

**YADKIN HYDROELECTRIC PROJECT
FERC NO. 2197**

**APPLICATION FOR LICENSE
VOLUME I**

Table of Contents

TABLE OF CONTENTS..... i

LIST OF TABLES vii

LIST OF FIGURES xii

ACRONYMS xv

EXECUTIVE SUMMARY..... ES-1

INITIAL STATEMENT IS-1

EXHIBIT A – PROJECT DESCRIPTION A-1

A.1 INTRODUCTION..... A-1

A.2 HIGH ROCK DEVELOPMENT A-2

 A.2.1 HIGH ROCK DEVELOPMENT STRUCTURES A-2

 A.2.2 HIGH ROCK RESERVOIR A-6

 A.2.3 HIGH ROCK TURBINES AND GENERATORS A-6

 A.2.4 HIGH ROCK TRANSMISSION LINES A-6

 A.2.5 LANDS OF THE UNITED STATES AT HIGH ROCK DEVELOPMENT A-6

A.3 TUCKERTOWN DEVELOPMENT A-8

 A.3.1 TUCKERTOWN DEVELOPMENT STRUCTURES A-8

 A.3.2 TUCKERTOWN RESERVOIR A-10

 A.3.3 TUCKERTOWN TURBINES AND GENERATORS A-10

 A.3.4 TUCKERTOWN TRANSMISSION LINES A-10

 A.3.5 LANDS OF THE UNITED STATES AT TUCKERTOWN DEVELOPMENT A-10

A.4 NARROWS DEVELOPMENT A-10

 A.4.1 NARROWS DEVELOPMENT STRUCTURES A-10

 A.4.2 NARROWS RESERVOIR A-11

 A.4.3 NARROWS TURBINES AND GENERATORS A-11

 A.4.4 NARROWS TRANSMISSION LINES A-13

 A.4.5 LANDS OF THE UNITED STATES AT NARROWS DEVELOPMENT A-13

A.5 FALLS DEVELOPMENT A-13

 A.5.1 FALLS DEVELOPMENT STRUCTURES A-13

 A.5.2 FALLS RESERVOIR A-16

 A.5.3 FALLS TURBINES AND GENERATORS A-16

 A.5.4 FALLS TRANSMISSION LINES A-16

 A.5.5 LANDS OF THE UNITED STATES AT FALLS DEVELOPMENT A-16

EXHIBIT B – PROJECT OPERATION AND RESOURCE UTILIZATION B-1

B.1 INTRODUCTION..... B-1

B.2	HIGH ROCK DEVELOPMENT	B-1
B.2.1	OPERATION	B-1
B.2.2	ESTIMATE OF CAPACITY AND GENERATION	B-4
B.2.3	PLANS FOR FUTURE DEVELOPMENT	B-16
B.3	TUCKERTOWN DEVELOPMENT.....	B-16
B.3.1	OPERATION	B-16
B.3.2	ESTIMATE OF CAPACITY AND GENERATION	B-17
B.3.3	PLANS FOR FUTURE DEVELOPMENT	B-25
B.4	NARROWS DEVELOPMENT	B-26
B.4.1	OPERATION	B-26
B.4.2	ESTIMATE OF CAPACITY AND GENERATION	B-27
B.4.3	PLANS FOR FUTURE DEVELOPMENT	B-35
B.5	FALLS DEVELOPMENT	B-36
B.5.1	OPERATION	B-36
B.5.2	ESTIMATE OF CAPACITY AND GENERATION	B-37
B.5.3	PLANS FOR FUTURE DEVELOPMENT	B-45
B.6	YADKIN PROJECT.....	B-46
B.6.1	MINIMUM FLOWS.....	B-46
B.6.2	HEADWATER BENEFITS.....	B-47
B.6.3	LOW INFLOW PROTOCOL	B-47
B.6.4	HYDRO PROJECT MAINTENANCE AND EMERGENCY PROTOCOL	B-47
B.6.5	UTILIZATION OF POWER.....	B-48
EXHIBIT C – CONSTRUCTION HISTORY AND PROPOSED SCHEDULE		C-1
C.1	CONSTRUCTION HISTORY.....	C-1
C.2	PROPOSED DEVELOPMENT.....	C-2
EXHIBIT D – STATEMENT OF COSTS AND FINANCING		D-1
D.1	ORIGINAL COST OF THE PROJECT	D-1
D.2	ESTIMATED TAKEOVER COSTS AS PER SECTION 14 OF THE FEDERAL POWER ACT	D-1
D.2.1	FAIR VALUE.....	D-1
D.2.2	NET INVESTMENT	D-2
D.2.3	SEVERANCE DAMAGES	D-2
D.3	ESTIMATED COST OF NEW DEVELOPMENT WORK	D-3
D.4	ESTIMATED AVERAGE ANNUAL COST OF THE PROJECT	D-3
D.5	ESTIMATED ANNUAL VALUE OF PROJECT POWER	D-4
D.6	SOURCES AND EXTENT OF FINANCING AND ANNUAL REVENUES	D-4
D.7	ESTIMATE OF THE COST TO DEVELOP LICENSE APPLICATION	D-5
D.8	ON-PEAK AND OFF-PEAK VALUES OF PROJECT POWER.....	D-5
D.9	ESTIMATED AVERAGE ANNUAL CHANGE IN PROJECT GENERATION AND VALUE OF PROJECT POWER DUE TO CHANGES IN PROJECT OPERATIONS.....	D-5

EXHIBIT E - ENVIRONMENTAL REPORT	E-1
E.1 GENERAL DESCRIPTION OF THE LOCALE	E-1
E.1.1 DESCRIPTION OF PROJECT ENVIRONMENT AND IMMEDIATE VICINITY	E-1
E.1.2 CLIMATE	E-1
E.1.3 TOPOGRAPHY	E-1
E.1.4 WETLANDS	E-3
E.1.5 VEGETATIVE COVER	E-4
E.1.6 LAND DEVELOPMENT	E-5
E.1.7 POPULATION SIZE AND DENSITY	E-7
E.1.8 FLOODPLAINS AND FLOOD EVENTS	E-9
E.1.9 OTHER FACTORS IMPORTANT TO AN UNDERSTANDING OF THE SETTING	E-10
E.2 WATER USE AND WATER QUALITY	E-13
E.2.1 USE OF PROJECT WATERS.....	E-13
E.2.2 USE OF DOWNSTREAM RIVER WATERS	E-17
E.2.3 WATER QUALITY	E-18
E.2.4 MINIMUM FLOW RELEASES	E-41
E.2.5 CHANGES IN PROJECT OPERATION OR WORKS RECOMMENDED BY THE AGENCIES TO PROTECT OR IMPROVE WATER QUALITY.....	E-49
E.2.6 EXISTING MEASURES TO BE CONTINUED	E-51
E.2.7 NEW MEASURES PROPOSED BY THE APPLICANT TO PROTECT OR IMPROVE WATER QUALITY.....	E-52
E.2.8 ESTIMATE OF THE COSTS OF CONSTRUCTION, OPERATION, AND MAINTENANCE OF IMPLEMENTATION OF ANY PROPOSED MEASURES	E-58
E.2.9 EXPLANATION OF WHY THE APPLICANT HAS REJECTED ANY MEASURES RECOMMENDED BY AN AGENCY	E-58
E.2.10 IMPACT ON WATER QUALITY OF CONTINUED PROJECT OPERATION	E-59
E.2.11 CONSULTATION RECORD	E-60
E.3 FISH, WILDLIFE, AND BOTANICAL RESOURCES.....	E-64
E.3.1 FISH AND AQUATIC RESOURCES	E-64
E.3.2 WILDLIFE RESOURCES	E-108
E.3.3 BOTANICAL RESOURCES	E-119
E.3.4 RARE, THREATENED AND ENDANGERED SPECIES.....	E-126
E.3.5 AGENCY RECOMMENDED PROTECTION OR MITIGATION MEASURES OR FACILITIES	E-129
E.3.6 EXISTING MEASURES TO BE CONTINUED AND APPLICANT PROPOSED MEASURES FOR THE MITIGATION OF IMPACTS ON FISH, WILDLIFE, AND BOTANICAL RESOURCES	E-133
E.3.7 DESIGN DRAWINGS OF ANY FISH PASSAGE AND COLLECTION FACILITIES	E-136
E.3.8 OPERATION AND MAINTENANCE PROCEDURES FOR ANY EXISTING OR PROPOSED MEASURES OR FACILITIES	E-137
E.3.9 IMPLEMENTATION OR CONSTRUCTION SCHEDULE FOR ANY PROPOSED MEASURES OR FACILITIES.....	E-137
E.3.10 ESTIMATE OF THE COSTS OF CONSTRUCTION, OPERATION, AND MAINTENANCE OF IMPLEMENTATION OF ANY PROPOSED MEASURES	E-137
E.3.11 MAPS AND DRAWINGS	E-138
E.3.12 EXPLANATION OF WHY THE APPLICANT HAS REJECTED ANY MEASURES OR FACILITIES RECOMMENDED BY AN AGENCY.....	E-139
E.3.13 IMPACT OF CONTINUED PROJECT OPERATION AS PROPOSED ON FISH, WILDLIFE, AND BOTANICAL RESOURCES.....	E-141
E.3.14 CONSULTATION RECORD	E-146
E.4 HISTORICAL AND ARCHAEOLOGICAL RESOURCES.....	E-152
E.4.1 SITES LISTED ON OR DETERMINED ELIGIBLE FOR THE NATIONAL REGISTER OF HISTORIC PLACES	E-152
E.4.2 AGENCY RECOMMENDED SURVEY AND SALVAGE MEASURES	E-164
E.4.3 APPLICANT PROPOSED SURVEY AND SALVAGE MEASURES	E-165
E.4.4 EXPLANATION OF WHY THE APPLICANT HAS REJECTED ANY MEASURES RECOMMENDED BY AN AGENCY	E-166

E.4.5	CONSULTATION RECORD	E-166
E.5	RECREATION RESOURCES	E-171
E.5.1	EXISTING RECREATION FACILITIES.....	E-171
E.5.2	OPPORTUNITIES FOR THE HANDICAPPED	E-185
E.5.3	PUBLIC SAFETY MEASURES	E-189
E.5.4	SIGNAGE	E-190
E.5.5	RECREATIONAL USE	E-191
E.5.6	CAPACITY ISSUES AND FUTURE TRENDS	E-196
E.5.7	RECREATION ECONOMIC IMPACT STUDY	E-198
E.5.8	REGIONAL RECREATION RESOURCES	E-200
E.5.9	AREA PLANS AND FUTURE OPPORTUNITIES.....	E-203
E.5.10	AGENCY RECOMMENDED MEASURES OR FACILITIES TO CREATE, PRESERVE, OR ENHANCE RECREATIONAL OPPORTUNITIES AT THE PROJECT AND IN ITS VICINITY	E-203
E.5.11	EXISTING MEASURES OR FACILITIES TO BE CONTINUED AND NEW MEASURES OR FACILITIES PROPOSED BY THE APPLICANT.....	E-206
E.5.12	IDENTIFICATION OF THE ENTITIES RESPONSIBLE FOR MANAGING AND MAINTAINING ANY EXISTING OR PROPOSED RECREATION MEASURES OR FACILITIES	E-211
E.5.13	SCHEDULE OF IMPLEMENTATION OF THE MEASURES OR CONSTRUCTION OF THE FACILITIES	E-215
E.5.14	ESTIMATE OF COSTS OF CONSTRUCTION, OPERATION, AND MAINTENANCE OF PROPOSED FACILITIES	E-215
E.5.15	MAP OF RECREATION MEASURES OR FACILITIES	E-216
E.5.16	EXPLANATION OF WHY THE APPLICANT HAS REJECTED ANY MEASURES OR FACILITIES RECOMMENDED BY AN AGENCY.....	E-217
E.5.17	SPECIALY DESIGNATED AREAS	E-218
E.5.18	CONSULTATION RECORD	E-218
E.6	LAND MANAGEMENT AND AESTHETICS.....	E-224
E.6.1	EXISTING DEVELOPMENT AND LAND USE	E-224
E.6.2	YADKIN SHORELINE MANAGEMENT PLAN	E-233
E.6.3	PROJECT AESTHETICS	E-236
E.6.4	MEASURES PROPOSED BY THE APPLICANT TO ENSURE THAT ANY PROPOSED PROJECT WORKS AND TOPOGRAPHIC ALTERATIONS BLEND WITH THE SURROUNDING ENVIRONMENT	E-242
E.6.5	WETLANDS AND FLOODPLAINS WITHIN OR ADJACENT TO THE PROJECT BOUNDARY.....	E-242
E.6.6	PROJECT BUFFER ZONE.....	E-242
E.6.7	APPLICANT'S POLICIES REGARDING PERMITTING SHORELINE FACILITIES ON PROJECT LANDS AND WATERS.....	E-243
E.6.8	EXISTING SHORELINE MANAGEMENT MEASURES TO BE CONTINUED AND NEW MEASURES PROPOSED	E-244
E.6.9	AGENCY RECOMMENDATIONS REGARDING LAND MANAGEMENT AND AESTHETICS.....	E-245
E.6.10	CONSULTATION RECORD	E-246
E.7	CONSISTENCY WITH COMPREHENSIVE PLANS.....	E-251
E.7.1	YADKIN-PEE DEE RIVER BASINWIDE WATER QUALITY PLAN	E-251
E.7.2	"REDBOOK" SURFACE WATERS AND WETLANDS STANDARDS NC ADMINISTRATIVE CODE 15A NCAC 02B .0100, .0200 & .0300.....	E-253
E.7.3	BASINWIDE ASSESSMENT REPORT: YADKIN RIVER.....	E-253
E.7.4	NORTH CAROLINA WATER QUALITY ASSESSMENT AND IMPAIRED WATERS LIST (2006 INTEGRATED 305(B) AND 303(D) REPORT) - PUBLIC REVIEW DRAFT.....	E-254
E.7.5	STATEWIDE COMPREHENSIVE OUTDOOR RECREATION PLAN: NORTH CAROLINA OUTDOOR RECREATION PLAN 2003-2008	E-255
E.7.6	NORTH CAROLINA WILDLIFE ACTION PLAN.....	E-256
E.7.7	FISHERIES AND WILDLIFE MANAGEMENT PLAN FOR THE YADKIN-PEE DEE RIVER BASIN.....	E-258
E.7.8	ADDITIONAL COMPREHENSIVE PLANS.....	E-260

E.8	RELICENSING CONSULTATION RECORD.....	E-268
E.9	REFERENCES.....	E-275
EXHIBIT F - DESIGN DRAWINGS AND SUPPORTING DESIGN REPORT		F-1
EXHIBIT G – PROJECT MAP.....		G-1
EXHIBIT H – INFORMATION REQUIRED FOR NEW LICENSE.....		H-1
H.1	PLANS AND ABILITY OF THE APPLICANT TO OPERATE AND MAINTAIN THE PROJECT	H-1
H.1.1	PLANS TO INCREASE CAPACITY OR GENERATION.....	H-1
H.1.2	PLANS TO COORDINATE PROJECT OPERATION WITH OTHER WATER RESOURCE PROJECTS	H-1
H.1.3	PLANS TO COORDINATE PROJECT OPERATION WITH OTHER ELECTRICAL SYSTEMS	H-1
H.2	NEED OF APPLICANT FOR ELECTRICITY GENERATED BY THE PROJECT	H-2
H.2.1	REASONABLE COSTS AND AVAILABILITY OF ALTERNATIVE SOURCES OF POWER	H-2
H.2.2	INCREASE IN FUEL, CAPITAL, AND OTHER COSTS	H-2
H.2.3	EFFECTS OF ALTERNATIVE SOURCE OF POWER	H-3
H.3	NEED, REASONABLE COST, AND AVAILABILITY OF ALTERNATIVE SOURCES OF POWER.....	H-4
H.3.1	AVERAGE ANNUAL COST OF POWER PRODUCED BY THE PROJECT.....	H-4
H.3.2	RESOURCES REQUIRED TO MEET CAPACITY AND ENERGY REQUIREMENTS.....	H-4
H.3.3	COSTS OF ALTERNATIVE SOURCES OF POWER.....	H-4
H.3.4	EFFECT ON THE DIRECT PROVIDERS OF ALTERNATIVE SOURCES OF POWER.....	H-8
H.4	EFFECT OF OBTAINING OR LOSING ELECTRICITY ON THE APPLICANT’S OWN INDUSTRIAL FACILITIES	H-8
H.5	THE IMPACT ON THE OPERATIONS AND PLANNING OF THE APPLICANT’S TRANSMISSION SYSTEM	H-8
H.5.1	EFFECTS OF POWER FLOW REDISTRIBUTION	H-8
H.5.2	ADVANTAGES OF THE APPLICANT’S TRANSMISSION SYSTEM	H-8
H.5.3	SINGLE LINE DIAGRAMS	H-9
H.6	PLANS TO MODIFY EXISTING PROJECT FACILITIES.....	H-9
H.7	FINANCIAL AND PERSONNEL RESOURCES	H-11
H.8	PROPOSED EXPANSION OF PROJECT LANDS.....	H-11
H.9	APPLICANT’S ELECTRICITY CONSUMPTION EFFICIENCY IMPROVEMENT PROGRAM.....	H-11
H.9.1	APPLICANT’S RECORD OF ENCOURAGING POWER CONSERVATION AND PLANS FOR PROMOTING POWER CONSERVATION	H-11
H.9.2	COMPLIANCE OF POWER CONSERVATION PROGRAMS WITH APPLICABLE REGULATORY REQUIREMENTS	H-12
H.10	IDENTIFICATION OF INDIAN TRIBES AFFECTED BY THE PROJECT	H-12
H.11	MEASURES PLANNED TO ENSURE SAFE MANAGEMENT, OPERATION, AND MAINTENANCE OF THE PROJECT	H-13
H.11.1	EXISTING AND PLANNED OPERATION OF THE PROJECT DURING FLOOD CONDITIONS.....	H-14

H.11.2	WARNING DEVICES USED TO ENSURE DOWNSTREAM PUBLIC SAFETY	H-14
H.11.3	PROPOSED CHANGES AFFECTING THE EXISTING EMERGENCY ACTION PLAN	H-15
H.11.4	EXISTING AND PLANNED STRUCTURAL MONITORING DEVICES	H-15
H.11.5	PROJECT’S EMPLOYEE AND PUBLIC SAFETY RECORD	H-16
H.12	CURRENT OPERATION OF THE PROJECT	H-17
H.13	HISTORY OF THE PROJECT AND RECORD OF PROGRAMS TO UPGRADE THE OPERATION AND MAINTENANCE OF THE PROJECT	H-18
H.13.1	HIGH ROCK DEVELOPMENT	H-18
H.13.2	TUCKERTOWN DEVELOPMENT	H-19
H.13.3	NARROWS DEVELOPMENT	H-19
H.13.4	FALLS DEVELOPMENT	H-21
H.14	SUMMARY OF UNSCHEDULED OUTAGES OVER THE LAST FIVE YEARS	H-21
H.15	LICENSEE’S RECORD OF COMPLIANCE	H-22
H.16	PROJECT ACTIONS AFFECTING THE PUBLIC.....	H-22
H.16.1	ELECTRICITY, RECREATION, RELICENSING.....	H-22
H.16.2	COUNTY ECONOMIC IMPACTS STUDY.....	H-23
H.17	REDUCED OWNERSHIP AND OPERATING EXPENSES IF THE PROJECT LICENSE WERE TRANSFERRED	H-26
H.18	ANNUAL FEES PAID UNDER PART I OF THE FEDERAL POWER ACT	H-26