



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

John E. Skvarla, III
Secretary

August 11, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Duke Energy Corporation
Attention: Mr. Sean DeNeale, Engineer II
Environmental Services
Post Office Box 1006
Mail Code EC 13K
Charlotte, North Carolina 28201-1006

7011 3500 0000 4267 0224

Duke Energy Corporation
Attention: Mr. John Elnitsky, Vice President
Project Management and Construction
550 South Tryon Street
Mail Code DEC 22C
Charlotte, North Carolina 28202

7011 3500 0000 4267 0583

RE: Riverbend Ash Basin Intermediate Dam
GASTO-099 – High Hazard Potential
Catawba River Basin
Gaston County

Dear Mr. DeNeale and Mr. Elnitsky:

The "Dam Safety Law of 1967," as amended, provides for the certification and inspection of dams in the interest of public health, safety, and welfare, in order to reduce the risk of failure of such dams; to prevent injuries to persons, damage to property; and to insure the maintenance of stream flows.

Our records indicate that you are the owner/and or responsible for the referenced dam, which is located off NC Highway 16 in Gaston County. The decant structure for this dam is comprised of a concrete riser with a concrete barrel. Your dam is categorized as a "High Hazard" dam. In the event of dam failure, significant environmental damage to Mountain Island Lake could occur due to release of coal ash stored behind the dam.

Our Division is in receipt of your June 26, 2014 correspondence, which stated a consultant was retained to provide an engineer's assessment of an internal camera inspection video and to make recommendations for repair based on recommendations in the engineer's assessment.

Our Division is also in receipt of your July 30, 2014 correspondence, which included a video assessment sealed by Mr. Richard L. Hiner, PE, of AMEC Environmental & Infrastructure, Incorporated. The assessment concluded repairs of the decant structure are not necessary at this time.

Division of Energy, Mineral, and Land Resources

Land Quality Section - Mooresville Regional Office

610 East Center Avenue, Suite 301, Mooresville, North Carolina 28115

Telephone: 704-663-1699 / FAX: 704-663-6040 • Internet: <http://portal.ncdenr.org/web/lr/land-quality>

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Your consultant has indicated that the spillway pipe and riser for this facility is in serviceable condition and is not in need of repair at this time. However, your consultant recommended that a periodic inspection program for continued monitoring be established. We concur with the engineer's assessment for annual internal camera inspections of the dam decant structure. In addition, we request the annual inspection video be reviewed by a registered professional engineer experienced in pipe condition assessment and that this engineer render a professional opinion as to the integrity of the pipe pursuant to such review.

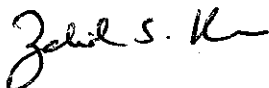
The video documentation submitted May 6, 2014 includes a CCTV inspection date of March 27, 2014. Therefore, the next annual internal camera inspection is to occur by March 27, 2015, with the engineer's assessment and copy of the video provided to this Division in duplicate no later than thirty (30) days after the internal camera inspection.

Please be advised any plans and specifications for repair must be filed with the Division of Energy, Mineral and Land Resources for approval pursuant to the North Carolina Administrative Code, Title 15A, Subchapter 2D – Dam Safety (15A NCAC 2K). Please note any excavations in the dam or major repair work to this dam must be approved by this Division before any work is done. Additionally, please note that this dam may not be breached, meaning the dam may not be drained by cutting a notch in the dam, without prior engineered breach plans being submitted to and approved by this Division.

Please notify this Office in writing if you wish to assert that you have no ownership or are otherwise not responsible for maintenance or repairs to the subject dam. If you have an emergency situation during non-office hours, you should notify 911 and the State Emergency Operations center at 1-(800) 858-0368. They will notify the appropriate personnel in this office of the situation.

It is recommended that you or your engineer direct questions related to repair applications or the dam plan review process to our dam safety staff at (919) 707-9220. All plans, specifications design data, and calculations must be submitted to the State Dam Safety Engineer. If you have any questions regarding this letter, please contact me at (704) 663-1699. Your cooperation and consideration in maintaining a safe dam is appreciated.

Sincerely,



Zahid S. Khan, CPM, CPESC, CPSWQ
Regional Engineer
Land Quality Section

EC: Steven M. McEvoy, PE, State Dam Safety Engineer
Water Quality Regional Operations Section