,000.

As always, the Lake Martin HOBOS appreciate the opportunity to participate in the relicensing of Martin Dam, afforded by the Federal Energy Regulatory Commission.

Sincerely,

A handwritten signature in cursive script that reads "Jesse M. Cunningham". The signature is written in black ink and is positioned above the typed name.

Jesse M. Cunningham
President
Lake Martin HOBOS
Ph: 256-825-0919
Email: jesse@lakemartin.org



April 7, 2011

Enclosure 4

Ms. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: Alabama Power Company's Preliminary License Proposal Dated January 7, 2011 (Lake Martin Project No. 349)

Dear Secretary Bose:

The Lake Martin Home Owners and Boat Owners (HOBOS) Association, Inc., appreciates this opportunity afforded by FERC to provide comments pertinent to the Preliminary License Proposal submitted by Alabama Power Company on January 7, 2011. These comments represent over 2,000 Lake Martin HOBOS members who are home owners, small business owners, and boat owners. The organization is a membership driven advocacy group dedicated to the preservation of our lake for future generations.

To best organize these comments, please note that responses will be made according to the numbering system used by Alabama Power (APCo). Much of the APCo document filed is simply reiteration of previously filed documents and/or studies. Where the Lake Martin HOBOS have previously commented on filings, reference will be made to those previous filings rather than duplicate a response in this letter.

To complement these comments, please review the separate filing by Mr. John Glasier.

COMMENTS BY PARAGRAPH:

2.1.3 This section addresses project operations and includes the Rule Curve Graph in **Figure 2.8**, and an explanation of the Operating Guide Curve. The HOBOS and others have tried on numerous occasions to engage APCo in discussions about this curve in the new licensing application, without success. The Operating Guide Curve was developed after the last relicensing process to assure that proper lake levels were maintained at all times of the year. The inclusion of the Operating Guide Curve in any final approval of the new FERC license is imperative. Also, the HOBOS request that FERC and APCo develop an operating plan that will insure adherence to the Operating Guide Curve.

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Dadeville, Alabama 36853-1030*

2.2.1 The Multiple Criteria Decision Analysis (MCDA) as prepared and presented by APCo has many problem areas and offers little assistance to the decision making process. The HOBOS and others informed APCo and its consultant of the concerns during the October meetings and the HOBOS filed a letter of concern with FERC and APCo on October 25, 2010. The points made in that letter and repeated below still remain major concerns about the MCDA as applied in this application. Points are:

1. No matter what priorities are given to the four categories in the formula, the results remain approximately the same, which brings questions about the validity of the MCDA analysis.

2. Groupings of certain sub-categories under major categories appear to have little or no relation to each other. Stakeholders must have the ability to re-evaluate and possibly re-arrange the sub-categories, unless categories are eliminated and each sub-category is evaluated and weighted to better reflect its true value in the analysis.

3. Currently, some insignificant sub-categories are weighed more heavily than critically important sub-categories. Example: Downstream Recreation is more heavily rated than Lake Recreation.

4. To better examine the value of raising the winter level, sub-categories must be weighted and analyzed without the groupings into higher categories.

Significant other discrepancies exist with the MCDA:

- The use of major criteria groupings with unequal groupings of sub-criteria permits relatively insignificant factors to outweigh important sub-criteria. Example: Downstream Recreation outweighs Lake Recreation. Energy outweighs any other single sub-criteria by several multiples.
- Insignificant sub-criteria, such as Aquatic Vegetation Control, are arbitrarily placed in major criteria groupings when they have no relationship with that major groupings.
- The Base major criteria is included in the computations and even though its rankings are all equal the results are altered. Base should have been removed from the matrix.
- The source of some of the major criteria groupings appears suspect. Example: See USACE filing of 4/7/11.
- Data from the Southwick Economic Impact Study was largely ignored by the MCDA and the Property Value sub-criteria used incorrect data (see below).
- Sub-criteria were included in the matrix that provided no variable input; therefore there was little need, except for filler, for their inclusion. Example: Water Supply
- Some major criteria matrix participants with similar interests should have been grouped together. Example: USFWS and ADCNR

- Explanations and defense of the MCDA process by APCo and its consultant was lacking and generally hostile.

Interestingly, APCo has downplayed the significance placed on the MCDA in the PLP, compared to the perceived importance applied when the MCDA was introduced to stakeholders at the October meetings. Subsequent to the October meetings and APCo's reluctance to re-evaluate or even discuss the MCDA, six stakeholder groups filed a letter with FERC expressing the joint concern that the culmination of the relicensing process had somehow become soured.

Even though the MCDA supplied by APCo was "locked" and the values and formulas could not be obtained by stakeholders, HOB0 volunteers have been successful in "breaking the code"; therefore, additional information will be furnished to FERC and APCo within the next 30 days. Work is being accomplished now to correct some of the flaws in the MCDA, so that it may be developed into a more meaningful tool. Maybe?

2.2.2 The HOB0s generally support the PME measures outlined in this paragraph. While the concept of lowering the lake periodically below the normal winter rule curve will provide opportunities for seawall/dock maintenance for homeowners as well as lake bed inspection by authorities, it is requested that these drawdown periods be conducted only in times of normal to wet climate and the drawdown period should be restricted to three additional feet of drawdown for a period not to exceed thirty days. For example, rather than setting a drawdown every five years, plan the drawdown during a known predictably wet period such as the periodic El Nino wet cycle, which is usually predictable at least six months in advance.

4.1 On page 4-4, APCo refers to the Alabama River as a "critical navigation route for commercial barge traffic". It should be noted that there is very little barge traffic on the lower Alabama River and none on the upper Alabama. In a recent newspaper article by the Rome (GA) News-Tribune, General Todd Semonite, Commander of the South Atlantic Division of the US Army Corps of Engineers told the CARIA Annual Meeting attendees "the current benchmark for funding is focused on tons per mile of water-borne freight and that last year, less than a ton of freight moved through corps locks on the (Alabama) river system. That's down from 600,000 tons in 1999." There is currently a minimum navigation flow rate set by the Corps of Engineers on the Alabama River of 4,640 cfs. This flow rate is set primarily for navigation purposes and if there is no navigation flow needed, then maybe the extension of the summer pool into the fall becomes very feasible.

4.4.9.2 On page 4-133, the total lake front property value (improved and unimproved) used to compute data in Table 4-55 is incorrect. The source listed for the data given is Southwick, and this error was brought to the attention of Southwick's personnel during their presentation to stakeholders, but apparently corrections were not made. Computations provided by the Chief Appraisers of Tallapoosa, Elmore, and Coosa Counties for the tax appraised values are provided below:

TOTAL TAX APPRAISED VALUE OF LAKE FRONT PROPERTY (2010)

| <u>County</u> | <u>Land</u> | <u>Improvements</u> | <u>Total</u> |
|---------------|-----------------------|---------------------|----------------------|
| Tallapoosa | \$1,203,704,880 | \$894,768,177 | \$2,098,473,057 |
| Elmore | 810,183,860 | 491,831,330 | 1,302,015,190 |
| Coosa | 153,157,800 | 57,201,990 | <u>210,719,790</u> |
| | | TOTAL | \$3,611,208,037 |
| | Southwick Total Value | | <u>2,870,000,000</u> |
| | | DISCREPANCY | \$ 741,208,037 |

Please note that these values are actual tax appraisal values which usually run 10% or more lower than market value of property. Southwick appears to have used market values. The discrepancy of \$741 Million dollars (26%) will significantly impact the comparative values of increasing winter water level and extending the summer water levels further into the fall.

The HOBOS request that APCo change the total lake property values used in the economic analysis to reflect the correct values. The corrected value of property with a five foot winter level increase will be \$4.06 Billion, even without the tax value vs market value differential computed, **and** without the benefit of the fall extension added in.

APCo has chosen not to include the increase in shoreline property values in the PLP; however, these values are available in the Southwick study. The fall extension will result in a 10.7% increase in property values. The value of a five foot increase in winter pool (12.6%) plus the value of the extended fall water levels (10.7%) will increase property values by \$730 Million over the base values. The fall extension of the Rule Curve must be considered in this evaluation, but has been excluded by APCo.

SUMMARY:

This Preliminary Licensing Proposal is a compilation of the various studies and data analysis performed over the past four years with no inkling of the recommendations to be made in the final license proposal. At the Lake Watch Annual Meeting approximately a month ago, Mr. Jim Crew, APCo, was invited to speak to the group and Mr. Crew, told the group that the recommended winter level would probably be raised three or four feet and the utility would try to offer more water in the fall, if it was available, and he said he would schedule a meeting before the end of March when he would have more concrete information available. March is gone and there still is no word of a meeting with stakeholders. Hopefully, some information will be made by APCo prior to the June 8, deadline.

APCo appears to be trying to avoid the extension of the summer pool into the fall. As previously stated, it is the belief of this group that the summer rule curve can be extended at least until the end of each September, then PME measures, as advocated by APCo can provide additional water level when possible.

RECOMMENDATIONS:

The Lake Martin HOBOS propose that FERC approve a winter rule curve raising the current level by five feet to 486' msl. In 2007, the HOBOS surveyed its 2,000 members and the overwhelming request was to raise the winter level by five feet. This request was echoed by the Southwick Economic Impact Study responses to the questionnaire, and the economic impact study on businesses, property values, and projected business activity all support a Winter Rule Curve level of 485'. Fish spawning with the higher early levels will improve fish habitat, which again helps the local economy. One must not forget the real reason for raising the winter level is to help avoid low lake levels during a drought. In 2007, 2008, and again in 2010, APCo requested, and FERC granted, an early fill of three feet in Lake Martin to prevent a recurrence of the spring of 2007, when the lake never filled, boaters were stranded, valuable property sat vacant, businesses failed or suffered; all because of a lack of forethought and planning.

The extension of the summer pool rule curve into the fall for the month of September apparently will be resisted by APCo, because of the desire to use Lake Martin's water to supplement the Coosa's normal downstream requirements. Perhaps a better solution to the issues of the coal generating plant using Coosa River water for cooling, and problems with meeting dissolved oxygen levels on the Coosa could be developed to relieve the pressure on Lake Martin in September. All economic indicators support the fall extension. After September, APCo's PME measures can be used to extend the higher level into October when possible.

The Lake Martin HOBOS recommend that FERC approve raising the Winter Rule Curve by five feet, from 481' msl to 486' msl, and extending the Summer Rule Curve level of 491' msl until the end of September each year, and using PME measures to further extend summer pool when possible.

FOR THE BOARD OF DIRECTORS

Sincerely,



Jesse M. Cunningham
President
Lake Martin HOBOS
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cc: Mr. Jim Crew, Alabama Power Company

Friday, February 25, 2011

Enclosure 5

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First St. NE
Washington, DC 20426

Subject: Stakeholder concerns and comments on the Martin Hydroelectric Project (FERC Project No. 349) Integrated Relicensing Process.

Dear Secretary Bose:

On behalf of the undersigned individuals and organizations, I am writing regarding the Martin Integrated Relicensing Process (Martin Project) and to raise concerns that we, as stakeholders, have with the restrictions on collaborative opportunities available to stakeholders in the process. While not mandatory, Alabama Power Company has vocally embraced the primary goals of the Integrated Licensing Process (ILP); “Increased public involvement” and to “facilitate and encourage cooperation and involvement of as many interested stakeholders as early as possible.” *Ideas for Implementing and Participating in the Integrated Licensing Process (ILP): Tools for Industry, Agencies, Tribes, Non-Governmental Organizations, Citizens, and FERC Staff*, Federal Energy Regulatory Commission, Office of Energy Projects, pp 7-8 (February 2006).

Unfortunately, in the Martin Project, these goals have been undermined in an effort to speed through the process and to maximize operations for Hydropower utility. While we appreciate that Alabama Power has expended considerable time and resources in hosting the various Martin Interest Group (MIG) meetings, merely holding meetings and checking off the requirements of the ILP timeline are not sufficient to ensure meaningful stakeholder participation. We have patiently and diligently participated throughout this process and after reviewing the Preliminary License Proposal (PLP), we are uniformly dismayed that so many of our interests and concerns have not been adequately addressed.

The signatory stakeholder groups shown below have interests that are varied, diverse and in some cases conflicting, but we feel strongly enough about the future of Lake Martin and the Tallapoosa River to come together in this appeal for consideration by FERC. A particularly striking example of the breakdown in the process is the collapse of the Multi-Criteria Decision Analysis (MCDA) process in which the MCDA was promoted as an opportunity for stakeholders to have a meaningful role in determining potential rule curve changes. One of the stated goals of the MCDA in the MCDA Summary to Stakeholders document is to, “Develop an objective and defensible basis for selecting 2 or 3 preferred alternatives that will be further evaluated with respect to potential protection, mitigation, and enhancement measures.” Because non-applicant stakeholders were excluded from the development of the model, the decision making exercise resulted in a significant group of stakeholders being in absolute opposition to a seemingly predetermined result. Alabama Power has since remained recalcitrant in its refusal to re-open the model for meaningful stakeholder input.

As we move forward, we sincerely hope that we can work together towards a new license which provides for Hydropower while restoring, protecting, and enhancing our Tallapoosa River and Lake Martin. In accordance with this desire we would like set up a meeting between yourself, the

utility, and the Stakeholder community to discuss these issues and to chart our way though the remainder of the relicensing process. To schedule a meeting, please feel free to contact me at any time at 205.322.6395 or by email at mreid@alabamarivers.org.

Sincerely,

Mitchell Reid
Program Director
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On Behalf of:

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