

There are two lakes there. And the principal benefit, actually, has been recreation.

But this is the public service authority of the State of South Carolina, which handles the sale of this power. But, unfortunately, the strange chemical reaction has resulted from this water coming into Charleston Harbor. It formerly went up north of there, Colonel.

This situation was not foreseen by any engineers at the time, or anybody else; and it is just a peculiar chemical reaction from the water coming out of these lakes into Charleston Harbor.

Go ahead, Mr. Harsha.

Mr. HARSHA. Thank you, Mr. Dorn.

Where is the powerplant that was built there?

Colonel SEIDEL. Sir, it is at the southern end of Lake Moultrie, Pinopolis Dam.

Mr. HARSHA. Who constructed there?

Colonel SEIDEL. The authority, sir.

Mr. HARSHA. From Federal funds?

Mr. TAYLOR. WPA relief funds and PWA grant and bonds were used.

Mr. BLATNIK. Speak more loudly; the reporter cannot get all of this down.

Mr. TAYLOR. It was a public works project that was a combination of loans, grants, and I think some local contributions also.

Mr. HARSHA. Well, then, how much of it was a Federal grant?

Mr. TAYLOR. The total Federal grant amounted to \$34.8 million. Of this amount, \$23.5 million was a Federal grant and \$11.3 million was WPA relief funds. A Federal loan was also made and amounted to \$29.5 million, making a total of \$64.3 million. I understand that about one-third of the loan has been paid off.

Mr. HARSHA. If this was built with Federal money to start with, why do we have to repay the Santee-Cooper Authority for this plant when we built it initially?

Colonel SEIDEL. Sir, the purpose of our project is to reduce the cost of the dredging to us in maintaining Charleston Harbor. This cost is now estimated at \$2.5 million a year. It is expected to reach \$3.2 million by 1975 and will continue upward.

Mr. HARSHA. Well, has the powerplant, the operation of the powerplant, in any way contributed to the problems with the harbor?

Colonel SEIDEL. Sir, we have determined in our study that the flows that have been diverted from the old Santee Basin through the lake and go through the Pinopolis plant, do introduce a new silt load.

Mr. HARSHA. What portion of this damage, then, do you assess to Santee-Cooper? I mean, they are the sole beneficiaries of the diversion, are they not?

Colonel SEIDEL. No, sir.

They are the beneficiaries in the sense of our building a replacement plant for the portion of the powerplant that they will not be permitted to use under the redivision project.

However, the Government is going to be the beneficiary in the sense that we will reduce our cost of maintaining Charleston Harbor from an average of \$3.7 million annually to \$1.2 million in the life of the project between 1975 and 2024.

The Government will not have to spend \$2.5 million for dredging.