

**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Integrate
and Refine Procurement Policies and
Consider Long-Term Procurement Plans.

Rulemaking 10-05-006

**NOTICE OF EX PARTE COMMUNICATION BY THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 8.4 of the California Public Utilities Commission (“Commission” or “CPUC”) Rules of Practice and Procedure, the California Independent System Operator Corporation (“ISO”) gives notice of the following ex parte communication in this proceeding.

The ex parte communication occurred by conference call on October 19, 2011. No written materials were provided. CPUC Participants on the call were President Michael R. Peevey; Paul Clanon, Executive Director; Nancy Ryan, Deputy Executive Director; Caron Brown, Chief of Staff; Scott Murtishaw, Advisor; and Damon Franz, Advisor to President Michael R. Peevey. ISO participants were Stephen Berberich, President and Chief Executive Officer, and Phil Pettingill, Director of Regulatory Affairs.

The conference call began at approximately 11:45 a.m. and ended at approximately 12:00 p.m. The ex parte communication occurred during approximately 10 minutes of the call. The remainder of the call was a general discussion about the timing for potential revisions to the resource adequacy program.

During the portion of the conference call involving the ex parte communication, Mr. Berberich discussed the status of the issue relating to Calpine’s intended shutdown

of the Sutter plant and the options under consideration by the ISO to keep that resource in operation and available to meet the ISO's operational and reliability needs. Mr. Berberich described the importance of taking steps to keep the plant available for operational needs now and in the future. Mr. Berberich indicated that the mechanism to accomplish this is still undetermined. The ISO is evaluating the options of procuring the capacity through a non-conforming RMR contract, or by a variation of a CPM designation, either of which would allow the designation to be based on a future reliability and/or operational need. Mr. Berberich additionally made the points that, under either approach, the ISO would file a tariff amendment requiring FERC approval and that the ISO anticipates the filing at FERC would be contested.

Respectfully submitted,

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