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UNITED STATES OF AMERICA

FEDERAL ENERGY REGULATORY COMMISSION

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Keowee-Toxaway Hydroelectric : Project No. 2503-147

South Carolina and North Carolina

Duke Energy Carolinas, LLC :

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Public Scoping Meeting

Request for Comments on the PAD

Study Requests

Seneca High School Auditorium

100 Bobcat Ridge

Seneca, South Carolina 29378

Wednesday, June 15, 2011

The public hearing, pursuant to notice, convened at 1:13 p.m. before a Staff Panel:

STEPHEN BOWLER, FERC

PATTI LEPPERT, FERC

RACHEL McNAMARA, FERC

ELISABETH BLAUGH, FERC

Also:

JENNIFER HUFF, Duke Power, Project Manager

1	SPEAKERS	
2	Ted Sheehan, former Mayor of the City of Pickens	20
3	Mark Cantrell, U.S. Fish & Wildlife Service	24
4	Jim Codner, President, Advocates for Quality Development	26
5	Ben Turetzay, Friends of Lake Keowee Society	30
6	Bob Swank, Friends of Lake Keowee Society	37
7	Ken Nabors, Pickens County Historical Society	51
8	Wayne Kepp, Cultural Commissioner	52
9	Dennis Chastain	56
10	Dana Leavitt, Upstate Forever	63
11	Michael Bedenbaugh, Palmetto Trust	
12	for Historic Preservation	69
13	Doug Young, Chickasaw Point Property Owners Association	71
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## 1 P R O C E E D I N G S

2 MR. BOWLER: Okay, I apologize for the delay; and  
3 if everybody's ready, I'd like to open the daytime scoping  
4 meeting for the Keowee-Toxaway Hydroelectric Project.

5 I'm Stephen Bowler with the Federal Energy  
6 Regulatory Commission. I'll be getting us started with a  
7 brief presentation, in the middle of which I'll stop and  
8 we'll have a presentation from Duke on the specifics of the  
9 project operation and facilities; and then I'll give the  
10 ground rules for speaking, and we'll get rolling on taking  
11 your comments.

12 That's our main purpose for being here today, is  
13 to kick off this process and find your comments on the Pre  
14 Application Document, the Scoping Document, the scope of the  
15 project, the issues you see as important.

16 So without further ado, I'll start into the  
17 presentation. I'll be covering -- first of all, if you  
18 haven't registered, please pick up a registration slip in  
19 the lobby, especially if you want to speak. I'll be going  
20 over the purpose of the meeting in a little bit more detail.  
21 The Integrated Licensing Process, or the ILP, a brief  
22 overview of the schedule, the details of what information  
23 we're requesting and the procedures for so many written  
24 comments. Then we'll have the description of the project  
25 from Jennifer Huff at Duke; and I'll finish with some

1 information on cumulative effects and get started on the  
2 speakers.

3 Our project team includes myself, who is the  
4 acting coordinator of the project, and also the resource  
5 person covering aquatic biology and water resources, Monte  
6 Terhaar, who is a civil engineer, he's not with us today.  
7 Patti Leppert, who is a cultural resources person who is  
8 with us today. Rachel McNamara, recreation and land use is  
9 here with us today. Sarah Florentino is not with us today,  
10 but she'll be covering terrestrial resources and threatened  
11 and endangered species. And we also have with us Elisabeth  
12 Blaugh, who is counsel on the project; and with us, sort of  
13 helping us and observing, from our dispute resolution  
14 service, Joshua Hurwitz, who's in the back with the sign-in  
15 forms if you need them.

16 The purpose of scoping under FERC's regulations  
17 and NEPA is that we're required to evaluate the  
18 environmental effects of licensing or relicensing hydropower  
19 projects. That's the oldest function of the Federal Energy  
20 Regulatory Commission, and it's our purpose here today.  
21 It's used to identify issues and concerns that were going to  
22 be addressed in our document under the National  
23 Environmental Policy Act, which at this point we're saying  
24 will be an environmental assessment, and to get input from  
25 Federal, State, local agencies, Indian Tribes,

1 nongovernmental organizations and individuals who are  
2 concerned about the project.

3 We issued, to kick off this process in response  
4 to the Pre Application Document from Duke Power, we issued a  
5 Scoping Document 1 on May 17th, and we will, if enough  
6 changes come out of this process, we will issue a Scoping  
7 Document 2.

8 So this is a process that started in May and will  
9 be going through July, when the end of the comment period,  
10 scoping comment period closes. I'll have more details on  
11 the dates in a moment. And then under the integrated  
12 licensing process we then to into a study planning  
13 negotiation phase. And the goal is to have the issues that  
14 people want studied on the table, discussed thoroughly and  
15 ultimately have a clear path towards getting exactly what  
16 studies need to be done, how they're going to be done, when  
17 they're going to be done; and it starts with a negotiation  
18 and then what can't be resolved through that negotiation,  
19 the Commission staff, the Director of the Office Energy  
20 Projects, makes a determination to resolve the differences.

21 The studies will be carried out in order for Duke  
22 to prepare its application for relicensing; and once that  
23 application is filed and they precede that with a  
24 preliminary licensing proposal, they file the license  
25 application and then it will continue on into post-filing,

1 and which we'll be back with a draft environmental document  
2 and public meetings in that regard.

3           Ultimately, as Staff, our job is to facilitate a  
4 fair, open process where everybody gets their input early as  
5 possible, so that the issues can be discussed and vetted  
6 fully; and then as staff in the licensed review process,  
7 application review process, we make a recommendation to the  
8 five political appointees we work for on whether and how the  
9 project would be licensed. And they make the decision.

10           So what we're asking for is your opinions on  
11 significant environmental issues that should be addressed in  
12 the environmental assessment. At this point we're asking  
13 for your study requests to kick off that negotiation process  
14 on what studies need to be done. We're particularly  
15 interested in any information that you have describing the  
16 conditions in the project area, and information that could  
17 be added to what was in the pre-application document to help  
18 shed light on the issues at hand.

19           And finally, under the Federal Power Act, we  
20 review comprehensive plans that are filed with the  
21 Commission for their relation to the licensing proposal; and  
22 we ask if you know of any plans that should be looking at,  
23 or future proposals in the area, that you bring those to our  
24 attention.

25           The study requests and the comments are due July

1 15, 2011, and this is actually, our scoping document was  
2 issued one day later than we intended. So in order to give  
3 you a full 60 days, we want to stick with the schedule that  
4 we have published, rather than create confusion by shifting  
5 the schedule around on you, and we'd like you to try to make  
6 July 15th; but if you come in on the 16th, we'll accept the  
7 comments.

8 We will get back on schedule by shorting  
9 ourselves on one of the Commission Staff deadlines rather  
10 than on your deadlines. So aim for July 15th, no later than  
11 July 16th on the comments, please.

12 Duke will be calling a meeting to discuss, maybe  
13 multiple meetings to discuss study plan proposal probably in  
14 September, and they'll propose a study plan before that at  
15 the end of August, and then after the meetings they'll  
16 revise that study plan, and then we will make a  
17 determination.

18 In to commenting today, you can file written  
19 comments with the Commission. We encourage people to do it  
20 electronically, and the link is there as well as the support  
21 line; but you can file by mail as well. And there was a  
22 brochure out at the table on our hydropower licensing  
23 program in general; it includes a slot on the back where you  
24 can write the docket number if you want, and it has  
25 information on how to file. And the Docket No. is P-2503.

1           The study process hinges on seven criteria that  
2           are in our regulations, especially if there's any unresolved  
3           study issues, which will be determined by the Commission.  
4           So we look for these things in the study requests, and I'd  
5           like to highlight them to you.

6           Somebody asked me the other day whether this  
7           format was required for all comments, and it's not; your  
8           comments on the Pre Application Document or the Scoping  
9           Document could just be regular comments in bullet form or  
10          narrative. We ask that your study request address these  
11          seven criteria.

12          First of all, the goals and objectives of the  
13          proposed study; the relevant resource management goals  
14          relevant to -- this would be for the agencies; and for the  
15          non-agencies, the public interest considerations of your  
16          proposed study.

17          We ask that you describe the existing information  
18          that relates to the study so that we can assess the need for  
19          additional information beyond what exists. And it's very  
20          important to understand the nexus between the project  
21          operations and effects and the study that you're proposing.  
22          In other words, how would it lead to development of license  
23          requirements that are enforceable by FERC? There may be  
24          other things that would be great to know about the resource,  
25          but that FERC has no influence over, and that wouldn't be an

1 example of a strong nexus.

2 So we're looking for a description of what the  
3 nexus is of that study proposal.

4 The sixth one is the scientific strength of the  
5 study, methodology, describing the methodology, explaining  
6 to the degree that it's consistent with generally accepted  
7 practice. The more detail the better.

8 And finally, we do ask for an estimate of the  
9 level of effort and cost involved in a study, which is a  
10 factor in deciding whether a study would be required.

11 So here I'll step back and let Jennifer present  
12 the project operations and facilities, so that we all have a  
13 shared understanding of that as we start in to the next step  
14 of commenting.

15 Presentation by Duke Power

16 MS. HUFF: Good afternoon, everyone. My name is  
17 Jennifer Huff, and I am the Keowee-Toxaway Hydroelectric  
18 Project Manager, and for those of you on that side of the  
19 room, I apologize; I am somewhat dwarfed here by this  
20 podium. So If I am a disembodied voice, you know, you  
21 might need to shift around.

22 Stephen asked me to give you a brief overview of  
23 the project and its operations. So for those of you have  
24 participated in our powerhouse tours and our facility tours  
25 over the past day and a half, some of this may be a repeat,

1 and I apologize in advance; for those of you who have not, I  
2 hope this gives you a little bit of additional information  
3 about the project.

4 When we talk about the Keowee-Toxaway Project, we  
5 are talking about two hydroelectric developments, the Keowee  
6 Hydro Station and Jocassee Pumped Storage Station. The  
7 project is located primarily in Oconee and Pickens County,  
8 South Carolina. A small portion of Lake Jocassee extends up  
9 into North Carolina, into Transylvania County.

10 The project was licensed and is operated to  
11 support electric power generation; it also provides a public  
12 water supply for the region and it provides a great deal of  
13 recreational amenities. The project has 867.6 megawatts of  
14 installed capacity, and it was originally licensed in 1966  
15 for 50 years. Our current license expires on August 31st of  
16 2016, and by FERC regulation, we must submit a license  
17 application in August of 2014, if not before.

18 Now from here out, I want to talk a little bit  
19 more about each of the two developments. First of all,  
20 we'll start upstream with the Jocassee Development. It is a  
21 pumped storage project, and if this works (PowerPoint) I'll  
22 be able to show you a little bit more about what pumped  
23 storage is.

24 All right. Pumped storage is, it's a  
25 conventional hydro project in its generation mode, and when

1 Jocassee is generating, water moves from Lake Jocassee,  
2 through the turbines into Lake Keowee. However, unlike  
3 conventional hydro, Jocassee can also move water upstream.  
4 So in its pumping mode, water moves from Lake Keowee back  
5 into Lake Jocassee. This allows us to store the water for  
6 reuse later. Pumped storage is our only large scale method  
7 that we have available to store electricity for later use.  
8 So it's very important to us in terms of grid stability,  
9 meeting peak demand, load stabilization, those sorts of  
10 things.

11 Lake Jocassee has 92 miles of shoreline and 7,980  
12 acres of surface area. The shoreline adjoining Lake  
13 Jocassee is primarily owned by North Carolina and South  
14 Carolina agencies, and dedicated for conservation and public  
15 recreation. Based on our last recreation use and needs  
16 study, we see about 325,000 visitors to Lake Jocassee in a  
17 year. So it's certainly a recreational amenity that many  
18 people enjoy.

19 The area is really, for those of you who are not  
20 familiar with it, relatively isolated; and there are hiking  
21 trails and a lot of back country kinds of opportunities  
22 available to visitors.

23 The reservoir also supports the operation of our  
24 Bad Creek pumped storage project which, like Jocassee, is a  
25 pumped storage hydro facility. It has an installed

1 generating capacity of 1,065 megawatt. Jocassee is the  
2 lower reservoir for Bad Creek, and Bad Creek has its own  
3 FERC license, that expires in 2027. We are not relicensing  
4 Bad Creek; we are relicensing Jocassee and Keowee.

5 As I mentioned, the project sees a lot of  
6 recreational boating and hiking and that sort of thing.

7 Jocassee has four units, and an installed  
8 generating capacity of 710.1 megawatts; so the bulk of the  
9 generating capacity is at the Jocassee development. Our  
10 full pond elevation at Jocassee is 1,110 feet above mean sea  
11 level, and we currently have a license band of 30 feet,  
12 which means we can draw it down to 1080 feet, if necessary.

13 Jocassee generally operates in its generation  
14 mode during periods of high demand. And for Duke Energy,  
15 that is typically on hot summer afternoons and cold winter  
16 mornings. We typically pump at Jocassee, that is refill it  
17 during periods of low demand. And so that would typically  
18 be during nights and weekends. And at that time we can take  
19 the excess power from our base load generating facilities  
20 like Oconee and some of our large coal-fired facilities and  
21 use that excess electricity to refill Jocassee, and thereby  
22 having that water available for generation when it's needed.

23 Now the Keowee Development is located immediately  
24 downstream of Jocassee. It is a conventional hydroelectric  
25 facility in that there is no pumping capability. Once the

1 water leaves Keowee, it's headed downstream into the U.S.  
2 Army Corps of Engineers projects.

3 The reservoir is much larger than Jocassee; it  
4 has roughly 388 miles of shoreline and 17,700 acres of  
5 surface area. Unlike Jocassee, Keowee has a substantial  
6 amount of residential development along its shorelines.  
7 Approximately a third of the shoreline adjoining Keowee is  
8 currently in residential use. A lot of that is single  
9 family homes.

10 Keowee provides an important function in the  
11 support of the operation of Oconee Nuclear Station. It  
12 provides the cooling water source for the facility and it  
13 also is a backup power supply, the backup power supply for  
14 Oconee Nuclear Station.

15 So because of that very important function,  
16 Keowee Hydro is regulated by both FERC and the Nuclear  
17 Regulatory Commission. The drawdown at Keowee is currently  
18 limited to 5.4 feet in order to support the operation of  
19 Oconee. The reservoir also serves as a drinking water  
20 source; there are two drinking water intakes on Lake Keowee.  
21 One of those is for the Greenville water system, and the  
22 other is for the City of Seneca, both of those facilities  
23 currently withdraw from Lake Keowee; and then of course  
24 there's also a great deal of recreational boating, fishing  
25 and other forms of recreation in and around the project.

1           Based on our studies, Keowee sees roughly 900,000  
2 visitors per year. So that's a significant resource for the  
3 economic base of the region.

4           Keowee has two units; the generating capacity at  
5 the facility is 157.5 megawatts and it operates at a full  
6 pond elevation of 800 feet above mean sea level. Our  
7 licensed operating band is 25 feet, but as I mentioned, we  
8 currently have an operating drawdown of 5.4 feet due to  
9 operational constraints at Oconee Nuclear Station.

10           As for generation, Keowee is operated primarily  
11 as a backup power supply for Oconee Nuclear Station, but the  
12 facility is available for commercial dispatch, which means  
13 that we can use it to generate electricity as needed at the  
14 discretion of Oconee Nuclear Station. So it can meet peak  
15 power demands as water is available.

16           We also operate Keowee in order to provide  
17 downstream releases into the U.S. Army Corps of Engineers  
18 three projects; they have Hartwell Lake, the Richard B.  
19 Russell Project, and the J. Strom Thurmond Projects  
20 downstream of Keowee. And we release water consistent with,  
21 to meet the requirements of an agreement we have with the  
22 Corps of Engineers and the Southeastern Power  
23 Administration. That agreement is a balancing agreement  
24 that attempts to balance the remaining storage between the  
25 two Duke projects or the two Duke developments and the

1 Hartwell and the J. Strom Thurmond projects.

2 So when storage in the Corps' projects drops  
3 below 90 percent of the remaining usable storage, they can  
4 call on Duke to release water to help bring the Duke  
5 projects back into balance with the Corps projects. So we  
6 would operate Keowee to provide those releases. This  
7 usually happens during drought periods.

8 I wanted to talk just briefly about the  
9 relicensing process that we've had going on since 2009, and  
10 just repeat for those of you -- we have many stakeholders  
11 here in the room today; but for those who have not been  
12 involved in relicensing, just to let you know some of the  
13 ways that you can be involved in it.

14 We have provided opportunities for the public to  
15 provide input to us at all steps of the process. We  
16 currently have eight relicensing teams. The one at the top  
17 of this diagram that you see is the stakeholder team, and  
18 that team is responsible for providing a communications path  
19 between the organization and Duke Energy about the  
20 relicensing process. That team is also being charged with  
21 developing a relicensing agreement that we would hope to  
22 sign and file with our license application.

23 That relicense agreement, should one be reached,  
24 will address all aspects of the operation of the project for  
25 the next license term, which would be between 30 and 50

1 years.

2 We also have seven technically-oriented resource  
3 committees. The resource committees are focused on the  
4 studies that Stephen mentioned we are in the process of  
5 identifying. And Duke has already identified working with  
6 the resource committees, 14 studies that we will do as part  
7 of relicensing.

8 So those resource committees are composed  
9 primarily of technical experts in their fields, who are  
10 helping us identify and scope the studies. And then at the  
11 bottom we have our study teams. And the study teams are the  
12 people who are actually going out in the field or sitting  
13 down at the computers or doing the research that will help  
14 inform the stakeholder team and FERC as to what issues need  
15 to be considered for relicensing.

16 All of those teams plus the input that we  
17 received from the public will then be reflected in the  
18 relicensing documents and the consultation record that we  
19 file with our license application.

20 Here's a list, and I'm not going to read those  
21 for you all. If you're interested, I believe we have some  
22 of this information posted on our relicensing website, of  
23 the organizations that are currently involved in at least  
24 one of our relicensing teams. And we currently have 33  
25 organizations, not including Duke Energy, participating in

1 at least one of the teams.

2 If you're interested about relicense, there are a  
3 number of ways that you can stay informed. FERC has a very  
4 good website; it's [www.FERC.gov](http://www.FERC.gov) that you can visit and  
5 register for -- and I'm sure Stephen is going to talk about  
6 this more -- register for information to come to you about  
7 the relicensing process. Duke also has a relicensing  
8 website; and unfortunately our website is a lot longer. So  
9 it is: [www.Duke-Energy.com/lakes/Keowee-Taxaway-](http://www.Duke-Energy.com/lakes/Keowee-Taxaway-relicensing.asp)  
10 [relicensing.asp](http://www.Duke-Energy.com/lakes/Keowee-Taxaway-relicensing.asp) -- which I'm sure you didn't write that  
11 down, so just Google Keowee-Toxaway relicensing, and you'll  
12 find us on the Duke Energy website.

13 If you're interested, we've also been sending out  
14 a quarterly electronic newsletter that's posted on the  
15 relicensing website. You can register for that, subscribe  
16 to it by sending an e-mail to [ktrelicensing@Duke-Energy.com](mailto:ktrelicensing@Duke-Energy.com).

17 If you don't like the electronic means, you can  
18 go to one of the local libraries and hard copies of our  
19 major documents will be provided at those local libraries,  
20 and those libraries are the library in Salem, the library  
21 here in Seneca, Clemson, Pickens and the library in  
22 Walhalla. So that's another way to get the information.

23 And then you can always send us an e-mail at the  
24 relicensing e-mail address: [ktrelicensing@Duke-Energy.com](mailto:ktrelicensing@Duke-Energy.com).

25 So that concludes my presentation. I would like

1 to say, in conclusion, that on behalf of Duke Energy, we do  
2 appreciate all the efforts of the stakeholders to date, and  
3 helping us develop our pre-application document and our  
4 proposed study plans. We have been meeting since 2009, so  
5 there's been a significant effort already, and there will be  
6 a significant effort today.

7 The project is very important to do. We have  
8 here on the Keowee-Toxaway project reservoirs roughly 22  
9 percent of Duke's generating capacity in the Carolinas. So  
10 this is an important project to Duke, it's an important  
11 project for people who rely on the projects' drinking water,  
12 and it's an important project for the local community in  
13 terms of its presence in the tax base and in the employment  
14 base.

15 So on behalf of Duke Energy, thank you all for  
16 your interest.

17 MR. BOWLER: Thank you very much. Thank you also  
18 for organizing the site tours for our staff and many  
19 stakeholders over yesterday and this morning.

20 And while I'm doing thank-yous, thank you to  
21 Seneca High School for providing this venue for this  
22 meeting. And again, thank you all for coming out.

23 A couple more things and then we'll get to  
24 comments. The scope of the cumulative effects of the  
25 project, which we'll be looking at, we've preliminarily

1 identified the issues as aquatic and terrestrial resources,  
2 and the geographic scope for the aquatic resources we've  
3 preliminarily identified as the Jocassee-Keowee contributing  
4 watersheds, and down to the outflow of Lake Thurmond.

5 For the terrestrial resources, we're proposing to  
6 include just the contributing watersheds and within the  
7 project boundaries. The temporal scope for both, it would  
8 be 30 to 50 years into the future, potential range for  
9 license, new license. And concentrating on the effect of  
10 reasonably foreseeable actions.

11 So for the rest of the afternoon we'll be taking  
12 comment. We do have a court reporter with us today who will  
13 be keeping an official record that will ultimately be in the  
14 public record on the FERC website; and I'd like to point out  
15 that you can get on the eLibrary part of the website to look  
16 up anything from this proceeding under that docket number, P  
17 2503; and also, as Jennifer said, you can go in and  
18 eSubscribe, and you'll get an e-mail when things are issued  
19 in the public record; and the nice thing is it's a link so  
20 you can read the title and decide whether you want to open  
21 it, it won't clog up your inbox with attachments. That's a  
22 really good way to follow things.

23 In terms of speaking today, we have about 11  
24 speakers and we have quite a bit of time, so I'll ask just  
25 that people be reasonable and efficient in the use of their

1 tim. If everybody goes much over ten minutes, which I would  
2 be surprised, we'd get into trouble but I think we can be  
3 pretty flexible about the speaking time.

4 Again, sign in if you wish to speak, or even if  
5 you don't we like to have a record of who's here. If you  
6 want to be put on the mailing list to actually get mailings  
7 of the major documents, then you can put your address at the  
8 bottom of the sign-in sheet.

9 When you're speaking, please provide your name  
10 and the spelling so the court reporter can get it accurately  
11 into the record. And you can leave written comments with  
12 the court reporter and we'll gather them from him and take  
13 them back to enter them in the record when we get back.

14 So with that, I will ask if there are any  
15 procedural questions. And there's a podium over here which  
16 would be the best one for people to come to speak so that  
17 the court reporter can get it in the record and also as a  
18 courtesy to the local radio station that's set up over  
19 there.

20 I'll ask the first speaker to come forward, which  
21 will be the former Mayor of Pickens, Ted Shehan.

22 MR. SHEHAN: Thank you very much.

23 I am Ted Sheehan, former Mayor of the City of  
24 Pickens, and a lifelong resident of Pickens County.

25 (Microphone problem)

1 Well, we'll make do. Can you hear me?

2 AUDIENCE: Yes.

3 MR. SHEHAN: And lived in Pickens County all my  
4 life, as my parents before me and their parents before them.  
5 I was extremely excited in '62 and '63 when we heard that  
6 the Duke Power plant may come to Pickens County and Oconee  
7 County.

8 We knew that would bring a new lake, would bring  
9 recreation facilities, people in our area; fishing and jobs  
10 for people in our area. We also knew that we'd have to give  
11 up a lot. We gave up some of the best trout fishing in the  
12 State of South Carolina, we gave up a river that no longer  
13 exists; the Green River, the Horsepasture River, Whitewater,  
14 and just as well have given up the Mighty Keowee which all  
15 these rivers filled.

16 We also gave up a big part of our heritage,  
17 Indian heritage in Pickens County. We also gave up our Fort  
18 Prince George site that was on the Pickens County side,  
19 before the United States was even formed, was built.

20 So that was some of our concerns, at times,  
21 giving up some very precious beautiful things that God had  
22 created, and that we felt like belonged to us.

23 But Duke in return had purchased the property,  
24 65,000 acres from the Singer Company or Onset Lumber (ph)  
25 and Manufacturing Company, the old Appalachian Lumber

1 Company, known to all of us in Pickens as a horse pasture  
2 area. Very dear to everybody. We had treated it as it was  
3 our own for all these years; we could hunt there, we could  
4 fish there, we could camp there, we could hunt -- it just  
5 had complete public access. We thought it belonged to us.

6 Duke purchased this property for \$83 an acre. In  
7 1965 when this same proceeding was going on, all the  
8 newspaper articles in Pickens County, the Sentinel, and  
9 Easley Progress, the Greenville News, but particularly in  
10 Pickens. I'm sure it was the same thing in Oconee County.

11 Duke had said they would set aside 65,000 acres,  
12 that nothing would change on that property, and we would  
13 have still have access, we would still be able to hunt, we  
14 would still be able to fish and use as a recreation area.  
15 They made a lot of broken promises, ladies and gentlemen.

16 For about 20 years they did set aside that  
17 property, and turned it over to wildlife management and we  
18 could use it. But in the last 25 years, they have been  
19 selling off all those resources. They sold 33,000 acres  
20 back to South Carolina; it belongs to all of us in this room  
21 today.

22 Like I mentioned earlier, they paid \$83 an acre  
23 for it. We purchased it back for over \$2,000 an acre. We  
24 thought Duke was going to be a good neighbor. In the last  
25 ten years, they sold more than 20,000 more acres.

1           What they promised us, in 1965 -- not just in the  
2 newspaper articles and on courthouse square and to all our  
3 politicians in Pickens, but a letter signed by Mr. McGuire  
4 of Duke Power in 1965, clearly states that they will set  
5 aside 68,000 acres for recreational use. They have not  
6 fulfilled their promise.

7           We would like, if this process goes forward, to  
8 go back and check and see if, in your opinion, that Duke has  
9 fulfilled their promises that they made to us, particularly  
10 the ones in Pickens County.

11           At that time, Crescent Land and Timber Company  
12 was formed by Duke Power Company. They came in and they  
13 logged -- no problem at all; and more than got their money  
14 back in less than ten years after the timber that they cut.  
15 In fact, we had several saw mills moved just to the Pickens  
16 area to cut the timber.

17           We have a special piece of property just right  
18 outside the city limits of Pickens, less than ten miles,  
19 called the Nine Fives (ph) tract. It was 2200 acres, the  
20 Nature Conservancy purchased about 580 acres of it. There's  
21 still 1700 acres at risk that Crescent owns. They will tell  
22 you that Duke and Crescent are two separate entities; one  
23 time they were together. How they split, divided up the  
24 property, I do not know, but I consider them the same. We  
25 would like them to make that property available to the

1 citizens of Pickens County, Upstate South Carolina, and all  
2 the citizens of South Carolina, and turn that piece of  
3 property over to the Department of Natural Resources, the  
4 Forest Service, somewhere where that property would belong  
5 to us.

6 We ask that they do the right thing and be a good  
7 neighbor, which I don't believe that they have been. Duke  
8 Power has been good to me; I've been a stockholder for over  
9 40 years; they paid me a good steady dividend. But we ask  
10 them to do the fair thing and compensate us for the things  
11 that we lost in Pickens County. Thank you.

12 MR. BOWLER: Thank you. I'll call the next  
13 speaker and give the following speaker a warning that  
14 they're coming next.

15 Next will be Mark Cantrell from the U.S. Fish &  
16 Wildlife Service, and followed by Jim Codner.

17 MR. CANTRELL: Thank you for the quick warning  
18 there, Steve.

19 My name is Mark Cantrell, last name spelled C a n  
20 t r e l l, and I'm with the United States Fish & Wildlife  
21 Service, a bureau of the Department of Interior. And U.S.  
22 Fish & Wildlife Service has interest and authority in  
23 relicensing proceedings, and we have a number of interests  
24 that I'll list here.

25 Those include endangered species, aquatic habitat

1 and wetlands, water quality, migratory birds, shoreline  
2 habitat and littoral enhancement, as well as fish  
3 communities; especially those native fishes. We expect,  
4 through the relicensing process a number of things with  
5 regard to the fish communities, especially some additional  
6 information, only effects and characterization of  
7 entrainment in the pump back facilities here at the Keowee-  
8 Toxaway Project.

9 We also are interested in fish and wildlife, and  
10 recreation and we certainly expect, as we continue to review  
11 the PAD, that we will highlight those areas that we expect  
12 some additional information or that we have additional  
13 information to provide.

14 So in terms of process, besides our interest, we  
15 expect that we'll continue to review the PAD and provide  
16 written comments in a timely fashion. In terms of the NEPA  
17 process, we believe that the issuance of a new license for a  
18 period of 30 to 50 years is a significant undertaking and  
19 that it does warrant the preparation of an EIS.

20 As we proceed with the relicensing process and  
21 gather the results of the studies, we hope to identify some  
22 potential mitigation options, especially those things that  
23 could minimize the effects to the project and its operation  
24 on fish and wildlife resources.

25 We look forward to doing this, both with Duke

1 Energy Carolinas, the last Z, as well as with FERC, the  
2 Federal Energy Regulatory Commission. We certainly  
3 appreciate the efforts of Duke Energy to engage in early  
4 studies on the project, gathering information, and with the  
5 resource meeting and the significant efforts there, and we  
6 appreciate the opportunity to speak with Federal Energy  
7 Regulatory Commission staff as they came down here today.  
8 Hope you gained a new perspective on the project here. We  
9 are familiar with the project and hope that you begin to  
10 appreciate the fish and wildlife resources that are here and  
11 take those into account as you seek to balance the benefits  
12 to the American public, not only of energy production, but  
13 to balance that with those fish and wildlife resources that  
14 are there. Again, in the broader context for the U.S. and  
15 not just local citizens, but for everyone who might enjoy  
16 the benefits of these resources.

17 So again, the Fish & Wildlife Service will  
18 provide more detailed, written comments to follow up on a  
19 lot of these issues, and we expect to provide comments at  
20 other junctures through the relicensing process as well as  
21 in endangered species consultation if it's determined  
22 necessary there. So thank you.

23 MR. BOWLER: Thank you, Mark.

24 Jim Codner, followed by Ben Turetzay.

25 MR. CODNER: My name is Jim Codner, spelled C o d

1 n e r. My name is Jim Codner and I'm President of Advocates  
2 for Quality Development. AQD is a nonprofit, all-volunteer  
3 community-based organization whose mission and concerns in  
4 relation to the Keowee-Toxaway relicensing project are  
5 threefold. One, as our name implies,  
6 advocating for smart development rather than hodgepodge  
7 dollar-driven do-it-any-way-you-can development.

8 Two, protecting the quality of life and property  
9 values for residents of Oconee and Pickens Counties, with  
10 special attention to the residents in the vicinity of Lake  
11 Keowee. And

12 Three, boating safety, especially on Lake Keowee.

13 In an April 6th letter from AQD and the Friends  
14 of Lake Keowee Society, we expressed to FERC our single  
15 greatest reservation about the current state of the  
16 relicensing effort; namely, the need to open a shoreline  
17 management guidelines, or SMG, for review as part of this  
18 process. As I assume you've seen this letter, I won't waste  
19 your time by restating the points. I would like, however,  
20 to take a few moments to elaborate on AQD's views on the  
21 three concerns mentioned a moment ago, which drive our  
22 commitment of significant volunteer time and effort to the  
23 relicensing project.

24 The heart of the issue, to AQD, is commercial  
25 development, whether it be commercial marinas, large-scale

1 restaurants, convention centers, hotels or condominium  
2 complexes. Contrary to opinion in some quarters, we're not  
3 opposed to all commercial development. In fact, we  
4 recognize the need for such projects around Lake Keowee to  
5 create jobs and provide services to residents, visitors and  
6 tourists. What are not acceptable, however, are commercial  
7 developments dropped indiscriminately into the midst of  
8 existing residential communities.

9           Examples include a major commercial proposal at  
10 Cane Creek Landing in 2005, the 2006 case of the 14-story  
11 condominium complex known as Monte Lago, and most recently  
12 the major commercial marina project known as Palmetto Point.  
13 All these projects have valuable aspects if placed properly  
14 on the lake. However, if located as developers have chosen,  
15 they clearly would run the quality of life and property  
16 values for hundreds of existing residents. This point is  
17 particularly noteworthy in light of the fact that many of  
18 these very residential properties have contributed millions  
19 to the Duke treasury, to its former land management  
20 subsidiary, Crescent Resources.

21           In the cases of both Cane Creek Landing and  
22 Palmetto Point, it's important to note that the issues are  
23 complicated by simple geography. Both of these are  
24 constricted, twisting waterways which already contain a high  
25 density of boat traffic. Common sense dictates that

1 increasing that density will result in poorer boating  
2 safety. Indeed, studies have found that as boat density  
3 increases, the risk of collision rises quadratically. Thus,  
4 if density doubles, the risk of collision goes up by a  
5 factor of four, not just two.

6 We simply feel that increasing boat density in  
7 already overused, constricted waterways such as Cane Creek,  
8 Stamp Creek, Crow Creek, Crooked Creek and others is  
9 inappropriate. In this regard we are pleased Duke has  
10 agreed to include density studies in these constricted  
11 waterways as part of the new recreation use and needs study.  
12 But we need to accompany this with review and possible  
13 modification of the SMG to make it meaningful.

14 In closing, I'd like to offer a general comment.  
15 In the big picture, AQD is looking for a cooperative working  
16 relationship with Duke, through which Duke and the community  
17 can interact to the mutual benefit of all deciding on  
18 commercial development on Lake Keowee. We see it as an  
19 excellent start that Duke included in their current  
20 recreation management plan, which FERC did approve on July  
21 of last year, that access area improvement initiatives on  
22 the Keowee-Toxaway Project be coordinated with AQD, FOLKS,  
23 Upstate Forever, as well as the usual governmental agencies.  
24 That's a major step in the right direction.

25 The further step which is needed is to reach

1 agreement that Duke's interests and responsibilities do not  
2 simply end exactly at the project boundary. Decisions Duke  
3 makes impact, for better or for worse, the community outside  
4 that boundary. Perhaps it would be fair to say that our  
5 bottom line is to create a working relationship with Duke  
6 that allows everyone who lives on or visits our beautiful  
7 lake to enjoy its special beauty.

8 We want to prevent the prediction of one  
9 commercial developer several years ago that said, "Lake  
10 Keowee is going to become another Lake Lanier or Lake  
11 Norman, and you'd better get used to it." We adamantly  
12 refuse to accept that premise.

13 Thanks for the opportunity to address you.

14 MR. BOWLER: Thank you.

15 Ben Turetzay followed by Robert R. Swank, Jr.

16 MR. TURETZAY: My name is Ben Turetzay,  
17 T u r e t z a y. I am the Executive Director of FOLKS, the  
18 Friends of Lake Keowee Society.

19 Folks is a now 18 year old watershed organization  
20 with approximately 3,000 members, dedicated to preserving  
21 and maintaining and enhancing Lake Keowee and its watershed  
22 through conservation, science, good governance, and  
23 participation in the activities such as the SMB and FERC  
24 relicensing.

25 Since 1999 we have been awarded almost \$700,000

1 in federal Clean Water Act Section 319 grants, working with  
2 livestock operators to drill wells for livestock as well as  
3 supply fencing to keep livestock out of streams. We also  
4 work with homeowners who have failing septic systems to cost  
5 share the repair of those systems.

6 We're pretty much a scientific-based organization  
7 doing water testing as early warnings; our primary  
8 measurements really are chlorophyll a, to look for any  
9 increases in nutrient levels in what is unquestionably one  
10 of, if not the most pristine lakes in the Southeast.

11 Since we have a number of diverse issues I'd like  
12 to discuss, including requested studies and additions to  
13 studies submitted in the PAD, we'll give a brief summary of  
14 the issues and provide, attached to this piece of paper,  
15 some backup comments for additional information.

16 The first one deals with the RUNS RMP and AAIL.  
17 Now for those who are not familiar with the RUNS, it's a  
18 recreation use and needs study which generates the  
19 recreation management plan; and the AAIL is the access area  
20 improvement initiative, through which Duke provides  
21 increased recreational opportunities.

22 The existing license Schedule R contains  
23 provision for a 1,000 acre recreation complex that would  
24 have allowed uses which we believe are excessively  
25 commercial and were intended for that complex only.

1       Furthermore, as of 1970, the lands on which that complex was  
2       to be located were traded for what is now the Keowee-Toxaway  
3       nature area operated by South Carolina Parks, Recreation and  
4       Tourism.

5                 In the RUNS to be conducted in 2012, it will  
6       become the basis for the new RMP, which in turn will be the  
7       new license schedule R. We believe that only the general  
8       language for allowed recreational improvements in the  
9       current Schedule R should be used in the new license.

10                Public Lands Study. Early in the process we  
11       raised the suggestion of a lands study team, since such was  
12       a part of a watery relicensing process. We were told that  
13       the CW Land Study Team was formed at the beginning of the  
14       license agreement negotiating process. We believe that the  
15       Keowee-Toxaway land study team should be formed now.

16                One of the critical purposes of the Shoreline  
17       Management Plan cited by the FERC is the opportunity to  
18       preserve special places around the project. Since it took  
19       about 40 years from the license grant date to implement the  
20       current SMP, we were not afforded that opportunity during  
21       which time over 50 percent of the shoreline has been  
22       developed. We should be given that opportunity in the new  
23       license process.

24                Jim Codner has already spoken about the SMP  
25       commercial marina guidelines, and we echo those; there needs

1 to be an improvement as far as the guidelines with respect  
2 to transparency and explicitness.

3 One of the things that came up in the first large  
4 commercial marina request involves a heightened interest on  
5 our part as far as safety in and on the water and at the  
6 public access areas. We suggest the need for a safety study  
7 team, and that would include folks in other organizations,  
8 DNR, Oconee and Pickens County sheriff's departments, Coast  
9 Guard Auxiliary and the Golden Corner Power and Sail  
10 Squadron.

11 The need for this study is a continuing squeeze  
12 on both state and county government budgets. The local DNR  
13 office has responsibility for almost 80,000 acres of water  
14 between Lakes Jocassee, Keowee and Hartwell. The licensee  
15 ultimately has the responsibility for safety, with delegated  
16 enforcement responsibility to DNR. Considerations included  
17 in the study could be financial contributions to county  
18 sheriff's departments and possibly to DNR to increase on-  
19 the-water staff and boats.

20 The recreational study team runs island emphasis.  
21 We believe that there has been little effort to protect the  
22 71 islands on Lake Keowee, which has resulted in recreator  
23 abuse as well as very significant shoreline erosion; of  
24 course, the shoreline hasn't happened just because there are  
25 people visiting the islands.

1           The housing market will turn around, and with the  
2           eventual development of the rest of the shoreline, the  
3           islands will become more heavily used over the next 30 to 50  
4           years. The recreation study should include an emphasis on  
5           how to maintain these special places for recreators and at  
6           the same time protect and enhance wildlife populations.

7           In the next section -- mechanical and aquatic  
8           study team habitat enhancement program. In searching  
9           through previous relicensing, we came across an excellent  
10          program in the Catawba-Wateree, which is a habitat  
11          enhancement program that Duke Energy runs in conjunction  
12          with the North and South Carolina Departments of Natural  
13          Resources, U.S. Fish & Wildlife, and we would like to see  
14          the same explicitly included as an output of the mechanical  
15          and aquatic study.

16          We find it really inappropriate to have such a  
17          program a part of the licensing agreement negotiation  
18          process; and in fact believe that it should be put into  
19          effect during the current license as part of Duke Energy's  
20          overall responsibilities.

21          Water quantity and operation is additional pumped  
22          storage. In the PAD there is a reference to lands above  
23          Lake Jocassee being put aside for transmission lines and  
24          other project uses. One of the project uses that has been  
25          identified is the construction of additional pumped storage

1 facilities. But Duke Energy has stated they have no current  
2 plans for such.

3 It seems very reasonable, and would be an  
4 important alternative energy source, that such consideration  
5 would be considered during the next 30 to 50 years. That  
6 being the case, should this potential be considered as part  
7 of the relicensing?

8 Water quantity and operations lowering Lake  
9 Keowee operational levels. Coincidental with the  
10 relicensing, Duke Energy is conducting studies to allow for  
11 Lake Keowee to be operated lower than the current minus 2 to  
12 minus 5 from full pond during non-drought conditions, and to  
13 keep more water in Lake Jocassee for operational  
14 flexibility. This is part of the future agreement between  
15 Duke Energy and U.S. Corps of Engineers relative to water  
16 releases during drought periods.

17 It is critical that the effects of the frequent  
18 exposing of great amounts of unprotected shoreline and the  
19 attendant increased erosion and turbidity and eventual silt  
20 settling on benthic fish habitat be considered in the  
21 current study plan. This observation emphasizes the  
22 critical need for erosion studies in both lakes.

23 Anecdotally, on Memorial Day weekend after  
24 several weeks of almost full pond, the lake was brought  
25 down, obviously in response to a required release down into

1 the Savannah River, and it exposed a lot of shoreline. And  
2 there were a number of people who came to the World of  
3 Energy as well as FOLKS and said, during Memorial Day  
4 weekend with all the boat traffic out there, the water  
5 turned from blue to red.

6 Water quantity and operations, we already talked  
7 about the lowering of it. Water quantity and operations  
8 Lake Jocassee siltation study. Only one more after this.

9 In addition to the Lake Jocassee siltation study,  
10 we believe there is a need to conduct such a study on Lake  
11 Keowee. As noted above in RUNS island emphasis, the islands  
12 will take on a greater recreational importance during the  
13 next license period, and they are eroding at a significant  
14 pace. Consideration should be given, even during this  
15 license, to prioritize the eroding islands and for Duke  
16 Energy to provide shoreline stabilization.

17 And lastly, geology study plan. The geology  
18 study was redrafted, and our Ph.D. geologist who is on our  
19 Board who is retired found that the real issues of the lake  
20 have been covered, it includes regional geology, the  
21 structure and rock composition of the area, the recent and  
22 past seismicity study, and the shoreline conditions  
23 including soil composition and erosion. It also contains  
24 detailed meteorological data and the effect of wind  
25 direction and resulting erosion on the lakes. This document

1 is excellent and fits the need for information concerning  
2 the setting and future of Lakes Jocassee and Keowee.

3 And that's Ben Turetzay and Bob Swank, who is  
4 President. I've already given a copy to the person out  
5 front.

6 MR. BOWLER: Thank you.

7 Mr. Swank, and then Bill Marshall.

8 MR. SWANK: Well, good afternoon. My name is Bob  
9 Swank, that's S w a n k. And I am the President of the  
10 Friends of Lake Keowee Society, as Ben just said.

11 First of all, let me say that I really appreciate  
12 the opportunity that Duke gave us to volunteer for the  
13 various workgroups within the relicensing process. I  
14 personally serve on two of those stakeholder groups and  
15 workgroups; Water Quantity Operations and the Water Quality  
16 workgroups.

17 And as I said, one of the really nice things  
18 about serving on these more or less technical groups, as Jim  
19 said earlier, we've expanded our horizons; I think we've  
20 worked together very well, and I'll get into that in just a  
21 minute. And we were also invited to serve as a partner with  
22 Duke in one of the major new initiatives within the Water  
23 Quality Workgroup itself, and that's a water quality  
24 modeling project and an issue that I'll talk a little bit  
25 about more in a minute. But we were very, very pleased with

1 that invitation, and we've acted accordingly as a partner,  
2 and hope we've kept our end of that partnership up. In  
3 fact, Tammy's here today. Hope I don't step on her tongue  
4 or something during the day.

5 Generally speaking, from my point of view and  
6 from the other technical people from FOLKS who have served  
7 on these two workgroups, the Water Quantity and Operations  
8 Workgroup we think is right on the money with regard to both  
9 the assigned personnel and the modeling technologies that  
10 they're applying, primarily for water balance and exploring  
11 various lake levels and lake level fluctuations as a  
12 function of ops, both at the hydro plant and the nuke plant  
13 and their interactions, and as a function of meteorology,  
14 i.e., drought conditions.

15 The only comment that I had there was already  
16 given by Ben, and that is, one of the things that's not  
17 included as explicitly in the study is how to deal with the  
18 potential for potential increased erosion as we expose more  
19 frequently more and more shoreline as we try to draw down --  
20 or have to draw down Lake Keowee during drought or during  
21 extreme operating conditions that are required by whatever,  
22 demand or whatever.

23 So that's something that may ought to be added;  
24 but other than that, I think Duke gets high marks, and so do  
25 some others on that committee in the quantity and ops

1 operations. I think that's a very good study plan.

2 Last but not least, let me get to water quality,  
3 which is sort of my primary interest background. We're very  
4 excited, FOLKS, that Duke undertook what I consider to be  
5 going well beyond the minimum required with regard to  
6 developing water quality modeling packages for Lake Keowee  
7 to allow them to do detailed analyses and projections of the  
8 water quality within the lake under a variety of conditions,  
9 meteorological and operations. And we hardly agreed with  
10 that; in fact, we worked with them to develop additional  
11 information that would take into account pollutant loadings  
12 to the lake from the five major streams that feed the lake;  
13 in fact, some of that water quality and quantity information  
14 is already being generated.

15 We are excited about that for a couple reasons.  
16 One, I think it's a great thing for Duke to have a water,  
17 what I would call a management lake model that includes  
18 inputs from the primary streams. That deals with flows, it  
19 deals with pollutants that may come in those streams to the  
20 lake itself; that allows them to manage the quality and at  
21 least be able to project quality of the outputs and what  
22 have you over the next 30 years.

23 One of the things that we're most excited about  
24 is being a participant in those studies; and this goes with  
25 some comments made earlier by the FERC director, or acting

1 coordinator I guess his title is -- don't want to downplay.  
2 That is that FERC is very interested also in looking within  
3 the boundaries of this in some way, is the contributing  
4 watersheds themselves.

5 One of the things that FOLKS is very, very keen  
6 about and we're very appreciative of Duke -- I want to say  
7 that right up front -- there's been a lot of money and a lot  
8 of effort in gathering this water quality data, both in the  
9 incoming streams and within the lake itself to develop this  
10 model. With access to that information, FOLKS access to  
11 that data and to the operational models that they'll  
12 develop, FOLKS is going to try on its own to develop water  
13 quality models from the watersheds themselves; that is,  
14 carry this effort back up into the watershed to develop  
15 runoff models for both quantity and pollutants as a function  
16 of development and meteorology to provide a planning tool  
17 for counties and for us to look at alternative development  
18 scenarios, alternative environmental management strategies,  
19 maybe even provide information other than waving an arm or  
20 disk, to county governments as to how they might better  
21 manage their dollars in reducing pollutant threats to the  
22 streams that ultimately get to this lake, which as Ben says  
23 I believe is a gem. I know of other lake in the United  
24 States, perhaps except Lake Tahoe, that comes close to this  
25 lake.

1           So I want to protect it; we're thrilled to death  
2           to be working with Duke and getting this data in this first  
3           round of modeling; and all I can say is "Hey, we want to  
4           continue working with you for this license and hopefully a  
5           long time after that, at least as long as I'm standing  
6           vertical" and that's all I wanted to say. Thank you.

7           MR. BOWLER: Thank you.

8           Bill Marshall and then Ken Nabors.

9           MR. MARSHALL: Good afternoon. My name is Bill  
10          Marshall. That's N a r s h a l l. And I'm here  
11          representing the South Carolina Department of Natural  
12          Resources, or the DNR. And I have a written statement and  
13          will provide comments regarding the Keowee-Toxaway  
14          relicensing of Duke Energy. My comments will describe the  
15          statewide responsibilities of the DNR with specific  
16          reference to responsibilities, interests and objectives that  
17          we have related to the Keowee-Toxaway project.

18          In addition, I'll provide some initial comments  
19          about the pre-application document or PAD, and the scoping  
20          document, with more details, written comments to be  
21          submitted by the July 15 deadline.

22          With regard to responsibilities of the DNR, DNR  
23          is the state agency of South Carolina charged in state law  
24          with the management, protection and enhancement of wildlife,  
25          fisheries and marine resource in South Carolina. The DNR is

1 responsible for formulating comprehensive policies for water  
2 resources through a state water plan that's intended to  
3 address issues affecting water supply, water quality,  
4 navigation, hydroelectric power, outdoor recreation, fish  
5 and wildlife needs and other water resource interests.

6 The DNR is also charged with statewide  
7 responsibilities for regulating watercraft operation and  
8 associated recreation on state waters, conducting geological  
9 surveys and mapping, promoting soil and water conservation,  
10 management of invasive aquatic plants, flood mitigation,  
11 drought response planning and coordination, and a state  
12 scenic rivers program.

13 The DNR has as its mission to serve as the  
14 principal advocate for and steward of South Carolina's  
15 natural resources. DNR's responsibilities for natural  
16 resource management in the Keowee-Toxaway area are conducted  
17 in large part through a working relationship and partnership  
18 with Duke Energy. The partnership with Duke extends back in  
19 time to the establishment of the original project license in  
20 1966 in which the DNR's predecessor agency, the South  
21 Carolina Wildlife Resources Department, was granted a lease  
22 from Duke for the establishment of the public hunting areas  
23 on lands adjoining the project area.

24 DNR's leasing of Duke lands or lands from its  
25 subsidiary companies in the project vicinity continue

1 through time, and these leases provide the public with a  
2 wide range for hunting and outdoor recreation opportunities  
3 that could be enjoyed through our state's Wildlife  
4 Management Area program, or the WMA program.

5 And then in the late 1990s, land ownership around  
6 the project began to change, and a number of partners came  
7 together, rose to the challenge of purchasing lands for  
8 permanent conservation, lands that were formerly owned by  
9 Duke and were original holdings of their hydroelectric  
10 development plans for the K-T project area.

11 In 1997 the DNR partnered with Duke, conservation  
12 organizations and other agencies to begin purchasing large  
13 tracts of land for conservation from subsidiary companies of  
14 Duke Energy. Jocassee Gorges was the largest conservation  
15 project, and involved the purchase of approximately 32,000  
16 acres around Upper Lake Jocassee in 1998. Jocassee Gorges,  
17 or the Jim Timmerman Natural Resource Area as it's called,  
18 is now managed by the Department of Natural Resources as a  
19 wildlife conservation area, and it adjoins both the Keowee-  
20 Toxaway project and Duke's Bad Creek Hydro project. And  
21 these neighboring locations present the DNR and Duke with  
22 ongoing interests and opportunities to cooperate and manage  
23 area resources.

24 Overall, the land conservation partnerships with  
25 Duke back in those days around the K-T project vicinity have

1       resulted in the addition of roughly 45,000 acres of  
2       protected lands in South Carolina.

3               Management of fisheries at Lake Keowee and Lake  
4       Jocassee has become an important aspect of the DNR's  
5       relationship with Duke. As part of the licensing of the Bad  
6       Creek Hydro project and mitigation for related impacts to  
7       natural resources at that project, DNR and the Duke entered  
8       into a memorandum of understanding in 1996 for the long term  
9       management of fisheries resources and the reservoirs, Lake  
10      Jocassee and Keowee and some of the tributary streams.

11              Through this MOU, the DNR and Duke have worked  
12      cooperatively to plan and implement studies and management  
13      activities to understand and enhance the quality of the  
14      fisheries. Activities and studies were first implemented in  
15      1996 and have continued through a series of work plans, and  
16      the current work plan extends through 2015.

17              Accomplishments under the MOU have included fish  
18      entrainment minimization at the Bad Creek Project, about  
19      trout habit monitoring and model development, trout  
20      stocking, stocking, angler, creel surveys, angler access  
21      improvements, and periodic monitoring of the fishery to  
22      include the littoral fish surveys, Pelagic Ford's fish  
23      surveys and stream fish surveys.

24              Now, there's also DNR law enforcement  
25      responsibilities, and at the K-T project those encompass

1 hunting and fishing laws and boating laws, boating safety  
2 laws in the State of South Carolina. An agreement between  
3 DNR and Duke allows for the establishment and enforcement of  
4 a wildlife management area on Lakes Keowee and Jocassee and  
5 on most of the Keowee-Toxaway project lands. This agreement  
6 with Duke allows DNR to better enforce our natural resource  
7 management laws and other rules within the project boundary.

8 DNR's responsibilities to enforce the states  
9 boating safety laws are applied almost daily to the high  
10 levels of recreational use on Lake Keowee and Jocassee. DNR  
11 is also partnered with Duke to maintain navigational buoys  
12 on Lakes Keowee and Jocassee. And finally, DNR is a partner  
13 with Duke in emergency response to situations that may occur  
14 on Lakes Keowee, Jocassee or at the Oconee Nuclear Station.

15 Now I'll talk about DNR's interest and objectives  
16 with the Keowee-Toxaway project. DNR has been actively  
17 involved with Duke Energy's Keowee-Toxaway relicensing  
18 project. We have 13 DNR staff participating among the seven  
19 resource committees and the stakeholder team. These were  
20 formed by Duke back in the summer of 2009.

21 Consultations with these groups over the past two  
22 years have allowed the DNR to provide input to Duke in the  
23 development of the PAD and the related study proposals that  
24 were submitted to FERC in March 2011.

25 DNR has a long list of interests and objectives

1 related to the Keowee-Toxaway project, a very comprehensive  
2 set of interests. They include the protection, enhancement  
3 and restoration of natural resources and their associated  
4 values. I'll go through a list of specific interests; they  
5 are as follows:

6 First our interest is to ensure that the FERC  
7 license recognizes that Lake Jocassee and Lake Keowee are  
8 important public trust resources and that the project should  
9 be managed to achieve public benefits. In the realm of  
10 water quality, our interests are to maintain and enhance  
11 water quality conditions to meet state standards and current  
12 use classifications that protect and provide for fish and  
13 wildlife habitat, contact recreation and public water  
14 supply.

15 In the realm of water quantity, our interests are  
16 to ensure the implementation of appropriate water management  
17 and downstream flows to protect water quality, fish and  
18 wildlife resources, and navigation, and to meet present and  
19 future water supply needs.

20 More specifically, we are interested in improving  
21 information, plans and procedures for making equitable water  
22 management decisions. We want to balance water resource  
23 needs to protect natural resources within the Keowee-Toxaway  
24 project and the larger Savannah River Basin.

25 And we are interested in conserving reservoir

1 levels and to protect adequate downstream flows during  
2 drought conditions.

3 Relating to sensitive species, we're interested  
4 in protecting and enhancing rare, threatened and endangered  
5 species and also the protection of species of conservation  
6 concern to the state.

7 In terms of aquatic resources, we're interested  
8 in protecting and enhancing fishery resources and aquatic  
9 habitat. More specifically our interests are to minimize  
10 entrainment mortality for fish, to stabilize lake levels  
11 during spawning science to promote reproduction of fish. To  
12 protect and enhance shoreline and littoral habits where  
13 aquatic species --.

14 To enhance habit and flow conditions in the  
15 tailrace, downstream river reaches and bypass areas. We're  
16 interested in reducing fragmentation of populations and  
17 genetic isolation of native species and tributary streams.

18 As it relates to terrestrial resources, our  
19 interests are to protect and enhance wildlife and botanical  
20 resources and related habit. Specifically we're interested  
21 in protecting and enhancing environmentally sensitive areas  
22 and natural communities of concern; to protect and enhance  
23 riparian vegetation and habit areas on the shorelines, to  
24 minimize habit losses from shoreline erosion and  
25 development. To increase the acreage of protected natural

1 areas, to improvement management of power line corridors to  
2 protect and enhance habitat conditions and to minimize  
3 environmental impacts. We are interested in minimizing the  
4 spread of exotic, invasive species.

5 In the realm of recreation, our interests are to  
6 protect and enhance the public opportunities for fishing,  
7 hunting, wildlife viewing, boating and other outdoor  
8 recreation. Specifically, we want to expand and improve  
9 existing areas and facilities to meet user needs. We're  
10 interested in developing and locating new facilities or  
11 areas based on user needs and carrying capacity.

12 We're interested in increasing land areas  
13 designated for outdoor recreation and wildlife conservation.  
14 We are interested in the design and management of access  
15 facilities to minimize crowding and safety problems and  
16 we're interested in the design of places to be ADA-  
17 accessible. And we're interested in the improvement of  
18 safety and law enforcement among recreational users.

19 And lastly, our interest in cultural resources  
20 are to protect archaeological and historic sites and  
21 resources on human and natural impacts, and to increase  
22 public awareness of the history of the area prior to  
23 inundation.

24 Regarding the Pre- Application Document, DNR has  
25 been in consultation with Duke in its development of the

1 PAD. It is a detailed and comprehensive compilation of  
2 information related to the project. DNR is continuing to  
3 review the PAD and to develop comments, and we intend to  
4 submit additional written comments by the July deadline.

5 I have a few comments related to the scoping  
6 document. As it relates to Section 322, the applicant's  
7 proposed environmental measures; we're a little puzzled by  
8 that section. In reviewing the PAD and the scoping  
9 document, it's not clear that the environmental measures  
10 listed in the scoping document are measure being proposed by  
11 Duke. The PAD does not clearly identify environmental  
12 measures or PM&E, or protection, mitigation and enhancement  
13 measures.

14 DNR does anticipate seeking protection,  
15 mitigation and enhancement measures to address issues and  
16 concerns related to the operations of the project, geology  
17 and soils, aquatic species, terrestrial species, endangered  
18 and threatened species, recreation and cultural resources.

19 And we are interested in providing comments on  
20 proposed environmental measures, PM&E measures when they are  
21 presented.

22 Regarding cumulative effects, the cumulative  
23 impacts to natural resources resulting from the  
24 establishment of Lakes Keowee and Jocassee have been much  
25 greater and diverse than what was anticipated by the

1 original license, the resource agencies and other  
2 stakeholders. We believe these impacts need to be  
3 considered within the relicensing process. Therefore, DNR  
4 concurs with the cumulative effects analysis as proposed in  
5 the scoping document.

6 We agree with the resources identified that may  
7 be affected by cumulative effects, as well as the geographic  
8 and temporal scope of the analysis presented.

9 Additional issues that we would include under  
10 resource issues are as follows: For aquatic resources, we  
11 would recommend that lake level effects on spawning and  
12 reproduction of fish and littoral areas be included. Also,  
13 lake level effects on littoral habitat such as aquatic  
14 plants and woody debris; effects of continued project  
15 operation on the introduction and spread of exotic and  
16 aquatic species such as spotted bass and related effects on  
17 native species. Also effects of continued project operation  
18 on tributary stream, fish communities, as the project lakes  
19 fragment stream habitat connections and genetically isolate  
20 stream fish communities.

21 Resource issues in the terrestrial resource  
22 category, we would recommend the addition of the effects of  
23 continued project operation on terrestrial invertebrates and  
24 plants as the project lakes present a continued barrier to  
25 the movement and genetic flow among species.

1           And then an additional issue under recreation and  
2 land use. We would add another item, being the adequacy of  
3 protected land areas around Lake Keowee to protect  
4 environmental resources at the project.

5           In closing, I'd like to say that we do appreciate  
6 the opportunity to participate in the licensing process of  
7 the Keowee-Toxaway project, and to represent the DNR  
8 interest and the public's interest and natural resources of  
9 the project area. We appreciate and commend the staff at  
10 Duke Energy for their efforts to conduct an efficient and  
11 effective process thus far, and for their willingness to  
12 engage with many stakeholders about our many and varied  
13 interests in the project.

14           And as mentioned, we the DNR will provide written  
15 comments by the July 15 deadline. I will provide you with  
16 the script, with your help. Thank you for your attention,  
17 and that concludes my comments.

18           MR. BOWLER: Ken Nabors, followed by Dennis  
19 Chastain.

20           MR. NABORS: I am Ken Nabors, N a b o r s .

21           I address you this afternoon, ladies and  
22 gentlemen, on behalf of a almost 500 and growing members of  
23 the Pickens County Historical Society. We own and operate  
24 the historical Hagood Malding House and Erma Morris Museum  
25 in Uptown Pickens.

1           As we go about the business of protecting and  
2 preserving our history, we partner with many like-type units  
3 locally, statewide, and national. We have, in doing this  
4 business and conclude our goals, we are working constantly  
5 on many projects. One of the projects that is most  
6 important to us today that we're spearheading is the  
7 recreation of Fort Prince George. It is the missing link in  
8 South Carolina and our national historical story.

9           And at this time I would like to have our  
10 Cultural Commissioner of Pickens County Culture Commission,  
11 the Senior Vice President of our Special Projects and the  
12 recent recipient of Duke Energy's citizenship award, Wayne  
13 Kepp.

14           MR. KEPP: Hello, everybody. Good afternoon, can  
15 you hear me?

16           AUDIENCE: Yes.

17           MR. KEPP: First of all, because some people  
18 couldn't hear very well. Thank you, Colonel Nabors. It's  
19 good to see a lot of people here that we know and we've  
20 worked with in the past. Tell me if I get away from the  
21 mic; thanks.

22           Mike Bedenbaugh is here from Palmetto Trust; we  
23 have representatives here from Upstate Forever, DNR, Dennis  
24 Chastain and his wife Jane, so a lot of you we know and have  
25 worked with. And everybody knows why I'm here.

1           It's my pleasure, really, to be here and have  
2 this opportunity to remind you all what happened just a few  
3 miles from here, some years before our good friends and  
4 neighbors at Duke Energy became a major world power broker.

5           The year was 1753. and George II was on the  
6 throne of England. His Majesty's colonial governor of South  
7 Carolina, James Glenn, rode on horseback from Charleston to  
8 the mountains of the Up Country, and here his men built Fort  
9 Prince George in a lush, virgin valley, across the river  
10 from the Cherokee town of Keowee.

11           The wooden fort was constructed at the request of  
12 Atacoolacoola (ph) and the other chiefs of the Cherokee, our  
13 major trading partners, to protect them from their envious  
14 enemies.

15           In 1764 the great statesman Henry Laurens wrote  
16 that "Fort Prince George and its environs are the paradise  
17 of America." Such was the beauty of that valley, it is  
18 documented by many sources throughout the years.

19           From the area of the Fort wagon loads of pelts  
20 and trade goods went south to Fort 96, and then to  
21 Charleston to be shipped home to England, making the  
22 merchants of Charleston rich and the province of South  
23 Carolina England's most prosperous.

24           It was from Fort Prince George that the French  
25 and Indian war was waged and won. It was there that four

1 young soldiers spent time, who later became the  
2 Revolutionary War generals Francis Marion, Swampfox.  
3 Generals Sumter, the Gamecock, and William Moultrie. And  
4 our own county's namesake, General Andrew Pickens.

5 From Fort Prince George, the same soldiers who  
6 built it went deep into the unknown territory to build a  
7 sister fort, Fort Loudoun in a place that we now call  
8 Tennessee. The history of South Carolina and the United  
9 States was written large at Fort Prince George. Lives were  
10 lost, fortunes were made, heroes and villains became legend,  
11 and history recorded it all.

12 The original site of the Fort now lies 150 feet  
13 beneath the waters of Lake Keowee, lost forever to our  
14 children and forgotten by their children unless we here  
15 today do something about it. To reclaim our singular  
16 history is our duty and our calling. We all know the value  
17 of historic tourism in Charleston; Ninety Six is a long-time  
18 national historic site. The State of Tennessee maintains  
19 Fort Loudoun as a major tourism destination. The missing  
20 link in our historic chain is Fort Prince George.

21 The Special Projects Group of the Pickens County  
22 Historical Society intends to reconstruct it in its entirety  
23 on acreage in a serene valley not far from its original  
24 site. The land is abutted by 1800 acres of Forestry Service  
25 property on one side and hundreds of acres of Conservancy

1 property on another. It contains a large, undisturbed  
2 Indian mound known to and of great interest to our state  
3 archaeologists. It is a beautiful place, and the Eastatoe  
4 runs through it.

5 The programming possibilities are myriad, and  
6 Fort Prince George will support tourism for many neighboring  
7 sites; Fort Hill, Oconee County heritage sites, Hopeful  
8 Plantation, Woodburn, our state parks, Old Stone Church,  
9 Ashtabula Plantation, the Hagood Mill historic site, and of  
10 course the ancient petroglyphs and the South Carolina Rock  
11 Arts Center that is nearing completion as we speak.

12 In the midst of it all, Fort Prince George will  
13 become the crown jewel of tourism here in the historic part  
14 of the Upcountry. This is the investment for our future.  
15 This is the project that will create much-needed jobs and  
16 new small businesses. This will be a place of international  
17 interest. It will educate and entertain. It will create  
18 and instill a sense of place. It will teach us that what  
19 happened then has made us who we are today.

20 This afternoon we ask our friends at Duke Energy  
21 to become our partner in this effort by providing the land,  
22 financing and endowment to make this happen. Administered  
23 by a select Board of Trustees, this will be a project that  
24 will generate excitement and bring aboard foundation  
25 partners and grants. This will be our great legacy and the

1       adventure of a lifetime. After all, I ask you: Who doesn't  
2       want to build a fort?

3               We know of no one who opposes this project, and  
4       with the full support of the Pickens County Historical  
5       Society, the County of Pickens, Pendleton District  
6       Historical Commission, the Central Heritage Society, the  
7       City of Pickens, the Pickens County legislative delegation,  
8       and the Oconee County delegation, all the chambers of  
9       commerce, Pickens County Cultural Commission, Pickens County  
10      Vision 2025, the South Carolina Department of Archives in  
11      history, the Palmetto Trust for Historic Preservation, the  
12      National Heritage corridor, South Carolina Historical  
13      Society, the Fort Loudoun National Historic Site, the SAR,  
14      the DAR, the Nature Conservancy, the South Carolina  
15      Department of Tourism, the National Trust, the good offices  
16      of our congressional delegation and our U.S. Senators, and  
17      many, many others. We ask your serious consideration to  
18      initiate this partnership to resurrect and restore to life  
19      Fort Prince George. Thank you.

20              MR. BOWLER: Thank you.

21              Now Dennis Chastain followed by Dana Leavitt.

22              MR. CHASTAIN: My name is Dennis Chastain,  
23      Dennis-common spelling; Chastain, C h a s t a i n. And I'd  
24      just like to join Wayne in his call for Duke Power to step  
25      forward in helping to fund a reconstruction of Fort Prince

1 George. I think it would go a long way in terms of  
2 mitigating the loss of that important cultural resource.

3 I told Wayne on the phone just a couple days ago,  
4 because I've done quite a bit of research on Fort Prince  
5 George as part of a larger article I'm doing right now on  
6 the Cherokee Path, and I told Wayne, I said "You know, there  
7 was a time in the colonial history of South Carolina when it  
8 could have gone either way. The Cherokees, the French were  
9 trying to get the Cherokees to ally with them, the British  
10 of course, this being a British colony here in South  
11 Carolina, were desperately seeking the aid and alliance of  
12 the Cherokees, and during that period of time Fort Prince  
13 George was literally the center of the universe."

14 And I told Wayne, I said "You know, if --  
15 (microphone problem). But I told Wayne that during that  
16 critical period in the colonial history of South Carolina  
17 when the British colony was desperately seeking the alliance  
18 with the Cherokees, that if the Cherokees had allied with  
19 the French instead of the British, we would all be eating  
20 croissants and wearing little black berets, and have an  
21 attitude.

22 (Laughter)

23 So the South Carolina that we know today is  
24 largely because of events that happened right there at Fort  
25 Prince George; and as I said, that would certainly be one

1 step toward help mitigating that loss of that important,  
2 critical cultural resource.

3 (More microphone problems)

4 Okay. I'll be like a televangelist.

5 I suppose I should say in the way of a disclaimer  
6 that I was a teenager when the Keowee-Toxaway project was  
7 first licensed. I was probably more worried about how in  
8 the world I was going to survive the next algebra test and  
9 what I was going to be doing the next Saturday night than I  
10 was events over here in the Keowee Valley and the Jocassee  
11 Valley.

12 But over the past 30 years on numerous occasions,  
13 I sat and listened to honestly heart-rending stories about  
14 families who lost their family farm to the project, some of  
15 which was actually inundated by the lake, and some of which,  
16 part of the property was up on the shorelines, and some  
17 quite a distance from the lake; and many of you may  
18 understand that there is a deep, deep-seated current of  
19 resentment about how that process was undertaken.

20 But I think, in thinking back on all those  
21 stories of things that occurred and failed promises, I think  
22 I can boil it down to really one issue; and that is that  
23 this project, the Keowee-Toxaway project, even though it has  
24 been in existence for 40 years, was never equitably  
25 mitigated. Now the concept of mitigation is it understand

1 and recognizes that every product of magnitude like the  
2 Keowee-Toxaway project, and indeed any public works project  
3 is going to resolve in the loss of some natural and cultural  
4 resources; and mitigation is a process whereby you try to  
5 mitigate or minimize or make up for that loss.

6 Now here's the problem: About 15 years ago --  
7 I'm going to give you a concrete example of what I think is  
8 the problem. About 15 years ago I had a call from a friend  
9 of mine whose family ancestral home, actually, went all the  
10 way back to not very long after Fort Prince George, they  
11 lost their family farm, and most of their farm was indeed  
12 inundated by the lake, so you understand the loss; it just  
13 has to be.

14 But he called me and said he had something he  
15 wanted to give me, and this is it, for your information.  
16 This is the front page from the Pickens Sentinel, January 7,  
17 1963. The entire front page and indeed most of this issue  
18 is dedicated to W.B. McGuire who was CEO of Duke at that  
19 time, making the announcement of the Duke project.

20 And here I think is the crux of that deep-seated  
21 resentment and all these old hard feelings that have  
22 persisted now for 40 years: If you read this front page  
23 article, and W.B. McGuire left this interview with the  
24 Pickens Sentinel and went to Clemson House in Clemson the  
25 next day and told the Clemson City Council and leaders all

1 across the Upstate basically the same thing. Here's what he  
2 said:

3 He said that, you know, we are going to build  
4 these two lakes, Keowee and Jocassee, we're going to have  
5 hydro plants in both of the dams and they're going to help  
6 lower the cost of energy, help economic development in the  
7 Upstate -- all of which are good things -- but here's the  
8 kicker. He went on to say that "We have and are in the  
9 process of acquiring 100,000 acres in the watershed of these  
10 two lakes, and we're going to keep that in wild managed  
11 lands for public hunting, recreation in perpetuity."

12 Now if you live in the Upstate of South Carolina  
13 and you see this coming your way, the economic development,  
14 good paying jobs, low cost electricity and preserving  
15 100,000 acres of what you consider to be your outdoor  
16 heritage and part of your lifestyle, it doesn't get any  
17 better than that. And that's why this project was never  
18 sufficiently or equitably mitigated.

19 If you look back at the original license  
20 agreement, which I'm sure you all have, there is an appendix  
21 regarding recreation. This is where Duke actually puts down  
22 on paper what they say they're going to do. And in that  
23 short list of things they said they were going to do, one of  
24 them is that they were going to set aside 1000 acres of land  
25 for public use; it was going to have a motor court, which is

1        what we used to call motels. It was going to have a golf  
2        course, horseback riding trails, boat ramp access, all these  
3        sorts of amenities.

4                    I know a friend of mine said recently: "Duke  
5        Power promised the moon and the stars and they did almost  
6        nothing."

7                    Let me just rattle off very quickly what in my  
8        judgment we lost, we being the Upstate of South Carolina, or  
9        Upcountry of South Carolina as Wayne might say. What we  
10       lost in the way of natural and cultural resources, and I'll  
11       tell you what we got in return in the way of mitigation, and  
12       you tell me if it's fair:

13                   Working from south to north, as Wayne mentioned,  
14       we lost that important cultural natural resource not only  
15       Fort Prince George but also just across the river, the  
16       principal town of the Lower Cherokees, the Keowee Village,  
17       which almost certainly was a prehistoric Indian village  
18       before the Cherokees ever arrived. We lost Toxaway Indian  
19       Village, Sugartown Indian Village just upstream, we lost 60  
20       percent of the world's habitat of Oconee Bells, which is one  
21       of the rarest plants on the planet. It only grows in the  
22       Jocassee watershed, and the day they closed the gates on  
23       Jocassee and started flooding the lake, we lost 60 percent  
24       of the world's habitat of that rare plant. We lost the  
25       Lower Whitewater Stream and indeed 30 miles of whitewater.

1                   And for all of that, we basically got the  
2                   Foothills Trail and what is now called Keowee-Toxaway  
3                   Natural Area. And I know there are some folks here from the  
4                   State Park Service, so I'm not going to diminish the value  
5                   of that, but I've got to tell you, when you compare what we  
6                   lost with what we got, there's a tremendous inequity there.

7                   And so that's where I think a lot of these hard  
8                   feelings come from, and I believe that there is a remedy for  
9                   this situation. And it is this: Ordinarily, I don't think  
10                  mitigation would be a part of a relicensing process; that's  
11                  just not the normal course of events. It certainly wouldn't  
12                  be the primary focus, because you would expect that issues  
13                  of mitigation, of a loss of natural and cultural resource  
14                  would be taken care of in the original license. My position  
15                  is that that never happened.

16                  The remedy for this situation is, number one, I  
17                  believe that FERC ought to specify those things in the  
18                  relicensing or the new permit for this project that would  
19                  help mitigate the loss of those natural and cultural  
20                  resources that I just delineated.

21                  Secondly, and perhaps more importantly, because  
22                  this was never done, I think at an interval of every 5 to 10  
23                  years for the life of a license, that FERC ought to appoint  
24                  a special committee that would come and look and see if Duke  
25                  in fact followed through and did those things. Because

1 that's really the -- you know, Duke promised the world back  
2 in the early Sixties. I mean, like I say, the reason nobody  
3 pressed the issue of mitigation is because they said they  
4 were going to do all these wonderful things. If they had, I  
5 would probably be somewhere else today. If somebody had  
6 been there to look over their shoulder and follow up and  
7 make sure they had done it, then it wouldn't be an issue.

8 So those two things I think would be a remedy for  
9 that situation; and that is this new license ought to  
10 specify specific things that Duke can do to help mitigate  
11 the loss of those natural and cultural resources; and  
12 second, somebody needs to follow up to make sure that they  
13 actually do it. Thank you.

14 MR. BOWLER: Thank you. Thank you for fixing the  
15 microphone.

16 MR. CHASTAIN: I hope I did.

17 MR. BOWLER: Dana Leavitt, followed by Michael  
18 Bedenbaugh.

19 MR. LEAVITT: Thank you very much. My name is --  
20 I would appreciate the opportunity to speak -- my name is  
21 Dana Leavitt, last name L e a v i t t. I'm the Director of  
22 Special Projects for Upstate Forever in the Land Trust  
23 program. And I've got, the following comments relate only  
24 to the recreational and component of this process. Later  
25 today, we'll have additional comments from our people in our

1 water program.

2 We believe as far as the recreational lands are  
3 concerned, (1) Duke promised in the application to make  
4 virtually all its lands available for free public hunting,  
5 fishing and hiking. Almost 75,000 acres. And (2) that it  
6 included in Exhibit R to its application a lease in South  
7 Carolina for 68,000 acres, specific acres, and also had a  
8 lease of 13,000 acres in North Carolina. And (3) it made  
9 those promises to the public and the Commission. And (4)  
10 the license itself, in reliance on that application and the  
11 lease provides that Duke will provide for free public access  
12 and full public utilization of its lands adjacent to the  
13 reservoirs and the power facilities. And those lands  
14 include the lands identified in Exhibit R in the lease.

15 I would like to highlight specific examples from  
16 the original documents, which contain this promise: In the  
17 license application: First, Duke's license application,  
18 filed on January 4, 1965. This is the document where Duke  
19 put in writing and on the public record its promises to the  
20 Federal Power Commission and by extension, the public. Near  
21 the beginning, the application has a direct commitment on  
22 progress 4 that, except as needed for operation of the power  
23 works, Duke will develop and protect in the public interest  
24 74,000 acres.

25 Here's what it says: Duke has already acquired

1 in fee over 100,000 acres of land in the vicinity of the  
2 project area. Only about 26,000 acres of land will be  
3 flooded by Keowee and Jocassee Reservoirs. As indicated  
4 below, the lands not flooded by the reservoirs will be  
5 developed and protected in public interest to the maximum  
6 practical extent consistent with proper operation of the  
7 project works.

8 Page 6. Again, here's another representation  
9 that the bulk of the 75,000 acres will be managed for game  
10 management, among other things. Nearly 75,000 acres of the  
11 land surrounding the project area are forced. In  
12 developing the hydroelectric phase of this project, the  
13 watershed and the forest development will proceed apace.

14 Forested areas not needed for public recreation  
15 and industrial development will be managed for watershed  
16 protection, timber production, and game management. The  
17 application makes clear that the forest management lands are  
18 not off-limits to public access. Quote: "Other uses for the  
19 forest are planned in addition to timber production.  
20 Therefore, forest management plans will be developed in a  
21 way compatible with outdoor recreation and fish and wildlife  
22 management" on page 7.

23 Attached to the application is Exhibit R, the  
24 recreation plan. It begins by saying: Duke plans to develop  
25 the maximum recreational potential of this project. Exhibit

1 R, page 1, Duke says: The proposed plan set out and will,  
2 in the opinion of Duke, provide for full public utilization  
3 of the project waters and adjacent public lands for  
4 recreational purposes; provided it is consistent with the  
5 proper operation of the project for the development of a  
6 water power and other public purposes.

7 Exhibit R, page 1, under Wildlife Management  
8 Area. Duke says: "Duke has entered into a lease with the  
9 South Carolina Wildlife Commission for the establishment of  
10 a public hunting area on 60,000 acres of land adjoining the  
11 protected area." The lease provided for protection,  
12 management and propagation of fish, turkey, deer and small  
13 game. After the establishment of an adequate wildlife  
14 population, the area will be open to public hunting and  
15 fishing under standard restrictions and hunting/fishing  
16 license requirements.

17 This area would also be available for hiking,  
18 camping, trail riding with provisions for campgrounds and  
19 sanitation facilities operated under a concession lease.  
20 Exhibit R, page 2. Also in Exhibit R there are commitments  
21 for service areas, for public access, and a recreational  
22 complex, among other things.

23 In summary, the application is the document Duke  
24 wrote when it was trying to get public and Commission  
25 approval of the project. It made very sweeping promises of

1 the maximum possible public use, public access and wildlife  
2 management of the acreage apart from the area necessary for  
3 operation of the power project.

4 Making a public commitment in writing to the  
5 Commission and to the public that it would make at least  
6 60,000 acres and something approaching 75,000 acres  
7 available for public recreation; hunting, fishing and  
8 hiking.

9 The lease. The next document I would like to  
10 highlight is the lease. The application references Duke's  
11 lease of December 3rd, 1964 between the South Carolina  
12 National Bank as trustee and the South Carolina Wildlife  
13 Resource Department. On August 16, 1965 after the original  
14 application was submitted, the lease was submitted to the  
15 Commission to be made part of Exhibit R. The lease states:  
16 (1) leases the hunting, fishing and trapping lines on 68,000  
17 acres in Oconee and Pickens Counties. (2) provides that  
18 Duke may use the property for timber management, public  
19 recreation other than fishing and hunting, mineral and any  
20 other purpose they may desire. (3) Allows South Carolina  
21 DNR to designate the areas as a ground for controlled public  
22 hunting. And (4) allows SCDNR to improve wildlife habitat.

23 Duke committed to keep virtually all of its  
24 property, up to 75,000 acres, open to the public for public  
25 use and for wildlife management while it could at the same

1 time engage in timber migraine. As long as the lease was  
2 kept in force and not terminated, then the commitment was  
3 substantially complied with. If Duke ever chose to  
4 terminate this lease, it would have to find some other way  
5 to satisfy its broad commitment.

6 Currently, Duke has not maintained this number of  
7 acres available to the public.

8 The next document is the actual license. The  
9 license narrative at the beginning references Duke's plans  
10 for public recreation. There were cites that Duke's  
11 witnesses testified as to the recreational program proposed  
12 by Duke at the project. It also notes that the Department  
13 of Interior, which had first raised concerns about the  
14 project, wrote in a letter of May 20th, 1966 that "The  
15 recreational development plan proposed by Duke affords an  
16 adequate base for the development of a recreational  
17 potential of the project, and recommended that the  
18 conditions related to future recreation development be  
19 included in any license issued for the project."

20 So FAR is consistent with the proper operation of  
21 the project, the license shall allow the public free access  
22 to a reasonable extent to project waters and adjacent  
23 project lands owned by license, and the purpose of full  
24 public utilization of such lands. And water for navigation,  
25 recreational purposes included in hunting and fishing.

1 Duke has not fully satisfied the obligation that  
2 it incurred when it forever altered this tremendous public  
3 resource; and it has not fully lived up to its public  
4 commitments at the time it obtained the original license.

5 The final point should be that Duke committed to  
6 providing 60 to 75,000 acres of land for recreational  
7 access, and we currently only have approximately 40,000  
8 acres, if you count the properties that the State bought  
9 back. In order to obtain another 50 year license, Duke  
10 needs to take certain steps to compensate the area for the  
11 tremendous loss of habitat, cold water fisheries, land area  
12 and recreational opportunities due to the inundation of  
13 thousands of prime wild areas. Thank you.

14 MR. BOWLER: I call Michael Bedenbaugh.

15 MR. BEDENBAUGH: I am Michael Bedenbaugh; B e d e  
16 n b a u g h. I am Executive Director of the Palmetto Trust  
17 for Historic Preservation. We are the statewide  
18 preservation organization who is partnered with the National  
19 Trust; I'm here to speak on behalf of our sense of why this  
20 place mattered, and also to stand shoulder to shoulder with  
21 our friends, with Upstate Forever, and Wayne County and  
22 Pickens County Historic Commission and kin, Mr. Chastain,  
23 and reiterate what they have been saying.

24 Is that the price has not been paid for what has  
25 been lost. This was an amazing place that mattered, and

1       should matter more because so much has already been  
2       forgotten in the society of South Carolina, and we can't let  
3       that be forgotten at all. And we love the idea of a  
4       reconstruction of Fort Prince George, and we think before  
5       anything else happens with relicensing that that should be  
6       addressed and looked at.

7                There are two other things that I wanted to  
8       mention, too. Also, there's a issue with Newry Mill. Newry  
9       Mill stands at the foot of the 160-foot high, 1800-foot long  
10      dam that holds back the lower end of Lake Keowee. And there  
11      was a lawsuit pending of some sort, but the property owners  
12      that owned Newry Mill -- but notwithstanding how that  
13      lawsuit occurs, there was an agreement between Newry Mill  
14      and the owners, the previous owners that water would still  
15      flow into Little River, and that water was shut off.

16             And before any relicensing takes place, that must  
17      be addressed. Though Newry Mill is empty now, it is one of  
18      the most wonderful mills, in a wonderful setting with a mill  
19      town that should be restored, can be rehabilitated; but it's  
20      sitting there now empty, and until the issue of the water  
21      flow back into Little River is addressed, we're concerned  
22      that it never would.

23             Again, we reiterate that we stand with our  
24      friends up here. This was an amazing valley that was  
25      filled, we can't do anything about that now; but there is a

1 lot of opportunity for us to remember what was there and  
2 what can be here for the citizens of South Carolina again.  
3 Thank you.

4 MR. BOWLER: Mr. Cole, did you want to speak?

5 (No response.)

6 MR. BOWLER: Is there anybody who signed up who  
7 hasn't been called?

8 Is there anybody who else didn't sign up who  
9 would like to speak?

10 Please do.

11 MR. YOUNG: My name is Doug Young, I'm the  
12 Treasurer of the Chickasaw Point Property Owners  
13 Association. We're down near Exit 1 on Lake Hartwell.

14 What I want to talk about for a minute here, I  
15 don't have any prepared remarks, is the water transfer from  
16 Lake Keowee up to Greenville, which is, I think the permit  
17 is for 150 million gallons a day, and they're currently  
18 taking 30 million gallons a day.

19 The 30 million doesn't amount to a whole lot in  
20 the scheme of Jocassee and Keowee as far as volume goes.  
21 What it does do, it sets a bad precedent for us fighting with  
22 Atlanta, who's poking around Lake Hartwell now, trying to  
23 find more water resources. It's hard for us to tell Atlanta  
24 they can't make an inter-basin transfer when we're doing it  
25 here.

1           I don't know how to remedy this situation; can't  
2           take the water back from Greenville unless they dig a trench  
3           and ship it back here; but it puts us in a bad negotiating  
4           position with Georgia as far as this problem goes.  If  
5           Atlanta does wind up in Hartwell at some point, the Corps  
6           will have to put pressure on the Duke lakes to make up some  
7           of the difference, to keep their projects in water.

8           As I said, I don't know how to address this  
9           issue, but FERC should look at it in the scope of things.  
10          Thank you.

11          MR. BOWLER:  Anyone else who'd like to speak?

12          Any questions about the procedures or filing?

13          I encourage you to take the glossy brochure,  
14          describes the things I talked about earlier in terms of  
15          eSubscription and filing, and how the process works.

16          If there aren't any other questions, I say thank  
17          you very much for your attendance today, and to everybody  
18          that spoke, and I will close the afternoon scoping meeting  
19          for Keowee-Toxaway Hydroelectric project.  We'll convene  
20          again at 6 o'clock for the evening meeting.  Thank you very  
21          much.

22          (Whereupon, at 3:15 p.m., the scoping meeting  
23          concluded.)

24