

**CATAWBA-WATEREE FERC PROJECT NO. 2232
AGREEMENT-IN-PRINCIPLE RESERVATION STATEMENT
CATAWBA COUNTY, NC**

Catawba County appreciates Duke Power's commitment to the relicensing stakeholder process which resulted in the negotiated Agreement-in-Principle (AIP). Many of Catawba County's interests have been captured in the AIP for which we thank Duke Power. While we support most of the AIP with minor reservations, Catawba County does have several areas of major reservation that need to be clarified or completed in the Final Agreement. By ranking the AIP as a "4", Catawba County is stating that we can "live with" the AIP with the understanding:

Section 4

4.1.5

..that the North Carolina mitigation package will be balanced and acceptable to all agencies and that it sufficiently addresses mitigation for aquatic flow at the point where the proposed low flow occurs. An example of this is providing direct mitigation below the Oxford Dam in Catawba County where flows are proposed at 20% of what the aquatic studies have indicated to support a native fish habitat. Additional proposals for equitable mitigation include acquisition of buffer zones below Riverbend Park, the Mtn. Creek tract or gameland property on Hudson Chapel Road in Catawba County.

Section 10

10.1

.. that a general agreement is included which clarifies Duke's role in providing recreation enhancements should an AAll not be executed with commercial operators. This will provide certainty that facilities will be built as contemplated by the AIP and not be subject to identifying a partner for construction/maintenance.

10.6.5

..that a second swim beach will be provided on Lake Hickory should a commercial operator not be secured (see comment 10.1 above).

10.10.3

..that clarification is made that regardless if Catawba County signs the FA that Duke is committing to provide a 20-30 acre recreation facility at Mtn. Creek.

..that flexibility is added to the purchase option deadline for the Mtn. Creek tract.

10.10.11

..that the concept of a focus group for review of the commercial AAll site design at Island Point Access Area is included as discussed with staff.

Section 14

14.4

..that a process is incorporated for stakeholders to provide input to agencies for acquiring regionally significant land conservation tracts for conservation/public recreation purposes, such as the Catawba gamelands on Hudson Chapel Road. In lieu of this process, provide that significant Duke Energy lands (specifically the Catawba gamelands) are made available for a first-right-of-refusal acquisition by local governments with sufficient time to obtain grant funding to finalize the purchase.

Section 16

16.5.2

..that procedures for amending and withdrawing from the FA, to be completed in Sec. 17, provides a clear and multi-level process that gives stakeholders a comfort level to ensure that three years of work in developing a negotiated AIP will not be lost should additional flow requirements be required from jurisdictional agencies.