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September 6, 2006

The Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER06-____-000**

Dear Secretary Salas:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d, and Section 35.3 of the Commission's regulations, 18 C.F.R. § 35.3, the California Independent System Operator Corporation ("ISO") submits for Commission filing and acceptance a Pilot Pseudo Tie Implementation Agreement ("Pilot Agreement"), between the ISO, Pacific Gas and Electric Company ("PG&E"), Sacramento Municipal Utility District ("SMUD"), and Western Area Power Administration ("Western").¹ The ISO has not previously filed this type of agreement with the Commission. The Pilot Agreement is designated as Original Service Agreement No. 676. The ISO requests that the Pilot Agreement be made effective on the later of the following: (1) the effective date set by the Commission for the settlement package submitted by PG&E on September 5, 2006 in Docket Nos. ER05-229-000, *et al.* ("FERC Docket No. ER05-229 Settlement");² (2) September 27, 2006; or (3) the

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff, the Interconnected Control Area Operating Agreement between the ISO and SMUD, and the Pilot Agreement.

² The FERC Docket No. ER05-229 Settlement consists of an Offer of Settlement, Explanatory Package in Support of Offer of Settlement, and Settlement Agreement between PG&E and the Western Area Power Administration ("Western") (including exhibits). Transmittal Letter for FERC Docket No. ER05-229 Settlement at 1. The proceeding in Docket No. ER05-229

date on which the Commission accepts the instant filing.³ For the reasons explained herein, the ISO is submitting the Pilot Agreement without SMUD's signature.

I. The Pilot Agreement

A. The Purpose of and Background Concerning the Pilot Agreement

The purpose of the Pilot Agreement is to implement and operate a pilot program to provide for Pseudo Tie (*i.e.* remote tie) export arrangements for the New Melones Power Plant, which the United States Bureau of Reclamation owns and Western operates. Western is a sub-control area within the SMUD Control Area; the New Melones Power Plant is currently located in the ISO Control Area. The Pilot Agreement is intended to allow Western to schedule Energy and Ancillary Services, as a Pseudo Tie export, dynamically and using a Scheduling Coordinator, through the ISO Control Area into the SMUD Control Area.⁴

The export arrangements provided for under the Pilot Agreement, from the ISO Control Area to the SMUD Control Area, are the reciprocal of the pilot Pseudo Tie import arrangements, from the SMUD Control Area to the ISO Control Area, that are applicable to the Calpine Sutter Generating Plant. The Commission approved the pilot Pseudo Tie import arrangements for the Calpine

concerns PG&E's filing of an unexecuted Scheduling Coordinator Services Tariff with Western (the Western SCS Tariff) under which PG&E (or its designated Scheduling Coordinator) would act as Western's Scheduling Coordinator for transactions under two existing contracts, the Transmission Service Contract for New Melones Project and the Transmission Service Contract for San Luis Unit. The Commission accepted the proposed Western SCS Tariff for filing, suspended it for a nominal period, made it effective December 31, 2004, subject to refund, and set the matter for hearing and settlement judge procedures. *Pacific Gas and Electric Company*, 109 FERC ¶ 61,392, at PP 49-59 (2004), *reh'g denied*, 111 FERC ¶ 61,156 (2005). The FERC Docket No. ER05-229 Settlement was filed for the purpose of resolving all issues in the proceeding.

³ The materials submitted in FERC Docket No. ER05-229 Settlement contemplate that an "Implementation Date" as defined therein will be established. The CAISO will coordinate with PG&E, Western, and SMUD in an effort to implement the terms of this Agreement concurrent with that date.

⁴ Under Section 1.2.6 of the Pilot Agreement, the term Pseudo Generating Unit is defined to mean "[t]he New Melones Power Plant, which is interconnected within the ISO Control Area, authorized by this Agreement to provide and receive applicable Control Area Services from the Attaining Control Area and to operate under the jurisdiction of the Attaining Control Area and the Native Control Area." The Attaining Control Area is defined as the SMUD Control Area, and the Native Control Area is defined as the ISO Control Area. Pilot Agreement, §§ 1.2.3, 1.2.5.

Sutter Generating Plant effective December 1, 2005.⁵ These reciprocal Control Area arrangements were entered into pursuant to Section ICAA 5.6 of the Interconnected Control Area Operating Agreement ("ICAOA") between the ISO and SMUD, which states:

The ISO and SMUD shall develop provisions for a pilot program (1) authorizing a Pseudo Tie of an entire single resource in the Expanded SMUD Control Area to the ISO Control Area to be implemented as of December 1, 2005; and (2) authorizing a Pseudo Tie of an entire single resource in the ISO Control Area to the Expanded SMUD Control Area to be implemented in accordance with the timeline and other conditions set forth in Section ICAA 5.5.⁶

The Pilot Agreement is intended to implement the second of the two items listed in Section ICAA 5.6.

B. The Provisions of the Pilot Agreement

The body of the Pilot Agreement is largely modeled after the applicable portions of the *pro forma* Participating Generator Agreement and the *pro forma* Dynamic Scheduling Agreement for Scheduling Coordinators, and contains the following provisions:

- Article I contains relevant defined terms and rules of interpretation of the Pilot Agreement.
- Article II states the responsibility of the ISO and SMUD for the efficient use and reliable operation of, respectively, the ISO and SMUD Controlled Grids and the ISO and SMUD Control Areas, and acknowledges that the ISO and SMUD may not be able to satisfy fully these responsibilities if Western fails to fully comply with all of its obligations under the Pilot Agreement.
- Article III provides for the effective date and termination of the Pilot Agreement and for the termination or extension of the Pseudo Generating Unit pilot program.

⁵ See *California Independent System Operator Corp.*, 113 FERC ¶ 61,261 (2005); Letter Order, Docket No. ER06-58-001 (Mar. 1, 2006).

⁶ See Amendment No. 4 to the ISO-SMUD ICAOA, Docket No. ER06-1533-000 (Sept. 30, 2005), at Attachment C (adding Section ICAA 5.6 to the ISO-SMUD ICAOA). The Commission accepted Amendment No. 4 to the ISO-SMUD ICAOA in *California Independent System Operator Corp.*, 113 FERC ¶ 61,217 (2005).

- Article IV contains the general terms and conditions regarding Pseudo Tie requirements and Pseudo Generating Unit obligations, the requirement to comply with all applicable provisions of the ISO Tariff, and obligations relating to major incidents.
- Article V is intentionally not used.
- Article VI states that Western will be responsible for all its costs incurred for the purpose of meeting its obligations under the Pilot Agreement, and that PG&E is not responsible for and will not be assessed for any costs, losses, or other charges by any of the parties under the Pilot Agreement.
- Articles VII through XII contain standard provisions concerning dispute resolution, liability, Uncontrollable Forces, etc., which are very similar to the provisions of the *pro forma* Participating Generator Agreement, the *pro forma* Dynamic Scheduling Agreement for Scheduling Coordinators, and the *pro forma* Dynamic Scheduling Host Control Area Operating Agreement in this regard.

In addition, the Pilot Agreement contains the following schedules:

- Schedule 1, which sets forth relevant technical information.
- Schedule 2, which sets forth the terms and conditions that apply to Western's participation in the Pseudo Generating Unit pilot program, including dynamic transfers of Energy from the ISO Control Area to the SMUD Control Area. In particular, Section 2.3.3 describes how charges are to be assessed to Western pursuant to the Pilot Agreement. Western has Existing Contract rights associated with its long-standing interconnection agreement with PG&E. Section 2.3.3 states that the ISO will assess Western or its designated Scheduling Coordinator, as the responsible Scheduling Coordinator for the Pseudo Generating Unit, all applicable market charges and Grid Management Charges in accordance with the ISO Tariff. Section 2.3.3 provides that the ISO market charges currently applicable to the Pseudo Generating Unit power flow Schedules using Western's Existing Contract (or "ETC") firm transmission reservation are those associated with Transmission Losses, which will be applied to the Pseudo Generating Unit power flow schedules in accordance with the ISO Tariff.

- Schedule 3, which provides notice information for Western, PG&E, SMUD, and the ISO.

II. Need to File Partially Unexecuted Pilot Agreement

As noted above, the ISO and SMUD each agreed to support implementation of a pseudo tie program in their respective Control Areas. Section ICAA 5.5 and Section ICAA 5.6. The ISO has been advised by SMUD counsel that it is in agreement with the terms and conditions of the Pilot Agreement, and is in the process of obtaining the necessary consents for execution of the Pilot Agreement. On September 5, 2006, PG&E filed the FERC Docket ER05-229 Settlement. Accordingly, the ISO is filing the Pilot Agreement unexecuted by SMUD to facilitate the review of the FERC Docket ER05-229 Settlement, and to make this service available in a timely manner. The ISO anticipates that SMUD's signed signature page will be filed separately in the near future.

III. Request for Waiver

The ISO respectfully requests waiver of the Commission's 60-day prior notice requirement, pursuant to Section 35.11 of the Commission's regulations, 18 C.F.R. § 35.11, to the extent necessary to allow the enclosed materials to become effective as described above. PG&E and Western are simultaneously seeking expedited treatment of the FERC Docket ER05-229 Settlement. Granting the requested waiver will permit the Pilot Agreement to become effective in a timely manner, as contemplated by the parties to the Pilot Agreement.

IV. Expenses

No expense or cost associated with this filing has been alleged or judged in any judicial or administrative proceeding to be illegal, duplicative, unnecessary, or demonstratively the product of discriminatory employment practices.

V. Service

Copies of this filing have been served upon Western, SMUD, PG&E, the California Public Utilities Commission, the California Energy Commission, and the California Electricity Oversight Board. In addition, the filing has been posted on the ISO's website.

Enclosed for filing are six copies of each of the following:

- (1) this letter of transmittal; and
- (2) the Pilot Agreement, provided in a format that complies with Order No. 614, *Designation of Electric Rate Schedule Sheets*, FERC Stats. and Regs. ¶ 31,096 (2000) (Attachment A).

Also enclosed are two additional copies of this filing to be date-stamped and returned to our messenger.

VI. Correspondence

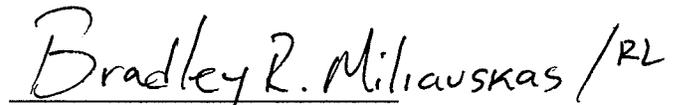
The ISO requests that all correspondence, pleadings and other communications concerning this filing be served upon the following:

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Operator Corporation
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* Individuals designated for service pursuant to Rule 203(b)(3), 18 C.F.R. § 203(b)(3).

Respectfully submitted,



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Attorneys for the California Independent
System Operator Corporation

ATTACHMENT A

PILOT PSEUDO TIE IMPLEMENTATION AGREEMENT

Issued by: Charles F. Robinson, Vice President and General Counsel

Issued on: September 6, 2006

Effective: The later of the following: (1) the effective date set by the Commission for the settlement package submitted by Pacific Gas and Electric Company on September 5, 2006 in Docket Nos. ER05-229-000, *et al.* ("FERC Docket No. ER05-229 Settlement"); (2) September 27, 2006; or (3) the date on which the Commission accepts the Pilot Pseudo Tie Implementation Agreement that the ISO submitted on September 6, 2006 in Docket No. ER06-____-000.

**CALIFORNIA INDEPENDENT SYSTEM
OPERATOR**

PACIFIC GAS AND ELECTRIC COMPANY

SACRAMENTO MUNICIPAL UTILITY DISTRICT

AND

WESTERN AREA POWER ADMINISTRATION

**PILOT PSEUDO TIE IMPLEMENTATION
AGREEMENT**

PILOT PSEUDO TIE IMPLEMENTATION AGREEMENT

THIS AGREEMENT is dated this _____ day of _____, _____ and is entered into, by and between:

- (1) **Pacific Gas and Electric Company**, having its registered and principal place of business located at 77 Beale Street, San Francisco, California 94177-0001 (“PG&E”);
- (2) **Sacramento Municipal Utility District**, having its registered and principal executive office at 6201 S Street, Sacramento, California 95817 (“SMUD”);
- (3) **United States of America, acting by and through the Western Area Power Administration Sierra Nevada Region**, having its principal place of business located at 114 Parkshore Drive, Folsom, California 95630 (“Western” or “Pseudo Generator”)

and

- (4) **California Independent System Operator Corporation**, a California nonprofit public benefit corporation having a principal executive office located at such place in the State of California as the ISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (“ISO”).

PG&E, SMUD, Western and the ISO are hereinafter referred to as the “Parties”.

Whereas:

- A. The ISO Tariff provides that the ISO shall not schedule Energy or Ancillary Services generated by any Generating Unit otherwise than through a Scheduling Coordinator.
- B. Western operates a Generating Unit owned by the United States Bureau of Reclamation that is physically interconnected to transmission facilities that have been turned over to the ISO's operational control and are located within the ISO Control Area.
- C. Sections 5.5 and 5.6 of the Interconnected Control Area Operating Agreement (“ICAOA”) between the ISO and SMUD provides the ISO shall develop provisions for a pilot program authorizing the Pseudo Tie of an entire resource located in the ISO Control Area into the SMUD Control Area, subject to certain specified conditions.

- D. Western and the ISO wish to implement and operate a pilot program for a Pseudo Generating Unit for a dynamic functionality to allow Western to schedule Energy and Ancillary Services, as a Pseudo Tie export, dynamically, through the ISO as the Native Control Area, via a Scheduling Coordinator into the SMUD Control Area.
- E. The Parties are entering into this Agreement in order to establish the terms and conditions on which the ISO, SMUD and Western will discharge their respective duties and responsibilities under the pilot program for a Pseudo Generating Unit.
- F. The purpose of this Pilot Pseudo Tie Implementation Agreement (“Agreement”) is to confirm the feasibility of the Pseudo Tie operation for this application only and does not create a basis upon which other generating units may establish Pseudo Ties to SMUD, ISO or other Control Areas.
- G. The ISO has agreed to the form of this Agreement based on the pilot nature of the current Pseudo Tie arrangements. In the event the ISO determines that a permanent program is appropriate for Pseudo Tie arrangements, the ISO may terminate this Agreement and file a stand alone pro forma agreement between the Native Control Area and a Pseudo Generating Unit, along with appropriate technical or other standards that could be incorporated into the ICAOA through negotiations with SMUD and other Control Areas, in coordination with PG&E, for acceptance by FERC.
- H. PG&E, a Participating Transmission Owner, is a party to this Agreement in order to facilitate a common understanding of how the Existing Contracts relating to transmission service rights between PG&E and Western accommodates operation under this Agreement, including changes to those contracts pursuant to the Settlement Agreement, as defined below in Section 1.2.9, that may be necessary for implementation of this Agreement. PG&E understands that this Agreement is non-precedential and by entering into the Agreement PG&E is not providing support or endorsement for additional Pseudo Tie arrangements out of the ISO Control Area, and PG&E’s participation in this Agreement does not evidence or demonstrate PG&E support of any Pseudo Tie arrangements.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ARTICLE I DEFINITIONS AND INTERPRETATION

- 1.1 Master Definitions Supplement.** Except as set forth in Section 1.2, all terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ISO Tariff, Appendix A.
- 1.2 Special Definitions.** When used with initial capitalization herein, the following terms shall have the meanings set forth below:
- 1.2.1 Area Control Error (“ACE”):** The instantaneous difference between actual and scheduled interchange, taking into account the effects of frequency bias (and time error or unilateral inadvertent interchange if automatic correction for either is part of the system’s AGC).
- 1.2.2 Automatic Generation Control (“AGC”):** Generation equipment that automatically responds to signals from the Control Areas’ energy management system control in real time to control the power output of electric generators within a prescribed area in response to a change in system frequency, tie-line loading, or the relation of these to each other, so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits.
- 1.2.3 Attaining Control Area:** The SMUD Control Area, which is the NERC defined Control Area where the Pseudo Generating Unit output is fully included for purposes of calculation of Area Control Error (“ACE”) and meeting Control Area Load responsibilities.
- 1.2.4 Electric System:** All physically connected properties and other assets, now or hereafter existing, owned or controlled by a single entity, and used for, or pertaining to, the generation, transmission, transformation, distribution, or sale of electric power and energy, including all additions, extensions, expansions, and improvements, but excluding subsidiaries and their properties and assets. To the extent that an entity is not the sole owner of an asset or property, only that entity’s ownership interest in such asset or property shall be considered to be part of its Electric System.
- 1.2.5 Native Control Area:** The ISO Control Area, which is the NERC defined Control Area where the Pseudo Generating Unit is physically interconnected to the electric grid.
- 1.2.6 Pseudo Generating Unit:** The New Melones Power Plant, which is interconnected within the ISO Control Area, authorized by this Agreement to provide and receive applicable Control Area Services from the Attaining Control Area and to operate under the jurisdiction of the Attaining Control Area and the Native Control Area.

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- 1.2.7 Pseudo Tie:** The point at which a Pseudo Generating Unit is deemed to be interconnected to its Attaining Control Area as represented by a telemetered reading or value that is updated in real time and used as a “virtual” tie line flow in the ACE equation of both the Attaining and Native Control Areas. The integrated value is used as a metered MWh value for the interchange accounting purposes.
- 1.2.8 Scheduling Coordinator:** Western or its designated certified Scheduling Coordinator services provider, which will be responsible for any and all responsibilities of a Scheduling Coordinator under the ISO Tariff that are applicable to the Pseudo Generating Unit.
- 1.2.9 Settlement Agreement:** The Settlement Agreement between Western and PG&E regarding issues related to FERC Docket No. ER05-229 and its subdockets, which will include amendments to Contract No. 14-06-200-2207A and Contract No. 8-07-20-P0004 between PG&E and Western (“Contract Amendments”). PG&E intends to file an Offer of Settlement, which will include the Settlement Agreement and Contract Amendments, in FERC Docket No. ER05-229 on or about the same day as the ISO files this Agreement (“Offer of Settlement”).
- 1.2.10 Willful Action:** Action taken or not taken by, or on behalf of, a Party at the direction of its members, directors, members of its governing body or bodies, authority or authorities, officers or employees having management or administrative responsibility, or agents acting in comparable capacity, which is either of the following:
- (a) Knowingly or intentionally taken or not taken with conscious indifference to the consequences thereof or with intent that injury or damage to person or property or a material default of this Agreement would result, or would probably result, therefrom; or
 - (b) Determined by binding arbitration award or decision or final judgment or judicial decree to be a material default under this Agreement and occurs or continues beyond the time specified in such award, decision, judgment or decree for curing such default or, if no time to cure is specified therein, occurs or continues thereafter beyond a reasonable time to cure such default.

The phrase “employees having management or administrative responsibility,” as used in this Section, means the employees of a Party who have one or more of the functions of planning, organizing, coordinating, directing, controlling, or supervising such Party’s performance under this Agreement with responsibility

for results. Willful Action does not include any act or failure to act that is merely involuntary, accidental or negligent.

1.3 Rules of Interpretation. The following rules of interpretation and conventions shall apply to this Agreement:

- (a) if there is any inconsistency between this Agreement and the ISO Tariff or SMUD's open access transmission tariff, this Agreement will prevail to the extent of the inconsistency;
- (b) the singular shall include the plural and vice versa;
- (c) the masculine shall include the feminine and neutral and vice versa;
- (d) "includes" or "including" shall mean "including without limitation";
- (e) references to a Section, Article or Schedule shall mean a Section, Article or a Schedule of this Agreement, as the case may be, unless the context otherwise requires;
- (f) a reference to a given agreement or instrument shall be a reference to that agreement or instrument as modified, amended, supplemented or restated through the date as of which such reference is made;
- (g) unless the context otherwise requires, references to any law shall be deemed references to such law as it may be amended, replaced or restated from time to time;
- (h) unless the context otherwise requires, any reference to a "person" includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organization or other entity, in each case whether or not having separate legal personality;
- (i) unless the context otherwise requires, any reference to a Party includes a reference to its permitted successors and assigns;
- (j) any reference to a day, week, month or year is to a calendar day, week, month or year; and
- (k) the captions and headings in this Agreement are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the terms and conditions of this Agreement.

ARTICLE II ACKNOWLEDGEMENTS OF PSEUDO GENERATOR, SMUD AND ISO

- 2.1 Control Area Responsibilities.** The Parties acknowledge that the ISO and SMUD are responsible for the efficient use and reliable operation, respectively, of the ISO and SMUD Controlled Grids and ISO and SMUD Control Areas consistent with achievement of planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council ("WECC") and the North American Electric Reliability Council ("NERC"). The Parties further acknowledge that the ISO and SMUD may not be able to satisfy fully these responsibilities if Western fails to comply fully with all of its obligations under this Agreement.

ARTICLE III TERM AND TERMINATION

- 3.1 Effective Date.** The parties shall request that FERC accept this Agreement and set September 27, 2006 as the effective date for this Agreement, the Offer of Settlement, Settlement Agreement, and the Contract Amendments. In order to meet that effective date, the Parties will seek a waiver of all applicable FERC notice rules. The effective date shall be the later of the effective date set by FERC, September 27, 2006, the date by which the Commission accepts this Agreement, or approves the Offer of Settlement, the Settlement Agreement, and the Contract Amendments ("Effective Date"). In the event the Commission or another body with jurisdiction over the agreements makes a modification to this Agreement that is unacceptable to any signatory to this Agreement, then that party shall notify the other parties in writing within thirty (30) days of the issuance of the unacceptable Order and attempt in good faith to negotiate a resolution of the modification(s) set forth in the Order. In the event the party engages in good faith negotiations and still is unable to resolve its concerns with the Order, the party shall notify the other parties that this Agreement shall terminate thirty (30) days after service of that notice.
- 3.2 Termination**
- 3.2.1 Termination by ISO.** The ISO may terminate this Agreement without cause by giving sixty (60) days advance written notice of termination for any of the following conditions: (i) termination of the ICAOA, (ii) termination of the pilot program in accordance with Section 3.2.5; or (iii) a FERC Order approving a successor ISO Pseudo Tie program. Additionally, the ISO may terminate this Agreement for default by giving written notice of termination in the event any Party commits any material default under this Agreement and/or the ISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after

the ISO has given written notice of the default, unless excused by reason of Uncontrollable Forces in accordance with Article X of this Agreement.

- 3.2.2 Termination by Western.** In the event that Western no longer wishes the Pseudo Generating Unit to be considered part of the SMUD Control Area, it may terminate this Agreement, on giving the ISO sixty (60) days advance written notice.
- 3.2.3 Termination by SMUD.** SMUD may terminate this Agreement without cause by giving the Parties sixty (60) days advance written notice of termination.
- 3.2.4 Termination by PG&E.** In the event of a significant legislative or regulatory change that has a material impact on this Agreement or on PG&E or change in operational status, PG&E has the right to terminate this Agreement with two years notice. A change in operational status is a change in Control Areas, joining an RTO, or other change which has a significant operational impact on this Agreement. If PG&E provides notice, the Parties promptly shall attempt to renegotiate in good faith the terms and conditions of this Agreement to restore the original balance of benefits and burdens contemplated by the Parties as of the date when this Agreement is executed. In the event the Parties agree upon revised terms and conditions and/or a renegotiated successor agreement, PG&E shall make good faith efforts to support the non-terminating party in making any necessary filings to implement renegotiated terms and conditions and/or a renegotiated successor agreement before appropriate organizations, including filing supporting documents before a regulatory or judicial body. In the event the parties are unable to successfully renegotiate this Agreement within twenty-two (22) months after PG&E has provided written notice, PG&E may confirm the termination of this Agreement.
- 3.2.5 Termination or Extension of Pilot Program.** The Pseudo Generating Unit pilot program shall extend for a minimum of two (2) years from the effective date of this Agreement. Sixty (60) days prior to the end of the two-year pilot program period, the ISO shall determine whether (i) the pilot program has been demonstrated to be successful and can be implemented on an extended basis, in which case the ISO may issue a notice of termination for this Agreement; (ii) the pilot program has been unsuccessful and the ISO should issue a notice of termination for this Agreement; or (iii) the results of the pilot program have been inconclusive and the pilot program should be extended for another year, in which case the ISO and SMUD will make the same determination sixty (60) days prior to the end of the initial and any subsequent one-year extension period(s).

3.2.6 Filing. With respect to any notice of termination given pursuant to this Section 3, the ISO must file a timely notice of termination with FERC. The filing of the notice of termination by the ISO will be considered timely if: (1) the filing of the notice of termination is made after the preconditions for termination have been met, and (2) the ISO files the notice of termination within thirty (30) days after receipt of a notice of termination from Western or within sixty (60) days after issuance of its own notice of termination or notice of termination by SMUD or confirmation of termination by PG&E. This Agreement shall terminate in accordance with Section 3.2, upon acceptance by FERC of such a notice of termination.

ARTICLE IV GENERAL TERMS AND CONDITIONS

4.1 Pseudo Tie Requirements and Pseudo Generator Obligations

4.1.1 The Pseudo Generating Unit pilot program established under this Agreement shall be implemented and operated in accordance with this Agreement, applicable provisions of the ISO Tariff referenced herein and the ICAOA between the ISO and SMUD, and all applicable NERC and WECC policies, requirements, and provisions.

4.1.2 The technical characteristics of the Pseudo Generating Unit and associated Pseudo Tie are set forth in Schedule 1. Western may request, and the ISO and SMUD may agree, at their sole discretion, to change the foregoing ISO intertie association set forth in Schedule 1, subject to any limitations set forth in Schedule 2.

4.1.3 The terms and conditions for the Pseudo Generating Unit pilot program implemented among the ISO, SMUD and Western for the Pseudo Tie from the ISO Control Area from the Pseudo Generating Unit listed in Schedule 1 are set forth in Schedule 2.

4.1.4 Notification of Changes. Sixty (60) days prior to changing any technical information in Schedules 1 and 2, Western shall notify the ISO and SMUD of the proposed changes.

4.2 Applicable ISO Tariff Provisions. The Parties shall comply with Sections 7.4 (Management of System Emergencies), and 8.4.5 (Communication Equipment) of the ISO Tariff.

4.3 Obligations Relating to Major Incidents

4.3.1 Major Incident Reports. Western shall promptly provide such information as the ISO and SMUD may reasonably request in relation to major incidents, in accordance with Good Utility Practice.

ARTICLE V [INTENTIONALLY NOT USED]

ARTICLE VI COSTS

6.1 Operating and Maintenance Costs. Western shall be responsible for all its costs incurred for the purpose of meeting its obligations under this Agreement.

6.2 Prohibition of Costs. PG&E is not responsible for and shall not be assessed or penalized for any costs, losses, or other charges by any of the Parties under this Agreement.

ARTICLE VII DISPUTE RESOLUTION

7.1 Dispute Resolution. The Parties shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. In the event any dispute is not settled, the Parties shall adhere to the ISO ADR Procedures set forth in Section 13 of the ISO Tariff, which is incorporated by reference, except that any reference in Section 13 of the ISO Tariff to Market Participants shall be read as a reference to Western, SMUD or PG&E as the context requires and references to the ISO Tariff shall be read as references to this Agreement.

ARTICLE VIII REPRESENTATIONS AND WARRANTIES

8.1 Representation and Warranties. Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law.

ARTICLE IX LIABILITY

- 9.1 Scope of Liability.** Except for any loss, damage, claim, cost, charge or expense resulting from gross negligence or Willful Action, or for the nonpayment of monies due, no Party, its directors, members of its governing body, officers, employees or agents shall be liable to any other Party for any death, injury, loss, damage, claim, cost, charge or expense of any kind or nature incurred by any other Party, including, without limitation, direct, indirect or consequential loss, damage, claim, cost, charge or expense, and whether or not resulting from the negligence of any Party, its directors, members of its governing body, officers, employees or any person or entity whose negligence would be imputed to such Party, arising from the performance or non-performance of obligations under this Agreement. Except for any death, injury, loss, damage, claim, cost, charge or expense resulting from gross negligence or Willful Action or nonpayment of monies due, each Party releases the other Parties, their directors, members of governing bodies, officers, employees and agents from any such liability.

ARTICLE X UNCONTROLLABLE FORCES

- 10.1 Uncontrollable Forces Tariff Provisions.** Section 14 of the ISO Tariff shall be incorporated by reference into this Agreement except that all references in Section 14.1 of the ISO Tariff to Market Participants shall be read as a reference to Western, PG&E or SMUD and references to the ISO Tariff shall be read as references to this Agreement; provided, however, in no event shall any Party be considered in default of any obligation under this Agreement or liable to any other Party for direct, indirect, or consequential damages if prevented from fulfilling that obligation due to the occurrence of an Uncontrollable Force.

ARTICLE XI MISCELLANEOUS

- 11.1 Assignments.** Any Party may assign or transfer any or all of its rights and/or obligations under this Agreement with all of the other Parties' prior written consent. Such consent shall not be unreasonably withheld. Any such transfer or assignment shall be conditioned upon the successor in interest accepting the

rights and/or obligations under this Agreement as if said successor in interest was an original Party to this Agreement.

11.2 Notices. Any notice, demand or request which may be given to or made upon any Party regarding this Agreement shall be made in accordance with Section 22.4 of the ISO Tariff, except as provided for in Section 3.2 of this Agreement. A Party must update the information in Schedule 3 of this Agreement as information changes. Such changes shall not constitute an amendment to this Agreement.

11.3 No Third Party Beneficiaries. No right or obligation contained in this Agreement shall inure to the benefit of any person or entity which is not a Party. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any third party.

11.4 Relationship of the Parties

11.4.1 Except as otherwise provided in this Agreement, the covenants, obligations, rights and liabilities of the Parties under this Agreement are intended to be several and not joint or collective. It is the intent of the Parties not to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on, or with regard to, any Party.

11.4.2 Each Party shall be individually responsible for its own covenants, obligations and liabilities under this Agreement. No Party or group of Parties shall be under the control of or shall be deemed to control any other Party or Parties.

11.4.3 No Party shall be the agent of, or have the right or power to bind another Party without its written consent, except as expressly provided for in this Agreement.

11.5 No Dedication of Facilities. Any undertaking by a Party under any provision of this Agreement is rendered strictly as an accommodation and shall not constitute the dedication of its Electric System or any portion thereof by the undertaking Party to the public, to any other Party or to any third party, and any such undertaking by a Party shall cease upon the termination of such Party's obligations under this Agreement. The Electric System of a Party shall, at all times be, and remain, in the exclusive ownership, possession, and control of that Party, and nothing in this Agreement shall be construed to give any other Party any right of ownership, possession or control of such Electric System.

- 11.6 Waivers.** Any waivers at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Agreement shall not constitute or be deemed a waiver of such right.
- 11.7 Governing Law and Forum.** This Agreement shall be deemed to be a contract made under, and for all purposes shall be governed by and construed in accordance with, the laws of the State of California, except its conflict of law provisions. The Parties irrevocably consents that any legal action or proceeding arising under or relating to this Agreement to which the ISO ADR Procedures do not apply, shall be brought in any of the following forums, as appropriate: any court of the State of California, any federal court of the United States of America located in the State of California, or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission.
- 11.8 Consistency with Federal Laws and Regulations.** All provisions of this Agreement shall incorporate by reference Section 22.9 of the ISO Tariff. All references in Section 22.9 of the ISO Tariff shall be read as if referring to this Agreement.
- 11.9 Merger.** Except as specifically provided in Section 4.1.1, this Agreement constitutes the complete and final agreement of the Parties with respect to the subject matter hereto and supersedes all prior agreements, whether written or oral, with respect to such subject matter.
- 11.10 Severability.** If any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.
- 11.11 Amendments.** This Agreement and the Schedules attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that require FERC approval shall not take effect until FERC has accepted such amendments for filing and made them effective. If the amendment does not require FERC approval, the amendment will be filed with

FERC for information. Nothing contained herein shall be construed as affecting in any way the right of any Party to unilaterally make application to FERC for a change in the rates, terms and conditions of this Agreement under Section 205 or 206 of the FPA, as applicable and pursuant to FERC's rules and regulations promulgated thereunder.

11.12 Counterparts. This Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Agreement.

ARTICLE XII FEDERAL PROVISIONS

12.1 Contingent Upon Appropriations. Where activities provided for in this Agreement extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States' obligations under this Agreement. In case such appropriation is not made, the other Parties hereby release the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

12.2 Officials Not to Benefit. No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit that may have arisen from this Agreement, but this restriction shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

12.3 Covenant Against Contingent Fees. The other Parties warrant that no person or selling agency has been employed or retained to solicit or secure rights under this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fees, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Parties for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul, as to Western, paid or incurred by Western hereunder, without liability or, in its discretion, to deduct from any consideration of its obligations hereunder the full amount of such commission, percentage, brokerage, or contingent fee.

12.4 Contract Work Hours and Safety Standards. This Agreement, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C.A. 329 (1986), is subject to the provisions

of the Act, 40 U.S.C.A. 327-333 (1986), and to regulations promulgated by the Secretary of Labor pursuant to the Act.

12.5 Equal Opportunity Employment Practices. Section 202 of Executive Order No. 11246, 43 Fed. Reg. 46501 (1978), which provides, among other things, that the parties will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in this Agreement.

12.6 Use of Convict Labor. The Parties agree not to employ any person undergoing sentence of imprisonment in performing obligations under this Agreement except as provided by 18 U.S.C. 4082 (c) (2) and Executive Order 11755, December 29, 1973.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation
By: 
Name: JAMES W DANIELS
Title: VP OPERATIONS
Date: 8/25/06

Western Area Power Administration
By: _____
Name: _____
Title: _____
Date: _____

Pacific Gas and Electric Company
By: _____
Name: _____
Title: _____
Date: _____

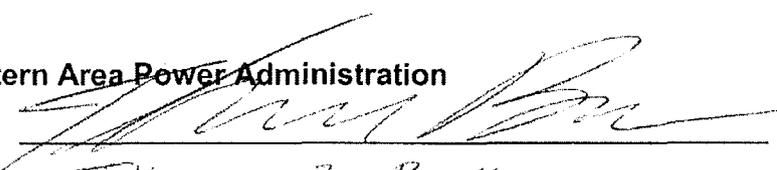
Sacramento Municipal Utility District
By: _____
Name: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: _____
Name: _____
Title: _____
Date: _____

Western Area Power Administration

By: 
Name: THOMAS R. BOYKO
Title: POWER MARKETING MANAGER
Date: AUG 30 2006

Pacific Gas and Electric Company

By: _____
Name: _____
Title: _____
Date: _____

Sacramento Municipal Utility District

By: _____
Name: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: _____
Name: _____
Title: _____
Date: _____

Western Area Power Administration

By: _____
Name: _____
Title: _____
Date: _____

Pacific Gas and Electric Company

By:  _____
Name: Stewart Ramsay
Title: VP AD&ET
Date: 8/31/06

Sacramento Municipal Utility District

By: _____
Name: _____
Title: _____
Date: _____

SCHEDULE 1

PSEUDO GENERATING UNIT, PSEUDO TIE Technical Information NATIVE and ATTAINING CONTROL AREA Information [Sections 4.1.2, 4.1.3]

Pseudo Tie	Pseudo Tie ID: MELONP_2_PGAE Location: New Melones Substation, 230 kV
Pseudo Generating Unit	Generator Name: New Melones Power Plant Capacity: 384 MW at 1.00 pf Pmax ¹ : 384 MW
Attaining Control Area	SMUD Control Area
Native Control Area(s)	ISO Control Area

¹ This value is the unity power factor and represents the maximum amount of power that can be scheduled by the Pseudo Generator into the ISO Control Area, and is subject to limitation pursuant to existing contracts regarding transmission service rights on the scheduling path due to System Emergencies, or to provide necessary voltage support, which could temporarily reduce the ability to generate and transfer power to amounts less than Pmax.

SCHEDULE 2**PSEUDO GENERATING UNIT PILOT PROGRAM TERMS****[Section 4.1.3]**

The terms and conditions set forth in this Schedule 2 shall apply to Western's participation in this ISO and SMUD Pseudo Tie Export Generating Unit pilot program, including dynamic transfers of Energy from the ISO Control Area to the SMUD Control Area.

1. Consistency with NERC/WECC

- 1.1** Operation of Pseudo Tie functionalities must comply with all applicable NERC and WECC policies, requirements, and guidelines regarding inter-Control Area scheduling. The Pseudo Tie must be registered as a "Point Of Delivery" (POD) on NERC's Transmission Service Information Network (TSIN).
- 1.2** Operation and/or associated scheduling of Pseudo Tie functionalities must be consistent with the NERC Dynamic Transfer White Paper, which was approved by the NERC Operating Committee on March 25, 2004 as a reference document, and any resulting NERC standards and/or policies.
- 1.3** All interchange scheduling associated with the Pseudo Tie functionality must be consistent with NERC Reliability Standards for the Bulk Electric Systems of North America (Standard INT-001-0 – Interchange Transaction Tagging, Standard INT-002-0 – Interchange Transaction Tag Communication and Assessment, Standard INT-003-0 – Interchange Transaction Implementation, and Standard INT-004-0 – Interchange Transaction Modifications).

2. Operating, Technical, and Business Requirements**2.1 Operating**

- 2.1.1** The ISO and SMUD will establish the Pseudo Tie between the ISO Control Area and the SMUD Control Area, will specify the location of that Pseudo Tie point, and will register that location as a point of delivery to the SMUD Control Area.
- 2.1.2** Western must a) transfer dynamically its entire output of its real time Generation production and b) provide static forward schedules into the ISO's Scheduling Infrastructure ("SI") systems to schedule the use of ISO transmission associated with the export of the Pseudo Generating Unit energy into the SMUD Control

Area at the associated pre-existing ISO physical Intertie, as provided in Section 2.2.3.

- 2.1.3** There will be no static imports from the Pseudo Generating Unit directly into the ISO Control Area.
- 2.1.4** Long-term firm transmission service must be reserved for this Pseudo Tie transfer across the ISO Control Area along the entire transmission path to the SMUD Control Area sufficient to permit delivery of an amount equal to at least the scheduled Generation of the Pseudo Generating Unit, in each hour. Contract No. 8-07-20-P0004 establishes the basis for the long-term firm transmission service reservation for the Pseudo Generation Unit for the term of the contract.
- 2.1.5** All Energy transfers associated with Pseudo Ties must be electronically tagged (e-tagged).
- 2.1.6** The ISO will treat all dynamically transferred Energy from the Pseudo Generating Unit as external ISO Control Area Generation (except that firm transmission will be reserved for the actual forward scheduled across the intervening ISO Control Area transmission, to the designated pre-existing ISO-SMUD intertie).
- 2.1.7** In case the Pseudo Generating Unit is curtailed or forced out of service in real time, the associated Pseudo Tie ISO transmission schedules submitted into SI must be adjusted by the next available ISO Hour Ahead market scheduling timeframe.
- 2.1.8** In real-time, the total output of the Pseudo Generating Unit shall be telemetered to the ISO and to SMUD.
- 2.1.9** In real time, the total Pseudo Generating Unit energy shall not exceed Western's firm transmission rights.
- 2.1.10** The ISO, SMUD, PG&E and Western will develop a coordinated operating procedure outlining the agreed upon framework among all Parties for the operation of this Agreement.
- 2.1.11** The output of the Pseudo Generating Unit may be subject to real-time curtailments as directed by the ISO in accordance with Good Utility Practices.

2.2 Technical

- 2.2.1** All applicable communication and telemetry requirements of the WECC, the ISO, and SMUD regarding generating units and inter-Control Area interties must be satisfied.
- 2.2.2** Proper incorporation of the dynamic signal into all involved Control Areas' ACE equations will be required.
- 2.2.3** A Pseudo Generating Unit must be permanently associated with a particular pre-existing ISO intertie. Any dynamic transfers of Energy and/or Energy associated with Ancillary Services dispatch shall not exceed the firm transmission rights reservation, at the associated pre-existing ISO intertie. Western's Tracy 230-kV Substation will be the delivery point. If for any reason delivery cannot be made to the Tracy 230-kV Substation, for purposes of this Agreement, Energy will still be deemed delivered to Western at an alternate designated intertie with available capacity. SMUD as the Attaining Control Area will immediately request emergency wheeling service from the ISO under provisions of the SMUD–ISO ICAOA, Service Schedule 13, to maintain the Pseudo Tie schedule via the alternate designated intertie. Western, or its designated SC, will reschedule the New Melones Pseudo Tie Energy in the next available ISO Hour Ahead scheduling timeframe through the ISO Scheduling system, until the New Melones firm transmission path to Tracy 230-kV Substation is re-established. Western, or its designated SC, will be charged and will pay for the requested emergency New Firm Use transmission and all associated ISO charges in accordance with the ISO Tariff, for this emergency service.
- 2.2.4** Only one dynamic transfer signal may be associated with the Pseudo Generating Unit.
- 2.2.5** Should there be any need or requirement, whether operational or procedural, for the ISO or SMUD to make real time adjustments to the ISO's inter-Control Area schedules at the pre-existing ISO intertie associated with the Pseudo Generating Unit (including curtailments), the dynamic transfer from the Pseudo Generating Unit shall be treated in the same manner as any ISO interchange schedule at that pre-existing ISO intertie, and in accordance with the operating instructions from PG&E.
- 2.2.6** Energy delivered from New Melones Power Plant will be subject to all provisions of SMUD's Control Area procedures.

2.3 Business

- 2.3.1** For settlements, the Energy transferred dynamically from the Pseudo Generating Unit during an operating hour will be deemed delivered, for that operating hour.
- 2.3.2** All Energy from the Pseudo Tie interchange shall be subject to the ISO Tariff Transmission Loss construct, presently Transmission Meter Multiplier ("TMM"), and billed accordingly to Western or the designated Scheduling Coordinator for the Pseudo Generating Unit.
- 2.3.3** The ISO shall assess Western or its designated Scheduling Coordinator, as the responsible SC for this Pseudo Generating Unit, all applicable market charges and Grid Management Charges ("GMC"), in accordance with the ISO Tariff. The ISO market charges currently applicable to the Pseudo Generating Unit power flow Schedules using the ETC firm transmission reservation are those associated with Transmission Losses, which will be applied to the Pseudo Generating Unit power flow schedules in accordance with the ISO Tariff.
- 2.3.4** In the event of a Tracy 230 kV line outage and a subsequent SMUD request for Emergency Wheeling service from the ISO to maintain deliveries of power to SMUD from this Pseudo Generator Unit, or in the event that Pseudo Generating Unit forward market Schedules exceed the ETC firm transmission reservation, all ISO Tariff market and GMC charges applicable to the resulting use of ISO "new firm use" transmission service shall be applied for the duration of these events, inclusive of any related Hour-Ahead "new firm use" Schedules.
- 2.3.5** Western or the designated Scheduling Coordinator interchange schedules shall be subject to all applicable terms of the ISO's Market Redesign Technology Upgrade ("MRTU"), for which the ISO will develop the necessary revisions to the terms applicable to Pseudo Ties.
- 2.3.6** All hourly Pseudo Tie export schedules shall be submitted by a certified Scheduling Coordinator, into the ISO's Scheduling Infrastructure (SI) as coordinated import and export "wheel through" forward power flow schedules, at the designated Pseudo Tie and physical tie with the SMUD Control Area.

3. Operating Agreements

- 3.1** The export Pseudo Tie pilot program shall be conditional on the facilitation by SMUD as the Attaining Control Area of the Pseudo Tie functionality in accordance with the ICAOA between SMUD and the ISO.
- 3.2** Western shall comply with its contractual obligations with the owners of the facilities to which the Pseudo Generating Unit is interconnected and/or the SMUD Control Area that affect in any way the ability of Western to perform its obligations under this Agreement.

SCHEDULE 3**NOTICES
[Section 11.2]****Western Area Power Administration**

Name of Primary Representative: Tom Boyko
Title: Power Marketing Manager
Company: Western Area Power Administration
Address: 114 Parkshore Drive
City/State/Zip Code: Folsom, CA 95630
Email Address: boyko@wapa.gov
Phone: (916) 353-4421
Fax No: (916) 985-1931

Name of Alternative Representative: Jeanne Haas
Title: Contracts and Energy Services Manager
Company: Western Area Power Administration
Address: 114 Parkshore Drive
City/State/Zip Code: Folsom, CA 95630
Email Address: haas@wapa.gov
Phone: (916) 353-4438
Fax No: (916) 985-1931

Pacific Gas and Electric Company

Name of Primary Representative: Steve Metague
Title: Director, Electric Transmission Rates
Company: Pacific Gas and Electric Company
Address: 77 Beale Street, B13L
City/State/Zip Code San Francisco, CA 94105
Email Address: SJMd@pge.com
Phone: (415) 973-6545
Fax No: (415) 973-9174

Name of Alternative Representative: Richard Buckingham
Title: Senior Transmission Contract Engineer
Company: Pacific Gas and Electric Company
Address: 77 Beale Street, B13L
City/State/Zip Code San Francisco, CA 94105
Email Address: RABd@pge.com
Phone: (415) 973-1717
Fax No: (415) 973-9174

Sacramento Municipal Utility District

Name of Primary Representative: Tom Ingwers
Title: Director, Energy Trading and Contracts
Company: SMUD
Address: 6301 S Street, M.S. A404
City/State/Zip Code: Sacramento, CA 95817
Email Address: tingwer@smud.org
Phone: (916) 732-5704
Fax No: (916) 732-6002

Name of Primary Representative: Vicken Kasarjian
Title: Department Manager, System Operations and Reliability
Company: SMUD
Address: 6001 S Street, M.S. D109
City/State/Zip Code: Sacramento, CA 95817
Email Address: vkasarj@smud.org
Phone: (916) 732-5727
Fax No: (916) 732-7026

Name of Alternative

Representative: Brian Jobson
Title: Supervisor, Regulatory and Contracts
Company: SMUD
Address: 6301 S Street, M.S. A404
City/State/Zip Code Sacramento, CA 95817
Email Address: bjobson@smud.org
Phone: (916) 732-5939
Fax No: (916) 732-6002

**Name of Alternative
Representative:**

Mark Willis
Title: Supervisor, Power Operations Engineering.
Company: SMUD
Address: 6001 S Street, M.S. D105
City/State/Zip Code Sacramento, CA 95817
Email Address: mwillis@smud.org
Phone: (916) 732-5451
Fax No: (916) 732-7026

California Independent System Operator

Name of Primary Representative: Roni L. Reese
Title: Senior Contracts Analyst
Address: 151 Blue Ravine Road
City/State/Zip Code: Folsom, CA 95630
Email Address: rreese@caiso.com
Phone: (916) 608-7027
Fax No: (916) 608-7292

Name of Alternative Representative: Philip D. Pettingill
Title: Manager of Infrastructure Policy & Contracts
Address: 151 Blue Ravine Road
City/State/Zip Code: Folsom, CA 95630
Email Address: ppettingill@caiso.com
Phone: (916) 608-7241
Fax No: (916) 351-7292

Certificate of Service

I hereby certify that I have served the foregoing document upon the entities that are to receive service as described in that document, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 6th day of September, 2006 at Folsom in the State of California.

Charity Wilson /RL
Charity Wilson