

The Central Nebraska Public Power and Irrigation District

**FERC Project No. 1417
License Article 421**

PLAN FOR REVIEWING FERC BOUNDARY

BACKGROUND

The Central Nebraska Public Power and Irrigation District (Central or District) will undertake a review of the lands within and adjacent to the Project boundary as described below. The purposes of this review are (1) to assure that adequate lands are controlled to carry out Project operational functions, including public access to Project lands and waters for recreational purposes; and (2) to determine the extent to which the Project boundary could be changed to exclude lands used for residential or agricultural purposes without compromising Project operational needs. Based on the results of the review, if necessary, Central will propose changes in the Project Boundary to the Federal Energy Regulatory Commission (FERC).

REVIEW PROCESS

Because of the large areas of land involved and the wide variety of uses and development patterns, Central will carry out its review of lands within and adjacent to the Project boundary in several phases, implemented sequentially. In the first phase, Central will examine Johnson Lake and Plum Creek Reservoir, the portion of its system with the greatest concentration of residential use. In the subsequent phases, Central will examine lands at Lake McConaughy, at Jeffrey

Reservoir and Midway Lakes, and finally at the other canyon lakes and along the remainder of the Central Supply Canal.

All phases will use the following review process:

1. Identifying Areas of Concern.

Central will review aerial photographs of the entire area under review, using its GIS system to identify approximate locations of Project boundary. This initial assessment is to identify areas needing special attention in the subsequent steps of the review process. Areas identified through this initial screening process will include those where it appears the distance between the Project boundary and Project waters may be too small to serve as a buffer, or larger than necessary for a buffer. Central will also use this process to identify areas where erosion has occurred, areas where residential development has taken place within or adjacent to the Project boundary, agricultural areas within the Project boundary, and areas where significant use of the lands by members of the public occurs.

2. Surveying and Inspecting Areas Identified.

Central will carry out onsite inspections and surveys of all areas identified in Step 1 of this process. Based on the identification screening criteria described above, it is expected that the scope of the inspection and surveying stage in this process will vary from phase to phase. In the case of Johnson Lake, Central anticipates that the entire lake area within and bordering the Project boundary will be inspected and surveyed. At the other reservoirs, including Lake McConaughy and Jeffrey Reservoir, residential areas within and bordering the Project

boundary, erosion areas and agricultural areas will all be inspected and surveyed, but are not expected to encompass all of Central's lands in these locations.

3. Identifying Lands Needed for District Operations

Using aerial photographs, and the results of the inspections and surveys, Central will identify the location of the shoreline at maximum normal operational water levels and at maximum emergency operational levels. Using these results, Central will identify lands needed for the District's operations including flowage, potential future erosion, and control of shoreline and access to Project lands and waters for public recreational and operational purposes. This Step of the process could yield the identification of lands that are needed for Project operations but are not currently within the Project boundary.

4. Assessing the Private Use of Lands to Identify Additional Lands Where Controls Are Needed to Protect District Operations

While Step 3 identified lands that can be directly impacted by District operations, this Step identifies additional lands that, because of their use, may need administrative controls in place to assure that they do not adversely impact operations, public recreation or other Project functions. Using the data collected in Step 2 of the review process, Central will examine the private residential use of lands within and adjacent to the Project boundary and agricultural use within the Project boundary.

This examination will consider the physical location and features of residential development (within and without the Project Boundary) or agricultural use, along with the administrative controls governing activities that may impact Project lands and waters. It will assess the administrative controls in place for

each area to prevent potential residential impacts on Project water quality (water and sewage treatment regulation), on access to Project lands and waters by the general public, on FERC and Central access to and control of lands needed for District operations, on shoreline management (access structures and facilities), and on Project aesthetics.

This Step of the process could yield the identification of lands where controls are needed but lands are not within the Project boundary. This Step of the process could also yield identification of lands within the current Project boundary that are not needed for District operations and where residential or agricultural use appears unlikely to affect District operations, public recreation, or other Project functions.

5. Developing Options for Modifying the Project Boundary and/or Administrative Controls on Lands

For each area identified in Step 3 or 4, Central will develop options for adding or reducing administrative controls, as appropriate. Such options could include removing an area from the Project boundary, adding an area to the Project, modifying reservoir-specific or area-specific guidelines for approving access or structures under the Shoreline Management Plan including requirements for setbacks, easements, structure locations, and public access provisions, and revising the Shoreline Management Plan itself. If land not owned by Central is identified in Step 3 or 4, options to obtain necessary control may include purchase, leases, easements and management agreements.

In exploring each option, Central will identify not only the impacts on operations, public recreation and other District functions identified in Step 3 or 4,

but also potential obligations to acquire or divest lands and the resultant impacts on property values, other financial impacts on cabin owners and on the District, whether otherwise similarly situated lessees should continue to be similarly treated, changes if any that might be needed in the county and state regulatory structures, and views obtained in informal discussions with potentially impacted adjacent landowners and Central lessees.

6. Develop Proposed Actions

From the options explored in Step 5, Central will develop proposed actions as needed to address concerns related to each geographic area identified in Step 3 or 4. Tentatively identified proposed actions arising from each phase of the review process will be identified in annual progress reports. When the Project-wide review is complete, Central will provide to FERC a report on the review process describing each geographic area examined, and the actions proposed, if any. The report will include reasons why Central proposes that any residential areas remain within the Project boundary. Along with the report, Central will provide a petition to amend its license by changing the Project boundary to reflect any areas Central proposes to exclude from the Project boundary. Central will also provide for FERC approval a proposed implementation plan, including a proposed schedule, addressing proposed changes that involve changing administrative controls within the FERC boundary or adding lands to the FERC Project.

7. Implementation of Proposed Actions

Until such time as FERC approves a petition to amend its license to exclude lands from the Project boundary, Central will continue to apply the administrative controls for Project lands set forth in its Land and Shoreline Management Plan. Upon FERC approval, Central will carry out the implementation plan described in Step 7 with the understanding that any approved schedule may be revised if the need arises to resolve issues in the Nebraska court system before approved actions can be carried out.

SCHEDULE

Phase 1 Review -- Johnson Lake and Plum Creek Reservoir

Inspections and Surveys Completed -- Spring/Summer 2002

Proposed Actions Identified – Summer 2003

Phase 2 Review -- Lake McConaughy

Inspections and Surveys Completed – Spring 2004

Proposed Actions Identified – Summer 2005

Phase 3 Review -- Jeffrey Reservoir and Midway Lakes

Inspections and Surveys Completed – Spring 2005

Proposed Actions Identified – Summer 2006

Phase 4 Review -- Remainder of Canyon Lakes and Supply Canal

Inspections and Surveys Completed – Spring 2007

Proposed Actions Identified – Summer 2007

Report on Review Process Filed with FERC -- July 31, 2008

The schedule above may be revised if the need arises to address issues related to the reviews in the Nebraska court system.

REPORTING

Central will provide to FERC an annual status report on progress under this plan by July 31 of each year beginning in 2002 until the final report is filed as described above.