

## **Initial Statement**

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### Before the Federal Energy Regulatory Commission Application for License for Major Project -- Existing Dam

(1) Alcoa Power Generating Inc. (APGI), Yadkin Division, herein referred to as the "Applicant," applies to the Federal Energy Regulatory Commission (FERC) for a new license for the Yadkin Hydroelectric Project (Project), FERC No. 2197, as described in the attached exhibits.

(2) The location of the Project is:

State or territory:	North Carolina
Counties:	Davidson, Davie, Montgomery, Rowan, and Stanly
Townships or nearby towns:	Albemarle, Badin, Denton, Granite Quarry, Lexington, Mocksville, Rockwell, Salisbury, and Troy
Stream or other body of water:	Yadkin River

(3) The exact name and business address of the applicant are:

Alcoa Power Generating Inc.  
Yadkin Division  
P.O. Box 576  
NC Highway 740  
Badin, NC 28009-0576

The exact name and business address of the person authorized to act as agent for the applicant in this application is:

Mr. Brian S. Dahlberg  
Vice President  
Hydroelectric Operations  
Alcoa Power Generating Inc.  
Yadkin Division  
P.O. Box 576  
NC Highway 740  
Badin, NC 28009-0576

Primary Contact for relicensing:

Mr. Gene Ellis  
Licensing & Property Manager  
Alcoa Power Generating Inc.

Yadkin Division  
P.O. Box 576  
NC Highway 740  
Badin, NC 28009-0576

- (4) The applicant is a domestic corporation and is not claiming preference under Section 7(a) of the Federal Power Act.
- (5) (i) The statutory or regulatory requirements of North Carolina that affect the Project as proposed, with respect to bed and banks and to the appropriation, diversion, and use of water for power purposes, and with respect to the right to engage in the business of developing, transmitting, and distributing power in any other business necessary to accomplish the purposes of the license under the Federal Power Act, are:

APGI is not aware of any specific laws or regulations in North Carolina with respect to the bed and banks of the Yadkin River, or to the appropriation, diversion or use of the waters therein which are applicable to the Yadkin Project.

N.C.G.S. § 55-15-01 sets forth the requirements for a "foreign corporation" to conduct business in North Carolina.

- (ii) The steps which the applicant has taken or plans to take to comply with the law cited above are:

North Carolina follows the riparian system of water rights, whereby the owner of riparian land possesses the right to use the waters passing over its lands reasonably, including temporarily impounding the water through the erection of a dam. See, e.g., *Dunlap v. Carolina Power & Light Co.*, 212 N.C. 814, 823 (N.C. 1938) APGI owns all of the lands and riparian rights necessary under North Carolina law to operate and maintain the developments of the Yadkin Project.

APGI is a Tennessee Corporation, originally incorporated as Knoxville Power Company. It was domesticated in North Carolina in 1954.

- (6) The name and address of the owner of existing Project facilities:

Alcoa Power Generating Inc.  
Yadkin Division  
P.O. Box 576  
NC Highway 740  
Badin, NC 28009-0576

- (7) Person, citizen, association of citizens, domestic corporation, municipality, or state that has or intends to obtain and will maintain any proprietary right necessary to construct, operate, or maintain the Project:

Alcoa Power Generating Inc.  
Yadkin Division  
P.O. Box 576  
NC Highway 740  
Badin, NC 28009-0576

- (8) (i) Every county in which any part of the project, and any Federal facilities that would be used by the Project, would be located:

**Davidson County, North Carolina**

Davidson County  
P.O. Box 1067  
Lexington, NC 27292  
Mr. Robert Hyatt, County Manager

**Davie County, North Carolina**

Davie County  
123 South Main Street  
Mocksville, NC 27028  
Mr. Terry Bralley, County Manager

**Montgomery County, North Carolina**

Montgomery County  
P.O. Box 425  
Troy, NC 27371  
Mr. Lance Metzler, County Manager

**Rowan County, North Carolina**

Rowan County  
202 North Main Street  
Salisbury, NC 28144  
Mr. William Cowan, County Manager

**Stanly County, North Carolina**

Stanly County  
201 South Second Street  
Albemarle, NC 28001  
Mr. Jerry Myers, County Manager

- (ii) Every city, town, or similar local political subdivision in which any part of the Project, and any Federal facilities that would be used by the Project, would be located; or that has a population of 5,000 or more people and is located within 15 miles of the Project dam:

**City of Albemarle, North Carolina**

City of Albemarle, North Carolina  
157 North 2<sup>nd</sup> Street  
Albemarle, NC 28001  
Mr. Raymond Allen, Manager

**City of Lexington, North Carolina**

City of Lexington, North Carolina  
Lexington City Hall  
28 W Center Street  
Lexington, NC 27292  
Mr. John Gray, City Manager

**City of Salisbury, North Carolina**

City of Salisbury, North Carolina  
P.O. Box 479  
Salisbury, NC 28145  
Mr. David Treme, City Manager

- (iii) Every irrigation district, drainage district, or similar purpose political subdivision in which any part of the Project, and any Federal facilities that would be used by the Project, would be located; or that owns, operates, maintains, or uses any Project facilities or any Federal facilities that would be used by the Project:

Not applicable

- (iv) Every other political subdivision in the general area of the Project that there is reason to believe would likely be interested in, or affected by, that application:

**Town of Badin, North Carolina**

Town of Badin, North Carolina  
P.O. Box 611  
Badin, NC 28009  
Mr. Matt Brinkley, Town Manager

**Town of Denton, North Carolina**

Town of Denton, North Carolina  
P.O. Box 306  
Denton, NC 27239  
Mr. William Pless, Town Manager

- (v) All Indian tribes that may be affected by the project:

**The Catawba Indian Nation of South Carolina**

The Catawba Indian Nation of South Carolina  
996 Avenue of the Nations  
Rock Hill, SC 29730  
Mr. Gilbert B. Blue, Principal Chief

**The Eastern Band of Cherokee Indians**

The Eastern Band of Cherokee Indians  
88 Council House Loop  
Cherokee, NC 28719  
Chief Michell A. Hicks

This application is executed in the:

State of North Carolina

County of Stanly

By: Mr. Brian S. Dahlberg  
Vice President  
Hydroelectric Operations  
Alcoa Power Generating Inc.  
Yadkin Division  
P.O. Box 576  
NC Highway 740  
Badin, NC 28009-0576

Being duly sworn, deposes, and says that the contents of this application are true to the best of his knowledge or belief. The undersigned Applicant has signed the application this \_\_\_\_ day of \_\_\_\_\_, 2006.

Alcoa Power Generating Inc., Yadkin Division  
Applicant

By: \_\_\_\_\_  
NAME

Subscribed and sworn to before me, a Notary Public of the state of \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Notary Public