

UNITED STATES OF AMERICA
FEDERAL POWER COMMISSION

Before Commissioners: Lee C. White, Chairman; L. J. O'Connor, Jr.
Charles R. Ross, Carl E. Bagge, and
John A. Carver, Jr.

Carolina Power & Light Company) Project No. 2206
)
Yadkin, Inc.) Project No. 2197

ORDER APPROVING HEADWATER
BENEFITS SETTLEMENT

(Issued March 29, 1968)

On January 24, 1968, Yadkin, Inc. (Yadkin) filed a letter agreement between itself and Carolina Power & Light Company (Carolina), with respect to the settlement of headwater benefits in the Yadkin Pee Dee River Basin. This agreement modifies an agreement of February 19, 1926. The new agreement is dated January 15, 1968, and was filed pursuant to Section 13.1 of the Commission's Regulations under the Federal Power Act. The previous agreement was approved by this Commission in an order issued July 12, 1965. The new agreement includes the following provisions for operation of the High Rock Reservoir.

1. During the ~~ten week period preceding~~ the recreation period (May 15 through September 15) such regulated weekly average stream flow would be reduced to a flow not less than 1500 cfs so as to permit High Rock reservoir to refill by May 15.
2. During the period May 15 through July 1, such regulated average weekly stream flow would be reduced to a flow not less than 1610 cfs.
3. During the period July 1 through September 15, such regulated average weekly stream flow would be reduced to a flow not less than 1400 cfs.

The proposed new schedule of operations will reduce downstream benefits to Carolina because of the more limited operations of the High Rock reservoir as provided by the new "Operating Guides for Operation of Badin Works" which we are approving by a separate order amending Article 33 of the license for Project No. 2197. The two parties have agreed that the payment by Carolina should be \$5,208.33 monthly, which is equivalent to an annual payment of \$62,500.

In its order issued July 12, 1965, the Commission found that the agreement dated February 19, 1926 between Yadkin and Carolina constituted an effective and reasonable method of compensation for headwater benefits provided by Yadkin's Project No. 2197 to Project No. 2206 of Carolina Power & Light Company in the Yadkin-Pee Dee River basin in North Carolina.

In accordance with the terms of that agreement Carolina paid \$100,000 a year for headwater benefits provided by the operation of Yadkin's High Rock and Narrows reservoirs. These reservoirs, according to the agreement of February 19, 1926, were to impound and subsequently release the flood waters of the Yadkin River so as to equalize, insofar as practicable, the flow of the river. The agreement made no mention of limiting the drawdown of the High Rock reservoir at any time of the year, but did stipulate that the net effective storage capacity shall be at least 10 billion cubic feet, which is equivalent to a drawdown of about 28 feet.

The Commission finds:

The settlement contained in the agreement dated January 15, 1968 between Carolina Power & Light Company and Yadkin, Inc. constitutes an effective and reasonable method of compensation for headwater benefits in the Yadkin-Pee Dee River Basin received by Carolina at Project No. 2206 from Yadkin, Inc.'s Project No. 2197 in accordance with Section 13.1 of the Regulations under the Federal Power Act.

The Commission orders:

The afore-mentioned settlement contained in the agreement dated January 15, 1968 between Carolina and Yadkin is hereby approved until further order of the Commission should be required by changes in conditions.

By the Commission.

(S E A L)

Kenneth F. Plumb,
Acting Secretary.