

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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Alcoa Power Generating, Inc.	Project No. 2197-073
	North Carolina
Progress Energy Carolinas	Project No. 2206-030
	North Carolina

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PUBLIC MEETING ON ENVIRONMENTAL ASSESSMENT

At Salisbury, North Carolina

Thursday, November 15, 2007

Reported by: A. Robin J. Schenck, Court Reporter

Notary Public

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A P P E A R A N C E S

For the FERC Panel: Lee Emery, Fishery Biologist  
Stephen Bowler, Fish Biologist  
Mark Pawlowski, Chief Hydro East Branch 2  
Division of Hydropower Licensing  
888 First Street, Northeast  
Washington, DC 20426

Also present: Members of the community

P R E S E N T E R S

Larry Mann, Progress Energy  
John Olmstead, Carolina Forest Association  
Andy Lucas, Anson County  
Jim Mead, NC Division of Water Resources  
Joy B. Hildreth

E X H I B I T S

(None given to clerk.)

1 MR. PAWLOWSKI: Okay. I think we'll get ready to  
2 begin here in a couple of minutes. We have a very light  
3 turnout this evening.

4 I welcome you here tonight and my name is Mark  
5 Pawlowski. I'm chief of Hydro East Branch 2 in the  
6 Division of Hydro Power Licensing at the Federal Energy  
7 Regulatory Commission. With me here this evening I have  
8 our project managers Stephen Bowler and Lee Emery, for the  
9 Yadkin and Yadkin-PeeDee project.

10 The Federal Energy Regulatory Commission under the  
11 authority of the Federal Power Act has the exclusive  
12 authority to license non-Federal hydroelectric projects  
13 located on navigable waterways or Federal lands or  
14 connected to the interstate electric grid. Upon expiration  
15 of an original license the Commission may issue a new  
16 license for a period of 30 to 50 years. Under Section 4E  
17 of the Federal Power Act, the Commission, when deciding  
18 whether to issue a license, must give equal consideration  
19 to developmental resources such as power generation,  
20 irrigation, flood control and water supply, and  
21 environmental resources such as fish and wildlife,  
22 including their related habitats, recreational  
23 opportunities, visual resources, and cultural and historic  
24 properties.

1           Section 10 of the Federal Power Act requires that the  
2           Commission must insure that the project that is licensed is  
3           best adapted to a comprehensive plan for improving the  
4           water way for beneficial public uses. In making this  
5           judgment the Commission considers comprehensive plans  
6           developed by state and Federal entities and recommendations  
7           of state and Federal resource agencies, Indian tribes, and  
8           the public.

9           Finally, in issuing the license the Commission must  
10          include conditions that adequately and equitably protect,  
11          mitigate damages to, and enhance fish and wildlife  
12          resources based on the recommendations received from the  
13          state and Federal fish and wildlife agencies.

14          Before I turn this meeting over to Stephen I'd like to  
15          remind people that the purpose of this meeting is for the  
16          staff to receive comments on its analysis as laid out in  
17          the draft Environmental Impact Statement for the Yadkin and  
18          Yadkin-PeeDee Project that was issued on September 28th  
19          2007. Stephen.

20                 MR. BOWLER: Hi and welcome. As you can tell  
21          from the auditorium, at least in an administrative sense I'm  
22          a believer in percussory principle, and I thank you for  
23          coming out and filling a small part of it at least.

24                 The application for the Yadkin Project was filed in

1 April 2006 and we came down and we put out a scoping  
2 document in December 2006. That document laid out the  
3 issues that we're going to be analyzing and ask the public  
4 for comments on those issues and to help us set further  
5 framework issues. We came down in January 2007 for  
6 meetings and heard some comment and received written  
7 comments following that. And then in March, based on  
8 having the information together, we put out a notice that  
9 we were ready for environmental analysis, and at that point  
10 we requested the formal correspondence from the state and  
11 Federal agencies which came in May, and at which point we  
12 began working on the draft Environmental Impact Statement.  
13 In July, the end of July, Progress Energy came in with a  
14 settlement. That became their formal proposal and the  
15 proposal that we analyzed as their recommended alternative  
16 in preparing the Draft Environmental Impact Statement. We  
17 released the DEIS as we call it on September 28th and  
18 that's what we're here to hear your comments about  
19 tonight.

20 Before I start the program of speakers I'll ask Larry  
21 Mann, give Larry Mann an opportunity to come up and say a  
22 few comments about the settlement and the process from the  
23 Progress Energy point of view.

24 If he could either come up here or come down to the

1 microphone at the front of the room.

2 MR. MANN: That will be fine.

3 MR. BOWLER: Okay. Fine.

4 MR. MANN: Good evening. My name's Larry Mann.

5 I'm the project manager for Progress Energy's hydroelectric  
6 plant relicensing project. I'm pleased to be here tonight  
7 representing Progress Energy. Thank you for this  
8 opportunity to speak on behalf of the company and to listen  
9 to the comments from the community.

10 Throughout the relicensing process we have worked with  
11 a dedicated group of stakeholders representing diverse  
12 interests. The stakeholders submitted the time and effort  
13 was validated through the development of the Comprehensive  
14 Settlement Agreement that reflects the needs of the  
15 community. This Agreement required four years of intensive  
16 work, was submitted to the Federal Energy Regulatory  
17 Commission on July 30th, 2007. On behalf of the  
18 relicensing team of Progress Energy I would like to express  
19 our sincere appreciation of these stakeholders. Their  
20 willingness to listen to all sides of the issues and their  
21 ability to work collaboratively were central to developing  
22 an agreement that responsibly balances community and  
23 competing interests.

24 As a regulated utility Progress Energy is required to

1 produce reliable affordable electricity for its customers.  
2 We rely on -- generation to be -- and hydroelectric power  
3 is an important component of this.

4 The Comprehensive Settlement Agreement protects and  
5 enhances many valued resources and will provide --  
6 renewable energy for the future. Reasonable compromise is  
7 a vital part of any fair and equitable settlement.  
8 Progress Energy and its stakeholders who've signed the  
9 Settlement Agreement reach decisions on many important  
10 issues, replacing FERC's draft Environmental Impact  
11 Statement confirms the settlements in the Comprehensive  
12 Settlement Agreement, and we're confident that the FERC  
13 recognizes all that has been accomplished during this  
14 complex relicensing process.

15 The Comprehensive Settlement Agreement and the  
16 recently signed Fish Passage Agreement include several  
17 major achievements. The Settlement Agreements resolve many  
18 important allocation challenges between North and South  
19 Carolina on the largest river in the two states. Alcoa and  
20 Progress Energy have reached consensus of the flow  
21 deliveries and provisions have been established to create  
22 an interstate Low Inflow Protocol. Each of these  
23 Agreements protects water sources for municipalities and  
24 other downstream users while protecting and enhancing

1 natural habitats. Many miles of river and almost 2,000  
2 acres of land have been permanently protected from  
3 development and will be available for future generations to  
4 enjoy.

5 The conference of agreement on fish passage has been  
6 reached with state and Federal resource agencies that would  
7 provide additional upstream habitat for American shad and  
8 the American eagle. This passage will also provide  
9 additional recreation and fishing opportunities for shad  
10 and the Project too.

11 While the company has a few -- various concern in the  
12 draft Environmental Impact Statement we appreciate the  
13 overall balance that it reflects. Progress Energy will  
14 provide written comments to the FERC staff on these areas  
15 by December 8th. Throughout this process Progress Energy's  
16 commitment to being a good corporate citizens and its  
17 responsible environmental steward has been recognized. We  
18 are proud to be a member of this community and look forward  
19 to continuing -- and economic stability to the region.

20 Our hydroelectric facilities are key to accomplishing  
21 these goals. Our Federal license application, the  
22 Comprehensive Settlement Agreement, and the Fish Passage  
23 Agreement and -- certificate of application each reflect  
24 Progress Energy's commitment to the environment and the

1 communities we serve. Thank you.

2 MR. BOWLER: Thank you, Larry. Larry made an  
3 important point that there is a written comment period and  
4 it goes till December 8th, however, that's a Saturday and  
5 you can file up till the 10th which is a Monday.

6 We have a small list of speakers tonight, so we'll  
7 leave it to your judgment as far as time. We will keep the  
8 formality of using the microphones so that we can get a  
9 good record of the proceeding. And we'll also ask that you  
10 state your name and your affiliation, relative  
11 affiliation. And if you have a name that's difficult to  
12 spell or unusual, please spell it for the court reporter.  
13 If you do have written comments or copies of your scope and  
14 comments, you can give them to the court reporter. And I  
15 will just say who the four speakers are and I will call you  
16 up one at a time to the microphone on the floor.

17 First we'll have John Olmstead, and then Andy Lucas,  
18 then Jim Mead, and finally Joy Hildreth. And if there's  
19 anybody who hasn't signed up then we'll ask at the end if  
20 there's anybody else who wants to speak.

21 I wanted to say before I forget, if anybody wants the  
22 address for the written comments, we have lots of extra  
23 yellow sheets that we can give you -- they have the address  
24 on. We'll give you one of those at the end. So John

1 Olmstead.

2 MR. OLMSTEAD: I'm John Olmstead, president of  
3 the Carolina Forest Homeowners Association. I participated  
4 for two plus years and actually signed the Comprehensive  
5 Settlement Agreement. I anticipated tonight speaking  
6 and/or many naysayers. I for one am very happy Progress  
7 Energy is the steward of the PeeDee River. We too readily  
8 forget the flooding and the droughts that occurred before  
9 these bandages were put in place. The flooding has -- in  
10 fact, it's gone away as a direct result of these bandages.

11 It seems to me that undoing things that have become a  
12 fact of life over the last 80 years may be counter-  
13 productive perhaps like the -- impact -- dinosaurs or less  
14 dramatic, salmon swimming to the --

15 That's all I have.

16 MR. PAWLOWSKI: Thank you.

17 MR. BOWLER: Thank you. Andy Lucas.

18 MR. LUCAS: My name's Andy Lucas. I'm County  
19 Manager for Anson County, North Carolina. I'm speaking on  
20 behalf of our board of County Commissioners and the  
21 citizens of Anson County this evening. I want to thank you  
22 for the opportunity to provide my comments.

23 Anson County worked through the stakeholder process,  
24 but did not sign on to the initial application because

1           there were some things we had concerns with. We also  
2           submitted comments to the settlement offer that was done in  
3           July to FERC directly, and so we still have those two  
4           concerns this evening and I want to share with you again  
5           and reiterate. But first, I think it's important to  
6           acknowledge that we believe Progress Energy is a very  
7           valuable corporate partner in Anson County. We appreciate  
8           their civic engagement of their official standard as a  
9           company. They contribute financially to many worthwhile  
10          projects in Anson County. We gladly and truly appreciate  
11          that. They're also one of our largest taxpayers and we  
12          acknowledge that and we value that tremendously.

13                 With that said, we have concerns about public access  
14          to the river and the lake, as well as the issue of soil  
15          erosion adjacent to the project properties. With respect  
16          to public access, there is only one public access point on  
17          the lake and there's 34 linear miles to Blui tt Falls Lake  
18          with one public access for the fishermen, passive  
19          recreational users to access, and boats to access that  
20          recreational amenity that the citizens of Anson County  
21          should be able to enjoy. In contrast to our north --  
22          Tillery -- 118 linear mile lake, five public access. And  
23          they say, Well, proportionately that's relatively the  
24          same. Well, 55% of the utility is deemed for a residential

1 area and multiple opportunities for private access and thus  
2 more opportunities for access to that natural resource and  
3 to enjoy that lake, and our residents have one public  
4 access and no private access to that lake; and so we  
5 believe that there should be additional public access so  
6 that our folks can enjoy that natural resource. If you  
7 visit that public access in the spring, summer and early  
8 fall, you will know that it's not suitable to accommodate  
9 the number of folks or Anson, Richmond and all other areas  
10 that are surrounding that lake that are trying to use that  
11 and so we are seeking additional access. We believe at  
12 least two additional public access points on the Anson side  
13 of the lake are warranted and justified, and that's the  
14 position we've taken and I want to continue to reiterate  
15 that point this evening.

16 We also are very concerned about soil erosion and the  
17 effect that that's having on the project property. And the  
18 PeeDee volatility that is proposed in the settlement offer  
19 concerns us with respect to the sedimentation that's  
20 happening in that lake and we're concerned about the  
21 increased sediment and its effect on fish population as  
22 well as our drinking water.

23 Blui tt Falls is our wildwater intake source. We want  
24 to protect that watershed. We by no means want to have

1 uncontrolled private access to that lake. That's why we --  
2 public access; because we want to protect that resource  
3 because that is our drinking water. We want to preserve  
4 the drinking water quality and that's why we're concerned  
5 about the soil erosion that's occurring and then the  
6 sedimentation that's -- that's, you know, entering into the  
7 lake. So those are our two concerns this evening. I  
8 wanted to take this opportunity to again reiterate those  
9 concerns to you all, and I appreciate the opportunity this  
10 evening to address those concerns. Thank you.

11 MR. BOWLER: Thank you. Jim.

12 MR. MEAD: My name is Jim Mead. I'm an  
13 environmental senior specialist with the North Carolina  
14 Division of Water Resources. I'm also a canoeist and have  
15 been paddling whitewater for more than 25 years. My work  
16 for the Division of Water Resources has to do with design  
17 and/or participating in recreational flow studies for the  
18 relicensing of projects on the Cheowah, Roanoke,  
19 Tuckaseegee, Catawba, and Nantahala Rivers.

20 On September 8th, 2007, I canoed the release from the  
21 access at Tillery Dam downstream to a private access about  
22 a mile below the Rocky River confluence. The Tillery  
23 release on that day was about 300 cfs and the Rocky River  
24 added another 66 cfs for the last mile of the trip. I was

1 using a 15-foot solo whitewater canoe for this excursion.  
2 During that time I only had to get out of the canoe once  
3 because of running aground on rocks, and that was probably  
4 due to pulling over to the side to stop for lunch going  
5 into a part of the chain where otherwise I probably would  
6 not even have ventured. It was not a fast trip. It was  
7 not whitewater thrills and chills, but it was navigable.  
8 It was a leisurely relaxing trip, with good opportunities  
9 to watch birds and enjoy the scenery in undeveloped  
10 corridor. I was even able to surf in two spots. That's a  
11 whitewater play boating term. Not big water, pretty mild  
12 as surfing goes, but it was doable. You had to have flow.  
13 I also enjoyed being able just to use my paddling skills to  
14 reed the water and wind my way down the river. At much  
15 higher flows this reach, in my opinion, would probably  
16 become mostly just smooth quick moving water with few  
17 significant and channel features. The surfing spots would  
18 wash out at significant higher flows and you wouldn't have  
19 much reeding of water necessary. So it's a pretty low  
20 grade reedy river, it's not really a whitewater river, and  
21 you want to be able to kind of pick your way down and wend  
22 your way between the ledges and the rocks; 300-330 cfs does  
23 allow for that kind of experience.

24 Now, whether you prefer 330 cfs for recreation it does

1 depend on your interests, but, you know, it is navigable  
2 for a non bull ride recreation, particularly once you get  
3 below the Rocky River, because the additional flow and just  
4 because of the changes at the channel lower -- more. Once  
5 we got through to the Rocky River it was easy to proceed on  
6 down the channel from there. With this in mind I think  
7 that the Comprehensive Settlement Agreement and proposed  
8 release of 330 cfs along with the pool of water that the  
9 CSA sets aside for partitioning out, you know, duration,  
10 time, days, number of days during recreational season to  
11 augment the recreational flows is a, according to the flow  
12 study for recreation as proposed to the Settlement  
13 Agreement and FERC DEIS, that that system of flows for  
14 recreation is a good balance of interests for the project.

15 MR. BOWLER: Joy Hildreth.

16 MS. HILDRETH: My name is Joy Hildreth and I'm  
17 the president of Spinster Point Homeowners Association and  
18 also residence there on Blui tt Falls Lake. I did  
19 participate in the stakeholders meetings for two or three  
20 years. I did not sign the Agreement, and so they asked me  
21 not to come back to the meetings. Our biggest concern is  
22 the erosion along the lake. It's not eroding Progress  
23 Energy's land, it is eroding our personal property, you  
24 know, and I think it is affecting the environment, so the

1 biggest thing is they're taking away from our property and  
2 I don't see anywhere where that's even addressed, and that  
3 is a big concern of ours.

4 Also there's some public camping spots on the lake  
5 that are designated for campers only. Campers can only get  
6 to those places by boat, so if you don't own a boat, you  
7 can't get to those access points because private land  
8 owners join the property by land. Those areas are not  
9 being maintained very well. I have pictures of where the  
10 campers, they leave their trash, there's buckets where they  
11 use the bathroom and leave paper scattered on the private  
12 landowners' land, also on Progress Energy's land. And I  
13 think that may be controlled by the Wildlife Commission,  
14 but something does need to be addressed about that also.  
15 But, of course, like I said, our biggest concern is that  
16 our property is being destroyed and nobody seems to want to  
17 talk about it or acknowledge it in any way, so I'd like to  
18 see something, you know, addressed about that. Thank you.

19 MR. EMERY: Excuse me. Before you run away, are  
20 you going to submit some pictures for the record?

21 MS. HILDRETH: Yes. I have submitted pictures  
22 previously of the erosion. I do have some pictures of the  
23 camping sites that have not been submitted tonight where I  
24 can submit them and will do so.

1 MR. EMERY: Okay. Are they identified as to  
2 where these camping sites are?

3 MS. HILDRETH: Not on here. I can do that and  
4 send them in.

5 MR. EMERY: Okay. And you'll have your address  
6 on there where you currently live?

7 MS. HILDRETH: Yes, sir.

8 MR. EMERY: Probably be better to send them in.  
9 We need to have the information on them.

10 MS. HILDRETH: Okay. I can do that.

11 MR. EMERY: Thank you.

12 MR. BOWLER: Anybody else would like to speak?

13 MR. PAWLOWSKI: Don't be bashful.

14 MR. BOWLER: If not, written comments by December  
15 10th. And, obviously, we have some time this evening. We  
16 can stay around and have some conversation after the formal  
17 meeting. Thank you. If you read from a statement it would  
18 be helpful to provide it to the court reporter. Thank  
19 you.

20 (WHEREUPON, THE PUBLIC MEETING WAS CONCLUDED AT 7:38 P.M.)

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NORTH CAROLINA

RICHMOND COUNTY

REPORTER'S CERTIFICATE

I, A. ROBIN J. SCHENCK, a Stenotype Court Reporter and Notary Public duly qualified in the state of North Carolina, do hereby certify that a public meeting in the foregoing matter was held before The Federal Energy Regulatory Commission, at Richmond Community College, Cole Auditorium, 1042 W. Hamlet Avenue, Hamlet, North Carolina, on the 15th day of November, 2007; that the foregoing pages number 1 through 17, inclusive, constitute a true and correct transcription of the proceeding thereof to the best of my ability.

I do further certify that the persons were present as stated in the appearances.

I do further certify that I am not of counsel for, nor in the employ of, either of the parties in this action, nor have I any interest in the results of this action.

This the 15th day of November, 2007

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A. Robin J. Schenck, Stenotype Court Reporter  
Notary Public, # 19972580084