

DILLSBORO DAM DIALOGUE

Dear Tuckasegee Stakeholder Team members,

After reading the article below, it seemed to me that there was a need to update community leaders in Jackson County regarding Dillsboro Dam. And so Fred Alexander drafted a letter below with several attachments. After carefully coordinating with our team facilitator, Steve Smutko, necessary changes were made to conform with both the team charter and his valuable experience.

This article was news to us when we saw it in the paper. Fred's quotes are from an earlier article.

John Wishon

Stakeholder team member resigns

(Sylva Herald)

By Rose Hooper

Dillsboro Inn owner T.J. Walker has resigned his position on the Tuckasegee River Cooperative Stakeholder Team to launch a campaign to save the Dillsboro Dam. The stakeholder team, organized to help prepare a licensing renewal proposal for Duke Power to submit to the Federal Energy Regulatory Commission, recommended removing the Dillsboro Dam.

"I'm resigning from that team so I can concentrate on restoring the dam," said Walker, who plans to form an environmental foundation for spearheading his project. Walker is expected to present his proposal to the town of Dillsboro at its next meeting Monday, Oct. 7, at 6 p.m.

"Another reason I am resigning is that as a stakeholder we have been told not to speak publicly about our meetings or findings, especially to the media. I, for one, think the public needs to be aware of what is going on," Walker said "The dam is an important cog for the Tuckasegee River," he said. "It generates power, it attracts tourists, it acts as a flood control, as well as sediment control, it creates a cold water wetland, and it contributes to the water's overall health." On a personal note, Walker said his bed and breakfast business could not exist without the dam.

In an earlier draft proposal for Duke, the stakeholder team recommended removing the dam, beginning in 2005, and for the town of Dillsboro to acquire Duke's hydro landholdings there. Duke District Manager Fred Alexander said he hopes the stakeholder team can reach a consensus by November.

In addition to that consensus, for the dam to be removed, Alexander said, studies must show that the removal is environmentally responsible and economically feasible. The Dillsboro plant is the smallest of Duke's 31 hydro plants and is the second smallest hydro facility in North Carolina licensed by FERC. Built in the early 1920s, the plant was purchased from Dillsboro & Sylva Electric Company by Nantahala Power and Light in 1957. Duke Power purchased NP&L in 1988 and the service area is now known as the Nantahala Area of Duke Power.

Duke Power-Nantahala Area

September 30, 2002

Dear Community Leader:

RE: Future of Dillsboro Dam

You may be aware that the future of the Dillsboro Dam continues to be discussed. Much has been said and written since March when Duke Power, in efforts to renew its federal operating licenses for hydroelectric projects, issued a 30+ point trial balloon. That trial balloon mentioned some possibilities regarding the dam and other company property nearby.

A trial balloon is merely a non-binding, withdrawable test of ideas. Not a decision, not a promise, nothing stronger than one person asking another, "What do you think about my doing XYZ?" In other words, it's just a starting point for discussion.

To help reduce possible misunderstandings, here's the current information:

1. About Dillsboro Dam, Duke's March 2002 trial balloon? neither a commitment nor a decision? reads, "Resource Enhancement Project: Remove most/all of the dam at Dillsboro. Town acquires all Duke hydro landholdings there, including the powerhouse and 3 acres across river from powerhouse for public recreation area. Dam removal to begin in 2005." Also, see page 3, a fact sheet on the Dillsboro Hydroelectric Project.
2. No decision has been made to remove the dam and Duke hasn't decided it is in favor of removing the dam.
3. The potential to remove the dam depends on several future activities including:
 - a. A thorough engineering study showing removal can be completed safely and at an acceptable cost to Duke Power.
 - b. A thorough environmental study showing removal can be completed in a manner that provides overall environmental benefits.
 - c. Dam removal becomes part of a future settlement agreement with relicensing stakeholders that collectively meets Duke Power's relicensing objectives on page 4.
 - d. The Federal Energy Regulatory Commission (FERC) conducts a future review of all pertinent information, including facts and interests expressed by the public, and authorizes the removal in a manner acceptable to Duke Power.

(That is, if everyone said, "Remove the dam," Duke has always reserved the right to say "No" if it costs too much, isn't environmentally beneficial or if removal doesn't fit within a comprehensive relicensing plan. The FERC also has the full authority to say "No" and neither Duke nor the FERC would make any decisions in a vacuum.)

4. While the Tuckasegee Cooperative Stakeholder Team (TCST) has heard pro and con comments on removing the dam, it has taken no action nor made any recommendations. The TCST is working toward February 1, 2003 to establish consensus-based recommendations on the full gamut of hydro relicensing issues for Duke's six Tuckasegee River hydropower plants. May 1, 2003 is the target for signing a settlement agreement on issues for which a consensus can be reached. As an alternate member, I have attended most meetings over the past 2 years.
5. The TCST saw a photo simulation showing the area without a dam and learned the sound of running water could be as loud as it is now. The paper ran a story and photo.
6. At the request of the Dillsboro town board, Duke held a public information meeting on the dam removal topic in June.
7. The TCST is considering other trial balloons, not just Duke Power's. None have been acted upon?they are just starting points for discussion.
8. TCST members can and have spoken openly and often to the public, news media and government officials about individual interests or those of their organizations. All of every team meeting so far has been open to the public and media, who have attended most team meetings. Each agenda has slots for public comment which have been used on several occasions. The TCST is operating under a very open process.
9. More on Duke's hydro relicensing efforts is at the website www.nantahalapower.com. Click on the word "Relicensing" in the upper right corner of the first page.
10. More on the TCST, including meeting summaries, is at the website www.ces.ncsu.edu/depts/agecon/PIE/nrli/EDM/Current%20Projects.htm. Click on "Tuckasegee Cooperative Stakeholder Team." Also see member list on page 4.

I am not taking a position for or against any of the trial balloons that are being considered by the TCST, nor am I asking you to take any actions or positions. I just wanted to ensure that you have the facts concerning the Dillsboro Dam issue and how it is being handled within the stakeholder framework.

If you have questions, please contact me at 369-4534 or afalexan@duke-energy.com.

With best wishes,

Fred Alexander
District Manager
Duke Power-Nantahala Area

Facts about Dillsboro Hydroelectric Project

1. History & Location. Dillsboro is a very small but profitable hydroelectric project that was constructed on the Tuckasegee River in Dillsboro, Jackson County, N.C. during the early 1920s. In 1957, this riverine project was purchased from Dillsboro & Sylva Electric Company by Nantahala Power and Light (NP&L), rehabilitated, and returned to operation the next year. Duke Power purchased Nantahala Power and Light in 1988. The former NP&L service area is now known as the Nantahala Area of Duke Power.

2. Generation. The plant capacity is 225 kilowatts. Average generation is about 1350 MWh (megawatt hours) per year. Note: If the dam were removed, this lost annual generation can be replaced in much less than one day of additional operation of the other 10 Duke hydro plants in the area. Increased generation from an upgrade at Nantahala Plant next year will equal many times more than Dillsboro's generation.

When river flow is sufficient, a float rises to allow the water turbine to begin spinning to turn a generator. When flow is not sufficient, the float sinks and the generation shuts down.

Dillsboro Plant is the smallest of Duke's 31 hydro plants, the second smallest hydro facility in North Carolina licensed by the Federal Energy Regulatory Commission (FERC), and the 53rd smallest of the 1009 FERC-licensed hydro projects in the nation.

3. Reservoir. Reservoir size is 13.9 acres and storage capacity is negligible. The reservoir is used primarily for power production and recreational fishing. The reservoir fishery is managed by the N.C. Wildlife Resources Commission as delayed harvest trout water.

4. Dam. The rock and masonry dam is 12 feet high and 310 feet long.

5. Environmental commitment. Prior to any final decision, Duke will conduct appropriate environmental and engineering studies and develop a detailed engineering plan in consultation with state and federal agencies. The FERC must approve any such removal plan before removal could start.

Tuckasegee Cooperative Stakeholder Team Members as of 9/27/02

Carol Adams - Tater Knob Homeowners Association
Kevin Barnett - NC Division of Water Quality DENR
Maurice Blackburn - Carolina Canoe Club
Mike Bolt - Eastern Band of Cherokee Indians
Viola Bryson - Glenville Community Development Club
Mark Cantrell - U. S. Fish & Wildlife Service
Jackie Cochrane - Fenley Forest Residents
Kevin Colburn - American Whitewater
Helen Cook - Glenshore Homeowners Association
Tamera Crisp - Jackson County Planning & Economic Development
Ken Dingler - Cedar Cliff & Bear Creek Lakes
Jeff Duncan - National Park Service RTCA
Tim Garrett - Southwestern RC&D
Chris Goudreau - N. C. Wildlife Resources Commission
Donley Hill - U. S. Forest Service
Kevin Howell - Fishing & Guides Association
James R. Jackson - Tuckasegee Gorge Association
Marty Jones - Lake Glenville Fishing Service
Bill Kane - N.C. Wildlife Federation
Jeff Lineberger - Duke Power
Sam Lupas - The Lake Club
Doug Odell - Friends of Lake Glenville
Brenda Oliver - Mayor, Town of Sylva
Jean Hartbarger - Mayor, Town of Dillsboro
Dan Perlmutter - Watershed Association for the Tuckasegee River
Steve Reed -- N.C. Division of Water Resources DENR
Bentley Robinson - Jackson County SWCD
Bob Shuey - Signal Ridge Marina
David Sligh - American Rivers
Dwayne Stutzman - N.C. Division of Parks and Recreation ? DENR
Roger Turner - Western North Carolina Alliance
T.J. Walker - Dillsboro Business Owner (apparently has resigned)
Greg Ward - Trillium Homeowners Association
Mike Webb - Wolf Creek Homeowner
Ken Westmoreland - Jackson County manager
Dwight Wiggins - Swain County
Shane Williams - Private Boater
John Wishon - Duke Power Nantahala Area
Steve Yurkovich - Trout Unlimited
Susan Leveille, - Town of Webster Planning Board

Duke Power's relicensing objectives:

- Address project-related issues with sustainable, cost-effective solutions.
- Encourage meaningful stakeholder input prior to filing of license applications.
- Ensure hydro projects benefit stakeholders while still serving their primary purpose (i.e. cost effective energy production in competitive market).
- Retain operational flexibility (peaking, lake level variability, voltage and load support).