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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Project Number
NANTAHALA RELICENSING HYDROELECTRIC : 2692-032
PROJECT :

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Southwestern Community College
60 Almond School Road
Bryson City, North Carolina

Tuesday, December 7, 2004

The above-entitled matter came on for scoping
meeting, pursuant to notice at 6:10 p.m.

BEFORE: CAROLYN R. HOLSOPPLE - Federal Energy Regulatory
Commission - Environmental Protection Specialist

1 P R O C E E D I N G

2 MS. HOLSOPPLE: Okay, I guess we'll get started
3 with this evening's meeting. Just to humor me, who all
4 wasn't here this afternoon? Okay, well I apologize for
5 those of you that already have heard this before, but once
6 upon a time in Washington, DC, there was a little agency --
7 no, welcome to this evening's meeting, this is the public
8 scoping meeting to discuss the Nantahala Relicensing
9 Project, P-2692.

10 Did everybody sign in with the folks in the back
11 and pick up a scoping document, if you didn't already have
12 one? Is there anybody that needs any of that information?
13 Okay great.

14 Let me introduce myself. My name is Carolyn
15 Holsopple I'm from the Federal Energy Regulatory Commission
16 in Washington, DC.

17 Behind me is Ed Abrahams, he is a Branch Chief in
18 one of our eastern hydro licensing branches. He is my boss.
19 And in the back we have several people from Louis Berger
20 Group as well as EA Engineering and they are environmental
21 services consultants to FERC.

22 We have Frankie Green and Leslie Smythe and Susan
23 Bolts. And they are hear to help us gather information from
24 the public as well as from the agencies and NGOs. And we
25 use that in our environmental analysis.

1 The meeting is going to kind of be composed of
2 three different areas. I'm going to give a brief
3 presentation of who FERC is and what we do and then John
4 Wishon from Duke, if he so chooses to give the presentation
5 again on the Nantahala Project, how it operates, any sort of
6 environmental measures that they are proposing, and then we
7 will have time for the public comment period.

8 Who is FERC? We are an independent regulatory
9 commission composed of up to five commissioner who are
10 appointed by the President with the advise and consent of
11 the Senate. Commissioners serve five year terms and have
12 equal vote on regulatory matters.

13 Where is FERC located? As I said before, our
14 headquarters are in Washington, DC and we also have five
15 regional offices located in Portland, San Francisco,
16 Atlanta, Chicago, and New York. And these offices mostly
17 house our Dam Safety Engineers who go around to the various
18 hydroelectric projects and do inspections for safety -- dam
19 safety.

20 What does FERC regulate? FERC regulates the
21 interstate transmission of natural gas, oil, and
22 electricity. We also regulate natural gas and hydroelectric
23 projects.

24 The Commission's hydropower responsibilities
25 include issuances of licenses for the construction of a new

1 project, issuance of licenses for the continuance of an
2 existing project, which is what we are all here for tonight,
3 and oversight of all ongoing project operations, including
4 dam safety inspections, and environmental monitoring.

5 FERC projects are located all throughout the
6 United States. This is a quick overview map, it kind of
7 shows you where the clusters are and where the most projects
8 are located. And as you can see, there is quite a bit in
9 the southeast. Did you want to go ahead and do your
10 presentation? It's up to you.

11 MR. WISHON: If they want to see it again.

12 SPEAKER: Let's do it.

13 MR. WISHON: All right. We appreciate such a
14 good crowd coming out tonight anyway. It's a lot of you
15 were here today, but good seeing new faces. We'll start
16 with the Nantahala project. Here is the Nantahala Dam, I
17 guess most everyone is aware, I'm John Wishon from Duke
18 Power.

19 Reservoir Dam, the water conveyance system
20 includes the tunnel about 5 miles of tunnel steel
21 penstock. Bypass reach that runs all the way from the dam
22 down through the Forest Service land all the way down to the
23 powerhouse.

24 The powerhouse is one generating unit plus a
25 small amount of adjoining land. The White Oak Creek

1 Diversion Dam also supplies water back in the Project. I've
2 been asked many times, if the plant is not operating, where
3 does the water go?

4 Well the White Oak Creek Conversion Dam a little
5 bit higher than the Nantahala Dam, so it flows back into the
6 reservoir -- the Nantahala Reservoir and when we're not
7 generating in it, it probably goes down and takes a right
8 hand turn when we are.

9 Duke's conversion flows in and allows to overflow
10 the dam to provide aquatic enhancements to the Nantahala
11 River Bypass Reach.

12 This is the Nantahala Project, a fly overview of
13 it. This is the reservoir and the bypass reach, coming
14 down, this is the Nantahala Bypass Reach right here and this
15 is White Oaks Dam and the White Oak Bypass Reach there.

16 Dicks Creek is over here and this is the Dicks
17 Creek Bypass Reach. This right here is the tunnel and as
18 you can see, it's quite a lengthy -- it's about a 12X12,
19 12X14 solid drop tunnel. It's lined in a few places.

20 Organizations and agencies that participated
21 during the consultation phase, ones in red are the ones that
22 sign the agreement and like I said today, this is a great
23 place to have been associated with the Nantahala Stakeholder
24 Team because of their willingness to get along, to work
25 together, their spirit of cooperation.

1 They wasn't bickering and after a while, when Bud
2 Binland was able to get over t he shock, I'd like for him to
3 be able to give his thoughts on why the group was able to
4 get along and why we did work so well together and why we
5 were able to reach an outcome, it's all based on sharing.

6 Hydro project related issues. This same group
7 define the issues at the Nantahala, the recreational
8 facilities enhancements, as you all can read them as you go
9 down. This is a big one here, aquatic flow, recreational
10 flows, lake level ranges, cultural resources, public
11 information. That's a key -- bigger than I thought it was
12 to start. I was educated there.

13 Shoreline management, compliance monitoring and
14 operational protocol. Fish passage and resource enhancement
15 funding.

16 The Nantahala River, the first thing to do is
17 discuss recreational facilities enhancements around the
18 Nantahala Reservoir. We have two existing access areas.
19 Rocky Branch and the Big Choga.

20 We're going to do a lot of things there. We're
21 going to put bank fishing area on each one of these. The
22 docks -- Chris is not here, but North Carolina Wildlife
23 Resources Commission is already installed a real nice docks
24 on the banks. They really are.

25 In the 15 years after the license, we will have

1 also paved these two areas. We're going to put some lights
2 up but they won't interfere with the fish and wildlife and a
3 trash pickup program around here.

4 Another thing we are doing at Nantahala,
5 proposing to do is primitive camping sites on the United
6 States Forest Service property. And that's \$50,000 and if
7 all that money is not used in Forest Service Parks and
8 Trails, we will decide where else it can be used. Don had
9 an excellent idea about putting in some fish, handicap
10 fishing spots on the walking trail.

11 Lake access recreational wildlife information
12 will meet with the U.S. Fish and Wildlife Forest Service.
13 Homeowners association on what information needs to be
14 provided on signs and Kiosks around these areas.

15 The wildlife viewing platform, one will be
16 installed on the reservoir at either one of these locations,
17 up to \$5,000 in cost for those.

18 Bypass reach, starting at the bottom this is both
19 of them. Presently there is two spots already been used;
20 the public access area off highway 174 Wayha Road, Duke
21 Power is going to convey three acres after the Forest
22 Service does the drawing and we see what is needed in this
23 area right here to widen and expand the parking area.

24 Commercial access area is presently being used
25 now. It's pretty well used, 200,000 to 250,00 people a year

1 probably. Maybe not that much, at least 200,000 and it's
2 worn out. The Forest Services have agreed that if we give
3 them the land, that they will hard top it, going to put some
4 bathrooms up, oh, and speaking of bathrooms, I've got to
5 show you what type of bathroom we're going to use.

6 As I told the first group today, that's a pretty
7 good looking bathroom. So again, we're getting -- Gary and
8 I grew up together and we know some places that that would
9 look awful good growing up.

10 (Laughter.)

11 Fishing access area behind the powerhouse, go
12 pass the bridge of the fire house, it's on the right and
13 it's a place for handicap fishing there.

14 Parking area and access trail, this is below the
15 cascade section on the left above Camp Ridge Falls, a place
16 there for at least five cars and a fishing trail down to the
17 water.

18 At the cascades area, three to five car parking
19 area, plus a viewing platform at the first set of falls,
20 right where the cascade section starts. I believe it's
21 called the Horns of God, isn't it Lee?

22 LEE: Yes.

23 MR. WISHON: Okay. Parking at Slot Falls, that's
24 up the Old River Road, coming down the bypass reach and
25 that's the area that will be used as sort of an access area

1 for the recreational releases into the bypass. And all
2 these will be done within five years.

3 Parking area to be White Oak Falls, is a little
4 place right off these next three, will be within 15 years.
5 Parking area to be at White Oak Falls. It's right as you go
6 pass the bridge where the White Oak Falls is on the Old
7 River Road, three car parking spaces there. Parking at
8 Cocktail Falls which is right above Slot Falls, three to
9 five places. It's also heavily used and where they pull
10 off, if the ground can be worn out, it is.

11 River access and recreational and wildlife
12 information, down at the public area, put up information on
13 fishing, boating, river information, whatever the groups
14 decide they want really. We'll work on it together.

15 This is the bypass reach recreational flows, and
16 Scott, did we get those handouts?

17 SCOTT: The photos?

18 MR. WISHON: No, the ones that has the schedule.
19 Jason do you have those?

20 JASON: Yes.

21 MR. WISHON: It's not the recreation facilities,
22 it's the recreational flow release schedule and the main
23 stem and up in the bypass reach for Nantahala. He can look
24 at it. I don't remember it right off the top of my head, I
25 know we are going to provide eight releases up from the dam

1 up in this section here for the more skillful and more
2 advanced boaters.

3 Two weekends in the fall, two weekends in the
4 spring, four afternoon releases and these two will be in
5 conjunction with the studies done by Wildlife Resources
6 commission and the United States Fish and Wildlife and
7 Forest Service because there is concern over the water
8 temperature.

9 We will be monitoring DO and water temperature
10 while all these releases are being made. The Nantahala main
11 stem, that's the one Jason is going to get. It's not a
12 complicated schedule, it's just a very lengthy schedule of
13 every month, a detail on what hours we are going to be
14 operating Nantahala Plant.

15 Also, in this recreational release agreement, it
16 allows up to 70 hours for special races, special events to
17 take place. Most of them will be fitting in the same time
18 period that we're operating but if you need the water there
19 at a earlier time, we've got 70 hours to fill in the slots
20 when it's needed.

21 We have a lot of Olympic trainers, folks that
22 compete in all levels and we want to support them.

23 Aquatic habitat flow, Dicks Creek will continue
24 to be free flowing and Diamond Valley. Presently, we have a
25 minimal flow release value where the White Oak pipeline

1 joins the Nantahala tunnel, where it comes above ground.
2 We'll have two valves there.

3 One from November 1st through May 31st, we'll
4 have 8 cfs and then from June 1st through October 31st we'll
5 have 16 cfs, in addition to 8 cfs oriented inflow from White
6 Oak Creek. That will come down and all that together will
7 have quite an enhancement in that area.

8 Nantahala lake level ranges, I think we've made
9 some significant improvements, right here as you can see.
10 The red line is the new agreement elevations, the blue line
11 is the existing. As you can see, we come up quicker for
12 fish ponding, we stay up longer for homeowners. It'll help
13 them and it'll also help us in our generation.

14 We also think that drawing the lake down this far
15 will help us catch winter rains and with advance technology
16 and weather forecasting, we can -- unless we have two
17 hurricanes back to back, we'll be able to keep spilling a
18 lot of water for dam safety.

19 So how are we doing so far this year? The bottom
20 line -- the top line is the maximum normal elevation in the
21 agreement for Nantahala. This line here is the minimum,
22 normal minimum elevation.

23 The blue line is the target elevation, and we
24 strive for it. The actual, and in the Settlement Agreement,
25 we said we'll make a good faith effort to achieve this line.

1 The red line is what it's actually been. As you
2 can see, we did pretty good, we got over here two hurricane
3 and it's took us now about two months to get back down to
4 where we've been, and we're still a little bit higher for
5 this time of year than the Agreement calls for.

6 Cultural resource management, develop a
7 historical properties management plan. This will be
8 developed in cooperation with North Carolina Historical
9 Preservation Office, the Eastern Band of Cherokee Indians,
10 Tribal Historical Preservation Office.

11 And one thing I left out this morning is, also
12 with the Forest Service, and if there is property they own
13 that's located near the reservoir or we're on their
14 property, we find significant things that need to be
15 protected.

16 A lot of this information is sensitive. We'll do
17 all we can to protect it, keep from getting out. We have a
18 lot of artifact collectors in Western North Carolina and
19 we'll keep this information from getting out to where
20 everybody can go find these things.

21 We've had two significant finds on the Nantahala
22 Reservoir. We agreed the next time the Reservoir is drawn
23 down 60 foot for a period of 30 days, we'll do another
24 evaluation, Phase 1 evaluation and if anything is found, it
25 will be included in the Historic Properties Management Plan

1 and also submitted to the Commission for approval.

2 We have a review process now on the Reservoirs
3 and if you're building a dock and going to disturb ground in
4 places where significant cultural sites exists, the Cherokee
5 has a right --- we give them the right to review this and
6 see their concerns. There is not that many sites but they
7 want a chance to review it and we think they should have it.

8 Public information system provide lake level and
9 recreational flow information on the Internet and the
10 telephone. You can look at our website and find actual
11 reservoir elevations, normal operating ranges, reservoir
12 history, a 7-day history and also a 90-day history,
13 reservoir level predictions and special messages, which
14 comes in handy during real high water events.

15 On the phone system, you can find flow release
16 schedule, we'll have a hotline to the USGS gauge that's been
17 reactivated in the Nantahala Gorge just last week. I don't
18 think it's up on the website yet, on their website even,
19 because they just got it installed last week.

20 Right now, presently, it only shows the stage
21 level of the River but as soon as they do ratings, you can
22 look up and see what the stream flow is.

23 Provide Lake level, that's what we mentioned
24 before with those signs and Kiosks located around the
25 Reservoir and public access area.

1 Shoreline management plan includes lake use for
2 restriction and shoreline management guidelines that meets
3 regulatory requirements. They provide public recreational
4 benefits, protect scenic and environmental values, permits
5 uses of the project and it also protects Duke Power's
6 generation interests and assets.

7 We will coordinate with local law enforcement for
8 the concerned safety issues of homeowners around the lake.
9 Litter clean up around Nantahala Lake, I think Bud probably
10 participated in that. Actually the homeowner group
11 instigate the action and then we haul the trash off.

12 And I might add that Nantahala Gorge Association
13 needs a pat on the back because they do an outstanding job
14 keeping the Gorge clean. They pick it up -- I know it's
15 quite a job. I've been out there many times and seen the
16 orange bags.

17 Compliance monitoring and operational protocol,
18 we'll submit to the Commission and resource agencies daily
19 lake elevations, minimal flow releases, recreational flow
20 releases, to make sure that we are in compliance with
21 Settlement Agreement and what we agreed to do. And variance
22 explanations will be explained, if necessary, like why we
23 are so far above the rule -- that's pretty much two
24 sentences, hurricanes, Hurricane Frances or Hurricane Ivan.
25 I think Hurricane Ivan is the one that got the lakes out of

1 queue.

2 Low inflow protocol, it was developed where
3 everyone shares the pain, what we call share the pain
4 somewhat. The homeowners, the voters, Duke Power, some
5 minimum flow releases, they'll all be cut back accordingly
6 to the inflow end of the reservoir.

7 Hydro project maintenance and emergency protocol
8 as mentioned earlier today, the only piece of machinery is
9 going to fire up and it only fires up the 4th of July for us
10 on the Nantahala Gorge. So we've got a plan now to address
11 this situation.

12 Fish passage, I won't read all that, but I will
13 read this part here. 20 years following the issuance of the
14 new license for the Duke Power Nantahala area hydro
15 projects, no section 18 mandatory conditioning beyond the
16 standard reservation and prescriptive authority will be
17 necessary or perceived. That's also a picture of, hopefully
18 what Dillsboro Dam will look like.

19 Resource enhancement fundings, Duke Power is
20 supplying \$40,000 to the five counties listed, Cherokee,
21 Clay, Jackson, Macon, and Swain counties for sole and water
22 conservation enhancements. \$200,000 for supporting riparian
23 habitat enhancements, \$40,000 to Fish and Wildlife Service
24 and Wildlife Resources Commission to study the range of the
25 sickle fin red horse and \$40,000 to support a project by the

1 Fish and Wildlife Service Wildlife Resources Commission and
2 the United States Forest Service to restore native strain of
3 the southern brook trout in the slick stream of the vicinity
4 of the Tennessee Creek Hydro Project.

5 Another thing that we've worked out and it was
6 Don Hill's idea on this, when key piece of property come up
7 for sale, you can see it's surrounded by Forest Service, it
8 borders the Blue Ridge Parkway and they were very interested
9 in protecting that piece of property, 150 acres and part of
10 the resource funding purchased that and when we get the
11 license, it will go to the forest service. That's all.

12 MS. HOLSOPPLE: Thanks John. Does anybody have
13 any questions for John about the presentation or the
14 operation of the project?

15 (No. response.)

16 We'll move on to the comment period for the
17 project, and this is the time for any interested agency,
18 tribe, non-governmental organization, or individual to voice
19 concerns, issues, comments, even praises regarding the
20 Nantahala relicensing.

21 Our first call on individuals who might have
22 indicated at signing that they wish to comment, and then
23 after that, if there is anybody else who would like to speak
24 or say something, just raise your hand and you can go ahead
25 and talk in the order your raised your hand.

1 Please come to the podium and state your name,
2 spell it if necessary and state the organization you
3 represent so that the court reporter can make sure that all
4 of the information is accurate. All comments will become
5 part of the record for this project.

6 Okay, if there's no more questions, this evening,
7 I want to thank you very much for coming.

8 (Whereupon, at 6:45 p.m., the scoping meeting
9 concluded.)

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