June 1, 2007

Daniel P. Thompson, Vice President
Dynegy Western Fleet Operations
Dynegy South Bay, LLC
990 Bay Boulevard
Chula Vista, CA 91911-1651

Dear Mr. Thompson:

SUBJECT: Special Supplemental Studies and Compliance Workplans Section E.1 of Order No. R9-2004-0154, NPDES No. CA0001368, Dynegy South Bay, LLC, South Bay Power Plant, San Diego County

Provision E.1 of Order No. R9-2004-0154, NPDES No. CA0001368 for South Bay Power Plant (SBPP) requires Dynegy (formerly Duke Energy and LS Power) to perform a Comprehensive Demonstration Study to characterize impingement mortality and entrainment, to describe the operation of the SBPP cooling water intake structure and to confirm that the technologies, operational measures, and/or restoration measures selected and installed, or planned for installation, will meet the applicable requirements of the Clean Water Act Section 316(b) new rule (Phase II).

The U.S. Environmental Protection Agency (USEPA) has distributed a Memorandum dated March 20, 2007 that states the Phase II rule should be considered suspended. In accordance with this Memorandum, the Regional Board considers Special Supplemental Studies and Compliance Workplans Section E.1 of Order No. R9-2004-0154, NPDES No. CA0001368 suspended until such time that further direction is provided by either USEPA or the State Water Resources Control Board.

If you have any questions, please contact Mr. Victor Vasquez at (858) 636-3155.

Respectfully,

JOHN H. ROBERTUS
Executive Officer

JHR:mpmt:rwm
cc: Philip Isorena
Division of Water Quality
State Water Resources Control Board
P.O. Box 100
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