

ATTACHMENT A

DEPARTMENT OF WATER RESOURCES

California Energy Resources Scheduling
PO Box 219001
3310 El Camino Avenue, Suite 120
SACRAMENTO, CA 95821-9001
(916)574-1291



June 8, 2001

VIA TELECOPIER AND CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, California 95630

Attention: Terry Winter

Dear Mr. Winter:

I am writing to you in reference to certain Summer Reliability Agreements (referred to herein as the ISO Summer Reliability Agreements) heretofore entered into by and between the California Independent System Operator Corporation and entities owning or controlling generating facilities (defined in each ISO Summer Reliability Agreement as the "Owner"). Please be advised that the California Department of Water Resources, acting solely under the authority and powers created by ABX1 1, codified as Sections 80000 through 80260 of the Water Code, and not under its powers and responsibilities with respect to the State Water Resources Development System (the Department), shall not be responsible or liable for any monetary obligations arising under any ISO Summer Reliability Agreement to which the Department is not a party and which has not heretofore been superseded by a bilateral contract entered into by and between the Department and an Owner.

Please take appropriate action to disseminate the foregoing to all ISO Scheduling Coordinators and other Market Participants (as defined in the ISO's FERC Electric Tariff).

Sincerely,

A handwritten signature in cursive script, appearing to read "Ray D. Hart".

Raymond D. Hart
Deputy Director