

**High
Rock
Lake
Association, Inc.**

**P.O. Box 159
Southmont, NC 27351**

Thursday, May 7, 2009

VIA ELECTRONIC FILING

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, NC 20426

Re: Alcoa Power Generating Inc.; Project No. 2197-073

Dear Secretary Bose:

This letter is offered to provide the Commission with an understanding of the position of the High Rock Lake Association Inc. (HRLA) on the status of the License Application and companion Relicensing Settlement Agreement (RSA) now pending before the Commission.

The HRLA is a signatory to the RSA, and our position remains firm in support of the RSA and the granting of a new license to APGI incorporating the terms of the RSA.

As FERC staff is well aware, the HRLA has a history dating back to 1954 working to improve water levels, water quantities, and an extended recreational season at High Rock Lake. Our relationship with Alcoa over the past 55 years was most often adversarial, and we often petitioned FERC to intercede on our disagreements. Many people now wonder why the HRLA supports the relicensing of Alcoa, especially in light of the governor and certain political interests now opposing Alcoa.

The HRLA supports the relicensing of Alcoa because we have invested thousands of hours over the past six years participating in a process of workshops and negotiations that produced the RSA. We negotiated with approximately forty (40) other stakeholder groups in addition to Alcoa. These stakeholders included the appropriate Agencies of North Carolina and South Carolina, Federal Agencies, Environmental Groups, and many NGO groups such as ours. Each stakeholder came to the table with unique needs and demands. This process continued to include FERC staff in the later stages, leading to the final EIS. It was a good process, it was a process that allowed all interested citizens to participate, and it produced terms of a new license we can all live with. No, the HRLA did not get everything we wanted; no one did. I believe that's a hallmark of good negotiations.

The HRLA is requesting FERC to disregard the demands that have come from easily identifiable sources in Stanly County. We don't know the ultimate goals of the groups that have spent so much private and public money trying to invalidate Alcoa's license application; but we do know the delays they have caused have delayed the license application and are depriving us of the benefits the new license will bring.

The intensive negative lobbying has included hiring multiple expensive law firms, public relation firms, setting up the NC Water Rights web site, causing a mass mailing to FERC about water levels at Badin, and generally spreading misinformation designed to discredit the RSA and Alcoa. They characterized the participants of the relicensing process as incompetent, not fit to negotiate with Alcoa. We resent and strongly disagree with that characterization. Please note, the record shows Stanly County was an active participant in the entire process, and never did their representative at the table put demands forth such as we have heard in the past year.

Now comes the State of North Carolina and Governor Perdue, claiming to represent all 9,000,000 citizens of North Carolina demanding the water be returned to the people. Secretary Bose, let me tell you, the Governor is NOT representing all the people in North Carolina!

Quite to the contrary, the Governor's office is totally ignoring the people of North Carolina most heavily vested in the Yadkin Project. We have asked for answers as to why the State is trying to put together a taking of the Yadkin Project, but no rational answers have been provided. We appeared before NC Senate Committee meetings in an effort to raise awareness of the issues involved, but were basically ignored by the politicians. Most assuredly, the process going on in Raleigh NC is NOT FOR THE PEOPLE!

The letter of May 1, 2009 from Representative Kissell is another example of the political pressure being used in an effort to circumvent the orderly FERC licensing process. We are of the belief out of time intervener status is granted on the understanding it will not disrupt the orderly FERC licensing process. We ask that FERC reject the request of Representative Kissell, and that you do not grant another four (4) month delay as requested by North Carolina.

We are especially opposed to the State's request for a four month delay because of the reasons the State offers; i.e. "The Facts and Other Evidence the State Proposes to Gather...." The issues identified by the State (3 detailed) have been thoroughly vetted during the Relicensing Process by all Stakeholders, including State and Federal Agencies. We do not believe the State can produce any relevant new evidence in four months that has not already been considered by either the stakeholders or FERC staff. Our belief in the States inability to produce new evidence is enforced by the failure of the NC Legislatures Environmental Review Commission (EWC) to produce a report mandated by the NC Legislature in July 2008. This study, "The impacts on the State of the potential issuance of a new 50-year license by the Federal Energy Regulatory Commission to Alcoa Power Generating, Inc. (S.L. 2008-137, Secs. 1 and 2)" was requested by the Legislature with a deadline of February 1, 2009. To our best knowledge, the ERC has still not finished its work on this report after nine (9) months.

We are offended by the State's claim that "to date, no other party has presented evidence ...". This claim is an insult to those stakeholders who put in long hours examining the very issues listed by the State, and should be an affront to FERC staff who produced a very comprehensive EIS.

The HRLA also respectfully requests that FERC reiterate its position on take-over of the project by other parties. FERC staff ruled on this question some time ago, but apparently the Governor has not taken the time to read your earlier ruling. As a result, she has made what we consider misrepresentations to the press about the ability of the State of North Carolina to assume the federal license after they take Alcoa's property. It is our hope that a firm position by FERC, emphasizing that FERC will abide by its longstanding regulations on this issue, will bring some reality to the politicians in Raleigh.

Please, issue the new license incorporating the RSA to Alcoa Power Generating Inc. without further delay.

Sincerely,

Larry O. Jones
President
High Rock Lake Association Inc.