



September 10, 2009

Mr. Rexford Wait  
Vice President  
The Nevada Hydro Company, Inc.  
2416 Cades Way  
Vista, CA 92083

Dear Mr. Wait:

The California Independent System Operator Corporation (ISO) received the Nevada Hydro Company's (TNHC) revised application for participating transmission owner status dated July 12, 2009. However, the application is premature, as the Talega-Escondido/Valley-Serrano 500 kV Interconnect Project (Project) that TNHC proposes to place under the ISO's operational control has not yet been approved through the ISO's transmission planning process pursuant to Section 24 of the ISO tariff and is not actively being studied within the ISO's transmission planning study process. Section 4.3.1(2) of the ISO's tariff requires that facilities turned over to the ISO's operational control satisfy criteria adopted by the ISO's governing board, which include the provisions of tariff Section 24. The ISO is therefore rejecting TNHC's application at this time. TNHC may resubmit this application once the Project has been approved through the ISO's transmission planning process.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Daune Kirrene".

Daune Kirrene