



**Cube Hydro Carolinas**  
293 NC 740 Hwy  
PO Box 575  
Badin, NC 28009-0575 USA

March 1, 2017

RE:

Yadkin Project Shoreline Management Plan Modifications  
Yadkin Hydroelectric Project (FERC No. 2197)

Dear Permittee/Stakeholder:

As you may know, the Federal Energy Regulatory Commission (FERC) issued a new license to Alcoa Power Generating Inc. Yadkin Division (APGI) on September 22, 2016 for the Yadkin Hydroelectric Project. On December 13, 2016 the FERC approved the transfer of the license to Cube Yadkin Generation LLC, a subsidiary of Cube Hydro Carolinas LLC which acquired the Yadkin hydroelectric assets from APGI effective February 1<sup>st</sup>, 2017.

In granting the new FERC License the FERC did not approve or incorporate the Relicensing Settlement Agreement (RSA) filed with FERC on May 7, 2007. As a result, FERC did not approve the modifications to the Yadkin Project Shoreline Management Plan (SMP) that were included in the RSA.

The RSA included a provision that the licensee would make modifications to the existing SMP's *Specifications for Private Recreation Facilities, Shoreline Stewardship Policy, and Subdivision Access Approval, Multi-use Facility Permitting, and Industrial Approval Procedures*. The RSA also included a provision that the licensee would implement the modifications to the existing SMP within three months of the effective date of the new FERC License. Furthermore, the RSA included a provision for the licensee to file a revised SMP within two years of the effective date of the FERC License.

These specific provisions of the RSA were not included by FERC in issuing the new License. In fact, Article 207 of the new FERC License explicitly states that APGI must continue to implement the existing SMP as modified and approved by FERC on November 9, 2000. The new FERC license requires the licensee to file a revised SMP within two years of license issuance and keep the current SMP in effect until the licensee is notified by FERC that the revised SMP is approved.

Accordingly, Cube Yadkin Generation cannot implement any modifications to the SMP at this time. However, we will immediately begin the process of revising the SMP and will be soliciting your input in the coming months.

We recognize how the revisions to the SMP contemplated in the RSA may enhance your ability to enjoy the benefits of owning lakefront property, and we will work expeditiously on this effort so that they may become a reality as soon as possible.

In the meantime, please contact Karen Baldwin at (704) 422-5525 or [kbaldwin@cubecarolinas.com](mailto:kbaldwin@cubecarolinas.com) with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Gross", is written over a printed name and title. The signature is fluid and cursive.

Mark Gross, VP Hydro Operations