## Exhibit G

Response to Stanly County's questions for Alcoa regarding information on Badin Works and related hydroelectric plant and operations dated February 22, 2007

## RESPONSES TO STANLY COUNTY'S QUESTIONS FOR ALCOA REGARDING INFORMATION ON BADIN WORKS AND RELATED HYDROELECTRIC PLANT AND OPERATIONS

## FEBRUARY 22, 2007

At its February 5, 2007 meeting, the Stanly County Commission (Commission) asked representatives of Alcoa Inc. (Alcoa) and Alcoa Power Generating Inc. (APGI) to respond to a number of questions concerning certain solid waste management sites related to Alcoa's Badin Works aluminum smelter. Importantly, the Commission made it plain at that meeting that it believed that its questions were germane to the relicensing of the Yadkin Hydroelectric Project (Federal Energy Regulatory Commission (FERC) Project No. P-2197), and that it intended to develop comments to be submitted to FERC for the Yadkin Project relicensing record based, at least in part, on Alcoa's responses to those questions.

Alcoa and APGI wish to make it clear that there are no Alcoa Badin Works waste sites in Stanly County within the project boundary of the Yadkin Project, nor do they have an adverse impact on Project lands or waters. For these reasons, those waste site issues are outside of FERC's jurisdiction and not relevant to the relicensing proceeding.

However, in the spirit of attempting to work with the Commission and to provide meaningful information, Alcoa has provided to the Commission a copy of the RCRA Facility Investigation report referred to below, and otherwise is providing the following responses to the County's questions. For ease of reference, Alcoa has repeated the County's questions in italics, followed by Alcoa's response in bold.

Studies and Reports that Demonstrate Alcoa's Good Stewardship of the Natural Resources Entrusted to it, in the FERC Project.

1. Does the information that is presented tonight by Alcoa include studies, both internal and otherwise performed by Alcoa or under its supervision and direction, regarding (1) the current condition of the water quality of Lake Badin; and (2) the current condition of the sediment in Lake Badin, especially at or near the water intake points, the swimming areas, and the perimeters of the Lake?

Alcoa Response: Alcoa's presentation to the Stanly County Commission on February 5, 2007 was a summary of the status of Alcoa's management of the solid waste management units (SWMUs) associated with Badin Works. The summary incorporated information provided from the Resource Conservation and Recovery Act (RCRA) Facility Investigation (RFI), as performed with oversight by the North Carolina Department of Environmental and Natural Resources (NCDENR) Division of Waste Management.

2. If not, does Alcoa have any objection to providing these studies and reports to the County?

Alcoa Response: As requested, a copy of the RFI report has been provided for the County's review.

Superfund Sites

1. It is the County's understanding that the Badin Works and adjoining area contain at least two areas assessed by the Superfund program and found to be contaminated by hazardous wastes (Plant operations site and Storage Site).

Alcoa Response: Alcoa's SWMUs in Stanly County are being managed under the RCRA Corrective Action Program and not Superfund. The United States Environmental Protection Agency (USEPA) conducted a review of Alcoa Badin Works for its National Priority List (Superfund) and considers it as "No Further Remedial Action Planned".

2. What are Alcoa's plans to clean up these sites? Timing? Disposal of contaminated dirt?

Alcoa Response: Expending \$8 million, Alcoa voluntarily completed interim remedial actions at the Alcoa Badin Landfill (SWMU #2), the Onsite Landfill (SWMU #1), former K088 Storage Pad (SWMU #4), Old Brick Landfill (SWMU #3), Former Lagoon Area (SWMU #7), West SPL Area (SWMU #46), and Bogan's Radiator Shop (SWMU #45) under the RCRA Corrective Action program. The RFI conducted at Alcoa Badin Works concluded that no further action was required at these SWMUs at this time. Final remediation for each SWMU will be determined during development of a Corrective Measures Study, the next step in the RCRA process.

3. If Alcoa sells the site to a third party, whose responsibility is to clean up these sites? Would Alcoa object to a Trust Fund or other funding mechanism being established that would ensure the community's right to have these sites cleaned up?

Alcoa Response: Under RCRA, Alcoa is financially responsible for these SWMUs. Under the RCRA permitting process, USEPA requires that financial assurance for closure and post-closure care (40 CFR 264.145 and adopted by reference by the State of North Carolina in 15A NAC 13A.0109) be in place prior to the issuance of a RCRA permit.

4. Is it APGI or Alcoa that has the responsibility to clean up the contaminated sites?

Alcoa Response: Alcoa is responsible for the SWMUs.

5. How long does APGI intend to continue monitoring the contaminated areas before it take action to clean up the sites?

Alcoa Response: Alcoa is responsible for monitoring at the SWMUs. A monitoring program will be developed as part of the Corrective Measures Study.

6. Have any studies been done to prescribe remediation and the costs of remediation for each of the contaminated areas?

Alcoa Response: Alcoa has conducted an RFI at Badin Works and completed interim remedial corrective actions on those SWMUs listed in Alcoa's response to Superfund Question 2, above. Final remediation for each SWMU will be determined during development of a Corrective Measures Study.

7. Does Alcoa have experience with any other superfund site in the country or elsewhere in other countries? If so, could you please provide the County with that information?

Alcoa Response: This question is not relevant to the waste sites in Stanly County.

Community Health Issues

1. How recently has Alcoa tested the ground water in the Badin community, including at the Plant? If within the last ten years, will it supply that information to the County?

Alcoa Response: Alcoa has conducted groundwater sampling as part of Badin Works' RFI. The data was collected by an independent consultant and was presented and summarized in the RFI report, a copy of which has been provided to the County for its review.

2. How recently has Alcoa tested the water at Lake Badin for purposes of swimming and other water recreational purposes? If these studies have been performed by Alcoa or Alcoa is aware of any such tests conducted by any third party, please provide them to the County. If the tests were conducted by Alcoa, please note locations and time of tests.

Alcoa Response: Alcoa has conducted surface water and sediment sampling as part of Badin Works' RFI. The data was collected by an independent consultant and was presented and summarized in the RFI report, a copy of which has been provided to the County for its review.

3. Does Alcoa have a corporate practice of providing local health organizations with the results of tests it makes of its public recreation area and of the quality of the water from Alcoa reservoirs at water supply intakes?

Alcoa Response: Surface water and sediment data collected by Alcoa has been provided to NCDENR, the state and local Health Departments. The data is also presented and summarized in the RFI report, a copy of which has been provided to the County for its review.

4. How recently has the soil around the perimeter of Lake Badin been tested for contaminants? Please provide all soil tests, whether of parts of or extending beyond the Project boundary, that Alcoa performed or it not performed by Alcoa, the tests performed by others of which Alcoa is aware.

Alcoa Response: Alcoa has conducted soil sampling as part of Badin Works' RFI. The data collected was collected by an independent consultant and was presented and summarized in the RFI report, a copy of which has been provided to the County for its review.

5. Is Alcoa aware of any tests, reports, studies or other evaluations done at any of its Plant sites that have indicated the length of time that contaminants from its smelting operations remain on or within the soils surrounding such smelting Plant sites, since 1965? If so, please provide the County with a list of all such documents to the County. If any study or document on that list is presented to Alcoa, would Alcoa provide such document to the County?

Alcoa Response: These questions are unclear.

6. Is Alcoa aware of any run-offs and spill conditions affecting the level of contamination of the Plant and Badin Lake that would affect its recent sewage bill from the County?

Alcoa Response: No. Alcoa believes that the recent increase in the Alcoa utility bill was caused by an infiltration/inflow (I/I) problem. Recent repairs conducted by Stanly County on nearby sewer lines resulted in a large increase of I/I into Alcoa's sewer line located near Badin Works. The area of I/I has been identified by plant personnel and was recently repaired.

The Settlement Agreement

1. The County understands that the Company may be contemplating the sale of some of the property it owns in Stanly County and adjoining Morrow State Park. The County further understands that some of this property was used as a disposal site for the sludge collected from the air pollution Units installed at

the Badin Plant Works and possibly from other industrial processes. Has the Company removed all contaminated materials from such disposal sites located on the land it proposes to sell to the State for an addition to Morrow State Park? How many acres does this comprise?

Alcoa Response: APGI is proposing to divest over 6,000 acres as part of a relicensing settlement agreement with the State of North Carolina and other stakeholders. None of this property contains any identified wastes sites. An environmental assessment is being conducted on all property before any sale is complete.

- 2. Has Alcoa surveyed or inspected all of the land it or APGI owns in Stanly County to identify contaminated area? If so, when and how did it perform that survey(s)? Will Alcoa provide and explanation of the study design and the full results of any such survey(s) to the County?
- 3. Will Alcoa identify and provide a list of contaminated sites to the County, within the lands it owns in Stanly County? Does Alcoa believe that its records as to the contaminated sites are complete?
- 4. Will Alcoa provide Stanly County with the test results it has received of lands it owns in Stanly County that are presently contaminated with chemicals and other residue from industrial operations at the Badin Plant.

Alcoa Response to The Settlement Agreement Questions 2, 3 & 4: As part of the RCRA permitting process, Alcoa identified areas used for the disposal of waste materials. These areas were then investigated during the RFI process. The data was collected by and independent consultant and was presented and summarized in the RFI report, a copy of which has been provided to the County for its review. One other area on non-Project land not considered for divestiture is presently under investigation - the lime disposal area. NCDENR has been informed of the investigation of this area. Alcoa believes that with this addition, the list is accurate and complete. As information about the lime disposal area is available, Alcoa will share that information with the County.

Other Related Litigation Affecting Badin

- 1. The County understands that around 1994, Alcoa brought a suit in King County. State of Washington against several insurance companies, Case No. 92-2-28065-5, in which it sought recovery from the insurance companies of certain claims it claimed to be able to recover, under the theory that it had earlier purchased environmental insurance from the insurance companies. Aluminum Company of America and Northwest Alloys, Inc. v. Accident and Casualty Insurance Company, et al.
- 2. In that case, the Company provided the insurance companies with information and claims that described the then-current environmental condition at various Plants it operated, including the Badin Plant works and the related area. Would the Company be willing to provide information as germane to appraising the condition of the Badin Plant and adjoining Project area to the County?
- 3. What was the amount of the recovery that Alcoa received from the insurance companies listed as defendants in the Washington State Suit? Of the amount received, how much as been expended in clean-up efforts at the Badin Plant site and the adjoining Project area?

Alcoa Response to Other Related Litigation Affecting Badin Questions 1, 2, & 3: This lawsuit was settled amongst the parties and was designed to recover expenses by Alcoa for remediation work already performed at Badin Works and other Alcoa locations.