

**BEFORE THE PUBLIC UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA**

Order Instituting Investigation on the Commission's Own  
Motion into Methodology for Economic Assessment of  
Transmission Projects.

Investigation 05-06-041  
(Filed June 30, 2005)

**NOTICE OF EXPARTE COMMUNICATION  
OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR**

August 7, 2006

Charles F. Robinson, Vice President and  
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In accordance with Rules 1.4 and 7.1 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation ("CAISO") submits this notice of an oral ex parte communication.

On August 4, 2006, via telephone from the CAISO's office in Folsom, California, Karen Edson, Vice-President of External Affairs for CAISO, Armando Perez, Vice-President of Planning and Infrastructure for CAISO, Anjali Sheffrin, Chief Economist and Director of Market and Product Development for CAISO, Robin Smutny-Jones, Director of Regulatory Affairs for CAISO, and Grant Rosenblum, counsel for the CAISO, communicated with Traci Bone, advisor to Commissioner Grueneich, and Nancy Ryan, advisor to President Peevey. The CAISO discussed potential alternatives or conditions that may be acceptable to the Commission sufficient to revise the Proposed Decision's conclusion on the issue of "deference" to an CAISO finding of economic need for a proposed transmission project. In addition, the CAISO explained the basis for its position in support of use of a full network model. There were no written materials provided by the CAISO.

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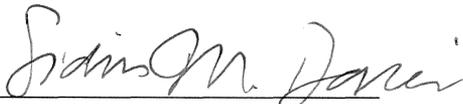
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Copies of this notice may be obtained by contracting Jaime Mrazeck by telephone at (916) 608-7021 or by e-mail at [jmrazeck@caiso.com](mailto:jmrazeck@caiso.com).

August 7, 2006

Respectfully Submitted:

By:   
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Attorney for  
California Independent System Operator