

October 22, 2007

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NUCOR STEEL DECATUR, LLC (NUCOR) PORT FACILITY EXPANSION – DREDGE SPOIL DISPOSAL PLAN MODIFICATION – TENNESSEE RIVER MILE 297.5, LEFT BANK, WHEELER RESERVOIR, MORGAN COUNTY, ALABAMA – REEVALUATION OF FINDING OF NO SIGNIFICANT IMPACT (FONSI)

In May, 2006, Nucor applied to TVA for a Section 26a permit and landrights over 12.4 acres of submersed TVA-owned property for the expansion of Nucor's existing port facility adjacent to the Mallard-Fox Creek Industrial Park. TVA cooperated with the U.S. Army Corps of Engineers (USACE) in the preparation of an environmental assessment (EA) of the proposed action, which would result in the construction and operation of additional mooring cells, dredging, and fleetings of barges. On December 14, 2006, TVA adopted the EA, issued a FONSI (Attachment 1), and issued the Section 26a permit and license agreement granting the landrights to Nucor.

In a letter dated April 12, 2007, Pugh, Wright, and Associates, Inc., on behalf of Nucor, requested a modification to its previously approved dredge spoil plan consisting of the construction of a secondary containment dike and pond on 5.38 acres of Nucor property west of mitigated wetland T-15 (Attachment 2). This Nucor property is former TVA land (Tract No. XWR-95). Because TVA owns a flowage easement over the area where the fill material for the associated dike would be located, the plan modification requires approval under Section 26a of the TVA Act.

On May 21, 2007, TVA received a Section 26a application for this project (Attachment 3). This project involved the construction of a 6-foot-high dike encircling an existing drainage ditch and the relocation of a 300-foot-long ephemeral stream (ditch). The project site is a former agricultural field devoid of trees and the predominant vegetation is fescue grass. The pond, completed in early July (see details below), is not required as a disposal area for storage of dredge spoil, but instead captures water from an up-gradient area which includes the site where dredge spoil material was placed for dewatering. Via the existing ditch, the pond contains rerouted water from this new disposal area and captures excess runoff during heavy storm events. It also prevents any potentially turbid water from the primary spoil disposal area from entering into Fox Creek and the Tennessee River. The pond thus protects downstream wetlands and their societal functions and values, including water quality maintenance and enhancement and wildlife habitat.

The top of the 12-foot-wide dike is at elevation 565 msl and the bottom is at approximate elevation 559 msl. A 26-foot-wide overflow bypass channel is constructed around the south side of the dike and it also contains the relocated ephemeral ditch. This channel returns less turbid flows to the downstream ditch channel (see drawing in Attachment 2).

In June, 1995, TVA completed an EA and FONSI which assessed its actions associated with the construction and operation of the Trico Steel recycling mill. Trico ultimately acquired over 1500 acres of land including approximately 47 acres of wetlands. As part of a proposal to fill up to 26 acres of these wetlands in 1996, TVA, Trico Steel, Norfolk Southern Railroad, and the Alabama Department of Conservation and Natural Resources (ADCNR) developed a comprehensive mitigation approach for the entire development. This included construction of a 213-acre sub-impoundment in the Fox Creek drainage in Mallard-Fox Wildlife Management Area and transfer of a 224-acre tract from Trico to ADCNR for wildlife management and public use. This construction created 29 acres of new wetlands and enhanced 192 acres of existing wetlands. Construction of this sub-impoundment was the subject of a November 4, 1996, USACE EA and a February 25, 1997, TVA FONSI (Attachment 4). Nucor purchased Trico Steel in July, 2002.

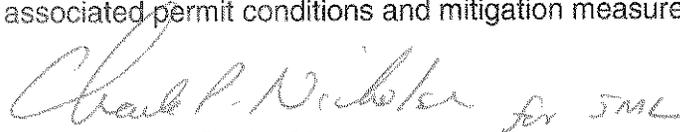
TVA staff was informed by Nucor that the dike, pond, and stream relocation were completed on July 5, 2007, to coincide with the mooring cell construction and fleeting area dredging. The final dredge volume was 112,000 cubic yards, somewhat less than the permitted 124,000 cubic yards. At this time, TVA staff had not completed the review of the permit application for this action. On July 18, 2007, TVA staff field inspected the affected Nucor property. The dike, pond, and ephemeral ditch site are not in an area assessed in the previous environmental assessments, and consequently had not been surveyed for archaeological and historic resources (Attachment 5).

TVA proposes to issue an after-the-fact Section 26a permit to Nucor for its containment dike, pond, and stream relocation. No archaeological materials were identified within or near the disturbed soil of the containment area during the field inspection. The pond is visible from the Murphy House which is listed on the National Register of Historic Places; however, its historic setting has been compromised by previous surrounding development. As described in a letter to the Alabama Historical Commission (AHC) dated August 2, 2007, TVA has determined that this undertaking did not have any additional adverse effect on historic properties. Although there was an area which was disturbed prior to an archaeological investigation, AHC concurs with TVA's finding that issuance of the Section 26a permit would not result in any additional adverse effects and agrees that no further investigations are needed (see TVA consultation letter and AHC response in Attachment 6).

The containment dike further reduces the likelihood of turbid water from upland drainage reaching Fox Creek and the project would continue to meet TVA Flood Control Storage Loss Guideline. Nucor indicated that its facility was constructed in such a way as to promote riparian vegetation and wildlife. No state- or federally listed threatened or endangered species are affected by these additional activities.

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Based on the above analysis, along with Nucor's observance of other mitigation measures included in the December 2006 EA and FONSI, we conclude that after-the-fact issuance of the Section 26a permit will not have a significant impact on the quality of the environment. Accordingly, preparation of an environmental impact statement is not required. The findings of the previously issued FONSIs remain valid and their associated permit conditions and mitigation measures remain in effect.



Jon M. Loney, Senior Manager
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SED:CPN:SBW

Attachments: TVA FONSI of December 14, 2006
April 12, 2007, Letter--Pugh, Wright, and Associates, Inc. to Lisa Morris
USACE, Joint Application for DA/TVA Section 26a Permit
TVA FONSI of February 25, 1997, Map of Areas Surveyed for
Archaeological Resources
August 2, 2007, TVA Section 106 Consultation Letter
October 5, 2007, Alabama Historical Commission Response Letter

cc: Maureen H. Dunn, ET 11A-K
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