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BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

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IN THE MATTER OF: : Docket Number
CATAWABA-WATEREE : P-2232
RELICENSING PROJECT :
- - - - -x

Charles Mack Citizens Center
215 North Main Street
Mooresville, North Carolina

Tuesday, March 27, 2007

The above-entitled matter came on for scoping
meeting, pursuant to notice, at 7:05 p.m.

MODERATOR: SEAN MURPHY

P R O C E E D I N G S

(7:10 p.m.)

MR. LINEBERGER: Good evening everybody. I believe that was right on cue, wasn't it, Mark. Except that's supposed to be a bell for me so I could leave and have Mark do this.

(Laughter.)

MR. LINEBERGER: I'm Jeff Lineberger. I manage the hydro-licensing management group for Duke. Glad to see all of you all here tonight to talk about something that's awfully important to us and that we've been talking about really for some number of years here and we're getting to a really good place for this project.

The Cawataba-Wateree Project is the 11-lake hydro project that our company, Duke Energy, constructed and it was originally licensed in 1958 and it's time for it to be relicensed. Relicensing for a lake system like this is absolutely complicated, even without all the additional issues that come up when we find ourselves in the most densely populated river base. So lots of challenges that we tried to deal with and I personally believe have dealt with very well.

The project itself is an 841-megawatt hydro

1 project. Hydro project is clean and renewable energy
2 certainly and it's where our company started in 1904. We've
3 also added to this project or we used the project in other
4 ways. We've built several steam plants around it, a total
5 of 8100 megawatts of steam capacity there. So altogether
6 from Duke's standpoint about 44 percent of our energy-
7 producing capacity in the Carolinas depends on this hydro
8 project.

9 To put the hydro project's generation in a little
10 more perspective, it produces enough energy in a typical
11 year -- and typical being average inflow year -- to supply
12 about 108,000 average homes with all their energy needs. In
13 addition to Duke's needs and Duke's uses, the project
14 provides drinking water to about 1.3 million today. Some of
15 the studies that we've done as part of relicensing also
16 indicate that that particular demand on the water system
17 will more than double over the next 50 years as will, we
18 expect, the demands on the system to provide cooling water
19 for power generation. So there are a lot of demands on the
20 system now. They're going to increase and what that spells
21 for all of us, I think, is how are we going to work together
22 to manage those increased demands in the future so we can
23 keep at least the quality of life we all enjoy now if not
24 make it better?

25 Recreationally, this project supports literally

1 millions of recreation visits a year and we're just now
2 getting into the time of year when you really start to see
3 that pick up. When I drove over Lake Norman coming here,
4 you're starting to see a lot of boats on the lake now. So
5 certainly that will continue and when we're managing the
6 project in the future, we have to manage for those
7 recreation interests.

8 Four years ago, Duke was really getting started
9 with this relicensing project. We didn't know a whole lot,
10 but we knew one thing and that was, if we were going to be
11 successful, we had to figure out a way to engage the public
12 in a very meaningful way. That's an easy statement to make,
13 but how in the world do you do that with 14 counties, two
14 states and about 30 municipalities that really have an
15 interest here, not to mention all the private groups and the
16 non-profit organization and the agencies and all of us have
17 our own idea of what the future needs to look like.

18 To manage that, Duke set up six stakeholder teams
19 and these teams meet monthly and sometimes more frequently
20 than monthly. They also split up into ad hoc committees to
21 address specific issues. We had study teams doing the
22 technical design of the studies, reviewing the data and
23 reviewing the resulting reports. Altogether there were over
24 300 meetings and just about all of them were all day. In
25 fact, some of them went well into the night as we got closer

1 to the end of the time we had to do the negotiation.

2 There were 160 people that participated on the
3 stakeholder teams representing about 85 organizations and I
4 have never seen people engaged this long, this hard in
5 anything in my working career. We were so pleased with the
6 folks that showed up that really dug in, figured out what
7 was important to them and also figured out how to convey
8 that message to other people and then how could we operate
9 the project, what kind of agreement could we come to that
10 they could live with. Certainly, very appreciative of all
11 that time and energy and I'm very glad we wound up with the
12 relicensing agreement to reward everybody for all that time
13 and energy.

14 I mentioned the relicensing agreement a couple of
15 times. It's called the Comprehensive Relicensing agreement.
16 It is a huge contract. It's over 300 pages long, lots of
17 detail in it, but hardly wants to look or even thing about
18 reading a 300-page contract, although I think it's a pretty
19 good document. But to help with that Duke created a
20 brochure that's basically an overview of the process and the
21 key things that are in the relicensing agreement. There are
22 also some inserts in the back of this brochure that are
23 basically lake-by-lake summaries that's really important for
24 each of the 11 reservoirs as far as the relicensing
25 agreement goes.

1 We have a supply of those at the back table back
2 there. If you don't have one, I strongly suggest you get
3 one, even if it's just a single lake you're interested in
4 because there's good information in here for you. Also,
5 back there is one page like this that is basically a set of
6 milestone requirements out of the relicensing agreement.
7 These are the activities that have either already come due
8 under that contract since it was signed in August of last
9 year or will come due between now and January 2008.

10 Things at the top, there are 13 of them, all of
11 those are activities that were already due, already past
12 due. They were all done on time or ahead of time. And
13 we've got 8 or 10 at the bottom that are due this year that
14 all of them are not necessarily Duke's. A lot of the
15 commitments certainly are Duke's in the relicensing
16 agreement, but others have a role also. So I encourage you
17 to get those because that way you can see this thing is
18 actually moving ahead.

19 We had of those 85 organizations, 70 signed the
20 relicensing agreement basically committing themselves or the
21 organization they represented and that is very strong
22 support for something as complex as this agreement was. The
23 kinds of things that are in there are too numerous to name,
24 but I'm going to touch on a few of them that should be
25 important to you.

1 The current license doesn't really have any
2 requirements in it relative to lake level operation. It
3 also doesn't have a lot of continuous flow requirements for
4 dams where there is a regulated river reach downstream. We
5 basically have minimum average daily release requirements
6 that we have to meet and in North Carolina only there are
7 continuous flow requirements in the current license. But
8 they're basically met through leakage through the dams.

9 That is not a modern license. A modern license
10 requires you to do the kinds of things you need to do to
11 look out for the aquatic species downstream, the water
12 intake interest downstream, recreational interest
13 downstream. So the new license will have operating bans in
14 it for lake levels that we'll need to stay within. It will
15 also have dependable recreational flow schedules for people
16 to actually enjoy some of these releases and there will be
17 continuous flow requirements in there to support aquatic
18 species as well as water quality.

19 Dozens of planned recreation enhancements are in
20 there. Section 10 of that relicensing agreement is by far
21 the largest and we really had an intense effort there,
22 through the recreation committee, to look at what the needs
23 are in the future and come up with an idea of how to address
24 them. We've basically got a 20-year recreations facilities
25 plan. A lot of those lake summary sheets outline what those

1 are for each particular lake.

2 Every seven years, under the new license, another
3 recreation committee will get back together and see is that
4 20-year plan still the right plan or if it needs some
5 adjustments. Then at the end of that 20 years, there will
6 be a more detailed study of the recreation needs at that
7 time and new plans will be developed because certainly
8 recreation is something that goes through a lot of change
9 over this particular time period.

10 In 1958, I bet there wasn't such a thing as a jet
11 ski and now you can't hardly look out there without seeing
12 some of those. Who knows exactly what recreation will look
13 like in the future, but we've got a way to deal with it.

14 Land conservation was an intense issue that every
15 stakeholder team spent a lot of time talking about and it
16 should be of no surprise. As developed as the Catawba is,
17 certainly there is interest in open space, green space and
18 protecting land. A lot of the interest in land protection
19 are really outside the purview of the FERC. They're outside
20 the project boundary and the further outside you get the
21 harder it is to make a connection to a hydroelectric
22 operation.

23 We knew we had to deal with that, though, if we
24 were going to be successful and we did. There is a whole
25 lot of land conservation initiatives in that relicensing

1 agreement. Some of which have already been implemented.
2 Duke, in January of this year, put over \$9 million into an
3 escrow account split into two piece of North Carolina and
4 South Carolina portions to help public agencies buy
5 additional land to use for recreation or long-term
6 conservation. I'm very pleased to say that the agencies in
7 North Carolina, along with Elk from the Foothills
8 Conservancy and the Clean Water Management Trust Fund have
9 already used a substantial portion of that North Carolina
10 money -- \$3.8 million was used to help buy the Johns River
11 Game Land and that property was closed on the end of
12 February. So there's already good things happening as a
13 result of this agreement.

14 If we get a 50-year new license, of which I
15 certainly believe this relicensing agreement justifies,
16 there will be additional things done, additional land
17 conservation money will be put into those escrow accounts by
18 Duke. There will be some additional conservation easements
19 established on stream reaches.

20 One of the other very intense issues was high
21 water conditions, flooding conditions occasional,
22 particularly at Lake Wateree, the most downstream reservoir.
23 Some modifications will be made to Lake Wateree Dam to help
24 alleviate some of those flooding conditions, provided we get
25 that 50-year license.

1 I want to be sure and thank the stakeholders that
2 are here that participated on these teams and there are a
3 lot of you here. There were folks volunteering. Folks that
4 actually not only volunteered but not working in their jobs
5 and it was actually costing them money to attend these
6 meetings. You ought to tip your hat to somebody who has
7 enough of an interest in a natural resource and man's use of
8 it to be willing to do that and I'm certainly very proud to
9 have been associated with these folks.

10 We have a final agreement committee that was
11 established to -- it's a group of a dozen signatory parties
12 to the agreement to make sure that this thing gets
13 implemented right. That committee is already in place,
14 already doing its thing. It has a newsletter that goes out
15 to the parties, to the CRA to be sure they stay informed and
16 we also probably in my mind, perhaps, the single biggest
17 achievement in this relicensing agreement was the
18 coordinated weather management for this project.

19 I talked about the intense interest for
20 additional public water supplies in the future and to some
21 extent that conflicts with power generation uses and other
22 uses of the project. We figured out a way to work through
23 our differences on that and the way we are doing it we
24 established a low inflow protocol that kind of sets out the
25 parties and the actions that will be taken in the inevitable

1 times in the future when we get into dry weather and the
2 drought and there's not enough water to go around.

3 It's just like your bank account at home. When
4 funds start running low, you'd better do something. You'd
5 better change the way you're living or you're going to run
6 out and that's the immediate job of the Drought Management
7 Advisory Group to oversee the low inflow protocol and make
8 sure we're all doing our part to manage the water supply.
9 You don't just react during droughts though or you should
10 not just react during droughts. Water conservation and
11 doing the right things to management the project is
12 something we ought to be doing long term together anyway.

13 So Duke and the Public Water System owners have
14 established a water management group that's going to put up
15 money each year to tackle initiatives that will help extend
16 the live of the reservoirs, help protect water quality and
17 basically give us a better chance the next time we see a
18 four-year drought like we saw at the end of the '90s. So
19 I'm very proud of where we wound up there. That is as good
20 an example, I think, of folks being willing to share the
21 responsibility of a shared resource as I've ever seen.

22 In short, I think we've got the right relicensing
23 agreement for this river basin and the FERC staff has a
24 tough job ahead of them. They are not party to the
25 relicensing agreement. They have to pass judgment on

1 whether it's right or not. And I think all the efforts
2 that's gone into this, all the science that was developed to
3 help make these decisions absolutely has our relicensing
4 agreement as the sustainable agreement that is the best
5 picture for how this river system needs to operate.

6 So thank you all for coming and now I'm
7 interested in hearing what you say.

8 MR. MURPHY: Thank you, Jeff.

9 We're going to have Allyson call off everybody's
10 name in the order you came in to sign up to speak. Please,
11 because we don't have a terrible number of people, we can
12 actually give you some more time than we would usually.
13 Seven to 10 minutes should be good. If you could just stay
14 within that time.

15 Who's first?

16 MS. CONNOR: Our first speaker is Barry Gullet
17 and I would like to ask you, once you come up to the podium,
18 if your name is not a usual spelling or is something that
19 might be a little confusing, please spell it out. For
20 instance, my name is Allyson and it's A-L-L-Y-S-O-N. So you
21 want to make sure that we have it correct in the record.
22 Thanks.

23 Barry Gullet and after Barry is Michael McLaurin.

24 MR. GULLET: Thank you. My name is Barry Gullet,
25 G-U-L-L-E-T and I'm with the Charlotte Mecklenburg Utility

1 Department where I'm deputy director.

2 Charlotte Mecklenburg Utilities provides water
3 and wastewater service to more than 700,000 people who live
4 and work in the Catawba River Basin. We serve not only
5 Charlotte, but also the towns of Davidson, Cornelius,
6 Huntersville, Minthill, Matthews, Pineville and a good
7 portion of York County, South Carolina. So we provide --
8 Jeff mentioned that the Catawba provides water for about 1.3
9 million people and we provide more than half of that from
10 our utility.

11 We withdraw water from Lake Norman and from Mount
12 Nyland Lake. So we have a keen interest in the relicensing
13 process and in the ongoing viability of the Catawba River as
14 a water supply source. We're also a party to the
15 Comprehensive Relicensing agreement. We participated pretty
16 heavily in the stakeholder process. I personally
17 participated in a number of the stakeholder groups and ad
18 hoc committees and taskforces and I feel like I have a
19 pretty good sense of the process itself.

20 I want to say that we support the provisions of
21 the Comprehensive Relicensing agreement and we would
22 encourage FERC to include the relicensing agreement
23 provisions in the new license.

24 I want to say that the stakeholder process that
25 was used in this was a very open and very extensive and very

1 inclusive process. Everyone who had any interest in this
2 project was encourage to participate, whether they had the
3 leeway or the latitude to actually be a party to the
4 relicensing agreement or not they were still encouraged to
5 participate from early on in the process all the way through
6 and a number of agencies, in fact, did that.

7 The stakeholder process brought a lot of
8 technical expertise into this process. As Jeff mentioned,
9 there was a lot of science developed in this process. There
10 were a lot of new facts put on the table. There was a lot
11 of information that was learned from going through this
12 effort and there were also a lot of communication and
13 coordination relationships established through this process
14 that I believe will continue and will be a vital part of
15 managing this resource going forward.

16 The Comprehensive Relicensing agreement is based
17 on balancing conflicting interests and conflicting uses. I
18 don't think any party walked away from this feeling like
19 they got everything that they could have possibly gotten,
20 but everybody, I believe, feels like it was a balanced
21 effort and there was a lot of discussion in the early
22 process about mutual gains and going through a negotiation
23 process that produced the best result that it possible could
24 for everyone. From what I observed in the process, I
25 believe it was successful in doing that.

1 Obviously, water supply is a very important
2 function of the Catawba River and of the reservoirs
3 themselves and we would encourage FERC to be sure that water
4 supply provisions carry the appropriate priority levels in
5 striking this balance with the many other uses. We believe
6 that the provisions that are in the Comprehensive
7 Relicensing agreement do that. So we would ask FERC to
8 recognize that and again to include those provisions in the
9 new license.

10 The relicensing agreement contains a low inflow
11 protocol and it contains provisions for regional water
12 management resources, planning and management that are
13 unprecedented in this region if not this country. We
14 believe that the establishment of the low inflow protocol of
15 the Drought Management Advisory Group, of the Water
16 Management Group are huge steps forward. Those groups are
17 pretty much up and running right now, even before the
18 relicensing agreement deadlines that were established and
19 they're making progress. Everybody doesn't agree on
20 everything, but everybody's talking and everybody's
21 communicating and everybody's working toward common goals
22 and that's a good thing.

23 Again, Charlotte Mecklenburg Utilities by far the
24 largest water and wastewater service provider in the Catawba
25 River Basin and we support the Comprehensive Relicensing

1 agreement because it balances all of the interest and uses
2 that need to be made from the reservoirs and we would ask
3 you to again approve the relicensing agreement. Thank you.

4 MS. CONNOR: After Michael McLaurin is Tim Mead.

5 One thing I do want to remind you, if you have
6 written comments, please give them to the court reporter in
7 the back. Thanks.

8 MR. McLAURIN: Good evening. My name is Michael
9 McLaurin. That's M-C-L-A-U-R-I-N. I serve as Executive
10 Director of the Lake Wylie and the Mountain Island Lake
11 Marine Commissions and I don't see any representatives from
12 Mountain Island here tonight, so I will add a couple of
13 comments about Mountain Island.

14 I would like to do three things tonight. One is
15 I would like to give you a brief background on the marine
16 commissions and how they were formed and what their
17 jurisdiction and authority is. Two, I would like to comment
18 on some of the proposals for both -- some of the
19 implementation for both Mountain Island and Lake Wylie and I
20 would like to -- my third point is to give some closing
21 comments.

22 The marine commissions, and there's three of them
23 in this area -- Lake Norman, Mountain Island and Lake Wylie
24 -- were created as a result of a partnership between the
25 counties which borders the lake and the General Assembly.

1 In the case of Lake Wylie because Lake Wylie flows into
2 South Carolina, that required not only the North Carolina
3 General Assembly but also the South Carolina and a joint
4 resolution of the House and the signature of the President
5 of the United States as an interstate compact.

6 The Marine Commission has regulatory authority up
7 to 1000 feet beyond the pool pond level and can make
8 regulations affecting the use of the lake.

9 Mountain Island Marine Commission, Lake Wylie
10 Marine Commission each have seven commissioners, which were
11 appointed by the counties which border the lake and they are
12 considered a public authority for the use -- or a local
13 government.

14 In Mr. Lineberger's comments a while ago, he
15 touched on something that we deal with regularly on both
16 commissions and that is the balance of competing uses. You
17 heard Mr. Lineberger talk about water intake versus electric
18 generation and we at the Marine Commission try to balance
19 those same uses of jet ski versus fisherman versus passive
20 versus active recreation.

21 My commissioners are diverse. I often say that
22 my best commissioners live on the lake and my best
23 commissioners don't live on the lake, but through the
24 diversity we come to the table and we reach consensus. And
25 one point that the Marine Commissioners have reached

1 consensus on is that it is not the lakefront owners private
2 lake, but it belongs to the people of the state. And
3 because of that the Commissions throughout the years have
4 expressed the need and an interest and a desire to see more
5 recreation on the lake.

6 Now let's talk about some of the proposals that
7 are on the table, which we hope to see implemented. One of
8 the things you have for both lakes is public information,
9 systems for river and lake information. One of the
10 requirements our enabling legislation is any time the Marine
11 Commissions pass any regulations we have to post them in a
12 public place, whether it's no wake regulations or motorboat
13 regulations or whatever, and we see this as certainly a
14 positive step and we're glad to see that in effect.

15 The next item is expanded public recreation
16 access and facilities. In this chain of lakes that we have
17 from Lake Norman all the way down 60 plus miles there are
18 only two public bathing or swimming areas. One is down in
19 York County. One is at the Lake Norman State Park. As I
20 understand, the proposals are to increase the number of
21 swimming areas.

22 We've also, through this agreement, had more
23 passive recreation -- canoe and kayak trails. One that I'm
24 particularly excited about deals with better public safety
25 access. Up on Mountain Island Lake we partnered with Duke

1 and now we have a place from the Lincoln County side of the
2 lake. If we have an emergency, we can get law enforcement,
3 fire and EMS down there much more quickly than we could
4 before.

5 On Lake Wylie, we're working with Duke, York
6 County, Catawba Nuclear and South Carolina Department of
7 Natural Resources to create a law enforcement facility at
8 the nuclear power plant. What this means is in the event of
9 an emergency we can drastically reduce response time on Lake
10 Wylie. The way it is situated now is if there is an
11 emergency on Lake Wylie the wildlife officer has to go to
12 his or her house, pick up his or her boat, drive to a public
13 access area and get in the boat and go. Under the proposal,
14 we will now keep those boats on the water 24/7.

15 Far too often we have law enforcement officers
16 out on Lake Wylie that have to take reports sitting in their
17 truck, holding a flashlight under their arm. Under this
18 proposal that will change where they will have comfortable
19 facilities where they can do training, take reports and
20 basically serve the public better. In addition, it will
21 also help increase security at one of two nuclear power
22 plants on this chain of the Catawba River.

23 In conclusion, I want to thank Duke Power for
24 helping set this up. I would like to thank Ken Kerns, the
25 facilitator. I think both of them did an excellent job and

1 we look forward to seeing the agreement approved. Thank
2 you.

3 MS. CONNOR: Following Tim is Steven Gilbert.

4 MR. MEAD: My name is Tim Mead and I represent
5 Recreational Anglers on the Metro AG. And while I fill a
6 specific spot on the roster of interest like most who
7 participated in the stakeholders process for Duke
8 relicensing, I'm not really one dimensional.

9 In addition to being an angler for 60 plus years,
10 I've also been a career political scientist with 40 plus
11 years as a college and university faculty member and with
12 services of all three levels of government, including a
13 stint on the staff of the Executive Office of the President
14 of the United States. I have been around a couple of
15 blocks.

16 Currently, I am on the Catawba Water Relicensing
17 Coalition serving as president of that group. I also serve
18 on the Catawba Water Rebasin Commission, recently
19 established by the two states. All of these perspectives
20 color my vision of the Duke relicensing. Indeed, I am not
21 the only one who brought multiple perspectives to the
22 process. Multiple perspectives that my colleagues have
23 brought a richness and an experience, adding a balance.
24 Several speakers have already addressed the balance of
25 interest and part of the way in which we were able to

1 balance those interests was the diversity of persons who
2 served as stakeholders.

3 There were some parochialism but not a lot, not
4 nearly as much as I had anticipated. This has been a
5 democratic process. Democratic with a lower case "c."
6 Persons from all over the basin participated. At the outset
7 of the meeting, time was reserved for public comment.
8 Anybody could come and anybody could say about anything they
9 wanted to say. Very few persons did, but some did.
10 Questions were asked and answered. Matters were debated and
11 is inherent in the democratic process, no stakeholder got
12 every bell and whistle the particular stakeholder may have
13 wished.

14 Where there weaknesses? Yes. One of the
15 weaknesses was that there should have been more minority
16 persons involved. Yet, as having spent a major portion of
17 my life trying to get people involved in community
18 activities, I can understand why that did not happen. It
19 certainly was not a result of an effort that Duke made to
20 the contrary.

21 Another was the difficulty -- and from the
22 perspective of this stakeholder at least and I suspicion
23 others as well, was in mastering technical materials. I am
24 not an engineer. I learned a lot by reading the various
25 reports that we got. Although I would admit to you there

1 were times when I said to myself, interesting if true,
2 because I really was not able to -- as I say, I am not an
3 engineering. But it was not for a lack of effort on Duke's
4 part. Indeed, Duke extended the time period for discussion
5 at several stages in order to accommodate understanding.

6 From the perspective of recreational anglers, we
7 got a good bit of what we sought -- increased and
8 regularized flows in the river reaches below Lake James and
9 Lake Wylie, a commitment to meet state water quality
10 standards, a commitment to meet the requirements of the U.S.
11 Fish and Wildlife Service, a commitment to main reservoir
12 levels during the spawning periods of prominent game fish,
13 including the three species of black bass which inhabit the
14 reservoirs from Lake James to Lake Wateree.

15 All in all, we think that the Duke relicensing
16 process worked pretty well and we urge its adoption.

17 MS. CONNOR: After Steven will be Steve Reed.

18 MR. GILBERT: Good evening. My name is Steve
19 Gilbert. I'm a professional engineer registered in three
20 states and I'm currently the director of public utilities
21 for Lincoln County, North Carolina.

22 I started the relicensing process nearly four
23 years ago representing Lincoln County and the Metro Region
24 stakeholder group. At that time I had little idea of the
25 breath and the depth of the efforts that would be required

1 by Duke and all the stakeholders to develop the
2 Comprehensive Relicensing agreement that was signed last
3 year.

4 As a representative of one of the counties
5 bordering Lake Norman, the largest impoundment in the
6 Catawba Wateree system and as a county whose water supply is
7 dependent upon the continued health and well-being of Lake
8 Norman, it became evident very quickly that this relicensing
9 effort could have far-reaching effects on the citizens of
10 Lincoln County.

11 While Duke has had to deal with many diverse
12 groups in developing the relicensing agreement, ranging from
13 counties and cities to many private organizations and even
14 private citizens and homeowner groups, I never felt that any
15 group as being short changed due to lack of opportunity to
16 have their interest served. The stakeholder process was
17 consistently fair and professionally facilitated by Duke and
18 by Ken Kerns from beginning to end.

19 As the details of the process continued, Duke
20 offered certain recreational amenities to the various
21 jurisdictions along the river chain. I would like to note
22 at this time the projects that are proposed for Lincoln
23 County. These projects were not required by any part of the
24 relicensing and would like not be done except for Duke's
25 efforts.

1 The Lincoln County projects are the Little Creek
2 access, installation of a pier, a shelter, restrooms and
3 additional parking, installation of a pier, beach, picnic
4 tables, shelters, restrooms, trees and additional parking.
5 Beaddies Ford access -- installation of a canoe and kayak
6 take-out and put-in location, a portage trail, overlook and
7 parking and Highway 73 access included installation of a
8 canoe and kayak access point and parking. Lincoln County is
9 most appreciative of these projects proposed by Duke Power.

10 The next item worthy of mentioning is the
11 formation of the Water Management Group. This group was
12 originally proposed by a group of water users as an
13 alternative to the imposition of withdrawal fees by Duke.
14 But once the proposal was presented to Duke they were
15 supportive and the group has developed a plan with Duke as a
16 full partner to develop and implement projects to sustain
17 water quality and quantity for generations to come.

18 It should be noted that these projects will be
19 above and beyond any project requirement that may be placed
20 upon Duke by the relicensing process.

21 Last, but by no means least, in the list of
22 worthwhile efforts to come from the relicensing is the
23 development by Duke of a low inflow protocol that addresses
24 in great detail the response by water users the potential
25 water shortages and drought conditions. The 2002 drought in

1 this area showed many people just how critical it is to have
2 a dependable and safe water supply. The low inflow protocol
3 provides detail data upon which to predict the response of
4 the lakes and rivers to shortage in rainfall and it enables
5 water users to respond consistently throughout the Catawba-
6 Wateree Basin.

7 With the constantly increasing population in the
8 area, in my opinion, there is no part of the relicensing
9 agreement that is more important than the development of the
10 low inflow protocol.

11 This concludes my comments in support of Duke
12 Power's relicensing effort for the Catawba-Wateree Basin and
13 I would like to thank you for the opportunity to speak
14 tonight. Thank you very much.

15 MS. CONNOR: Following Steve Reed is Barbara
16 Baddy.

17 MR. REED: Good evening. My name is Steve Reed.
18 The last name is R-E-E-D. I'm the hydropower licensing
19 coordinator with the North Carolina Division of Water
20 Resources, which is part of the North Carolina Department of
21 Environment and Natural Resources.

22 Our division administers programs for river basin
23 management, water supply assistance, water conservation and
24 water resource development. The division also conducts
25 studies on instream flow needs as well as regional and river

1 basin studies. The division has been designated as the lead
2 agency by the secretary of our department. We also serve as
3 the state liaison with federal agencies on major water-
4 resource-related projects.

5 The Division of Water Resource interest in
6 relicensing include: (1) providing adequate inspring flows
7 for aquatic habitat, for water quality and recreation;
8 secondly, the protection of the quantity and quality of
9 water for water supply. Reservoir water levels are also an
10 interest that we have. The fourth one is the enhancement of
11 public access to rivers and springs and reservoirs and also
12 aquatic plant management.

13 The North Carolina Department of Environment and
14 Natural Resources is a signatory authority to the
15 Comprehensive Relicensing Agreement or the CRA. We were
16 glad to sign the CRA because we believe that it provides
17 significant enhancements related to the interest of the
18 Division of Water Resources, the department and the citizens
19 of the State of North Carolina.

20 The CRA has many components related to our
21 interest and I'd like to highlight a few of those. With
22 regard to instream flows, an aquatic habitat flows will be
23 provided for the first time from Lake James to the old
24 Catawba River Channel and to the 18-mile regulated river
25 reach of the Linville and Catawba River downstream. There

1 will also be flows provided from Lake Hickory to the 2.5
2 mile regulated river reach of the Catawba between Lake
3 Hickory and Lookout Shoals Lake.

4 The Lookout Shoals Powerhouse will provide flow
5 to the very short reach between Lookout Shoals and the back
6 waters of Lake Norman. Also, with regard to instream flows,
7 there are scheduled recreational releases for the first time
8 downstream of the Bridgewater Powerhouse on the Lindell and
9 Catawba Rivers and the Oxford Reach downstream from Lake
10 Hickory.

11 Another interest is water supply. A number of
12 speakers have spoken to the importance of that and it truly
13 was an important component. Duke Power conducted a water
14 supply study with 50-year projection for population and
15 water withdrawal for future needs. That allowed an
16 evaluation of alternatives for future water supplies as well
17 as providing an opportunity to evaluate any impact future
18 water supply withdrawals on other uses and this is the only
19 study like that that has been conducted by a licensee in the
20 relicensings that we've been involved in.

21 I'd echo many other speakers. The development of
22 the low inflow protocol, the Water Management Group, the
23 Drought Management Advisory Group were extremely important
24 to our division. This protocol, this source-sharing
25 component provides a plan to protect water supplies during

1 low flow and drought events. Reservoir water level is
2 another interest. For the first time each reservoir now has
3 a normal, a maximum and a minimum reservoir elevation for
4 the operating dam.

5 Of particular interest to DENR and many other
6 stakeholders was the enhancement of open space and public
7 access. The CRA significantly increases access to the
8 public waters, particularly for non-motorized water craft,
9 providing opportunities for swimming and bank fishing.

10 The conservation lands component is another
11 extremely important component to DENR. Duke is providing
12 the Paddy Creek Catawba Lindell Confluence and North Bend
13 lands, which will provide diverse recreational opportunities
14 in the upper basin. These are tracts of land that I think
15 many people saw yesterday just downstream from Lake James.

16 We appreciate Duke Power providing the \$4 million
17 that Jeff spoke of earlier to the NC DENR and the North
18 Carolina Wildlife Resource Commission early to acquire
19 conservation lands. This enabled the Wildlife Resource
20 Commission and the Foothills Conservancy to acquire the
21 Johns River Confluence gamelands as has already been
22 mentioned. Those lands will be open for public access for
23 hunting and other recreational opportunities, but also will
24 be accommodating to the Over Mountain Victory Trail and
25 other trail-related activities such as hiking and primitive

1 camping.

2 Another public access component that's important
3 is the provision of swimming areas, bank fishing, trails and
4 camping at many of the recreation sites. It's just a great
5 addition to the recreation plan. We truly believe that the
6 CRA is comprehensive and balanced and provides diverse
7 enhancements across the basin. We join with our many fellow
8 stakeholders in recommending it to FERC as the preferred
9 alternative in their NEPA analysis. We strongly recommend
10 that FERC incorporate the proposed license articles into new
11 license without significant modifications. Thank you.

12 MS. CONNOR: After Barbara is Chris Goudreau.

13 MS. BADDY: Good evening. I'd like to thank you
14 for this opportunity tonight. My name is Barbara Baddy and
15 I'm a county commissioner from Catawba County and I
16 represent the Catawba County Board of Commissions tonight.

17 I served on the Metro Advisory Board. We had
18 fellow folks from our county that served on the Foothill
19 Advisory Board and also on many committees. So we spent
20 many hours with Duke and all of you on the advisory board we
21 certainly are very pleased with the process. We thought it
22 was a very fair and very comprehensive. And I must say that
23 I learned more than I ever thought and wanted to know about
24 the water on Lake Norman. But it was very exciting to have
25 that opportunity and do that. So again, I want to thank you

1 for that opportunity.

2 We support the CRA relicensing agreement and
3 there are some things that -- projects that we are very
4 proud of and those for Catawba County is the midpoint
5 lookout canoe access, the Lowell Creek Park, the recreation
6 flows at Oxford Dam, the two swim beaches on Lake Hickory
7 and also our other access areas that we were able to
8 acquire. It's certainly some great things for Catawba
9 County and we're certainly very proud to have been a part of
10 that and participated and been able to work with other
11 people on the advisory committee to make sure that we all
12 had our fair share and we had to give up some things, but we
13 certainly appreciate the opportunity.

14 We'd also like to request that FERC consider the
15 provisions of the CRA in making the final decision. That
16 when resolving as yet unresolved issues -- fish passage,
17 water quality -- the do so without damaging the overall
18 balanced intent of the CRA.

19 Thank you again for this opportunity. We in
20 Catawba County do support the Comprehensive Relicensing
21 Agreement and I would like to at this time thank Jeff
22 Lineberger, all the Duke staff, Ken Kerns and your staff and
23 all my fellow advisory committee members for this wonderful
24 opportunity that we certainly support in Catawba County.
25 Thanks again.

1 MS. CONNOR: After Chris is Al Sharp.

2 MR. GOUDREAU: My name is Chris Goudreau, G-O-U-
3 D-R-E-A-U. I work with the North Carolina Wildlife
4 Resources Commission as a fisheries biologist and act as
5 coordinator for our agency to coordinate among our various
6 divisions of enforcement and wildlife management, fisheries
7 and our boating divisions.

8 I was involved from the beginning of this
9 process, not only through the three-states consultation
10 portion, but also the extensive stakeholder negotiation
11 process. I was on most of the study teams and ad hoc teams
12 and about anything else that came up except the cultural
13 resources team.

14 Our agency is charged -- our mission is to
15 protect the fish and wildlife resources of the state. Also,
16 we are in charge of the boating laws. I'd like to make four
17 points about the Comprehensive Relicensing Agreement process
18 and the outcomes that resulted.

19 First is that our main interest in protecting
20 fish and wildlife resources and their habitats was mainly
21 met. That was not only on the rivers, but also on the
22 reservoirs and terrestrial areas. On the reservoirs, we
23 expect habitat to be improved due to lake level regimes that
24 will be higher and more stable. The spring spawning
25 stabilization program, which will hold the lakes stable

1 during the spring so that the bass that Dr. Mead mentioned
2 earlier have an opportunity to have a good spawn.

3 The Shoreline Management program that was a very
4 intense group of people trying to work through how the land
5 on the shoreline and upland would be managed. We believe
6 that that's been improved considerably over the existing
7 SMP.

8 Finally, the Habitat Enhancement program, which
9 is already in place but provisions of the CRA are to
10 increase the amount of money that's in that program. All
11 those things we believe will help the reservoir habitats and
12 fish and wildlife.

13 On the riverain sections, Steve Reed and others
14 have already mentioned how things will be improved there.
15 They will improve flow regimes and water quality. I don't
16 believe many people have mentioned that yet. We expect
17 water quality to be improved below the dams due to improved
18 dissolved oxygen and temperature regimes. This was a
19 difficult balance, particularly below the Bridgewater
20 project because of the bypasses and the main river, trying
21 to balance our own internal conflicting, sometimes,
22 interests of trout and mussels and warm-water fish, but we
23 believe we've done that.

24 On the terrestrial side, the CRA has contributed
25 to conserving nearly 3000 acres for gamelands. That's

1 already been mentioned in the Johns River area. An
2 additional 2000 acres in North Carolina for other open space
3 parks and recreation that will also benefit fish and
4 wildlife.

5 Our second major interest as an agency is in
6 providing recreation to these resources. The CRA provides
7 for many additional and improved access areas and
8 facilities, not only within the Duke project, but outside of
9 it, too.

10 Recreational flows has been mentioned will not be
11 scheduled and this will definitely be an improvement for
12 those who want to use those resources. They know when they
13 can use then and the flow levels will be suitable for their
14 use.

15 Finally, many of the lakes and Lake Norman is one
16 of them, the new lake level regimes will expand the ability
17 of people to recreate. The season will be extended in the
18 spring earlier and later in to the fall.

19 Two other points I'd like to make are about the
20 process and about the implementation. The process, as I
21 mentioned, I was involved with many of the study teams in
22 the negotiation process and the Shoreline Management Plan,
23 the recreation group, the kiosks operations team, they all
24 exhibit or characteristic of many of the other groups
25 actually. That diverse interest of people up and down the

1 Basin were represented. We worked really hard to try to
2 work out solutions for issues that were often competing.

3 We explored many alternatives, had many, many
4 iterations. I can't even begin to think of how much paper
5 is piled up in my office that we looked at. And again, as
6 has been mentioned by others, we do believe that this
7 resulted in an acceptable balance. But beyond where we're
8 at now is looking into the future and that the relationships
9 that have been formed will not stop with issuance of a new
10 license. The CRA provides a number of opportunities for
11 stakeholders to remain engage to actively manage the Catawba
12 Basin.

13 The Shoreline Management Plan, the low inflow
14 protocol, the recreation committee among other committees
15 are ways that we can keep our fingers in the active
16 management of this basin.

17 The Wildlife Resources Commission believes that
18 the CRA is not only a viable alternative to be studied by
19 FERC in the NEPA analysis, but it is the best adaptive
20 alternative for this river basin. We're happy to be
21 signatories of it. Thank you.

22 MS. CONNOR: After Al Sharp is Mark Selquist.

23 MR. SHARP: My name is Al Sharp, S-H-A-R-P. I'm
24 the Executive Director of Centralina County Governments.
25 Centralina is the largest of the 17 councils of governments

1 in the State of North Carolina and we're involved with
2 planning, environmental management and economic development
3 among other things.

4 We came into this process because we were
5 interested in a very balanced view so that no one set of
6 stakeholders could capture the process and they didn't.
7 What has occurred is that there is a very measured and
8 balanced compromise and we're proud of the collaborative
9 partnership that has been created over these four years.

10 It was tiresome. It was gruesome at times. It
11 was boring, but it was necessary. And what we all learned
12 is that other stakeholders have a vital interest in the
13 watershed and in the basin and we grew from that. So what I
14 wanted to say is that our members, which are 9 counties and
15 65 municipalities heard about FERC relicensing 7 times over
16 the four years in their formal processes. They were saying
17 to us no more. We understand the issue. But what we did
18 get from this was a regional buy-in. Our elected officials
19 and our informed citizens understand the process, buy into
20 the process and are asking you to support the process and
21 the results of the process, which is the agreement.

22 We have a population of roughly 2 million people
23 in the greater Charlotte region. We're expecting a million
24 and a half more people to come over the next 25 years.
25 Centralina and the other councils of government were very

1 concerned over several issues. We were very concerned that
2 growth was undertaken and understood and was part of the
3 process.

4 We were very concerned that there would be
5 adequate public water supply for our current citizens and
6 the citizens that were coming forward and also that the
7 economic interests would be represented. We were very
8 concerned that the recreation needs of this growing
9 population would be met, not just boat owners and lake
10 residents -- and I've been both at Lake Norman. I lived on
11 Lake Norman and I boated on Lake Norman. But we're
12 interested -- we were interested in that the public-at-large
13 had access to the multiplicity of recreational opportunities
14 that are provided in the agreement.

15 We also recognized that there was a possibility
16 of trying to ramrod something and we'd like to respect
17 Duke's approach. They showed throughout the process, one,
18 that they understood how important ownership was through the
19 region. They showed respect for our local elected
20 government officials. They showed respect for our citizens
21 who had interests that were not always compatible with
22 Duke's own interest. But what we had was a four-year
23 process where there was a gained, an understanding and a
24 collaborative partnership.

25 I'm building to one point. We are asking not to

1 cherry pick this agreement. There is a delicate balance
2 between the varying interest that are represented in this
3 agreement and that we are asking you to support this
4 agreement and we continue to be committed to seeing it
5 implemented. I personally serve on the final agreement
6 commitment. When I undertook this job four years ago, I had
7 no idea it would be such a lengthy process. But our
8 commitment is real and we are watching this process go
9 through and we are very interested in the FERC relicensing
10 issue.

11 Thank you very much for coming to our region. We
12 endorse this. We're happy to have you hear and we're very
13 proud of our collaborative partnership in this region.
14 Thank you very much.

15 MS. CONNOR: Following Mark Selquist is Gary
16 Knox.

17 MR. SELQUIST: Hi, my name is Mark Selquist. I'm
18 a planner with Iredell County and I'm here on behalf of
19 Steve Warren. Selquist is S-E-L-Q-U-I-S-T and Steven
20 Warren, W-A-R-R-E-N. He's the acting planning director and
21 he was unable to attend tonight.

22 Steve served as the stakeholder representative on
23 behalf of Iredell County and participated in many of the
24 relicensing meetings over the last several years as part of
25 the Metro Advisory Group. He regrets not being able to

1 attend tonight because he strongly felt this to be an
2 important opportunity to voice support for the Duke
3 relicensing agreement.

4 Iredell County's board of commissioners endorsed
5 the agreement and Steve was their staff representative
6 through much of the process. Iredell County is greatly
7 impacted by proximity to Lake Norman as well as Lookout
8 Shoals Lake. The lake provides the residents of the county
9 recreational opportunity and the process lead to assurances
10 of more recreation on the lakes in terms of several new
11 projects. Specifically, one, Duke's support for a potential
12 campground, commercial marina at Haggar's Creek, a partnered
13 agreement between Iredell County and Duke to add restrooms,
14 walking trails and other amenities to Stumpy Creek Park, new
15 amenities at Lookout Shoals public access area and build an
16 addition to the Lake Norman state park was taken out of the
17 relicensing process. Its eventual success would not have
18 likely have gotten started without the successful
19 negotiations during the relicensing process.

20 Also added to that were assurances of continuous
21 flows, water quality and environmental protection
22 initiatives and a new shoreline management plan. This
23 complex and comprehensive agreement addressed all aspects as
24 well as the power generation for our future needs.

25 It is the county's position that Duke was

1 successful in its planning and relicensing process because
2 of the following factors: (1) careful study was made to
3 identify every interest group and issue; (2) Duke committed
4 sufficient financial and staff resources to the process; (3)
5 a highly professional and qualified consultant was hired to
6 facilitate the process; (4) stakeholder representatives were
7 selected to represent all geographic and subject areas; (5)
8 meetings were conducted in a fair and equitable manner
9 sustaining an open and non-threatening atmosphere, which
10 assured meaningful dialogue and continued participation; (6)
11 the products of the meetings, the studies and other
12 documents were consistently professional and thorough.

13 In summary, the county has been pleased that the
14 relicensing agreement has been a success, although it
15 recognizes that much work lies ahead, not simply for Duke
16 but all stakeholders in the process in order to assure a
17 successful partnership in managing our common and regional
18 resources.

19 Thank you for this opportunity.

20 MS. CONNOR: Gary Knox is the last speaker that I
21 have a sheet for. Is there anyone that wants to speak after
22 him there will be a chance. I just wanted to let you know.

23 MR. KNOX: Good evening and thank you for the
24 opportunity. I recognize many familiar faces in the room.
25 My name is Gary Knox. I'm the mayor of Cornelius and I've

1 had the opportunity to say that my family has been here
2 since 1748. Many changes. I've had the opportunity to
3 participate extensively in many of the current policies
4 associated with water use within the region such as the
5 current watershed protection guidelines that were adopted
6 through a stakeholder public process in the mid-'90s.

7 I had the opportunity to represent business
8 interest, municipal interests, et cetera. I represented the
9 Charlotte Mecklenburg Utilities Department Citizens Advisory
10 Board for seven years. Mr. Gullet is here representing the
11 Charlotte Mecklenburg Utilities Department and I believe
12 that the protection of the watershed in the future under the
13 municipal use agreement is something that past due and
14 critically an integral part of this agreement. Conversely,
15 this is March Madness. It is basketball time and we all
16 have our favorites. There is always someone that loses.
17 Representing the Town of Cornelius, I think it is incumbent
18 upon me to say that while we have been full participants
19 through the process -- I attended the very first
20 organizational meeting in Dallas, North Carolina in February
21 of 2003. It is fair to say that the Town of Cornelius
22 believes that we have been less than successful achieving
23 numerous goals and objectives, not only for the citizens of
24 Cornelius but for the entire Catawba-Wateree Basin.

25 And just to digress, we have resolutions and

1 documents that I'll provide your reporter. We would like
2 the opportunity to interface with the appropriate FERC
3 representatives to have a healthier dialogue on a number of
4 issues. But going back to the original stakeholder
5 formation meeting in February of 2003, I went as a citizen-
6 at-large, a past chamber of commerce president, et cetera
7 and in turn, sat in the room as we were broken off with
8 facilitators, et cetera and representatives of a host of
9 different groups of Duke Power representatives and those
10 stakeholders who had special interests, concerned interests,
11 et cetera, shared a host of issues that would become the
12 objectives and priorities and concerns for this relicensing
13 process.

14 I was one of the last to speak and as I spoke I
15 said the common denominator for the 17 sundry issues that
16 were put up there at the initial meeting was the lack of
17 sustaining funding, the lack of resources, whether it was
18 for education, whether it was for recreational enhancement,
19 whether it was for public safety, whether it was for
20 cultural conservation, et cetera, et cetera.

21 In that particular meeting I introduced the need
22 for what was called a lake endowment fund. Simple numbers
23 \$10 million would generate \$500,000 a year that could be a
24 sustaining funding source for all the different marine
25 commissions, navigational aids, et cetera, because again,

1 going back to the lack of sustaining fundability for all
2 these different issues was there. What was morphisized over
3 the next three years or four years out of that original
4 concept was originally the municipal use agreement by which
5 those municipalities wishing to draw water for public
6 consumption would pay a user fee. That did not sit well.
7 That initial thing proposed by Duke was taken off the board
8 as the stakeholders believed that was not an equitable
9 suggestion.

10 Conversely, the municipal use agreement today
11 ironically is said to generate about \$500,000 a year.
12 However, it is directed towards conservation and has a much
13 more limited scope as to what those funds would be used for.

14 My biggest challenge with that is that it is a
15 voluntary agreement. The relicensing agreement is binding
16 for 50 years or 40 years. My concern is every municipality,
17 every form of government is going through great trials and
18 tribulations over funding. If it gets to a point where any
19 particular municipality can no longer voluntarily contribute
20 to the municipal use agreement fund, I think that it has the
21 ability to become unglued and I think that's an economic
22 reality that needs to be addressed in that.

23 We have diligently participated in the process
24 and I do have an exhibit. One of the things in the
25 southeast most part of the lake is that today we actually

1 have less public access than we did 20 years ago or 40 years
2 ago and you say how can that happen? How can you have less
3 today with the public parks that we have and these new
4 enhancements that Duke is going to offer for the next 40
5 years?

6 One, we had the highest percentage of municipal
7 paved roads that ran into Lake Norman before it was built
8 and the North Carolina Wildlife Resources Commission where
9 these public roads now were submerged and went into the lake
10 had its own signage as a public access point. There was
11 public access to Lake Davidson, a 700-acre lake. Today
12 there is no public access to Lake Davidson because Duke and
13 its subsidiary, Crescent, haven't divested itself of those
14 real estate holdings that gave access.

15 There is no access to Lake Cornelius, no public
16 access to Lake Cornelius other than through a YWMC by which
17 you must join. There used to be two streets that ran into
18 Lake Cornelius by which citizens of Cornelius could get
19 access to that lake. There are numerous other points in the
20 south end of the lake such as Beaddies Ford Road that
21 actually ran through Cornelius at two different locations,
22 which today has been renamed John Connor Road and Beaddies
23 Ford Road actually came out onto the Brawley School Road
24 peninsula. All of those were recognized on the original
25 Lake Norman maps as public access points where you could

1 trailer your boat and just drive off into the lake. Those
2 points no longer are there.

3 In Cornelius particularly one of the major issues
4 that we have that we would like to expand upon is as much as
5 we all desire the increased access, recreational access to
6 this special asset, there is an incumbent responsibility on
7 the Town of Cornelius to answer the public safety needs.

8 One of the things that I was trying to address
9 early on was the fact that the Town of Cornelius voluntarily
10 response to 911 calls in the middle of Lake Norman.
11 However, your FERC relicensing agreement says that public
12 safety cannot be considered as one of the negotiable points
13 and yet because the Town of Cornelius has a fully developed
14 75 miles of shoreline and we do have a very capable
15 volunteer fire department, we answer over 250 calls a year
16 on Lake Norman voluntarily with no outside funding other
17 than a trifling \$89,000 from Mecklenburg County. It is a
18 real challenge to answer the growing public safety calls on
19 Lake Norman. We're glad to do what we can within the
20 resources that we have. We would have liked to have seen in
21 this process some contributions to provide for public safety
22 issues that are balanced with increased access and inherent
23 responsibility to provide protection.

24 All the towns now seeking economic development
25 and tourism efforts are looking to host more and more events

1 on Lake Norman. With that comes the responsibility of
2 providing public safety, fire rescue and HAZMATH response.
3 Last year marked one of the most sad points in the life of
4 Lake Norman in that there were eight deaths last year -- one
5 of the highest ever. There is a lack of equipment. There
6 is no on-the-water emergency response with 24/7 with a
7 qualified response team that can get to that call of need.
8 And unfortunately, what we're seeing is Lake Norman is being
9 utilized today 24 hours a day. That's a challenge. It used
10 to be we'd look at the weekend warrior mentality and know
11 that Saturday afternoon between 11 and 3 o'clock is probably
12 not a good idea to be out on Lake Norman and we'd wait pass
13 that time. Today we have boats running 70 miles an hour at
14 11 o'clock at night. They run aground and we do have
15 fatalities.

16 We need to address that because I see that issue
17 in public safety response, hazardous materials response and
18 fire protection responses becoming critical. In January of
19 this year we had a fire at the largest in-the-water marina
20 on Lake Norman. We were successful in putting out that
21 fire. There was a loss of seven vessels estimated at \$3
22 million in damage, property damage. We estimate there was
23 \$40 million worth of boats in the lake. Duke Power licensed
24 that marina. We, by default, provide fire and rescue
25 protection by its proximity.

1 Anyway, we have enumerated a long, extensive
2 timeline and for the public's benefit I'm going to cut my
3 remarks off. We have adopted a resolution as to why the
4 Town of Cornelius chose not to sign the final agreement and
5 it enumerates many points. With that, there has also been
6 the actual filing with the federal government of a motion to
7 intervene in this process. So for the public's benefit, the
8 Town of Cornelius is not a signor. We have a host of
9 reasons that we think are credible that need a better review
10 of that.

11 Some of the other points, in closing out, that we
12 would like to share going into the future are that, as the
13 needs for this great assets grow and grow and grow, there
14 needs to be a benchmark in the next relicensing period. No
15 one in this room accounted in 1960 that we would be where we
16 are today relative to the populations and the demands on
17 Lake Norman.

18 It would have been optimum from Day One in this
19 agreement, based on what we've experienced in the past 20
20 years in growth and development with the estimates for the
21 future growth and development that there was a benchmark at
22 10 years or 20 years as to where we are with all these
23 points of agreement that we have today. I think to agree to
24 all these points for the next 40 years is a challenge
25 relative to the growth and development that we all

1 understand and see today.

2 The other thing that we would like to address is
3 we think it's significant that Duke Power maintained its
4 environmental monitoring section here on Lake Norman. Prior
5 to the relicensing agreement there was a dialogue between
6 the North Carolina Department of Wildlife to take over the
7 environment monitoring and that Duke might close out its in
8 house environmental monitoring of Lake Norman. We think
9 that would be very remiss. Historically -- and no offense
10 to our friends here from North Carolina Department of
11 Wildlife in Raleigh -- this region historically has been at
12 the short end of the stick relative to the commitment from
13 the State of North Carolina for a host of different subjects
14 and I would rather know what confidence that Duke maintains
15 its environmental monitoring section during this permit
16 process as opposed to the ability of assignment to another
17 governmental agency. I think that that accountability
18 should be there.

19 I would like to thank you for allowing me to make
20 these remarks. I know again I went probably a little bit
21 further, but being -- I think we have to say where we are
22 and I have a great deal of confidence that my remarks are
23 fair. I would like the opportunity on behalf of all of the
24 citizens of Cornelius that we look at those further. I
25 think part of the irony is, while we were a stakeholder and

1 participate, tonight we are hosted by the Town of
2 Mooresville. They were not a stakeholder. We sold our
3 public utility system to the City of Charlotte --
4 Huntersville, Davidson and Cornelius in 1983.

5 Mr. Gullet is here representing the Charlotte
6 Mecklenburg Utility Department. They are the utility
7 department for the towns of Huntersville, Davidson and
8 Cornelius. Huntersville is not a stakeholder in this
9 process. They now are the 17th largest city in North
10 Carolina whose sphere of influence do go to Mountain Lake.
11 So there are some -- I feel as though I may be speaking for
12 Cornelius, but I'm very comfortable that there are a host of
13 other perspective that may be a little bit broader that
14 deserve some consideration as it relates to the weightiness
15 of public safety, use and other subjects.

16 Thank you very much for your time this evening.

17 MS. CONNOR: Does anybody else have something
18 that they would like to contribute?

19 (No response.)

20 MS. CONNOR: Thank you.

21 MR. MURPHY: Does anybody have any questions
22 about the FERC relicensing process? I know most of you
23 being involved in the effort have been beaten over the head
24 for a long time now with most of our regulations and such.

25 (Pause.)

1 MR. MURPHY: The process now we will be taking
2 everybody's comments, statements -- written, oral and
3 producing a Scoping Document II, outlining any issues we
4 missed in our original scoping document. That should be
5 coming out in June and our processes should allow us to have
6 a draft environmental assessment for the Duke relicensing
7 for the Catawba-Wateree in November. That's what we're
8 shooting for.

9 If nobody has any more questions, I'd like to
10 thank you all for coming tonight and giving us your opinions
11 and interest and issues. Thanks.

12 (Whereupon, at 8:30 p.m., the above-entitled
13 matter was concluded.)

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