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MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

March 23, 2012

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

NEW DON PEDRO HYDROELECTRIC PROJECT, FEDERAL ENERGY REGULATORY COMMISSION PROJECT NO. 2299

Dear Secretary Bose:

Modesto Irrigation District and Turlock Irrigation District (Districts) operate the New Don Pedro Hydroelectric Project (Project), identified by the Federal Energy Regulatory Commission (FERC) as Project No. 2299. In a letter dated January 11, 2012, the State Water Resources Control Board (State Water Board) filed a Notice of Study Dispute with FERC. It requested a California Department of Fish and Game (CDFG) water temperature study and information regarding the water rights held by the Districts and how the Districts currently operate the Project within the constraints of those water rights. Based on FERC's recent March 9, 2012, decision to exclude the CDFG study from the study dispute, the State Water Board hereby withdraws from the Project's study dispute panel process.

In an effort to get water rights information through the Integrated Licensing Process, the State Water Board requested water rights information as part of its Notice of Study Dispute. Although the water rights information will help State Water Board staff to develop conditions for water quality certification, we will not seek this information through the study dispute process. In its Study Plan Determination, FERC stated:

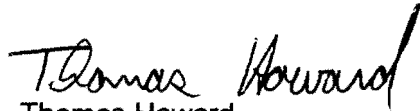
"Water rights are a state matter and therefore the most appropriate way for the Water Board to address the Districts' and CCSF's (City and County of San Francisco) water rights is in the water certification process."

The State Water Board will address any outstanding concerns regarding the Districts' water rights and the operation of the Project through its independent authority. State Water Board staff plan to attend the study dispute panel's technical meeting as an observer.

CHARLES R. HOPPIN, CHAIRMAN | THOMAS HOWARD, EXECUTIVE DIRECTOR

If you have questions regarding this letter, please contact Mr. Peter Barnes by phone at (916) 445-9989, or by email at pbarnes@waterboards.ca.gov. Written correspondence can be mailed to: State Water Resources Control Board, Division of Water Rights, Attention: Peter Barnes, P.O. Box 2000, Sacramento, CA 95812-2000.

Sincerely,



Thomas Howard
Executive Director

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