

### **3-Step Review Process for All Lake Use Permit Activity Requests**

Duke Energy Lake Services staff utilizes a 3-step review process for all lake use permit activity requests. Each request is evaluated based on review of the applicable Lake Use Policy Statements, the Shoreline Management Plan maps (where applicable) and associated lake use restrictions, and compliance with the Shoreline Management Guidelines (SMG).

**Lake Use Policy Statements (LUPS)** – The LUPS delineate the types of access and activities that may be allowed on all reservoirs owned or managed by Duke Energy based on license requirements (for all licensed hydro reservoirs); federal, state, and/or local regulations; and specific business management objectives. These policy statements cover all reservoirs owned or managed by Duke Energy. This fact coupled with the strategic business sensitivity of these statements requires that these documents remain internal to Duke Energy. Specific license or other regulatory requirements that are also a part of these policies are publicly available.

The LUPS allow for review of four basic types of lake access:

- 1) Private Access;
- 2) Public Recreational Access;
- 3) Public Infrastructure Access; and
- 4) Business/Industrial Access on the lakes with existing private and business development (James, Rhodhiss, Hickory, Lookout Shoals, Norman, Mountain Island, Wylie, Fishing Creek, Cedar Creek Reservoir, Wateree, Keowee, and Jocassee). Public infrastructure and business/industrial access will be allowed in accordance with the standard land use articles included in the licenses for the Catawba-Wateree Project and Keowee-Toxaway Project. Duke Energy Lake Services will not authorize any additional private access on Great Falls Lake, but public recreational access will be allowed as required to meet the terms of the new FERC license.

**Shoreline Management Plan (SMP)** – The SMP is a set of maps showing various types and uses of the shoreline including areas protected for environmental or habitat values, areas of existing development, and areas of potential development. The SMP also includes lake use restrictions associated with the important habitat types. The SMP and associated lake use restrictions were developed in consultation with wildlife resource agencies and other stakeholders. The SMP is a tool that can be used by Duke Energy Lake Services, the resource management agencies, the FERC, and others for review of requests for utilization of the Project and its resources.

**Shoreline Management Guidelines (SMG)** – The SMG are a set of detailed procedures and criteria that regulate activities within reservoirs owned or managed by Duke Energy. The development of these guidelines for permitting activities within the Project boundary is required by Duke Energy's FERC license in the Standard Land Use article. Duke Energy reserves the right to make minor alterations to these guidelines without public notice, resource agency, or FERC review to ensure permitting flexibility in the continuous monitoring and regulation of lake use permitting activities. Duke Energy expects to make major revisions to the SMG periodically with input from resource agencies, local governments, and other interested stakeholders using a stakeholder team. Duke Energy will convene this stakeholder team prior to making major revisions to the SMG. Additionally, the FERC may order modifications to the guidelines as provided for in the land use article standard in new licenses.

The 3-step review process (LUPS>SMP>SMG) includes LUPS consultation to ensure the proposed activity is allowed on the subject reservoir. It includes a review of the SMP to ensure the proposal is allowed along a general portion of the reservoir shoreline and is consistent with the lake use restrictions associated with each shoreline classification for that part of the reservoir. It also includes a review of the SMG along with an assessment of the specific characteristics of the site before allowing any activity to be permitted. In summary, the 3-step review process includes policy considerations, reservoir-specific classifications and characteristics, and finally, site-specific classifications and characteristics to ensure all activities that are permitted will be consistent with the purposes of the LUPS, SMP, and SMG.