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August 28, 2018

VIA ELECTRONIC FILING

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

Re: Turlock Irrigation District and Modesto Irrigation District

Don Pedro Hydroelectric Project No. 2299

Copy of Notice of Withdrawal of Request for Trial-Type Hearing and Submittal

of Alternative Conditions filed with the U.S. Department of the Interior

Dear Secretary Bose:

Turlock Irrigation District and Modesto Irrigation District, owners and licensees of the Don Pedro Hydroelectric Project No. 2299, are herein providing the Federal Energy Regulatory Commission ("FERC") with a copy of their submission to the U.S. Department of the Interior's ("Interior") Office of Environmental Policy and Compliance of their August 28, 2018 Notice of Withdrawal of their February 28, 2018 request for trial-type hearing and submittal of alternative conditions with respect to certain preliminary Federal Power Act Section 4(e) conditions filed with FERC by Interior's Bureau of Land Management on January 29, 2018.

Please contact the undersigned with any questions or concerns regarding this filing.

Respectfully submitted,

/s/ Kimberly Ognisty

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ATTORNEY FOR TURLOCK IRRIGATION DISTRICT AND MODESTO IRRIGATION DISTRICT

UNITED STATES OF AMERICA BEFORE THE UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVED

Attention:

Office of Environmental Policy and Compliance

AUG 2 8 2018

U.S. Department of the Interior

1849 C Street, N.W.

Office of Environmental Policy & Compliance

Mail Stop 2462

Washington, D.C. 20240

)	
Turlock Irrigation District and)	Project No. 2299
Modesto Irrigation District)	(Don Pedro Hydroelectric Project)
)	

TURLOCK IRRIGATION DISTRICT'S AND MODESTO IRRIGATION DISTRICT'S NOTICE OF WITHDRAWAL OF REQUEST FOR TRIAL-TYPE HEARING AND SUBMITTAL OF ALTERNATIVE CONDITIONS WITH RESPECT TO PRELIMINARY SECTION 4(e) CONDITIONS SUBMITTED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, FOR THE DON PEDRO HYDROELECTRIC PROJECT NO. 2299

On January 29, 2018, the U.S. Department of the Interior's ("Interior") Bureau of Land Management ("BLM") filed with the Federal Energy Regulatory Commission ("FERC") preliminary Federal Power Act ("FPA") Section 4(e) (16 U.S.C. § 797(e)) conditions for inclusion in the new license for Turlock Irrigation District's and Modesto Irrigation District's (collectively, the "Districts") Don Pedro Hydroelectric Project No. 2299 ("Project"). On February 28, 2018, the Districts, pursuant to Section 4(e) of the FPA and 43 C.F.R. Part 45, Subpart B, filed with Interior's Office of Environmental Policy and Compliance ("OEPC") a request for a trial-type hearing on disputed issues of material fact with respect to Condition Nos. 4, 12, and 13 of BLM's January 29, 2018 preliminary Section 4(e) conditions, which pertained to, *inter alia*, recreational facilities at the Wards Ferry Bridge area ("Wards Ferry") at the Project. Also on February 28, 2018, the Districts, pursuant to Section 33 of the FPA (16 U.S.C. § 823d) and 43 C.F.R. Part 45, Subpart C,

filed with OEPC alternative conditions to Condition No. 13 of BLM's January 29, 2018 preliminary Section 4(e) conditions.

Following the filing of the Districts' request for a trial-type hearing and submittal of alternative conditions, the Districts and BLM entered into discussions to settle the issues leading to the Districts' request for a trial-type hearing and the submittal of alternative conditions. In order to provide the parties with sufficient time to continue those discussions and reach an amicable settlement, the Districts and BLM agreed on April 13, 2018, to stay the trial-type hearing process for a period not to exceed 120 days from April 13, 2018, and on such date, BLM provided notice to OEPC and FERC of the parties' agreement to stay the hearing process.

Working diligently and in good faith, the Districts and BLM subsequently reached agreement with respect to the settlement of the proceeding. Pursuant to that agreement, BLM was required to file with FERC: (1) revised preliminary Section 4(e) Condition Nos. 4 and 13; (2) notice of BLM's withdrawal of preliminary Section 4(e) Condition No. 12; and (3) notice of the withdrawal of three recommendations submitted to FERC by Interior agencies on January 29, 2018, pursuant to Section 10(a) of the FPA (16 U.S.C. § 803(a)) related to recreational facilities at Wards Ferry (BLM §10(a) Recommendation No. 1 (geotechnical studies in the vicinity of Wards Ferry); and National Park Service § 10(a) Recommendation Nos. 1 and 2 (whitewater boating take-out facility and day use area in the vicinity of Wards Ferry)). Pursuant to the agreement between the Districts and BLM, the Districts were required to file with Interior and FERC a notice withdrawing their February 28, 2018 request for a trial-type hearing and submittal of alternative conditions ("Withdrawal Notice") following BLM's filings at FERC.

BLM made its agreed-upon filings at FERC on August 23, 2018. As BLM explained therein, its revised Section 4(e) conditions will provide for the adequate protection and utilization

of BLM's "reservation" during the term of the new license for the Project. Consistent with their

agreement with BLM, the Districts hereby submit to Interior (via OEPC) their Withdrawal Notice

withdrawing their February 28, 2018 request for a trial-type hearing and submittal of alternative

conditions.

The Districts would like to thank BLM and Office of the Solicitor personnel for their

professionalism in working with the Districts and their representatives in crafting an amicable

settlement of this matter. Although the Districts still question the need for, and the scope of, the

negotiated improvements at Wards Ferry, they appreciate the actions taken by BLM on August 23,

2018, to reduce the burden of those improvements. The compromise reflected in BLM's filing

will provide for recreational enhancements at Wards Ferry that are consistent both with BLM's

responsibilities under Section 4(e) of the FPA and with the overall public interest under that section

and Section 10(a) of the FPA. The Districts look forward to working with BLM in implementing

all of its Section 4(e) conditions included in the new license for the Project.

Respectfully submitted,

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ATTORNEY FOR TURLOCK IRRIGATION DISTRICT AND

MODESTO IRRIGATION DISTRICT

Date: August 28, 2018

¹ BLM's position is that the federal land administered by BLM within the existing FERC boundary at the Project constitutes a "reservation" subject to Section 4(e) of the FPA; the Districts have reserved their right, should the need arise, to contest whether such BLM-administered land constitutes a "reservation" subject to Section 4(e) of the FPA.

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CERTIFICATE OF SERVICE

Pursuant to the provisions of 43 C.F.R. § 45.70, I hereby certify that I have this day served a complete copy of the foregoing document on the Federal Energy Regulatory Commission and on each "license party" to the relicensing proceeding for Project No. 2299, as set forth in the attached list, by electronic means, if an email address has been provided, or by regular mail, if an email address has not been provided, in accordance with 43 C.F.R. § 45.13(c).

Dated at Washington, DC, this 28th day of August 2018.

Kimberly Ognisty

Winston & Strawn LLP 1700 K Street NW

Washington, DC 20006

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Service List Project No. 2299

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated at Washington, D.C., this 28th day of August, 2018.

/s/ Kimberly Ognisty

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