

September 5, 2005

**Operating Procedures for  
The Relicensing of the  
Saluda Hydroelectric Project  
FERC Projects 516**

The following Team Operating Procedures (OPs) are intended to facilitate communications and cooperation among the Saluda Hydro Relicensing Group (“Relicensing Group” also know as SHRG), Resource Conservation Groups (“Resource Groups” also know as RCGs), and Technical Working Committees (“Technical Committees” also known as TWCs), during relicensing of the Saluda Hydroelectric Project pursuant to 18 C.F.R. 4.34(i).

***Why Guidelines are Needed***

This relicensing process will be complex and lengthy. There will be numerous meetings and discussions held over the next few years to identify and subsequently resolve project issues. There are also many stakeholders (i.e., persons or groups with a “stake” or interest in the outcome of the relicensing process) interested in working with South Carolina Electric & Gas (SCE&G) to resolve these project issues. Contact personnel for each stakeholder group may change during the process. Without guidelines, the process of conducting meetings efficiently and effectively, keeping the focus on resolving issues, and ensuring consistency during the process will not be possible. Devoting time and effort during the initial meetings to complete these procedures will save much time and avoid unnecessary confusion in the future. These procedures provide a framework, which can be amended as the process evolves, when there is consensus among the Team to make changes.

## ***Items Covered in the Operating Procedures***

The following items are included in the OPs:

1. relicensing mission statement;
2. structure and function of RCG's and TWC's;
3. agency mandates;
4. meeting ground rules, meeting locations and logistics;
5. rules for media and observers;
6. procedures for submitting recommendations and dealing with disputes;  
and
7. a communications plan.

Each item is discussed in detail below.

### **1.0 Relicensing Mission Statement**

A mission statement reflects the “vision” or goal of an enterprise. Usually developed at the beginning of a process or activity, it serves as a guidepost for keeping a group focused on the goal. The following is the mission statement for the Saluda Hydro relicensing:

#### **1.1 Mission statement**

“SCE&G will manage the process. However, state and federal resource agencies, homeowners groups, environmental and recreational special interest groups, etc., must/will play a vital role in the relicensing of the Project. SCE&G will consult with agencies, groups, and individuals to gather as well as to provide information. The objective is to learn from, as well as to educate, stakeholders on the issues, and to address and resolve those issues.”

### **2.0 Structure and Function of the SHRG, RCGs and TWCs**

The “Relicensing Group”, “Resource Groups” and “Technical Committees” are to be comprised of interested stakeholders committed to working with each other and with SCE&G to identify project issues and to develop recommendations for addressing/resolving the issues. The “Resource Groups” and “Technical Committees” stakeholders include SCE&G, state and federal agencies, consultants, non-governmental organizations, home owner and boat owner groups, and individual private citizens who share a concern for the resources of the project. Based on information presented during the Issues Identification Workshops and Comments received in response to the Initial Stage Consultation Document (ICD), there will be plenary groups (Resource Groups) who will be responsible for providing oversight and direction on resource-specific issues (fish, water quality, recreation etc). They are to address process issues and provide a forum for further discussion and cooperation. Also, there will be smaller teams whose focus will be on resolution of specific ecological issues and related studies (Technical Committees). In some cases it may be necessary to form, sub-Technical Committees to address mandatory regulatory requirements such as Section 7 Threatened and Endangered Species, Tribal Consultation and Section 106 Historic and Preservation Act Consultation. The overarching, “Relicensing Group” will be responsible for accumulating all of the “Resource Group” recommendations and attempt to balance the operations, environmental, and economic considerations with the goal of developing an acceptable mitigation package to submit for SCE&G management approval and inclusion as part of the Final Application for New License.

## 2.1 Mission Statement for RCGs and SHRG

The following are mission statements for the SHRG and RCGs:

“The mission of the Saluda Hydro Relicensing Group (Relicensing Group/SHRG) is to provide a forum for discussing and resolving key issues related to relicensing of the Saluda Hydroelectric Project. The SHRG will focus on development of cooperative-based recommendations regarding resource balancing and serve as the primary forum for negotiating issue resolution agreements.”

“The mission of the Resource Conservation Groups (Resource Groups/RCGs) is to identify resource-specific issues, perform necessary studies under the direction of the Technical Working Committees (TWCs), and to develop a range of reasonable alternatives associated with the Saluda Hydroelectric Project relative to those resource-specific issues. The RCGs goal is to consider those reasonable alternatives and to adopt recommendations for resolving these issues. The RCGs will serve as subcommittees to the SHRG.”

## 2.2 Role and Responsibilities of RCGs and TWCs

- Define and understand issues
- Determine study needs/scopes
- Negotiate in good faith
- Develop recommendations for resolving issues

## 2.3 Role and Responsibility of SHRG

- Forum for good faith negotiations
- Balancing competing interests
- Process Review
- Develop Package for SCE&G Management

## 2.4 Role and Responsibility of TWCs

- Form as needed to address very specific issues
- Develop work plans to include work tasks, deliverables, and schedule
- Develop study scopes and study plans
- Provide sound, experience-based Biological, Engineering and/or Scientific input
- Provide recommendations to RCG

## 2.6 Team and Group Composition - SRHG and RCGs

In addition to individuals, many groups likely will want to participate or be represented on the RCGs and the SHRG. To facilitate effective participation

by as many individuals and groups as possible, and to avoid hampering the decision-making process, each group/organization should select a primary spokesperson or representative and an alternate that will be authorized to speak for the group/organization. Each representative should be prepared to act in good faith, and to be responsible for disseminating information to his/her group or organization as necessary for their purposes.

The group/organization will strive to maintain consistency in its participation on the RCGs and SHRG. When the primary representative cannot attend or otherwise participate in meetings, etc., the alternate spokesperson will participate, and it shall be the responsibility of the primary representative to make arrangements for the alternative to attend.

The following may provide members of the RCGs, SHRG, and TWCs:

#### **SHRG and RCG's**

- SCE&G/SCANA Services Staff
- FERC staff
- Consultants
- Federal Resource Agencies
- State Resource Agencies
- Non-Governmental Organizations
- Homeowners Associations
- Individuals

#### **TWC's**

- Facilitator
- SCE&G/SCANA Services staff
- Representatives from the respective RCGs with biological, scientific or engineering experience relevant to specific ecological issues

## **2.7 Facilitation**

Each team or group will have a facilitator. The facilitator's primary role is to manage the process, enforce the operating guidelines and ground rules, and work with all participants to build consensus and meet the goals of the process. Other responsibilities of the facilitators include:

- Develop draft agendas
- Set and enforce deadlines
- Coordinate meetings of the SHRG, RCGs, TWCs and other groups
- Moderate meetings
- Provide guidance on substance and process
- Enforce ground rules and operating guidelines
- Prepare meeting summaries
- Track action items
- Keep the group focused on its goals
- Ask questions to clarify
- Ensure that meetings are conducted fairly, civilly, and with opportunity for participation by all

## 2.8 Communication

Communications protocols are currently being drafted and will be provided to the SHRG and RCGs prior to the first meeting. Communications include written correspondence, e-mails, and individual and conference telephone calls. Another form of communication will include posting information on the SCE&G Relicensing Website. Each of the team members at each respective level will be included or informed of communications made during the relicensing process. The idea is to keep the lines of communication open during the relicensing process and make it easy for relicensing participants and the general public to get information.

## 3.0 **Agency Mandates**

While some SHRG and RCG members represent non-governmental organizations, homeowner and boat owner associations, as well as local entities, some of

the SHRG and RCG members represent federal, state and local resource agencies with specific mandates from federal and state law. It is important that all stakeholders understand the statutory responsibility of these team members in order to have constructive dialogue and to recognize the authority by which they participate in the process. Below we list each of the federal, state and local resource agencies with mandates requiring participation in this relicensing process.

- Federal Energy Regulatory Commission (FERC)
- U.S. Department of Interior — Fish and Wildlife Service (FWS)
- U.S. Department of Commerce — National Marine Fisheries Service (NMFS)
- U.S. Department of Interior — National Park Service (NPS)
- U.S. Department of the Army - U.S. Corps of Engineers (ACOE)
- U.S. Environmental Protection Agency (EPA)
- U.S. Geological Survey (USGS)
- South Carolina Department of Natural Resources (SCDNR)
- South Carolina Department of Health and Environmental Control (SCDHEC)
- South Carolina State Historic Preservation Officer (SHPO)

#### **4.0 Meeting Ground Rules, Locations and Logistics**

Ground rules are developed and used to govern procedural matters for the SHRG and RCGs and TWCs during the relicensing process. These ground rules shall have no effect upon the substantive statutory rights or obligations of any participant. Repeated infractions of the ground rules listed below, however, may result in a request that the person find a replacement to participate in the process. The following are Team ground rules.

- Listen and respect others' opinions
- No talking when others are talking
- No “filibustering”
- Stay focused on the issues - No “grandstanding”
- Be courteous - no personal attacks

- Be prepared for meetings or other activities
- Commit to working to resolve disagreements
- Leave baggage (old disputes) at the door
- Act in good faith
- Begin and end meetings on time
- Allow adequate breaks during meetings
- To the extent possible, please turn cell phones off

#### 4.1 Meeting Locations and Schedule

SCE&G recognizes that the Saluda Hydroelectric Project spans 4 counties and that there are many groups and individuals who want to participate in the process. SCE&G desires to work with stakeholders to develop a schedule that includes the most practical location and meeting times to accommodate the majority of participants.

The SHRG and RCGs will meet according to a schedule to be determined by the team members. In general, meetings will be held at least quarterly, and more frequently as needed to resolve issues. The Team will set the dates of future meetings at least three months in advance whenever possible. The Team recognizes that a three-month schedule is probably not feasible for the TWCs, which may find it necessary meet as frequently as on a bi-weekly to monthly basis during the relicensing process.

Currently, it is anticipated that meetings will occur at Lexington or Columbia locations. Exact meeting locations may vary slightly depending on facility availability.

Team meetings are for scheduled to begin in October 2005. SCE&G will provide, to the extent possible, a calendar of proposed dates for 2005 and subsequent SHRG and RCG meetings at least three months in advance. Additionally, quarterly public meetings will be held to inform the general public



and non-active stakeholders on the progress of the relicensing. It is anticipated that the next Quarterly public meeting will convene on September 22, 2005.

In general, SHRG and RCG meetings will be held between the hours of 8:30 a.m. and 4:00p.m. Every effort will be made to begin and end meetings on time. Lunch will be provided and adequate breaks will occur during the meetings. SCE&G will make attempts to convene meetings at other times if it appears a majority of people can attend.

SCE&G may also provide, on a case-by-case basis for emergency or extenuating circumstances, telephone conference calling access for the SHRG or RCG meetings. In general however, SCE&G discourages the use of telephone conference calls for large group meetings, as it tends to distract from the overall quality and efficiency of the discussion. SCE&G does encourage the use of telephone conference calls for TWC meetings, as those groups will be comprised of much smaller membership and will meet on a more frequent basis.

#### 4.2 Meeting Procedures

- 1) SCE&G or their representative will notify all team members at least two weeks in advance of the next planned meeting. At that time a meeting agenda and anticipated meeting schedule will be provided. SCE&G will also distribute any documents or other information that will be the subject of meeting discussions.
- 2) SHRG and RCG members agree to RSVP to SCE&G or their representative upon receipt of the meeting notice so that meeting facility and lunch arrangements can be appropriately planned. Team members agree to attempt to attend all meetings or to appoint an alternate representative to attend if possible.
- 3) Team members also agree to review all documents provided prior to the meeting in order to come to the meeting prepared to discuss

issues on the meeting agenda. Team members agree to be prepared to discuss fully issues within their area of interest and expertise.

- 4) All team members shall arrive for the meeting on time.

#### 4.3 General Administrative Rules

- 1) All meetings will be planned for fixed durations. Every effort will be made to begin and end meetings on time.
- 2) Facilitators will be used to ensure that the meetings are conducted in an effective and expeditious manner.
- 3) SCE&G will provide someone to record notes for each SHRG and RCG meeting. Draft meeting summaries based on those notes will be prepared by SCE&G and distributed to team members no more than three weeks following each meeting. Team members will have two weeks to comment and submit corrections to the summary. The prior meeting's summary will be reviewed and formally approved at the next team meeting.
- 4) **Parking Lot** - During the course of relicensing, many issues will be raised by SHRG, RCG and TWC members. All relevant input will be considered. In respect of all participants' time, agenda for the meetings will be followed closely. However, some valid and important non-agenda topics will be raised from time to time and will need to be addressed somewhere in the process. Such items will be noted and placed in a "parking lot." Parking lot items will be incorporated into future meeting agenda. Team members may direct items for the "parking lot" by fax, electronic or hard copy mail, or telephone call, to Alison Guth at Kleinschmidt between meetings, or team members may propose items for the "parking lot" at the meeting. If agreed, they will be added. Any fax, electronic or hard copy mail should be clearly labeled as "Parking Lot Items, Ideas or Comments".

- 5) **Procedures for New Team Members** - SCE&G had identified a need for three levels of participation, allowing stakeholders to be involved, to varying degrees, in the relicensing process.

*Tier 1* participation includes those individuals actively participating on one or more of the relicensing teams (SHRG, RCG, or TWC). A *Tier 1* commitment implies and requires regular attendance at meetings and active review and comment on varying relicensing documents.

*Tiers 2 and 3* include individuals interested in receiving mailings but who are not members of a relicensing team or regular attendees at meetings. *Tier 2* individuals receive a majority of the relicensing documents, including study plans, study reports, FERC notices, etc. *Tier 3* stakeholders receive only FERC Notices and major relicensing milestone documents (such as the Initial Information Packages, NEPA Scoping Document, and draft and final license applications and NEPA documents). *Tier 2 and 3* stakeholders may provide comments in writing or in person by attending relicensing team meetings. When attending meetings, *Tier 2 and 3* members will have opportunities to discuss their comments or raise items for the “parking lot” at an appropriate time as specified in the meeting agenda.

SCE&G invites and encourages, at anytime during this process, all interested parties to participate on any level of the relicensing of the Saluda Hydroelectric Project. In order to become a *Tier 2 or 3* stakeholder, an individual need only contact Alison Guth to be added to the mailing list. Since *Tier 1* stakeholders have made long-term commitments of time and energy with the goal of reaching resolution on the issues, a

different procedure is to be followed for individuals to become *Tier 1* members, as described below. This process will also be used for those *Tier 1* members who miss more than one scheduled meeting.

Stakeholders who are interested in participating on the SHRG, RCG or TWCs and who wish to attend team meetings must review several work products and Team guidelines prior to attending their first meeting. These items include the Operating Procedures, Ground Rules, Communication Plan, Issue Sheets, process information, relevant study plans/reports and agreements, and Team decisions and outcomes to date. Since Teams are responsible for maintaining progress and enforcing previous agreements, new *Tier 1* members, i.e. those who become *Tier 1* members in mid-process must:

- follow, and not challenge, all agreements regarding the process and all work performed to date,
- agree to encourage and maintain the continuity and forward progress of the Team(s), and
- respect decisions made by *Tier 1* members in attendance at the previous meetings, all of which are crucial to the timely resolution of issues.

Items that have been discussed and resolved by the Teams will not be renegotiated with new team members during a meeting.

To obtain all relevant documents, new members should contact Alison Guth. Documents will be sent to new members and arrangements will be made to discuss those documents, including specific items and overall intent, with the new *Tier 1* member prior to attending a meeting. SCE&G will also assist the new *Tier 1* member by providing a list of other *Tier 1* members who may be

contacted to provide an update of the process and to discuss any specific resource issues that may have been previously discussed, including a status of resolution.

The following is the process for new *Tier 1* participants.

- Persons wishing to become *Tier 1* stakeholders must contact Alison Guth
- SCE&G sends new *Tier 1* stakeholders all relevant process documents, including Final Operating Procedures, Communication Plan, Ground Rules, Issue Sheets, and all other final documents as well as those that are in progress. The new *Tier 1* stakeholders must review all documents prior to their first Team meeting. If the new members have any questions or comments, they must contact SCE&G or other *Tier 1* members prior to attending the next scheduled meeting.
- SCE&G also sends a list of other *Tier 1* team members as contacts for the new *Tier 1* members.
- The stakeholder confirms with SCE&G their intent to participate in the relicensing at the *Tier 1* level in accordance with all *Tier 1* member obligations.

This procedure is not designed to discourage including new stakeholders in the relicensing process. Rather, the goal of this procedure is to respect the efforts and decision making of the Teams and to ensure timely consideration and resolution of the issues and preparation and completion of an application by August 2008.

## **5.0 Rules for Media and Observers**

During the process, the media and other persons or groups may desire to attend an SHRG RCG, or TWC meeting. Meetings will be open to attendance by the public and the media as observers only. Time will be reserved at each meeting to take questions and comments from persons attending meetings as observers. If a person other than a media representative wish to participate at the level required by the Teams and agrees to abide by the OPs, they may request to SCE&G and the Teams to become a SHRG or RCG member (see Procedures for New Team Members Section 4.3). Members of the media may not participate as Team Members.

SHRG and RCG members will not use the media as a place to discuss positions and views of other members. All news releases to the media will be coordinated through the SHRG and RCG. Negotiations and information shared at the SHRG and RCGs should be considered confidential to the Team and its members.

## **6.0 Procedures for Making Recommendations**

As discussed throughout these OPs, the SHRG and RCGs function in an advisory capacity to SCE&G in relicensing the Saluda Hydroelectric Project. SCE&G must file a license application 2008. While advisory in nature, SCE&G intends to encourage and promote cooperative, consensus-based decisions regarding proposals and recommendations for protection, enhancement and mitigation measures.

For purposes of this cooperative enhanced traditional relicensing licensing process, consensus is defined as agreement by all, some of whom can “live with” the decision while others might agree in total.

The following describes the procedures for making recommendations within the SHRG and RCGs.

- 1) RCG members discuss issue and all available information.
- 2) Members discuss alternatives and propose an action
- 3) Any active participant or the facilitator may offer a recommendation in regards to any procedural or technical matter.
- 4) Members are expected to provide scientific or data-based support for their proposed recommendation.
- 5) Any participant has the right to participate in the decision and the team member(s) or facilitator can postpone a decision if it is felt those other team members' needs to be present when a decision is rendered.
- 6) If action items are identified, both the team member(s) responsible for the action item and a schedule for completing a specific action or task must be recorded and associated with the action item.
- 7) Determine the existence or the absence of consensus (as defined above)
- 8) If consensus exists, the decision will be documented and included in the final license application, the NEPA document, and/or if appropriate in a formal agreement.
- 9) Should there be disagreement, the disagreeing team member(s) should state their disagreement and the reasons for the disagreement and request that it be recorded in the meeting summary.
- 10) Items disagreed upon will be recorded and kept by the facilitator for reconsideration and resolution at an appropriate point in the process.
- 11) First attempts at dispute resolution shall be by compromise upon good faith efforts, recognizing that each team member might find the resulting decision not to be 100% in accord with their preferred decision, but nevertheless acknowledging that a compromise decision is in the best interest of the Team's objective.
- 12) Should discussion and compromise not be possible, every effort will be made to use other informal conflict resolution techniques, including, but not limited to, expert panels, technical experts, mediation by the facilitator, etc. The appropriateness of one method or another may be subject and circumstance dependant; hence no absolute, irreversible pre-determination will be made here.
- 13) If a dispute still exists, SCE&G—with the team members' input—will evaluate the use of formal dispute resolution techniques and services such as a third party mediator and FERC's Office of Alternative Dispute Resolution.