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November 20, 2000

VIA FEDERAL EXPRESS

STATEMENT OF CLAIM PURSUANT TO
THE ISO TARIFF § 13.2.2

TO: California Independent System Operator
Mr. Richard Jacobs, Assistant Corporate Counsel
151 Blue Ravine Road
Folsom, CA 95630

California Independent System Operator Corporation
ISO Governing Board
Mr. Jan Smutny-Jones, Chair of the Board
151 Blue Ravine Road
Folsom, CA 95630

American Arbitration Association
(as delegated agent for the ISO ADR Committee)
Ms. Molly Bargaquest, Vice President - Case Management Center
1750 Two Galleria Tower
13455 Noel Road
Dallas, TX 75240-6636

Kelly M. Morton, Attorney
Law Department
Pacific Gas and Electric Company
PO Box 7442
San Francisco, CA 94120

FROM: Glen L. Ortman
Michael A. Yuffee

RE: Statement of Claim of the Sacramento Municipal Utility District, pursuant to the ISO Tariff § 13.2.2

In accordance with Section 13.2.2 of the ISO Tariff, the Sacramento Municipal Utility District ("SMUD") submits this Statement of Claim. This Statement of Claim concerns the Pacific Gas and Electric Company's ("PG&E") October 5, 2000 Statement of Claim filed with the California Independent System Operator Corporation ("ISO"). That claim concerns charges that the ISO has imposed on PG&E pursuant to its role as a proxy scheduling coordinator for the transactions occurring on the California-Oregon Transmission Project ("COTP") and for the behind-the-meter activities of SMUD and the Western Area Power Administration. SMUD is a holder of considerable transmission entitlements on the COTP as a member of the Transmission Agency of Northern California ("TANC"). In addition, SMUD's behind-the-meter activities are directly at issue. Therefore, SMUD clearly is an interested party to this proceeding.

Although SMUD's participation in this proceeding also may be initiated through an intervention pursuant to the ISO Tariff Section 13 Supplemental Procedure 3, SMUD utilizes this Statement of Claim procedure to ensure that all of its rights respecting this dispute are preserved.

Although SMUD is generally aware of the parameters of PG&E's dispute with the ISO, it presently has inadequate information upon which to establish a binding position in this proceeding. Thus, on a preliminary and non-binding basis, and subject to change, SMUD submits the following Statement of Claim:

STATEMENT OF CLAIM

Parties to the Dispute:	ISO, PG&E, Redding, Santa Clara, M-S-R Public Power Agency, TANC, and SMUD
Other Potentially Interested Parties:	Western Area Power Administration, Holders of transmission entitlements on the COTP
Claim:	From April 1998 to April 1999, the ISO improperly billed PG&E for charges amounting to \$14,172,337.08.
Relief Sought:	Reimbursement to PG&E of the \$14,172,337.08 in charges that the ISO lacked any tariff or contract right to impose on the Company, plus interest, and any other relief deemed just and reasonable.

Summary of Claim:

SMUD refer to PG&E's October 5, 2000 Summary of Claim.

Knowledgeable Individuals:

PG&E: Joan Childs
Robert Cowden
Shirley Eshbach
Stephen Metague
Judi Mosley
Julie Petersen

ISO: Kellan Fluckiger
Kevin Graves
Debi Le Vine
Susan Schneider

SMUD: Thomas Ingwers
Brian Jobson

Service: SMUD requests the following individuals be designated for communications:

Brian Jobson
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Please contact Mr. Ortman or Mr. Yuffee if questions arise.

A handwritten signature in black ink, appearing to read "Michael A. Yuffee", written over a horizontal line.

Glen L. Ortman

Michael A. Yuffee

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Attorneys for the Sacramento Municipal
Utility District