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**General Information****Assigned Office:** NRR**OEDO Due Date:** 05/03/2013**Other Assignees:****SECY Due Date:** 05/03/2013**Date Response****Requested by Originator:****Other Parties:****Subject:** Keowee-Toxaway Relicensing Application**Description:****CC Routing:** RegionII**ADAMS Accession Numbers - Incoming:****Response / Package:****Other Information****Cross Reference No:** LTR-13-0284**SRM\Other:** No**Process Information****Action Type:** Letter**OEDO Concurrence:** No**Signature Level:** NRR**OCM Concurrence:** No**Special Instructions:****OCA Concurrence:** No

Ticket sent to DPC for Immediate Release in ADAMS per SECY.

**Document Information****Originator Name:** Mike McClure**Date of Incoming:** 03/23/2013**Originator Org:** Citizens**Document Received by OEDO Date:** 04/04/2013**Addressee:** Chairman Macfarlane**Incoming Task:** Letter**OEDO POC:** Dan Merzke

OFFICE OF THE SECRETARY  
CORRESPONDENCE CONTROL TICKET

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**PAPER NUMBER:** LTR-13-0284

**LOGGING DATE:** 04/04/2013

**ACTION OFFICE:**

EDO

**AUTHOR:** Mike McClure

**AFFILIATION:** SC

**ADDRESSEE:** CHRM Allison Macfarlane

**SUBJECT:** Concerns Keowee-Toxaway Relicensing Application

**ACTION:** Direct Reply

**DISTRIBUTION:** RF, SECY to Ack.

**LETTER DATE:** 03/23/2013

**ACKNOWLEDGED** No

**SPECIAL HANDLING:** Lead office to publicly release 24 hours after SECY's assignment, via SECY/EDO/DPC.

**NOTES:**

**FILE LOCATION:** ADAMS

**DATE DUE:** 05/03/2013

**DATE SIGNED:**

EDO --G20130267

**Ms. Allison M. McFarlane**  
**Chairman**  
**U.S. Nuclear Regulatory Commission**  
**Washington, DC 20555-0001**

Re: Keowee-Toxaway Relicensing Application

Dear Ms. MacFarlane,

March 23, 2013

As part of Duke Power's Keowee-Toxaway hydropower relicensing application, Duke maintains that the findings of two studies done in 2010 are sufficient for Duke to draw the conclusion that there will be little to no property value impact on Lake Keowee real estate as a result of its proposal to lower Lake Keowee an additional 5 ft., to 790 ft. during drought conditions..

The two studies on which Duke is relying in support of its application were conducted by Allen, et al., in 2010. The first study was conducted for the Corp. of Engineers and focused only on Lake Hartwell and encompassed a six county area. The study concluded that the economic impact on the entire six counties would be minimal. Although the second Allen study did include Lake Keowee, it assumed the water level would not drop below the current minimum of 795 ft. and it did not include the impact of property value reductions.

Duke is relying on the aforementioned studies to conclude that the lowering of Lake Keowee another 5 ft., as proposed in its application, will have neither an economic impact on Oconee and Pickens County nor a significant impact on property values. The lack of economic impact is, of course, the very conclusion Duke wants. Duke has steadfastly refused to conduct a focused study of the economic impact on the Lake Keowee area of its proposal to lower the water level floor to 790 ft. despite the fact that multiple stakeholders and property owners have requested Duke to do so. The 1322 Petitioners that have signed a petition in opposition to Duke's proposal believe the use of the aforementioned studies is clearly wrongful and misleading, and, now, the facts set forth below unequivocally support our beliefs.

In a research paper to be presented at the American Real Estate Association conference in April, Professor David Wyman of Clemson University will present his findings from a 2013 study focused solely on the economic impact on the Lake Keowee area, and hence Oconee and Pickens Counties, of Duke's proposal to lower Lake Keowee to 790 ft. during drought conditions. Dr. Wyman's academic area of expertise is in assessing the factors that impact real estate values.

As mentioned above, Professor Wyman's paper will be finalized and presented in April 2013. What follows is a very brief summary of the facts and conclusions of this study.

Professor Wyman reviewed real estate transactions on both Lake Hartwell and Lake Keowee in Oconee County between 2002 and 2012 in order to obtain an accurate and comparable assessment of the impact of lake levels on property values. Using topographic data obtained from Duke through the Freedom of Information Act, GIS information obtained from Oconee County and input from a local dock manufacturer to determine at what level each property would be "dockable", Dr. Wyman concluded that 47.7% of the lots on Lake Keowee would be undockable at 790 ft. This finding compares with Duke's conclusion that 46% would be undockable and confirms the accuracy of Dr. Wyman's data base.

Dr. Wyman used actual sales data and lake levels from Lake Hartwell over a 10 year period to extrapolate the projected impact the lowering of Lake Keowee's floor to 790 ft. would have on Lake Keowee real estate values. In order to further confirm the accuracy of his data and conclusion, Dr. Wyman compared the Lake Keowee conclusions with similar studies conducted on Lake Lanier (Georgia) and Lake Conroe (Texas).

What Professor Wyman concluded from the Hartwell data, and that which was supported by both the Lanier and Conroe studies, is that a single short duration lowering of the Lake Keowee level would have a moderate impact on real estate values (-14%), but that any sustained lowering of the lake level would have a dramatic and permanent impact on real estate values (-32%). The aforementioned projected diminution in value estimates is, of course, an average for all properties. However, what is notable is that those properties in shallower water that will become undockable will be impacted significantly (>-50%) while those in deeper water will be impacted less.

A pretext of Duke's application and proposal to lower Lake Keowee's floor to 790 ft. is its claim that the lake will be subject to drought conditions and therefore down below 795 ft. (current floor) only 4% of the time. What Professor Wyman's review of the Lake Hartwell data concluded was that by using a more relevant time frame, these drought conditions are in excess of 4% and occur for extended periods of time. Once Lake Hartwell was lowered the lake level remained down for extended periods of time. For example, when Lake Hartwell was lowered below 654 ft. in August 2007, it was not refilled until April 2009 (21 months later). The result was an 85% drop in Hartwell real estate values for raw land (which suggests that Dr. Wyman's -32% number is likely conservative).

The facts are now in and they are irrefutable. There can be no doubt that Duke's proposed application to lower Lake Keowee's floor to 790 ft. will result in a significant and long-term impact on Oconee and Pickens County property values, tax revenues and school funding.

The question that remains unanswered is why Duke desires to lower the Lake Keowee floor to 790 ft. Virtually everyone involved, including Duke, acknowledges, that the amount of water involved in lowering the lake 5 ft. is minimal compared to the volumes

of the other downstream lakes and that lowering the lake is a one-time event (once the water is gone it is gone forever).

As a permanent resident of a house with lake front access to Lake Keowee I am one of the thousands who will be adversely affected if Duke is successful in lowering Lake Keowee to the 790 foot level during drought conditions. Duke has steadfastly refused to acknowledge this negative impact. The "cost" just in property values is considerable while the "benefit" to those downstream is minimal at best. I am writing to ask your help in preventing Duke Power from pursuing this lower level as part of their relicensing application. Thank you.

Sincerely,

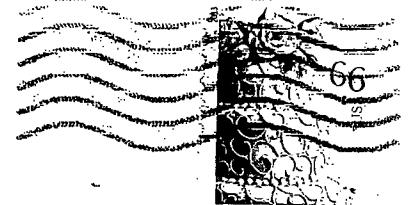
A handwritten signature in black ink, appearing to read "Mike McClure", with a long horizontal flourish extending to the right.

Mike McClure

Mike McClure  
316 South Cove Road  
Sunet, SC 29685

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**Ms. Allison M. McFarlane**  
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