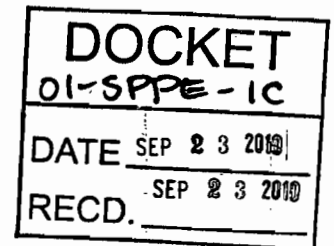


CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



September 23, 2010



Mr. Glenn Mount
Generation Manager
Modesto Irrigation District
Modesto, CA 95352

Dear Mr. Mount:

I am in receipt of your letter dated August 31, 2010, to Donna Stone, Compliance Project Manager for the Woodland Generation Station 2 power plant. I have also had the opportunity to review the June 18, 2010 letter addressed to you from Mr. Gary DeJesus, Deputy Director of Public Works for the City of Modesto.

Based upon your letter and the facts set forth in Mr. DeJesus' letter to you, staff at the Energy Commission and I have determined that Modesto Irrigation District has satisfied the requirements associated with Condition Water-5 in the Small Power Plant Exemption for the Woodland 2 power plant. The information you have provided supports the determination that Title 22 recycled water is not available for use by the Woodland 2 power plant. To the extent there is recycled water available from the Modesto Regional Wastewater Treatment Plant, that water has been dedicated to the City's partnership with the Del Puerto Water District.

Based on the information provided, Energy Commission staff have determined that you are in compliance with Water-5 and that the Modesto Irrigation District (District) is no longer required to report on the status of Title 22 recycled water in its annual compliance report, nor will the District be required to provide any future availability analysis. Consistent with Water-5 and my May 17, 2010 letter to you, the District's obligations under Condition Water- 5 have been fulfilled.

Thank you for your attention to this important matter.

Sincerely,



MELISSA JONES
Executive Director