

MICHAEL Q. EAGAN
ATTORNEY AT LAW
THREE EMBARCADERO CENTER
EIGHTH FLOOR
SAN FRANCISCO, CALIFORNIA 94111
TELEPHONE: (415) 765-4600
FACSIMILE: (415) 765-4659

November 1, 1999

Via Facsimile and U.S. Mail

Ms. Nicolle Billmyre
Senior Case Manager
American Arbitration Association
13455 Noel Road, Suite 1750
Dallas, Texas 75240-6636

Re: *Reliant Energy Power Generation, Inc., et al. v. California Independent System Operator Corporation*

Dear Ms. Billmyre:

This letter sets forth Reliant's position with respect to CAISO's Motion to Strike the Demand for Arbitration of Southern California Electric Company ("SCE"). CAISO's motion is based, in part, upon certain factual assertions about which Reliant has no knowledge. Reliant does agree that under the Arbitration Protocol "only the original parties to the arbitration may participate in the selection of an arbitrator."¹

Reliant wishes to reemphasize the following point. The *raison d'etre* for arbitration is the speedy and cost-effective resolution of issues. The Protocol itself, in section 13.3.10, requires that "the arbitrator shall set a date for the issuance of the arbitration decision, which shall be no later than six months . . . from the date of the appointment of the arbitrator." Ms. Hargis was confirmed as arbitrator on September 16, 1999. Even though Ms. Hargis was later removed, the six-month time clock is ticking, and this entire arbitration must be concluded no later March 16, 1999.

Thus, to the extent that intervenors, such as SCE, lack standing, or raise issues beyond the scope of the dispute between Reliant and CAISO, the AAA should consider the mandatory

¹See CAISO Motion, page 2, fn. 2.

Ms. Nicolle Billmyre
November 1, 1999
Page 2

timetable in rendering its decision on whether or not to grant CAISO's motion to strike demand for arbitration.

Sincerely,

Michael Q. Eagan

MQE/jd

cc: M. Jines, Esq.
J. Golub, Esq.
Attached Distribution List

Reliant Energy Power Generation, Inc., et al. v. California Independent System Operator Corporation

Distribution List:

Nicolle Billmyre
American Arbitration Association

I. Jay Golub, Esq.
Baker & Botts

Stephen Morrison, Esq.
Beth Emery, Esq.
California ISO

John R. Ferguson, Esq.
Swidler, Berlin, Shereff, Friedman

James F. Walsh, Esq.
Beth Eagleson, Esq.
San Diego Gas & Electric Co.

Stuart L. Gardiner, Esq.
Alice L. Reid, Esq.
Pacific Gas & Electric Co.

Michael Mackness, Esq.
Anna Valberg, Esq.
Southern California Edison Co.

Richard L. Roberts, Esq.
Steptoe & Johnson