



## NEWS RELEASE

**FOR IMMEDIATE RELEASE**  
May 5, 1998

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### **CALIFORNIA ISO SECURING PERMANENT FINANCING**

(Folsom, CA) The California Independent System Operator (Cal-ISO) Corporation today closed on the \$101,600,000 initial phase of its permanent financing consisting of \$301,400,000 of bonds to be issued on behalf of the Cal-ISO by the California Economic Development Financing Authority and to be underwritten by J.P. Morgan Securities, Inc. The second phase is scheduled to close on May 15, 1998. The bonds are to be remarketed by J.P. Morgan Securities, Inc., Bear Stearns & Co., Inc. and Lehman Brothers.

The bonds issued on behalf of Cal-ISO will be backed by a direct pay Letter of Credit from Bank of America N.T. & S.A. An interest rate swap with Morgan Guaranty Trust Company of New York will convert the daily interest rate into a ten-year fixed rate. The permanent financing will replace the interim financing provided by the ISO Restructuring Trust, which was guaranteed by the state's three investor-owned utilities (Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric). The permanent financing will also provide funds to repay the completion of the infrastructure and to provide for working capital and capital expenditure requirements.

By safeguarding the delivery of electricity and ensuring equal access to the bulk of the state's transmission systems, the not-for-profit Cal-ISO is playing a critical role in the state's mission to foster lower electric rates, provide consumer choice, and offer safe and reliable electric service. On March 31, 1998, the Cal-ISO assumed computerized command of the transmission systems formerly controlled by the state's three investor-owned utilities, enabling the new competitive electricity era to begin in California.

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ISO-5.05.98