Catawba-Wateree Relicensing Project
Agreement-in-Principle
Great Falls and Cedar Creek Reservoir Perspectives

Background

The Great Falls and Dearborn Hydroelectric Stations are both located on the Great Falls Reservoir. The lake was completed in 1907 with the completion of the Great Falls Hydroelectric Station and has a surface area of 477 acres. The Dearborn Hydroelectric Station was completed in 1923. Full pond elevation is 355.8 feet above mean sea level. There is no public access currently on this lake.

The Cedar Creek and Rocky Creek Hydroelectric Stations are both located on the Cedar Creek Reservoir The reservoir has a surface area of 847 acres. The lake was completed in 1909 with the completion of the Rocky Creek Hydroelectric Station. The Cedar Creek Hydroelectric Station was built in 1926. Full pond elevation is 284.4 feet above mean sea level.

The combined shoreline length for the two reservoirs is 32 miles.

Duke Power provides two boat access areas on Cedar Creek Reservoir in cooperation with the South Carolina Department of Natural Resources (SCDNR).

Stakeholders representing the reservoir and river in hydro relicensing

In addition to federal and state resource agencies, Duke Power and national special interest groups – many representatives of local entities and public citizens around these lakes have participated in the 3-year relicensing process. These include:

Chester County Water and Sewer
Catawba Indian Nation
South Carolina Wildlife Federation
Town of Great Falls
Great Falls Hometown Association
Catawba Riverkeeper Foundation
Catawba Wateree Relicensing Coalition
Carolina Canoe Club

Interests addressed in the Agreement-in-Principle

1. Lake Level Ranges – Lake level ranges (located in the adjacent chart) have been established to protect fish habitat, municipal, industrial and power generation water intakes, recreation access and aesthetics. Ranges are bounded by normal minimum and normal maximum elevations with a normal target elevation in between. For Great Falls Reservoir and Cedar Creek Reservoir the normal target lake level is 97.5 feet year-round.

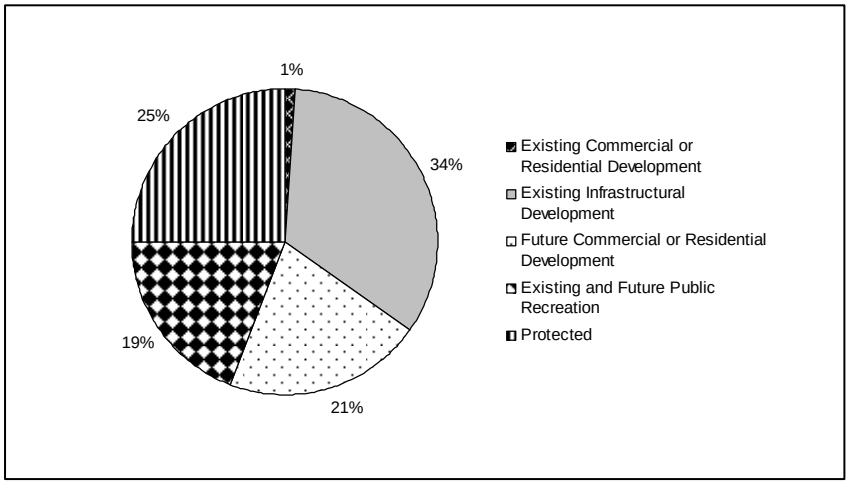
Cedar Creek Reservoir	Elevation on 1st Day of Month			
Month	Existing Guide Curve (ft.)	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
Jan	98	96	97.5	100
Feb	98	96	97.5	100
Mar	98	96	97.5	100
Apr	98	96	97.5	100
May	98	96	97.5	100
Jun	98	96	97.5	100
Jul	98	96	97.5	100
Aug	98	96	97.5	100
Sep	98	96	97.5	100
Oct	98	96	97.5	100
Nov	98	96	97.5	100
Dec	98	96	97.5	100
31-Dec	98	96	97.5	100

Great Falls-Dearborn Reservoir	Elevation on 1st Day of Month			
Month	Existing Guide Curve (ft.)	Normal Minimum (ft.)	Normal Target (ft.)	Normal Maximum (ft.)
Jan	98	95	97.5	100
Feb	98	95	97.5	100
Mar	98	95	97.5	100
Apr	98	95	97.5	100
May	98	95	97.5	100
Jun	98	95	97.5	100
Jul	98	95	97.5	100
Aug	98	95	97.5	100
Sep	98	95	97.5	100
Oct	98	95	97.5	100
Nov	98	95	97.5	100
Dec	98	95	97.5	100
31-Dec	98	95	97.5	100

2. Drought Management – As part of the relicensing process, a Low Inflow Protocol has been established to "trigger" water use restrictions by large water users. These water use restrictions apply to hydroelectric generation, public water system withdrawals and flows for recreation and aquatic life.

3. Habitat, Water Quality and Land Conservation Enhancements – Duke Power will modify the diversion dams and provide continuous water releases into the two bypassed reaches to support fish habitat. These water releases will also include improvements in dissolved oxygen to support water quality. Duke Power will also contribute $1 million to the Habitat Enhancement Fund in each state to support, protect and enhance fish and wildlife habitat and contribute $4 to $5.5 million to each state dependent on the license term for additional land conservation. Finally, Duke Power will contribute $1 million to SCDNR for additional fish and wildlife enhancement programs.

4. Public Information Systems for Lake and River Information -- Information including reservoir level ranges, water release times, generation schedules and maps to public access areas will be provided as a result of relicensing. River paddlers and anglers will have access to information on releases from dams to paddle and fish. Information posted on signs will be provided in English and/or international symbols with signage in Spanish also available immediately downstream of the dams.



5. Shoreline Management – Duke Power operates a comprehensive shoreline management program on all 11 lakes along the Catawba River. Duke Power's program depends on the Shoreline Management Plan (SMP) and Shoreline Management Guidelines (SMG) to balance private and public access with protecting the environmental, public recreational, cultural and scenic values. As part of the relicensing process, both the SMP and SMG have been updated and these updates will begin to be used in September 2006. The SMG provide rules on what facilities are allowed and how they can be built/constructed/maintained. Overall, the update to the SMP has resulted in more refined shoreline mapping and additional restrictions on construction activity within the project boundary of the reservoir. The SMP is a series of maps with shoreline classifications denoting locations where piers, marinas, excavations and shoreline stabilization within the project boundary either already exist or can take place. Each shoreline classification has a separate set of restrictions and allowed activities.

6. Flows from Hydro Dams for Recreation – Interest in paddling and river fishing is growing and as a result of relicensing, water will be released into the Great Falls Long Bypassed reach on approximately 22 scheduled days per year and the short bypassed reach on approximately 28 scheduled days per year (see adjacent chart) to provide and promote canoe/kayaking in the river bypassed sections downstream of Great Falls Reservoir. This flow release schedule was developed through technical study and working in partnership with paddling and fishing interests.

Great Falls-Dearborn Development Recreational Flow Schedule

Channel	Dates (inclusive)	Days / Description	Flow (at or above) (cfs)	Start	End
Long Bypassed Reach	Mar 1-Oct 31	Two Saturdays per month	2,940	10:00 am	3:00 pm
		A total of four Sundays	2,940		
Short Bypassed Reach	Mar 1-Apr 30	One Saturday per month to correspond with Long Bypass releases	2,860		
	May 1-Oct 31	Two weekends (Saturday and Sunday) per month	2,860		
Both Bypassed Reaches		Ten discretionary hours in blocks of not less than one hour each	5,800		

7. New and Expanded Public Recreation Facilities/Access – Recreational enhancements planned for Great Falls Reservoir and Cedar Creek Reservoir include:

   a. Heritage Project – Provide an $800/acre discount toward the acquisition of up to 1,650 acres of property adjoining the Great Falls-Dearborn and Rocky Creek-Cedar Creek Developments by the SCDNR for public recreation and compatible permanent conservation.

b. Highway 200 Bridge Access Area – canoe/kayak launch, restrooms, and gravel parking area in the vicinity of the Highway 200, Highway 21 and Fishing Creek intersection.

Great Falls Long Bypassed Reach

c. Great Falls Diversion Dam Portage – portage located on the north end of Mountain Island to provide boater access to the Long Bypassed Reach.
d. Diversion Dam Boating Safety – construct and maintain the necessary boating safety devices upstream of the diversion dam.

Great Falls Short Bypassed Reach

e. Great Falls Headworks Portage – provide a portage around the headworks on Mountain Island to provide boater access to the Short Bypassed reach.
f. Headworks Boating Safety – construct and maintain the necessary boating safety devices upstream of the headworks.
g. Great Falls Headworks-to-Cedar Creek Reservoir Portage – provide a portage along the Short Bypassed Reach to Cedar Creek Reservoir.

Rocky Creek - Cedar Creek Development

h. Cedar Creek Reservoir Island Improvements – lease, to SC Department of Parks Recreation and Tourism (SCDPRT), the islands in the Great Falls-Cedar Creek Island Complex for state park development. Management plan for the Dearborn Armory site and up to $1 million to SCDPRT for island complex development and management. Construct pedestrian bridge from the Town of Great Falls to Dearborn Island and a canoe/kayak launch in the vicinity of the pedestrian bridge to provide access to Great Falls Reservoir.
i. Mudcat Inn Access Area – canoe/kayak access facility with ten gravel parking spaces.

8. Public Drinking Water Supply and Water Conservation Programs -- Water is vital to life and drives our region's economy and way of life. However, Catawba-Wateree relicensing process studies indicate demands for water will more than double over the next 50 years. A group of approximately 20 water supply experts, including Duke Power, have outlined water management objectives, identified tangible projects to protect our water supply and proposed a voluntary water conservation fund to finance these projects. The money will come from contributions paid by Duke Power and large water users. Contributors to the voluntary fund will determine the timing and priority of projects.

The Agreement in Principle, which reflects almost three years of studies and negotiations by 160+ stakeholders was finalized and distributed to representatives of 80 organizations involved in the relicensing process. In mid-April 2006, stakeholders will be asked to sign the agreement – indicating their level of consensus. Those in agreement with the Agreement in Principle will then, in turn, construct the binding Final Agreement which will be included in the license application to the Federal Energy Regulatory Commission by August 31, 2006.