

STATEMENTS OF MAJOR RESERVATIONS
TO THE
AGREEMENT -IN-PRINCIPLE FOR CATAWBA-WATEREE
RELICENSING FERC PROJECT NO. 2232
4/6/2006

Lake Wateree Homeowners Association of Kershaw County has value for many benefits for the river in the AIP, but we have four “major reservations” and one general concern.

Section 14.5.3.a(3)(e)

With the original proposal for a 40,000 cfs bladder dam, there was high probability of the proposal resolving the increased flooding, due to other AIP agreements, at both the minor (100-103’) and major (103+’) levels of flood events. Therefore there was some logic in Duke expecting Wateree stakeholders to not advocate for further flood relief for a 20 year period. With the current reduced scope of 10,000 cfs, there is much less assurance of exactly how effective this will be; therefore it is not fair or justified to ask stakeholders to accept this “gag order”.

Section 14.5.3.a(5)

We would have had serious issue with even the original proposal being contingent on Duke being granted the maximum 50- year license by FERC. This is an “all or nothing” approach, and puts this essential improvement dependent on a decision by FERC that none of the stakeholders including Duke can control. It is inconceivable that Duke Power or FERC would allow the other conditions in the AIP to occur that increase the flood frequency by 3X on Wateree without mitigating for that negative impact. This is the only interest of stakeholders in the AIP that is fully dependent on a 50-year license. Wateree already floods at a rate of 3X any other impoundment creating issues for water quality, drinking water source, public recreation, and residential and commercial property damage. Public safety is at risk due to roads becoming impassable, preventing citizens from seeking emergency aid and emergency services from reaching them. Wateree stakeholders supported items in the current AIP (such as higher flows and smaller turbines) fully recognizing that while these items met other important interest, these same items would increase the flood frequency and severity. We did that in good faith, expecting a satisfactory flood proposal in the AIP. While we were encouraged with the original proposal, the reduced scope of the

current proposal is problematic. The linking of the proposal to a 50-year license results in a high risk of no action, therefore it renders the proposal unsatisfactory.

Section 16.2.2.2-FA Signatory Rights

With the remaining unknowns in the water quality related items in the AIP and the timing of the 401 WQ Certification, it is not appropriate to expect stakeholders to refrain from being fully engaged in the 401 process.

Attachment Q-Conservation Easement

The interest for conservation easements was for water quality and public access. While the current proposal contains most of the desirable features for water quality, it is totally unclear and therefore not satisfactory in meeting the second purpose.

GENERAL CONCERN:

Section 10.1.22

The ongoing question of which entities of the parent company is bound by this license is critical to this section. It is of little value to have the licensee proposing funds to procure lands, if the business entity of the parent company having control over those lands is not a willing seller, or in fact sells the lands prior to the state agencies being able to complete the procurement process.