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Magalie R. Salas Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

FERC No. 2197

013

Re: Application for New License, Yadkin Hydroelectric Project,

Dear Secretary Salas:

Enclosed for filing please find a complete License Application (LA) and related documents seeking issuance of a new 50-year license for the Yadkin Hydroelectric Project, P-2197, owned and operated by Alcoa Power Generating Inc., Yadkin Division ("APGI"). Specifically, enclosed are the following:

- 1. An original (1) and eight (8) copies of the "Application for License for Major Project—Existing Dam" (April, 2006) (Exhibits A-E, Exhibit H and Appendices);
- 2. An original (1) and two (2) copies of Exhibit F (Supporting Design Report and Design Drawings; April, 2006) which are clearly labeled as Critical Energy Infrastructure Information (CEII);
- 3. An original (1) and eight (8) copies of Exhibit G (Project Maps; April, 2006) which are clearly labeled as Non-Internet Public information; and
- 4. An original (1) of Appendix E-17 (Archaeological Resources Study Report; April, 2006) which is clearly labeled as Privileged.



Magalie R. Salas April 25, 2006 Page 2

Given their volume and the expressed desire of the relicensing participants, APGI will deliver compact discs of the public filings to the Parties on the project service list. However, any Party that requests a paper copy will be provided one.

The Commission should be aware that APGI is maintaining active, ongoing negotiations with the Authorized Representatives of a number of relicensing interests, including the U.S. Forest Service, the U.S. Fish and Wildlife Service, the U.S. Environmental Protection Agency, the States of North and South Carolina, non-governmental organizations including The Nature Conservancy, American Rivers and the Land Trust for Central North Carolina, various City and County representatives from the State of North Carolina, and a number of representatives of homeowner associations in and around the Project reservoirs. It is APGI's hope that many of these relicensing interests will sign an Agreement in Principal (AIP) that would be completed in the near future, hopefully by the end of June. If this occurs, it would be APGI's plan, working with the AIP signatories, to present a final Relicensing Settlement Agreement (RSA) to FERC by the end of the year. That RSA would represent an offer of settlement that would replace the operational proposal in this LA, as well as a number of other discrete relicensing issues.

In addition, APGI is in the early stages of consultation with the North Carolina Department of Environment and Natural Resources, Division of Water Quality (DWQ) regarding APGI's application to the State of North Carolina for water quality certification under Section 401 of the Clean Water Act, 33 U.S.C. § 1341. Consistent with new FERC regulations at 18 C.F.R. Sec. 4.34(b)(5), APGI will file a request for certification with DWQ within sixty days after FERC issues its Ready for Environmental Analysis notice on the Yadkin LA.

Please contact either of the undersigned at the number listed above with any questions concerning this filing.

Respectfully submitted,

D. Randall Benn David R. Poe

Counsel for APGI

CERTIFICATE OF SERVICE

I hereby certify that I have this day served compact discs of the public documents upon each person designated on the project service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Washington, D.C. this 25th day of April, 2006.

David R. Poe

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