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File _____
May 13, 1987

Zion Credit Corporation
Attn: Mr. Scott Newbold
P. O. Box 180
Salt Lake City, UT 84110

RE: Mud Creek Hydro Project, ~~FILE NO. 4769~~

Dear Mr. Newbold:

It has come to our attention that Zion Credit Corporation has purchased the above project. As other projects have changed hands in the past there have been some situations of new owners not being aware of terms and conditions on the project. Therefore, I felt it might be appropriate to restate those for the Mud Creek Project.

As stated in the original exemption from licensing, "Standard Article 2 included in this exemption requires compliance with any terms and conditions that Federal or State fish and wildlife agencies have determined appropriate to prevent loss of, or damage to, fish and wildlife resources. The terms and conditions referred to in Article 2 are contained in any letters of comment by these agencies which have been forwarded to the Applicant in conjunction with this exemption."

By correspondence of May 12, 1981, to the applicant the Department specified that a satisfactory minimum flow (subsequently quantified and agreed to as 5 cfs), fish screens, and fish passage facilities were to be provided. Further evaluation and review of passage problems in the vicinity resulted in our Department waiving the fish passage requirement. As such, the Mud Creek project should continue to operate with screening and a 5 cfs minimum bypass flow.

Sincerely,

Al Van Vooren
Staff Biologist

cc: Region 4
FERC (Portland)

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ROFS099MW