

## Negotiating Strategic Agreements with Federal Agencies

“Your process experience and knowledge was a significant factor in successfully developing an agreement with the U.S. Army Corps of Engineers, which we hope will serve all interests for the next 30-50 years.”

– Stephen Jester  
Duke Energy  
February 2015

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### CLIENT

Duke Energy, the largest electric power holding company in the U.S.

### BACKGROUND

Unable to reach a new operating agreement addressing water management, water storage and draught management protocols after 12 years of working with federal agencies Duke Energy found this lack of an agreement to be jeopardising a vital Federal Energy Regulatory Commission (FERC) relicensing of its nearby Keowee-Toxaway Hydroelectric Project. As schedules became critical with no room for further slippage, Duke Energy retained Dawson & Associates to provide it with the strategic and technical guidance necessary to conclude a new operating agreement with the Army Corps of Engineers’ Savannah District and the Southeastern Power Administration (SEPA).

### RESPONSE

Dawson & Associates responded by assigning an experienced team of former Corps officials with unique requisite experience in federal water policy and procedure for the Savannah River Basin.

In less than two years, Dawson & Associates guided Duke Energy’s efforts with Federal officials to successfully resolve longstanding differences involving water usage, water storage, and environmental protection. D&A provided extensive factual input as the Savannah District prepared its statutorily required documentation that included an Environmental Assessment based on Duke’s Comprehensive Report resulting in a “Finding of No Significant Impact.”

D&A also helped resolve a crucial matter, allowing the Corps’ District Office to correctly and comfortably conclude that its review and analysis met federal “best interest” standards and therefore could be funded from existing federal appropriations.

This progress culminated in 2015, when the Army’s Savannah District Commander and Duke Energy signed a new mutually acceptable operating agreement that codified hydro-project operations and related water storage availability and lake operations in the upper Savannah River Basin. The agreement allows Duke Energy to operate its hydropower production systems and three reservoirs with greater efficiency and effectiveness without adversely affecting the Corps’ three major reservoirs.

The path was now clear for Duke to proceed unencumbered with FERC in the process of relicensing its vital Keowee-Toxaway Hydroelectric Project.