

## **NEW LICENSE DELAYED**

In recent months we have advised the HRLA membership to expect the Federal Energy Commission (FERC) to issue a new License to Alcoa by April 30, 2008. The current License was issued in 1958 and expires this month. According to information the Association has received, FERC has informed Alcoa that it plans to release a Final Environmental Impact Statement before the end of the April, with the issuance of a new license expected to follow three to five months later.

We believe efforts by Stanly County and the City of Salisbury have combined to cause the delay in the issuance of the new FERC License for the Yadkin Hydroelectric Project, which includes High Rock Lake. Previous articles on this website have documented our Association's involvement in the re-licensing process. Officers and Directors of the HRLA have spent years, and thousands of hours, on the relicensing process. Last summer we were confident the process had produced results that would provide significant and long lasting positive benefits for High Rock. We expected a new license to be issued by April 30, 2008.

Because FERC will not issue a new license before April 30, it will issue Alcoa an annual license later this month that mirrors the requirements of the existing license. An annual license does not necessarily last a full year, but will remain in effect until a new license is issued.

Without question, the HRLA officers and directors are disappointed to report there will be a delay in the issuance of a new License. We are hopeful Alcoa will continue to voluntarily maintain a conservative position on lake levels, as they have done through the 2007/2008 drought. Another example is the effect of the new terms on the construction of piers. The greater latitude in design and location of piers will be a real benefit to property owners, and we regret the delay in implementation. Alcoa has advised they look forward to implementing the many benefits contained in the Relicensing Settlement Agreement and will continue to work to bring these many benefits to fruition in a timely manner.

The following is a communication the HRLA sent to some local elected officials in late March:

We have just learned of the demonstration Stanly County plans in Raleigh next week. On behalf of the High Rock Lake Association representing thousands of Rowan and Davidson county residents, we ask that you not show support to Stanly in their fight with Alcoa, at least until you've asked for the opinion of your citizens in this matter. The High Rock Lake Association is very concerned that the protracted legal battle initiated by both Stanly County and Salisbury will only enrich the lawyers, and delay the benefits we will gain by the terms of the new license.

I'm sure you are aware that Alcoa has voluntarily operated High Rock since last September in accordance with the terms we all negotiated, even though they are not technically bound to do so. As a result, we've survived the current drought with great water levels and significant improvement in water quality. Compare that with 2002! Talk to fishermen and lake residents, you'll find everyone is enjoying the lake this year.

If the current political opposition continues, Alcoa will have the right to continue to operate under terms of the 1958 license. Nobody except Alcoa could possibly want that. The increased operating profits operating under old license terms will more than offset Alcoa's legal expense, and the rest of us may be looking at a dry lake while the lawyers enjoy themselves.

Stanly County had every opportunity during the past 4 years to participate actively in the Relicensing process, and they chose to wait until the process was concluded before making their claims. Their actions are very unfair to the stakeholders who negotiated with Alcoa in good faith, and reached a compromise agreement that addresses all concerns that were "put on the table" during the negotiations.

The HRLA believes the issues raised by Stanley County are matters that should be addressed outside of the FERC process, and FERC has previously agreed with our position. The HRLA's position of Salisbury's issues have been addressed by an earlier article on this website (11/16/2007 posting). We urge our members and all others interested in the welfare of our lakes to let your elected officials know you want the new License issued in the form that has been approved by the HRLA and many other stakeholders.