

July 10, 2002

Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Yadkin Project (No. 2197) -- High Rock Lake
A. Comments on APCI Letters Of July 2 and July 3
B. REQUEST FOR RULE CURVE MODIFICATION

Dear Ms. Salas:

On behalf of the High Rock Lake Association ("Association"), I hereby submit (A) brief comments on the Alcoa Power Generating Inc. ("APGI") letters of July 2 (requesting Commission guidance regarding the extreme drought conditions in the Yadkin River watershed) and July 3 (requesting approval of a temporary license variance), and (B) the Association's request for a rule curve modification that recognizes and addresses the long-term -- not merely temporary -- implications of the present drought.

A. Comments on APCI Letters

The Association agrees with APCI's characterization of present conditions as "extreme drought." Today, during the heart of the summer recreation season, High Rock Lake ("Lake") is dangerous and, essentially, not usable for boating and related recreation; numerous islands, and the ubiquitous tree stumps to which the Association has repeatedly referred in its prior filings with the Commission, render such activity hazardous at this time.

Moreover, the local economy, which in large measure depends on the boost provided by summertime visitors to the Lake and recreational expenditures by residents at the Lake, is truly hurting. The "economic distress" referenced by APCI is likewise "extreme," as many businesses are closing their doors.

In its "Order Amending License" issued March 29, 1968 (39 FPC 397), the Federal Power Commission amended Article 33 of the Yadkin Project license to establish a new operating rule curve that would require the Licensee to "operate the High Rock reservoir generally in accordance with the 'Operating Guides for Operation of Badin Works,' Parts I through IV, filed by Yadkin on January 8, 1968 . . ." (i.e., the "Rule Curve"). That amendment's objective, as the Commission explained, was that "according to the Licensee, the effect of using the proposed rule curve would be to maintain higher water levels in High Rock reservoir during the recreation season, May 15 to September 15" such that "drawdowns in excess of five feet are expected to be infrequent and would occur only during extremely adverse flow conditions."

Recognizing the extreme drought, the Association supports as a reasonable compromise APCI's July 3 request for a temporary license variance to reduce minimum release requirements through September 15, 2002 to 1,200 cfs. However, it is particularly troubling that neither the Association (which has been in existence since 1954) nor any of the other citizens/groups that have typically participated in Yadkin-related proceedings at the Commission, much less local governments, were participants at the meeting referenced in APCI's July 3 letter (and which apparently included Commission staff).

B. Request for Rule Curve Modification

While the Association supports APCI's temporary variance request, that request does not go far enough. First, present predictions show these extreme drought conditions continuing into the future. Second, even if the drought were to end today, the effects -- in terms of reduced overall water levels -- could reasonably be expected to extend 1 - 2 years into the future.

The Association believes that the Commission should promote more predictability for all (i.e., both Lake users, and downstream interests) with regard to Lake water levels as the region contends with this drought, and provide a longer term resolution that could avoid additional temporary "fixes" in future years. Specifically, the Association requests that, in Part III of the Rule Curve, at "Rule 8" thereof, the specific cfs discharge limitations set forth in Rules 8(a), 8(b) and 8(c) each be amended by striking the period after "average for the period" and adding the following:

", or to the flow of the river, whichever is less."

This approach respects the purposes and objectives which prompted implementation of the Rule Curve in the first

instance, but at the same time offers downstream interests the knowledge that they are entitled to at least run-of-river if the Rule Curve's specified discharge limitations cannot be met.

The Commission has previously suggested its intention not to examine Rule Curve modifications prior to Yadkin Project relicensing in 2008 (see, e.g., p. 18 of the "Final Environmental Assessment" issued November 9, 2000 in Project No. 2197-035). However, six years is too long to wait. In view of the circumstances posed -- now, and during the next few years -- by the present drought, the Commission should not be transfixed by the relicensing date in a manner that would forestall taking action now that would benefit not only the thousands of users of High Rock Lake but affected downstream interests as well.

Accordingly, the Association supports APCI's temporary variance request, but at the same time requests that the Commission review and modify the Rule Curve in the manner recommended herein in order to provide for a longer term response to the drought-caused conditions in a manner consistent with License Article 33.

Respectfully submitted,

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cc: J. Mark Robinson (FERC)
P-2197 Service List