

American Arbitration Association

Commercial Arbitration Rules

To institute proceedings, please send two copies of this demand *and the arbitration agreement*, with the filing fee as provided in the rules, to the AAA. Send the original demand to the respondent.

DEMAND FOR ARBITRATION

DATE: November 6, 2000

TO: Name California Independent System Operator (ISO)
Address 151 Blue Ravine Road
City and State Folsom, California (of the Party on Whom the Demand Is Made) ZIP Code 95630
Telephone (916) 351-4400 Fax (916) 351-2350
Name of Representative Richard Jacobs, Assistant Corporate Counsel
Representative's Address 151 Blue Ravine Road (if Known)
Name of Firm (if Applicable) California Independent System Operator (ISO)
City and State Folsom, California ZIP Code 95630
Telephone (916) 351-4400 Fax (916) 351-2350

The named claimant, a party to an arbitration agreement contained in a written contract, dated _____ and providing for arbitration under the Commercial Arbitration Rules of the American Arbitration Association, hereby demands arbitration thereunder.

THE NATURE OF THE DISPUTE: customer governed by the ISO Tariff currently on file and approved by the Federal Energy Regulatory Commission which
From April 1998 to April 1999, the ISO improperly billed claimant for charges amounting to \$14,172,337.08

THE CLAIM OR RELIEF SOUGHT (the Amount, if Any):
Reimbursement of the \$14,172,337.08 in charges that the ISO lacked any tariff or contract right to impose on the Claimant, plus interest, and any other relief deemed just and reasonable

DOES THIS DISPUTE ARISE OUT OF AN EMPLOYMENT RELATIONSHIP? Yes No

TYPES OF BUSINESS: Claimant Gas and Electric Utility Respondent Transmission Grid Operator
HEARING LOCALE REQUESTED: San Francisco, California (City and State)

You are hereby notified that copies of ~~our arbitration agreement~~ ^{the ISO Tariff arbitration provisions} and this demand are being filed with the American Arbitration Association at its Dallas, TX office, with a request that it commence administration of the arbitration. Under the rules, you may file an answering statement within fifteen days after notice from the AAA.

Signed Kelly M. Morton Title Attorney for Claimant
(May Be Signed by a Representative)

Name of Claimant Pacific Gas and Electric Company
Address (to Be Used in Connection with This Case) 77 Beale Street, B30A
City and State San Francisco, CA ZIP Code 94105
Telephone (415) 973-4458 Fax (415) 973-9271
Name of Representative Kelly M. Morton
Name of Firm (if Applicable) Pacific Gas and Electric Company
Representative's Address 77 Beale Street, B30A
City and State San Francisco, CA ZIP Code 94105
Telephone (415) 973-4458 Fax (415) 973-9271

MEDIATION is a nonbinding process. The mediator assists the parties in working out a solution that is acceptable to them. If you wish for the AAA to contact the other parties to ascertain whether they wish to mediate this matter, please check this box (there is no additional administrative fee for this service).