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March 9, 2007

Phillis J. Posey
Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: California Independent System Operator Corporation
Docket No. ES07-20-000

Dear Secretary Posey:

On February 9, 2007, the California Independent System Operator Corporation ("ISO") filed, in the captioned proceeding, an application pursuant to Section 204 of the Federal Power Act for a Commission order authorizing the ISO to issue bonds in an amount not to exceed \$60 million ("Application"). Since filing the Application the ISO has worked to finalize the bond issuance. On March 7, 2007, the ISO Governing Board unanimously approved a borrowing resolution authorizing ISO Management to proceed with the bond offering. A copy of the borrowing resolution approved by the ISO Governing Board is attached as Exhibit 1 to the instant filing.

The borrowing resolution states that, to partially hedge the bonds and provide for synthetic fixed rate debt, ISO Management is authorized to enter into an interest rate swap covering 60-100% of the outstanding bond principal amount. In the Application (at 7-8), the ISO stated that it planned to enter into an interest rate swap covering approximately 60% of that amount.

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ISO Management is preparing for issuance of the bonds on April 5, 2007. Accordingly, the ISO respectfully requests that the Commission authorize the actions described in the Application by no later than April 2, 2007 (as requested in the Application).

Respectfully submitted,



Kenneth G. Jaffe
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**Counsel for the California
Independent System Operator
Corporation**

EXHIBIT 1

Borrowing Resolution (2007-03-07)

MOVED, that the Chief Executive Officer or the Chief Financial Officer of the California Independent System Operator Corporation (CAISO) be, and they hereby are, authorized and empowered, in the name and on the behalf of the CAISO, to perform the following:

- Issue variable rate demand bonds in an amount not to exceed \$60,000,000 through the California Infrastructure and Economic Development Bank.
- Borrow money, incur other obligations and guarantee the obligations of the CAISO in an amount not to exceed \$60,000,000, and in furtherance thereof to execute and deliver from time to time any note or other instrument evidencing indebtedness or other obligations of the CAISO, including related agreements and documents and guarantees of obligations or endorsements of notes, when deemed by them to be in the best interests of the CAISO, at a rate or rates of interest, and upon such other term or terms as shall be agreed upon by such officers.
- Procure a standby bond purchase agreement for a term not to exceed three years at a cost not to exceed 18 basis points annually plus other associated expenses.
- Procure a bond insurance policy at a cost not to exceed 50 basis points of principal and interest paid over the life of the bonds and other associated expenses.

MOVED FURTHER, that Management be authorized and directed to take any and all actions necessary and appropriate to execute an interest rate swap to partially hedge the bonds and provide for synthetic fixed rate debt for not less than 60% and up to 100% of the outstanding bond principal amount.

MOVED FURTHER, that with respect to any single transaction covered by the foregoing motions, the Chief Executive Officer or the Chief Financial Officer of the CAISO may delegate in writing to any one or more Officers of the CAISO the power to sign such instruments, agreements or other documents on his or her behalf as may be required to effectuate such transaction.

Moved: Gage Second: Capuano

Board Action: Passed Vote Count: 5-0-0

Capuano	Y
Gage	Y
Lowe	Y
Page	Y
Willrich	Y

Motion Number: 2007-03-G5

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon on each person listed on the official service list for the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 9th day of March, 2007.

Grace Arupo ^{BRM}

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