

MEETING NOTES

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
Joint RCG Meeting**

August 30, 2017

Final KMK 10-09-17

ATTENDEES:

Bill Argentieri (SCE&G)	Lorianne Riggin (SCDNR)
Ray Ammarell (SCE&G)	Dick Christie (SCDNR)
Randy Mahan (SCE&G)	Bill Marshall (SCDNR)
Beth Trump (SCE&G)	Ron Ahle (SCDNR)
Corbin Johnson (SCE&G)	Gerrit Jobsis (American Rivers)
Caleb Gaston (SCE&G)	Bill Stangler (Congaree Riverkeeper)
Brandon Stutts (SCE&G)	Henry Mealing (Kleinschmidt)
Melanie Olds (USFWS)	Alison Jakupca (Kleinschmidt)
Rusty Wenerick (SCDHEC)	Kelly Kirven (Kleinschmidt)
Pace Wilber (NOAA) via conf. call	

These notes are a summary of the major points presented during the meeting and are not intended to be a transcript or analysis of the meeting.

Ray opened the meeting with a safety moment. The purpose of this meeting was to continue discussion of the Adaptive Management Plans (AMPs), Comprehensive Relicensing Settlement Agreement (CRSA), and off-license agreements. Prior to the meeting, Kelly distributed several documents for the stakeholders to review. These documents are attached to the end of these notes. The stakeholders held a break-out session to discuss these documents separately from SCE&G and then reconvened to discuss the items on the agenda together.

West Channel AMP

Following the CRSA meeting held on August 10th, SCE&G edited the wording in Section 3.0 to limit the scope of the AMP to the measures laid out in Section 5.0. They also added a sentence that clarifies if the desired improvements to aquatic habitat in the West Channel are not realized to the extent expected or desired by the Review Committee, despite the implementation of the methods described in Section 5.0, no further action on the part of SCE&G will be required under the AMP. Stakeholders agreed to this revision.

The group also discussed the edits made to Section 5.0. Gerrit said that the WUA analysis seemed like an afterthought in the AMP, and requested that the word “determined” be changed to “evaluated.” Everyone agreed to this change.

CRSA Structure

Henry said that the group needs to discuss the structure of the CRSA, including the appendices. Henry suggested that the CRSA Appendix A include the AMPs, monitoring plans, Shoreline Management Plans (SMPs), Recreation Management Plan (RMP), and the Habitat Enhancement Program (HEP). He also suggested that Appendix B include only the Blue Trail Maps. A separate off-license agreement will include the Memorandum of Understanding (MOU) with SCDNR and others that will be enforceable under state law. This agreement will include the flooding and draining of the WMA, Monticello Reservoir hazard marking, and the land protection agreement. Dick asked if the MOU could be initiated upon signature. Bill A. said that he would like to wait to initiate the MOU until the license is issued. Dick said it could be years before a new license is issued, and it would be nice if the WMA flooding and draining and the hazard marking could be completed earlier. He asked if SCE&G would consider implementing the MOU earlier than when the license is issued. Bill A. said he would talk to his management about this. Caleb suggested having a provision for each issue in the MOU, specifying when each one goes into effect. This way, the land protection piece of the MOU could be tied to the license issuance.

Flooding and Draining WMA

Dick said that Andrew Hook with SCDNR needs to review the proposal that SCE&G sent out, but as far as he is concerned, it looks good. Bill A. said that this process can be used this coming fall and spring. Dick said that it will be a work in progress, but this will open a line of communication between SCDNR and SCE&G.

Monticello Reservoir Hazard Marking

Bill M. said he doesn't see an issue with the proposal that SCE&G sent out, but asked why the Cannon's and Heller's Creek navigation marking was removed. Bill A. said he got word from management that this would be a legal issue and there would be no practical way to do it without opening the company up to potential legal issues.

Habitat Enhancement Program

Ray explained the formula he developed to calculate the annual contribution SCE&G would make to the Habitat Enhancement Program. SCE&G management asked him to tie the annual amount to the pumped storage operation in a way that would make the contribution commensurate with the pumped storage operation and also tie it to some type of existing valuation of operation that is a part of the current license. Ray said the only thing that meets that requirement is the annual charges that SCE&G pays to FERC for generation of their hydros. The formula for how FERC determines these charges is in the CFR. SCE&G is willing to make a contribution annually to the HEP. This contribution will vary yearly as it relates to reservoir fluctuation, which is the project impact that this fund is offsetting. Ray explained that if they pump more and have a higher daily fluctuation, then SCE&G would pay more. Management also had a concern that funds would grow and never get used, so they added in wording that funding would stop until funds have been depleted to a certain amount, and then full contributions would resume. A geographic area in which the funds could be used was also specified. Bill A. said that this area could be expanded to include the sturgeon spawning area downstream of the I-77 Bridge.

Bill M. said that the stakeholders had a few initial comments on this proposal. These are listed below.

- They found the formula to be complicated and suggested using a more simplistic formula that could still take into account generation and pumping. The predictability of the fund contribution each year was questionable.
- The scope of the area targeted by the fund needs more definition and clarity, and needs to include additional areas upstream and downstream of the Project.
- The requirements for eligible projects needs to be refined.
- Stipulations should be added regarding the reduction or stopping of contributions when the fund reaches a certain amount, so that funds can accumulate for a larger project.
- More specifics are needed on how the HEP charter will be developed and how the program will be administered.

The group decided to set this issue aside and the agencies and NGOs will meet in September or October to develop some additional specifics for the program. The relicensing group will then meet again to discuss these specifics.

Pace said he wanted to raise the issue of the reliability of the City of Columbia to continue to fund fish counts at the Columbia Fishway. He said that a lot of projects are tied to the fishway usage numbers, so it is important that the fishway continues to be monitored. He asked if the group thinks these funds could be used to contribute to monitoring at the fishway. Bill A. said that the only way SCE&G would agree to that is if the fishway monitoring is no longer a license requirement of another licensee. If these funds are used to fulfill another licensee's requirements, then SCE&G should expect to be able to use the funds to fulfill their own license requirements. Bill A. said if the license is surrendered, which Pace suggested may be a possibility in the future, then this could be possible. If the license goes away, then the fishway might go away as well.

The group discussed the formula again, and Bill A. said that it is actually fairly simple for SCE&G to calculate. Melanie said her concern is that it is hard to approve projects without knowing how much money will be contributed each year. She suggested that a minimum amount be donated each year. Ray suggested that the HEP group would only approve projects based on the money accumulated in the fund. Gerrit said he thinks there should be a caveat that if the FERC charges go away, or a substantial change occurs, the fund doesn't go away as well. Henry said that if the stakeholders are comfortable with the wording used to establish funds at other FERC projects in the basin, then use that as a framework. Bill A. will take the stakeholder suggestions back to his management before the next meeting.

Blue Trail Maps

Gerrit asked about the in-kind services that the SCE&G proposal details. Bill A. said that SCE&G has a layout and printing shop and when the maps are made, the company might want to do the layout and printing in-house. Gerrit asked how they would develop a budget for this work if they do it in-house. Bill said that if they do the work in-house, then they won't pay the money allotted for this.

Gerrit said that compiling the information that will be on these maps is important and can't be pulled off the shelf. There is a process for identifying this information and in order for this to happen, there needs to be funding. American Rivers doesn't have funds to do this themselves right now and would need SCE&G to contribute in order for this to happen. Bill A. said that SCE&G has an issue paying for American Rivers' time to develop the map. If American Rivers really wants the

map to be developed, SCE&G is okay supporting the map, but not paying for a stakeholder's time to do this. Gerrit asked if SCE&G would be willing to pay a separate consultant to do this work. Bill A. said he would ask his management.

Gerrit said there is a paddling map already developed for upstream of the Project and a separate one for the Enoree River that is being developed by Upstate Forever. He would like to focus on the area below Parr Shoals Dam, and also potentially contribute to printing additional copies of the Upstate Forever maps. Gerrit said they would only develop a new map for the downstream area, which would reduce his original cost estimate, and the extra money would be used for printing the other maps. He will revise his original proposal and send it back to SCE&G.

Bill S. asked if it was a philosophical issue or a liability issue as to why SCE&G was not willing to pay American Rivers to develop the maps. Ray said SCE&G doesn't want to play a role in the development of information. They are okay with paying for design and printing, but that's all. Gerrit said he would try to seek funding for that portion of the project elsewhere, such as trying to obtain a grant from the Richland County Recreation Commission.

Land Protection Agreement

The group discussed the Land Protection Agreement that SCE&G proposed. Dick asked if Best Management Practices (BMPs) are required or just recommended by the Forestry Commission. Corbin said SCE&G goes above and beyond the BMPs recommended by the Forestry Commission, and wording within the proposal can be adjusted to reflect that as needed. Corbin said most of the parcels along the river aren't very large and the riparian BMP buffers don't leave much timber to harvest. Because the bat BMP's would limit the timbering time period to a four month period, SCE&G won't be able to include those restrictions.

The group discussed the 14 parcels requested by SCDNR and SCE&G's proposed considerations. For the parcel in item 1, Bill M. asked if SCE&G is going to bring the whole parcel into the Project boundary, including the area where the sand mine is located. Bill A. said yes, if FERC requires them to cut that piece out, then that's what they will do.

Lorianne said that the language regarding the restrictive covenants needs to be revised. Structures need to be defined, including the type and size of structure. Language also needs to be added about the type of leases allowed on the lands. Henry said that a caveat could be added that if someone wants to buy the land and put it in a conservation easement, this would be allowed. The group agreed that SCE&G should consider this.

Gerrit asked if the document could be revised to explain that there is public access from the river to these lands to allow for passive recreation. Henry asked if these areas should be posted as public access and put on the Blue Trail maps to show people that these are areas that people can take out a boat and rest while paddling. SCE&G will consider this request.

Bill S. asked if there was road access to the parcel listed in item 13. Corbin said there is no public access to this piece of land.

Melanie asked how the other agencies/NGOs feel about this issue being included as an MOU rather than an off-license agreement. Gerrit said an off-license agreement is in the CRSA package submitted to FERC, although not in the license, and an MOU is not submitted to FERC. Dick said either way they will both be enforced under state law. Melanie said she is concerned that having this issue handled in a separate MOU takes something away from the CRSA. Bill A. said that any stakeholders can sign the MOU if they want.

Melanie asked if SCE&G would be willing to pick a few choice pieces of property and put them in a conservation easement, versus including more land with restrictive covenants.

Dick said this is a good start. He would like to see a piece of this proposal address public access, such as parcels listed in items 9 and 10. If SCE&G agreed to set aside 3 to 5 acres for potential public access to put in a canoe or jon boat in the future, it would go a long way. Henry said if this caveat was put in, then this agreement can't go in front of FERC, because they might require recreation development outside of the PBL, extending the PBL, which would not be in SCE&G's best interest.

Bill A. asked if the MOU needs to be drawn up before the FLA is filed. Dick said that their attorney will need to look at the MOU language as early as possible. Henry said we can get a basic agreement pulled together, then do the lawyer stuff later.

Bill A. proposed an additional scenario to the group regarding converting the 387 acres, currently classified as future recreation, next to the Fairfield tailrace to an Operations classification.

Bill A. offered to develop a draft of the questions which the stakeholders want to ask SCE&G regarding the land protection issues discussed at this meeting. He will send this draft to the attendees for their concurrence before approaching the SCE&G Land Department with these new requests.

Northern Long-Eared Bat

Melanie suggested that the RTE Assessment Report be amended to include the Northern Long-Eared Bat (NLEB). Henry stated that SCE&G will create an addendum to the report that includes information on the NLEB, which will be distributed to the stakeholders for review. Information will also be included in the FLA on this species.

Operations Optimization Model

Following the previous CRSA meeting, Gerrit provided some language regarding a possible optimization model to be included in the Downstream Flow Fluctuations AMP. Ray said that what was discussed in the previous meeting was less involved than the language that Gerrit provided. Ray said that SCE&G is not able to commit to that level of scope for the model, however they need to explore the possibility of automating the crest gates at Parr to benefit reduction of year round fluctuations.

Gerrit said at the last meeting, he did bring that issue up and one of the examples he provided is different than the Parr Project because it has a storage reservoir, which Parr doesn't have. However, Gerrit said an optimization model could be the way to go to reduce downstream fluctuations at Parr

because they look at many different variables and they account for the cost of energy and how this would affect operation decisions. Henry said we may not put in all of the wording that Gerrit provided, but we will add in information about developing a model as part of analysis in the future.

HEP Continued

The group circled back around to continue discussion of the HEP. Stakeholders said that the geographic scope should extend up to Neal Shoals and down to the Congaree River confluence with the Wateree River, and include tributaries. Randy said that how far the area extends up the tributaries needs to be defined.

Bill M. said they will continue to think about other possible formulas for calculating the annual contribution. Bill M. added that the formula would need to be sensitive to inflation.

Gerrit said he is speaking for the group when he says that dam removal is a very effective means of habitat enhancement and not allowing any dam removal to be funded by the HEP is a hard line to take. Gerrit said the Broad River Mitigation Fund has dam removal as an option. He said that he is talking about small dams, such as pond dams. Melanie asked if there would be a problem with doing culvert replacement. Bill A. said that he did not discuss that option with management. Gerrit said that language could be added to the plan that says dams would be removed on a voluntary basis, not to include any that are condemned.

Gerrit asked if SCE&G were a part of the HEP Board, would they have veto authority, or would decisions be made as a group? Bill A. said he would leave that up to the development of the charter, but SCE&G would want some say in how the money is spent. The stakeholders will develop this proposal further and provide this information to Bill A. and Ray so they can discuss this with management.

Melanie asked if there would be any incentive if a longer license was issued, such as a bonus for a 50 year license. Bill A. said if the license is longer, then SCE&G is guaranteed to donate money in to the HEP for a longer period of time.

After this discussion, the meeting adjourned. The group did not discuss the CRSA Appendix E, which was an item listed on the agenda. Stakeholders will submit any edits they have on this appendix to Kelly. If needed, this appendix will be discussed at a future meeting. Action items are listed below.

ACTION ITEMS:

- Kleinschmidt will finalize the West Channel AMP and distribute to the group.
- Dick and Bill M. will have Andrew Hook review the WMA flooding and draining proposal and send any edits to SCE&G.
- Agencies and NGO's will meet in September or October to review the HEP proposal - Bill A. will take the stakeholder suggestions back to his management before the next meeting.
- Gerrit will revise his original proposal on the Blue Trail maps and send it back to SCE&G.
- Bill A will develop a list of questions from the stakeholders regarding the land protection issues for their concurrence before approaching the SCE&G Land Department.

- Kleinschmidt will develop an addendum to the RTE Assessment Report to include the NLEB and will distribute to the stakeholders for review.
- Kleinschmidt will revise the Downstream Flow Fluctuations AMP to include some wording about the future development of an optimization model.
- Stakeholders will review the revised CRSA and Appendix E and submit any edits they have to Kelly.

Proposed SCE&G-SCDNR Agreements

Parr Hydroelectric Project

August 17, 2017

The following is proposed language to be considered for agreements between South Carolina Electric & Gas Company (SCE&G) and South Carolina Department of Natural Resources (SCDNR) to address: 1) flooding and draining at Broad River Waterfowl Management Area, and 2) marking of boating hazards at Monticello Reservoir of the Parr Hydro Project.

1) Flooding and draining the Broad River Waterfowl Management Area

SCE&G will cooperate, to the best of its ability, to assist SCDNR in the flooding and draining of the Broad River Waterfowl Management Area (BRWMA). A communications protocol will be developed to determine appropriate contact personnel and will be updated on an annual basis. Since many new operating constraints have been placed on SCE&G through the relicensing process, these DNR requested elevations may be provided in blocks as short as a few hours a day during the time period requested for managing this impoundment. SCE&G will attempt to support this request unless inflow conditions or operational constraints due to implementation of the new license requirements do not allow for the reservoir to achieve the requested elevations. Reservoir levels required by or resulting from compliance with license requirements, or implementation of protection, mitigation, and enhancement measures contained in Adaptive Management Plans implemented under the license, will take precedence over the waterfowl flooding and draining of the BRWMA as described herein.

Flooding - SCDNR needs to have the impoundments flooded by mid-November of each year. Flooding is expected to require about 48 - 72 hours if Parr Reservoir is at a 262 ft surface elevation or higher. Between mid-October and mid-November of each year, SCE&G will attempt to manage Parr Reservoir to maintain or exceed a surface water elevation of 262 ft for as long of a continuous period as possible (up to 72 hours), but may provide the requested elevations for shorter periods over several days. At the beginning of October, DNR personnel responsible for the BRWMA flooding will contact the SCE&G representative and provide a time period of when DNR will be ready to start flooding the BRWMA. The SCE&G representative will coordinate with the DNR representative to provide times when Parr Reservoir will be above 262 ft elevation. SCDNR will notify SCE&G when the impoundments have been flooded.

Draining - SCDNR needs to have the impoundments drained by early March each year. Draining is expected to require at approximately 72 hours if Parr Reservoir is at a 258 ft surface elevation or lower. Since this will be very difficult to achieve at this time of year, SCE&G will attempt to manage Parr Reservoir at a surface elevation of 262 feet or lower, for as long of a continuous period as possible (up to 72 hours), but may provide the requested elevations for shorter periods over several days. At the beginning of February, DNR personnel responsible for the BRWMA draining will contact the SCE&G representative and provide a time period of when DNR will be ready to start draining the BRWMA. The SCE&G representative will coordinate with the DNR representative to provide times when Parr Reservoir will be below 262 ft elevation. SCDNR will notify SCE&G when the impoundments have been drained.

This MOU will be effective for the term of the new FERC license unless terminated by SCDNR. It can be modified by the mutual consent of both parties.

2) Marking of boating hazards in Monticello Reservoir

SCE&G shall cooperate with the SCDNR in the marking of hazardous areas for navigation within Monticello Reservoir. All markings shall be consistent with the Uniform State Marking System. The costs of all materials (up to a maximum of \$10,000 during each consecutive 5 year period of the license term) used in the marking process at these two reservoirs shall be borne by SCE&G if the funding for such materials is not available to DNR through state or federal programs.

**SCE&G Counter Proposal for
Habitat Enhancement Program
Parr Hydroelectric Project – Relicensing**
August 25, 2017

Proposed Funding Formula for SCDNR Habitat Enhancement Program

SCDNR has requested that SCE&G provide annual funding to a Habitat Enhancement Program (HEP) to mitigate unavoidable impacts related to Parr Reservoir fluctuations due to pumped storage operations at the Fairfield Development. SCE&G is proposing a funding formula based on FERC’s calculation of annual administrative charges, which for a mixed conventional and pumped storage project includes a deduction based on pumping energy expended during each Federal fiscal year.

SCE&G is proposing to make an annual contribution to the HEP equal to the amount deducted from the FERC and other federal agency administrative charges for pumping energy expended, after subtracting 10.6 percent for the cost of Transmission and Distribution (T&D)¹ of the power to Fairfield. Since the fluctuation of Parr Reservoir (and associated unavoidable impacts) during a given year correlates strongly with the amount of pumped storage operation that year, the annual HEP contribution will be greater in years with more pumped storage operation, and smaller in years with less pumped storage operation.

Per 18 CFR 11.1.C.3.iii,

“For a mixed conventional-pumped storage project the charge factor is its authorized installed capacity plus 112.5 times its gross annual energy output in millions of kilowatt-hours less 75 times the annual energy used for pumped storage pumping in millions of kilowatt-hours.”

SCE&G submits annual generation statements to FERC by November 1 of each year, showing generation and pumping energy for the period October 1 of the previous year through September 30 of the current year (the Federal fiscal year). FERC sends an invoice in July of the following year, with payment due by early September of that year. Note the multipliers given in the CFR are equivalent to 11.25 percent of gross energy output in MWH, and 7.5 percent of pumping energy in MWH. FERC also provides Unit Charge Factors each year for its own and other Federal agencies’ estimated administrative charges. These factors are multiplied by the charge factor computed as described in the CFR to compute the total charges payable by the licensee. An adjustment is added or deducted by FERC each year to correct for the difference between the estimated administrative charges paid by the Licensee the previous year and the actual administrative charges incurred by the FERC during that year.

For the Parr Hydroelectric Project, the authorized installed capacity is 526,080 KW. For an example year (2012) in which annual energy output was 658,613 MWH and annual energy expended for pumping was 848,474, the charge factor would be computed as follows:

$$\begin{aligned} \text{Charge Factor} &= 526,080 + (0.1125 * 658,613 - 0.075 * 848,474) \\ &= 526,080 + 74,094 - 63,636 \\ &= 536,538 \end{aligned}$$

The deduction from the charge factor for pumping energy expended is 63,636 in this example. For the example year, the FERC provided unit charge factors of 1.546980 for FERC administrative charges, and

¹ Based SCE&G General Service Class Rates 23 & 24 T&D percentage.

0.162896 for Other Federal Agencies (OFA) charges. Multiplying the pumping energy deduction charge factor by the sum of these two unit charge factors gives the dollar amount deducted from the FERC annual charges for pumping energy expended, and subtracting the 10.6% T&D cost gives the HEP contribution:

$$63,636 * (1.546980 + 0.162896) = \$108,809$$

Less T&D Cost @ 10.6%: (\$11,534)

Habitat Enhancement Funding: \$97,275

SCE&G proposes to make the HEP contribution during the fourth quarter of the same calendar year in which the annual charges are paid.

Table 1 below shows the above computation using the generation and pumping energy over the last 14 Federal fiscal years:

Fiscal Year Annual Charges Paid	Pumping Energy (MWH, previous FY)	Charge Factor from 18 CFR	FERC Unit Charge Factor	Other Federal Agencies Charge Factor	Annual Charges Deduction for Pumping Energy Expended	HEP Contribution Net of Transmission & Distribution Cost (10.6%)	Parr Reservoir Average Daily Fluctuation (feet, previous FY/WY)
2004	1,082,358	81,177	1.427823	N/A ²	\$115,906	\$103,620	5.20
2005	1,241,915	93,144	1.540103	N/A	\$143,451	\$128,245	5.73
2006	1,220,472	91,535	1.248321	0.133254	\$126,463	\$113,058	5.61
2007	1,201,038	90,078	1.153142	0.203692	\$122,221	\$109,265	5.77
2008	1,112,467	83,435	1.322620	0.208375	\$127,739	\$114,198	5.57
2009	1,121,484	84,111	1.455633	0.233334	\$142,061	\$127,003	5.41
2010	992,379	74,428	1.449217	0.199028	\$122,676	\$109,673	4.59
2011	833,344	62,501	1.508011	0.161098	\$104,321	\$93,263	4.28
2012	848,474	63,636	1.546980	0.162896	\$108,809	\$97,275	4.33
2013	859,564	64,467	1.500914	0.149766	\$106,415	\$95,135	4.19
2014	625,794	49,935	1.402684	0.104162	\$70,723	\$63,226	3.25
2015	538,546	40,391	1.490838	0.088588	\$63,795	\$57,032	2.85
2016	700,422	52,532	1.566760	0.099777	\$87,546	\$78,266	3.69
2017	706,813	53,011	1.714956	0.096266	\$96,015	\$85,837	3.49

Table 1.

Figure 1 below shows the strong correlation over this same time period between pumping energy and average daily Parr Reservoir fluctuation.

² FERC did not provide a unit charge factor for other federal agencies in FY2004 or FY2005.

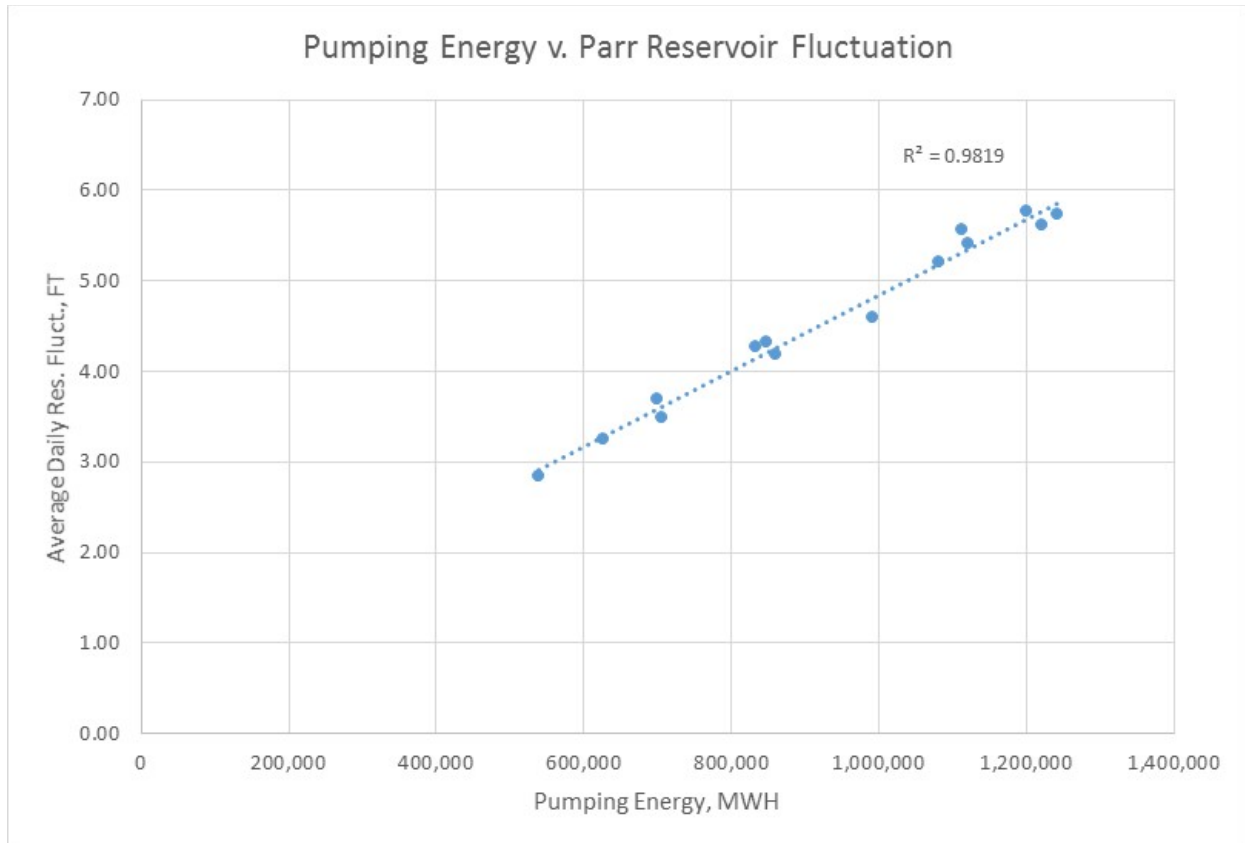


Figure 1.

Within two years after FERC issuance of a new Parr Hydroelectric Project license, SCE&G and the other signatories to the Settlement Agreement shall develop a charter for administering and deciding how to spend the funds in the HEP. Funding may be held and administered by SCE&G, SCDNR, or third party organizations such as State Mitigation Trust Fund, Central Carolina Community Foundation, or other options that might be available at that time.

The types of projects eligible for funding will include: conservation of lands by fee simple acquisition or easements; restoration and enhancement of stream channels, stream banks, riparian areas, shorelines, and wetlands;; creation or construction of habitats and nesting boxes to support fish and wildlife species; fertilizing and aquatic plant control in the Monticello sub-impoundment; conducting research and monitoring to support restoration of migratory fishes; developing low-impact facilities to access waterways for fishing and boating. The location of projects eligible for funding must be within the Parr Hydro Project boundary, the Broad River downstream of the Project and Congaree River from the Broad and Saluda rivers confluence to the I-77 Bridge.

If the funds held in the HEP account reach \$500,000, SCE&G will reduce the annual funding amount by 50 percent until the funds have been depleted through eligible project funding to \$400,000, at which time full contributions will resume during the fourth quarter of the following year. If the funds held in the HEP account reach \$750,000, SCE&G will stop annual contributions until the funds have been depleted through eligible project funding to \$400,000, at which time full contributions will resume during the fourth quarter of the following year.

**SCE&G Counter Proposal for
Blue Trail Recreation Maps
Parr Hydroelectric Project – Relicensing**
August 23, 2017

American Rivers offered to lead the development of recreation maps for non-motorized boaters similar to those completed for the Congaree, Wateree and Ashely rivers Blue Trails. Two recreation maps will be developed, one for the Broad River downstream of the Parr Shoals Dam to the Congaree River and a second that will include the Broad River from the Neal Shoals Dam to the Parr Shoals Dam and the Enoree River from Parr Reservoir to a yet to be determined upstream location. This work will include (1) convening settlement signatories, regulatory agencies, recreation users and outfitters to identify and compile information on recreation access points and key features, (2) map design and layout, and (3) printing 2,500 waterproof, color copies of each map. An estimated budget provided by American Rivers in 2017 dollars is:

- Identify and compile information - \$7,500
- Design and layout - \$4,000
- Printing - \$7,500
- Total \$19,000

As part of a Parr Hydro off-license agreement, SCE&G proposes to support this American Rivers program as follows:

American Rivers agrees to identify and compile the information it wants for the Blue Trail Recreation Maps for the Broad River from Neal Shoals Dam to the Congaree River. SCE&G will then assist with the design, layout and printing of up to 2,500 waterproof, color copies of each map by providing a onetime funding amount of \$11,500. SCE&G may provide in kind services in lieu of funding for the design, layout and printing of these maps.

**SCE&G Counter Proposal for
Protection of Lands
Parr Hydroelectric Project – Relicensing**
August 22, 2017

As part of a total PM&E package, SCDNR recommends significant land protection measures to provide for habitat conservation. In previous communications, SCDNR identified SCE&G-owned lands contiguous with the Project and adjacent to the Broad River downstream of the Project, and these included 14 parcels that total approximately 1900 acres (based on county land-ownership data from the Internet). Six of the 14 parcels are contiguous with the Project boundary, and eight are adjacent to the Broad River downstream of the Project. Protection of these properties would provide the benefits of conserving woodland habitat as well as buffering and enhancing shoreline and recreation areas at the Project and riparian and riverine habitats on the Broad River.

In response to this land protection request by SCDNR, SCE&G proposes to offer an off-license agreement as part of the relicensing process to protect the properties as described below for the term of the new license. Options to establish land protection for the license term include: 1) an off-license agreement to limit uses and sale of parcels, 2) bring parcels into the Project boundary, 3) place parcels in the SCDNR Wildlife Management Area Program. SCE&G will continue to manage timber in compliance with Best Management Practices outlined by the South Carolina Forestry Commission, including streamside management zones which protect areas adjacent to perennial, intermittent, and ephemeral streams.

Suggested language¹ to include within an off-license agreement as part of the relicensing process to limit uses and sale of parcels is as follows:

Within a year after FERC issuance of a new Parr Hydroelectric Project license, SCE&G shall retain the properties as described below for the term of the new license and restrict its use during the new license term. Certain properties will be placed into the WMA program, while other properties will have restrictive covenants with a non-development clause placed on them. SCE&G will retain all existing timber rights, and will continue to manage forestry uses according to the Best Management Practices required by the South Carolina Forestry Commission, including streamside management zones which protect areas adjacent to perennial, intermittent, and ephemeral streams. SCE&G also reserves the rights for uses related to utility services. This agreement can be modified by mutual consent of both parties.

The 14 parcels requested by SCDNR and the SCE&G proposed considerations are listed below, (parcels maps are provided in Attachment):

¹ The language used in this document is for discussion purposes, and is not intended to be a legally binding agreement. It is anticipated that a formal agreement regarding protection of the properties described in this document will be created at a later date.

- 1) 18 acres near Highway 34 at Broad River in Fairfield County – SCE&G is already planning to bring this property into the Project boundary as part of the proposed Highway 34 Recreation Site. It will have protection afforded by the FERC license.
- 2) 113 acres at Broad River WMA in Fairfield County –SCE&G is willing to allow this property to be enrolled in the WMA program.
- 3) 24 acres near Broad River WMA in Fairfield County – SCE&G is willing to allow this property to be enrolled in the WMA program.
- 4) 539 acres between Parr and Monticello reservoirs in Fairfield County – SCE&G proposes to place restrictive covenants with a non-development clause on this property, with reservation of uses related to utility services to SCE&G, and a provision that SCE&G may erect up to 2 structures on the property.
- 5) 340 acres on Monticello Reservoir in Fairfield County – This parcel is next to the Fairfield dams and provides a security buffer to Project structures. *SCE&G does not propose placing any restrictions on this property.*
- 6) 67 acres at Parr Reservoir in Newberry County –SCE&G proposes to place restrictive covenants with a non-development clause on this property, with reservation of uses related to utility services to SCE&G, and a provision that SCE&G may erect up to 2 structures on the property.
- 7) 83 acres on Broad River near Haltiwanger Island in Fairfield County –There is no public access to this property. SCE&G proposes to place restrictive covenants with a non-development clause on this property, with reservation of uses related to utility services to SCE&G, and a provision that SCE&G may erect up to 2 structures on the property.
- 8) 225 acres on Broad River near Huffman Island in Fairfield County –There is no public access to this property. SCE&G proposes to place restrictive covenants with a non-development clause on this property, with reservation of uses related to utility services to SCE&G, and a provision that SCE&G may erect up to 2 structures on the property.
- 9) 72 acres on Broad River upstream of Haltiwanger Island in Richland County – *SCE&G does not propose placing any restrictions on this property.*
- 10) 128 acres on Broad River at Haltiwanger Island in Richland County – *SCE&G does not propose placing any restrictions on the mainland portion of this property*, however SCE&G would agree to place restrictive covenants with a non-development clause on that portion of the property located on the northwestern end of Haltiwanger Island as shown on the revised map (5.4 acres). There is no public access to this property.
- 11) 11 acres near Broad River and Haltiwanger Island in Richland County – *SCE&G does not propose placing any restrictions on this property.*

- 12) 150 acres on Broad River including Huffman Island in Richland County – SCE&G is willing to place restrictive covenants with a non-development clause on the northern approximately 92 acres of this property as shown on the revised map, with an allowance that back property owners could install a 10 foot wide meandering path to allow access to the Broad River, and with reservation of uses related to utility services to SCE&G, and a provision that SCE&G may erect up to 2 structures on the property. There is no public access to this property. *SCE&G does not propose placing any restrictions on the southern approximately 58 acres located mostly southeast of Huffman Island in Richland County.*
- 13) 90 acres, on Broad River downstream of Huffman Island in Richland County – *SCE&G does not propose placing any restrictions on this property.*
- 14) 60 acres, on Broad River at Boatwright Island in Richland County – This land is critical to SCE&G for disposal of tree trimming mulch by Distribution and Transmission operations. *SCE&G does not propose placing any restrictions on this property.*