



CALIFORNIA ISO

December 6, 1999

Ms. Nicolle Billmyre
Senior Case Administrator
American Arbitration Association
1750 Two Galleria Tower
13455 Noel Road
Dallas, Texas 75240-6636

Dear Ms. Billmyre,

Reliant Energy, etc. et al –v- California ISO

Further to the letter of Michael Egan Esq. dated October 26, 1999, and subsequent California ISO correspondence, the California ISO confirms that an impasse had been reached in the attempt to select a single arbitrator for the above noted case.

Consequently, the California ISO hereby designates James H. Bailey Esq. to act as the second arbitrator. We would, therefore, be obliged if you would now confirm Mr. Bailey's willingness and availability to serve in that capacity.

Sincerely,

Stephen A S Morrison
Contracts & Corporate Counsel

C.C. Beth Emery
John Ferguson
Michael Egan