

Catawba Nuclear Neighbors

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May 10, 2004

Mr. Tim E. Gause
District Manager, Catawba Area
Duke Power
217 Craig Manor Road
Lancaster, SC 29720

Dear Mr. Gause,

At our May 3rd meeting, attended by approximately 130 neighbors, other interested parties and Duke Power representatives, you requested that we summarize in writing our concerns about your imminent intent to sell approximately 580 acres near the Catawba Nuclear Station to one buyer. We, the Catawba Nuclear Neighbors (CNN) are doing so with this letter.

The rush to sell this property prior to adequate study by the various private, governmental and regulatory stakeholders is a major concern. **We therefore request Duke Power to cease efforts to sell the land and consider donating it to a conservation trust or similar preservation group. Pending that decision we request an immediate, written moratorium on the land sale/bidding process until August 15, 2004 for the following reasons:**

Nuclear/Terrorist Threat

In the event of a nuclear accident or terrorist attack, the only means of egress from the area in question is a single two-lane road over an unprotected bridge located within a few hundred yards of the Nuclear Station. That road and bridge are highly likely to be destroyed, damaged or blocked in an emergency. Increased population, especially in inland areas without boats and docks, at best would leave thousands of people stranded and at worst could result in a catastrophic emergency.

Catawba Nuclear Station's approval as a test site for the use of weapons grade plutonium as a fuel raises additional security and potential terrorism issues of major concern, not the least of which is further ratcheting up the value as a target for terrorism. Proposing significant population growth near this test site requires prior study and clear government and regulatory approval.

Given our nation's heightened state of alert, there is a risk that increased population density in close proximity to the Catawba Nuclear Power Station may also make the station more attractive for terrorist targeting. Construction of additional roads and utilities for single-family homes and perhaps apartment complexes raises additional security issues for our already overtaxed sheriff, fire and rescue squads and the Catawba Nuclear Station security force.

While ingress/egress may have been considered during your recent nuclear relicensing process, we must presume that it was done based on only approximately 120 residences (many of them used in summer or weekends only) east of the bridge. That issue requires reexamination prior to significant population expansion.

Finally, any increase in terrorism risk affects not only your employees and we concerned CNN neighbors. Many population centers are within a ten-mile radius. The prevailing southwesterly can extend that risk to residents as far away as Charlotte and its surrounding regions.

Relicensing Issues

Duke Power is currently undergoing a hydroelectric relicensing process. Duke seeks the support and agreement of over 120 stakeholders to negotiate a settlement agreement to renew the Federal Energy Regulatory Commission license for all the dams on the Catawba River.

Within the first few months of this process, stakeholders clearly notified Duke Power of a strong interest in land conservation as a major component of a settlement agreement. In fact, those stakeholders have indicated repeatedly that land preservation is a key to assuring Duke has a successful partnership with relicensing team members toward an uncontested license application.

The 580 acres you propose to sell fit several of the criteria identified in the recent relicensing stakeholder meetings. It is wooded, has significant wildlife populations, touches the shoreline of the project boundary and is adjacent to an existing county park. This is precisely the kind of land you will need to secure a settlement agreement from stakeholders.

A hydro relicense renewal that is uncontested and widely supported locally guarantees Duke a relatively predictable regulatory framework in which to operate for 30 to 50 years.

When the word of this potential land sale leaked out less than two weeks ago, relicensing group members contacted Duke Power expressing serious concern. We join in that concern.

These 580 acres could be a valuable negotiating tool for Duke. Without them stakeholders may push you to annually fund a cash conservation fund as part of settlement as stated in interest statements. The financial gain made from the land sale could be more than offset in a relicensing settlement.

Environmental Impact

A 580-acre potential development on Lake Wylie shores will have a strong negative impact on the lake environment if done inappropriately.

The clearly stated Duke Power position in last week's meeting was that the corporation simply plans to sell the land and leave it up to the buyer and the public to negotiate existing and environmental standards. It would cost you relatively little effort to protect the surrounding environment with deed restrictions when compared to the effort of placating extremely upset neighbors, environmental groups and government officials if you do not.

You have a well-earned reputation of being an environmentally sensitive neighbor. If Duke rushes to sell the land quickly, without appropriate deed restrictions, there could be irreversible damage both to the pristine local environment and to Duke's valued reputation with the public and with various government bodies.

Conclusion

We understand that Duke needs to generate cash, but today's Charlotte Observer article announcing an arts grant of \$2-4million would indicate that the need is not dire. We recommend that you look at the big picture. Duke Energy will survive this current cash flow need.

To deliver on your stated values of citizenship, community and service, we believe it is essential that the concerns we have stated be studied and dealt with in an open and orderly manner.

We have lived as supportive and accepting neighbors of the Catawba Nuclear Station. We did not object to your early application for nuclear relicensing or even to your decision to test the use of plutonium for fuel. Unlike other power companies in the United States, Catawba Nuclear Station has enjoyed neighbors who prefer partnership to contention. We would like to maintain that relationship and so express these concerns to you in the good faith hope that we can resolve them in collaboration with each other.

We therefore request Duke Power to cease efforts to sell the land and consider donating it to a conservation trust or similar preservation group. Pending that decision we request an immediate, written moratorium on the land sale/bidding process until August 15, 2004 to allow appropriate time for

our committee, government and others to discuss these issues with the appropriate decision makers at Duke Power. We look forward to working with you toward a solution acceptable to all parties.

Sincerely,

David E. McCauley
Co-chair

Mark Sleeper
Co-Chair

Cc: Paul Anderson, CEO Duke Energy
Dr. Ruth Shaw, President, Duke Power
Dhia Jamil, Catawba Nuclear Station
Fritz Hollings, US Senator
Lindsey Graham, US Senator
John Spratt, US Representative
Mark Sanford, SC Governor
Wes Hayes, SC Senator
Becky Meacham Richardson-SC Representative
Herb Kirsh, SC Representative
Kyle Vickory, SC DHEC
Mike Short, Chairman, York County Council
Perry Johnston, York County Council
Eric Greenway, Director, York County Planning & Development Services
Cotton Howell, Director, York County Emergency Operation Center
Bruce Bryant, York County Sheriff
Frank Falls, Chairman, Clover School District Board
Dave Cully, Chairman, Lake Wylie Marine Commission
Joe Stowe, Lake Wylie Marine Commission and CNN resident
Mike McLaurin, Executive Director, Lake Wylie Marine Commission
Donna Lisenby, Catawba Riverkeeper