

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

April 28, 2004

Charles F. Robinson
Vice President and General Counsel
California Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630

**Re: Confidentiality Letter Agreement Between
the Commission and the CAISO**

Dear Mr. Robinson:

This letter confirms that the California Public Utilities Commission ("Commission") staff agrees to treat all confidential information produced by the California Independent System Operator ("CAISO") in response to a Commission subpoena or data request in the same manner as provided in Public Utilities Code section 583. Section 583 provides that:

No information furnished to the commission by a public utility, or any business which is a subsidiary or affiliate of a public utility, or a corporation which holds a controlling interest in a public utility, except those matters specifically required to be open to public inspection by this part, shall be open to public inspection or made public except on order of the commission, or by the commission or a commissioner in the course of a hearing or proceeding. Any present or former officer or employee of the commission who divulges any such information is guilty of a misdemeanor.

This letter also confirms that Commission staff will not disclose in response to a subpoena or request for information under the California Public Records Act (Government Code section 6250, et seq.), without the CAISO's consent, any confidential information produced by the CAISO, unless directed to do so by the Commission, an Administrative Law Judge or a Commissioner in the course of a hearing or proceeding, or by a court of law. Commission staff will promptly notify the CAISO upon receipt of any such subpoena or request. Upon request by the CPUC staff, the CAISO will provide, within the time frame imposed by applicable law, a written explanation setting forth the legal basis for the claim of confidentiality by the CAISO. In addition to any other applicable authority, Commission staff will rely on Evidence Code section 1040 as the basis for non-

Charles F. Robinson
Commission/CAISO Confidentiality Agreement
April 28, 2004
Page 2

disclosure of official information obtained in confidence from the CAISO, citing the legal justification for the claim of confidentiality provided by the CAISO.

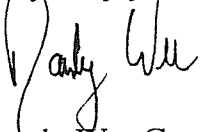
If Commission staff seeks to publicly disclose or otherwise make available in any form or manner to any other person, confidential information produced by the CAISO or information derived therefrom, the Commission staff will, at least ten days in advance of the intended disclosure, provide written notice to the CAISO and produce or describe the information it seeks to disclose. The CAISO will review such information or description and advise Commission staff in writing whether and why it considers the information, in substance or in the form proposed for disclosure, to be confidential. If the CAISO considers the information confidential, the CAISO or any affected Market Participant may object to disclosure or otherwise seek to preserve the confidentiality of the information.

When producing confidential information to Commission staff, the CAISO will identify the information to be kept confidential. The Commission may provide public access to information received from the CAISO and not specifically identified as confidential.

To the extent confidential information is subject to a Protective Order issued by the Commission or Assigned Commissioner in a proceeding, staff will comply with the terms of the applicable Protective Order.

Should you have any further questions or concerns, please feel free to contact me at (415) 703-2015.

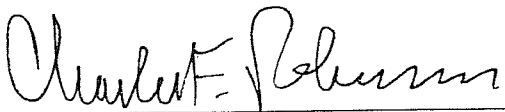
Very truly yours,



Randy Wu, General Counsel

cc: Jason Zeller, Assistant Chief Counsel

Agreed:



Charles F. Robinson
Vice President and General Counsel

Dated: April 29, 2004