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File Code: 2770

Date: October 18, 2012

Jeffrey Parks
State Water Resources Control Board
Division of Water Rights
P.O. Box 2000
Sacramento, CA 95812

Dear Mr. Parks:

Thank you for the recent State Water Resources Control Board (SWRCB) staff time spent in Sonora, CA, for a Public Workshop on Pinecrest Conditions. As you know, the October 4, 2012, workshop provided an opportunity for the public to comment on proposed changes to the Water Quality Certification (Certification) for the Spring Gap-Stanislaus Hydroelectric Project, FERC #2130. A request for variance to the Certification has been filed by the license holder, Pacific Gas & Electric (PG&E). By holding the workshop here in Sonora, it seemingly made it easier for local publics, interested parties and stakeholders, and various Agency staff to hear about your proposal regarding the Pinecrest Reservoir lake level.

As you know, FERC License #2130 contains Forest Service 4(e) Condition No. 34, Stream Flow and Reservoir Drawdown. In part, Condition 34 requires PG&E to develop a proposed Pinecrest Lake drawdown curve annually in consultation with the Forest Service, the SWRCB, California Department of Fish and Game (CDFG) and Tuolumne Utilities District (TUD). The annual drawdown curve is based on the current year's forecasted hydrological conditions and it is designed to meet minimum streamflow requirements for the water year type, and to achieve the Consumptive Water Supply and the Ecological, Recreational and Power Generation Operational Objectives identified in the license.

During the Spring Gap-Stanislaus re-licensing process, the Forest Service 4(e) conditions were developed over years of negotiations with the Agencies listed above and many other interested stakeholders. The license was issued in April of 2009. We are only in the third year of implementation of a very complex license with many conditions and required subsequent planning efforts. To date, the Forest has not observed changes in conditions or in assumptions and information considered during the re-licensing negotiations that would prompt us to consider a change in the license requirements pertaining to the Pinecrest Lake Level.

Should the SWRCB decide to change the existing License #2130 Certification, the Forest Service reserves the right to modify, if necessary, the respective 4(e) condition (4(e) Condition No. 2 – Modification of 4(e) Condition After Biological Opinion or Water Quality Certification). Please continue to keep the Stanislaus National Forest (SNF) on your project contact list as this matter is resolved.

If you have any questions regarding the information provided herein, please contact STF Lands



Officer Beth Martinez at (209) 532-3671 extension 320. Thank you very much.

Sincerely,

/s/ Sue Warren for SUSAN SKALSKI

Forest Supervisor

cc: Beth H Martinez

Molly Fuller