

APPENDIX A

PROPOSED CONTENT OF LICENSE CONDITIONS

The following conditions outlined in this appendix serve to set forth the terms and conditions developed for the protection, mitigation, and enhancement of resources affected by the Project.

1. SAFETY

Subsequent to the issuance of the new license, SCE&G shall:

- 1.1 Continue to adjust the existing warning system along the lower Saluda River (LSR) in accordance with the Lower Saluda River Warning System Enhancement Plan (Appendix A-1).
- 1.2 Continue to maintain, modify as necessary, and operate an electronic ring-down call system (ERDS) for the life of the new license to provide notification to subscribers of flow releases from Saluda Hydroelectric Project even if the Safety and Outreach Program is modified, so long as the Safety Resource Conservation Group (RCG) agrees that continued operation of the ERDS is appropriate and effective. The ERDS may be modified, terminated, or replaced with a newer or more effective technology or system upon agreement by the Safety RCG.
- 1.3 Continue to maintain, modify as necessary, and operate the SCE&G Lower Saluda River website for the life of the new license to provide notification of current operations and a schedule of planned operations for the Saluda Hydroelectric Project even if the Safety and Outreach Program is modified, so long as the Safety RCG agrees that continued operation of the Lower Saluda River website is appropriate and effective. The Lower Saluda River website may be modified, terminated, or replaced with a newer or more effective technology or system upon agreement by the Safety RCG.

- 1.4 **Columbia Fire Department (CFD) Safety Training Flows:** Subsequent to the issuance of the new license by the Commission, SCE&G will provide safety training flows to the CFD for swift water rescue training as described in the Recreation Plan (Appendix A-2) and MELIP (Appendix A-13).

2. **RECREATION**

2.1. **Recreation Plan:**

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Recreation Plan (Appendix A-2).

3. **FISH AND WILDLIFE**

3.1. **Lower Saluda River Aquatic Protection and Enhancement:**

SCE&G shall implement the following enhancement programs for aquatic species in the LSR, developed in consultation with resource agencies, as part of this CRSA.

(a) **Macroinvertebrate Surveys:**

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Lower Saluda River Benthic Macroinvertebrate Monitoring and Enhancement Program (Appendix A-3).

(b) **Freshwater Mussel Research and Enhancement:**

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Freshwater Mussel Enhancement Program (Appendix A-4).

(c) **Involvement in the Santee Basin Accord for Diadromous Fish Protection:**

SCE&G shall continue to participate in and fund the Santee River Basin Accord for Diadromous Fish Protection, Restoration, and Enhancement (Appendix A-5).

(d) Sturgeon Management Programs:

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Sturgeon Protection and Adaptive Management Program (Appendix A-6).

(e) Trout Evaluation and Monitoring Program:

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Trout Evaluation and Monitoring Program (Appendix A-7).

SCE&G will evaluate and implement, where reasonable, opportunities to partner with resource and regulatory agencies and non-governmental organizations in enhancing efficiencies and effectiveness of activities tied to objectives set forth in the Trout Evaluation and Monitoring Program.

Subject to the completion of the Trout Evaluation and Monitoring Program, SCE&G will consider potential partnerships with resource and regulatory agencies and non-governmental organizations for habitat enhancement projects in the lower Saluda River.

(f) Lower Saluda River Fish Community Monitoring Program:

SCE&G will continue to implement the annual lower Saluda River Fish Community Monitoring Program as described in Appendix A-8.

3.2. Rare, Threatened and Endangered Species Management Program:

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project RT&E Species Management Program (Appendix A-9).

3.3. Rare Plant and Animal Species of Interest Around Lake Murray and the Lower Saluda River Brochure:

Within 2 years after the issuance of the new license, SCE&G shall issue a brochure describing the rare plant and animal species of interest around Lake Murray and the lower Saluda River (Appendix A-10).

3.4. Fish Entrainment Mitigation Program:

Upon the issuance of the new license, SCE&G shall make official the fish mitigation program outlined below:

- In the event a turbine induced fish kill occurs that SCDNR determines necessitates a fish kill investigation, SCE&G will compensate the SCDNR for the lost fish and SCDNR staff time accrued during investigations, if SCE&G is found responsible for the fish kill.

Furthermore, SCE&G will employ monitoring equipment (currently hydroacoustics) located near the intake tower number 5 in order to monitor fish movements and reduce the potential for fish entrainment and mortality during non-reserve call events. This equipment will be operational during the low DO months of July through October or such other period as determined by SCE&G in consultation with SCDNR when it is more likely that large numbers of fish will be congregated in front of Unit 5. Monitoring equipment changes will only be made after consultation with SCDNR.

3.5. Habitat for Purple Martins

SCE&G shall designate Lunch Island (Bomb Island) as a protected habitat for purple martins.

3.6. Flow Releases to the Lower Saluda River:

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Flow Release Program (Appendix A-11).

4. *WATER QUALITY*

The lower Saluda River is classified as Trout Put, Grow and Take (TPGT) from the Lake Murray Dam to its confluence with the Broad River. As conditioned by its new license, SCE&G will do all it reasonably can to maintain applicable water quality standards to support the existing uses. Dissolved oxygen and temperature levels will be measured at the existing USGS gage (02168504).

4.1. The Upgrade of Unit Runners:

During the period of the new license issued by the Commission, SCE&G plans to install new runners of modern design that offer higher efficiencies, output, and dissolved oxygen (DO) uptake, and to rewind the generators according to the schedule discussed below.

While providing for enhanced unit efficiency and maintaining the reliability necessary to meet generation obligations, upgrading the existing unit runners will provide positive benefits for downstream DO levels such that 100% support of the South Carolina lower Saluda River site specific DO standard may be assured within three to eleven years after license issuance.

The complete schedule for runner upgrades will be determined based on an adaptive management program. The adaptive management program is intended to allow for a full evaluation of the levels to which downstream water quality goals are achieved as a

result of improvements resulting from each unit upgrade. At the point at which the DO standard is consistently maintained through all operating scenarios, whether it occurs after the first unit upgrade, the second one, or the third one, the remaining unit upgrades (if any remain to be done) will be implemented on a purely economics-driven schedule. This could extend the upgrade period to as long as 25 years after the issuance of the license. However, so long as environmental objectives are being achieved, an economics driven schedule for the remaining units is entirely justified.

The upgrade of Unit 5 will be completed within three years from issuance of the license. The upgrade of that unit is expected to take as long as three years to account for the need to accommodate the extensive design and testing necessary to assure the new runner meets the performance objectives. Subsequent to the Unit 5 upgrade, downstream water quality will be assessed, employing the adaptive management process. Subsequent unit upgrades may proceed thereafter as follows:

- Should it be necessary to upgrade another unit to assure support of the South Carolina lower Saluda River site specific DO standard, SCE&G will perform the upgrades on the following schedule:
 - Upgrade one of the smaller units (preferably Unit 3) within two years after the completion of the upgrade to Unit 5.
 - This process will be repeated with the sequential upgrades of Units 4, 1, and 2, each being achieved within two years after the completion of the previous unit upgrade should the effects of that prior upgrade not support the water quality goals. The sequence of unit upgrades as noted may change. SCE&G will designate the next unit for upgrade at the completion of the previous upgrade.
- After all unit upgrades and testing have been completed, if Saluda Hydro operations do not support the South Carolina lower Saluda River site specific DO standard, SCE&G will meet with SCDHEC and CRSA signatories within one year after the final unit upgrade and testing has been completed to develop a plan to assure future support of the standard. If an acceptable plan has not been developed within one year

to assure that the Saluda Hydro Project supports the South Carolina lower Saluda River site specific DO standard, a party may withdraw from the CRSA and take independent action to assure support of the standard.

- Should the South Carolina lower Saluda River site specific DO standard be fully supported with installation of Unit 5, SCE&G will perform the upgrades on the following schedule.
 - Unit 3 will be upgraded within five years after license issuance;
 - Two units (preferably Units 4 and 1) will be upgraded within 15 years of license issuance; and
 - The last unit (preferably Unit 2) will be upgraded within 25 years after license issuance.

Should reliability or other issues require the upgrade of one or more of the units sooner than proposed, the schedule may be accelerated to meet the identified need.

Until these upgrades are complete, SCE&G agrees to continue with turbine aeration measures (i.e. turbine venting and hub baffles) and operational modifications implemented since 1999 and as conditioned by the Commission in its order issued in *South Carolina Electric & Gas Company*, 109 FERC ¶ 61,316 (2004).

4.2. Reservoir Drawdowns

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Reservoir Drawdown Program (Appendix A-12).

4.3. Unit 5 Operation Subsequent to Unit Upgrades

Within one year after completion of Unit 5 upgrades, SCE&G will consult with the South Carolina Department of Natural Resources (SCDNR), the South Carolina Department of Health and Environmental Control (SCDHEC), US Fish and Wildlife Service (USFWS), other applicable resource agencies and other relicensing stakeholders with relevant experience and interests that are signatories to the CRSA to evaluate Unit 5 operational

scenarios to aid in preservation of a cool-water refuge habitat for the benefit of the reservoir and riverine fisheries.

5. OPERATIONS

5.1. Low Inflow Protocol and Operations during Maintenance Activities and Emergency Situations

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Maintenance, Emergency, and Low Inflow Protocol (Appendix A-13).

All signatories concur with all implementation procedures, and practices contained within the Maintenance, Emergency and Low Inflow Protocol (MELIP) Program (Appendix A-13). Although, consensus was not reached on a MELIP reservoir trigger, in the interest of compromise and subject to all conditions contained in the CRSA, the signatories offered to accept either a 1 foot or 2 foot below target elevation trigger for implementation of the MELIP. However, the issue of a MELIP trigger is so important to the signatories that they have expressed a desire for the opportunity to lobby for and provide justification for triggers outside of the 1 to 2 foot alternatives. All signatories understand this will be left unresolved and evaluated by the FERC during its National Environmental Policy Act (NEPA) analysis.

In the interest of moving the FERC relicensing process forward, signatories agree to provide supporting data and/or justifications for either a 1 or 2 foot trigger or their justified alternative trigger to the FERC by September 22, 2009. This information is in addition to any other information that is filed in support of the NEPA process or FERC regulations.

All signatories agree that they will rely on their engineering, scientific and economic data and opinions to support the FERC process. This does not prohibit individuals from signatory organizations from seeking support from outside parties for their positions.

Those stakeholders endorsing a reservoir trigger level of 1 foot below target elevation include:

- SCE&G

- Lake Murray Association
- Lake Murray Homeowners Coalition
- Capitol City Lake Murray Country
- Lake Murray Chamber of Commerce
- Lake Watch
- Lake Murray Power Squadron
- Lake Murray Docks
- City of Columbia Fire and Rescue

Those stakeholders endorsing a reservoir trigger level of 2 feet below target elevation include:

- American Whitewater
- Midlands Striper Club
- Riverbanks Zoo and Garden
- South Carolina Department of Natural Resources
- American Rivers
- Coastal Conservation League
- South Carolina Wildlife Federation
- City of Columbia Parks and Recreation

Those stakeholders that are impartial to a 1 or 2 foot trigger include:

- South Carolina Department of Archives and History
- Catawba Indian Nation

5.2. Lake Level Management

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Normal Reservoir Operating Guidelines (Appendix A-14).

6. LAKE AND LAND MANAGEMENT

6.1. Implementation of Shoreline Management Plan

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Shoreline Management Plan (SMP) (Appendix A-15) as developed in consultation with the Lake and Land Management Technical Working Committee.

6.2. Lands Designated for the Enhancement of Waterfowl Habitats

Subsequent to the issuance of the new license by the Commission, SCE&G will offer to lease approximately 1,100 acres of Forest Management land, as identified in Appendix A-16, to SCDNR to be placed/maintained in their WMA Program as SCDNR may elect. The purpose of placing these lands in the WMA Program will be to allow for the enhancement of waterfowl habitat and to provide public waterfowl hunting opportunities. The lease will be co-terminus with the new license issued by the Commission.

6.3. Aquatic Plant Management

Subsequent to the issuance of the new license by the Commission, SCE&G shall coordinate with the SCDNR Aquatic Nuisance Species Program and the S.C. Aquatic Plant Management Council (Council) to manage invasive aquatic plants in Lake Murray for the term of the new license. SCE&G shall assist in the development, implementation, and funding of annual aquatic plant management plans approved by the Council.

7. *CULTURAL RESOURCES*

7.1. Historic Properties Management Plan

Subsequent to the issuance of the new license by the Commission, SCE&G will implement the Saluda Hydroelectric Project Historic Properties Management Plan (Appendix A-17).