

**EXHIBIT NO. ISO-38**

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2335 RT SCH.

Logger 194401, Channel 12.

December 9, 2000.

**[CONVERSATION BETWEEN ISO AND WWP]**

Time stamp is 11:25:54. Transcription begins at 11:27:13.

UNKNOWN MALE: Water Power

BOYD: Yeah, this is Boyd, California ISO.

UNKNOWN MALE: Yes.

BOYD: I heard a rumor that you had like 50 megawatts  
available energy you could send me but didn't have transmission to get it here.

UNKNOWN MALE: That's not a true rumor. I've got 50 megawatts plus  
tranny.

BOYD: Plus tranny.

UNKNOWN MALE: But I can't sell to you

BOYD: But you cannot sell to me. Oh.

UNKNOWN MALE: You guys, you know, you're bad risks.

You think I'm kidding.

BOYD: We're a bad risk? What, Santa's not been nice?

UNKNOWN MALE: That's not the point. No, you guys are playing games  
with your cap.

BOYD: What with the soft cap?

1 UNKNOWN MALE: And we've been told by our risk manager we're not  
2 allowed to sell to you because of it.

3 BOYD: Oh.

4 UNKNOWN MALE. But if you could find somebody else that wanted to  
5 buy it and send it to you, then I could do it.

6 BOYD: Okay.

7 UNKNOWN MALE: I don't know what you're paying.

8 BOYD: Okay.

9 UNKNOWN MALE: What are you paying?

10 BOYD: Depends upon the hour

11 UNKNOWN MALE: Uh-huh.

12 BOYD: It's an hour-by-hour kind of thing.

13 UNKNOWN MALE: I see.

14 UNKNOWN MALE: I see. No, I've got 50 megawatts of firm on the -- you  
15 know, I've got the tranny, I've got the energy, the whole nine yards, but I'm not allowed  
16 to sell to you guys.

17 BOYD: So we need to go find a marketer for it?

18 UNKNOWN MALE: That would be the case.

19 BOYD: SMUD -- my manager --

20 UNKNOWN MALE: I called him --

21 BOYD: My manager said SMUD will bring it in.

22 UNKNOWN MALE: What's your price going to be though?

23 BOYD: (Conversation away from the phone What kind of  
24 price are you looking at? Right around 500; right?) Around 500.

25 UNKNOWN MALE: That works for me.

1 BOYD: Or less We can do it Okay?  
2 UNKNOWN MALE: All right. Well, if you can talk SMUD into it, I'll sell it to  
3 him at 450, and then he can make 50 bucks or something on it  
4 BOYD: Okay  
5 UNKNOWN MALE: So, yeah, if he wants to do it, I don't mind at all.  
6 BOYD: Okay  
7 UNKNOWN MALE. I'll fill up my tranny and send her down  
8 BOYD: Thank you.  
9 UNKNOWN MALE: Yeah.  
10 BOYD: Bye.

11 End time is 11:29:03  
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14 **[CONVERSATION BETWEEN ISO AND SMUD]**

15 Time stamp is 11:31:09.

16 HENDERSON: Operations, Henderson.  
17 BOYD: Yeah, this is Boyd, California ISO.  
18 HENDERSON: Yeah, hi  
19 BOYD: I need to speak to a scheduler.  
20 HENDERSON: Okay. Hold on. I'll pass you on to Pat.  
21 BOYD: Thanks  
22 PAT: This is Pat.  
23 BOYD. Pat, Boyd, California ISO. How are you doing today?  
24 PAT: Good.

25

1 BOYD: I've got kind of a deal for you that I'm working Washington  
2 Water Power has 50 megawatts of energy with firm transmission, but they cannot sell it  
3 to me.

4 PAT: Uh-huh.

5 BOYD: They were willing to sell it at 450, and I can buy it from you  
6 at 500. If you want to try to work a deal like that --

7 PAT: Yeah That sounds good to me.

8 BOYD: Okay. So if you can work that with Washington Water  
9 Power, I'd appreciate it.

10 PAT: So have you already been in contact with Washington Water  
11 Power?

12 BOYD: I just got off the phone with them.

13 PAT: With Lee?

14 BOYD: Yeah.

15 PAT: Okay. What hours are we looking at then, should we set this  
16 up for?

17 BOYD: I'd like to lock it in at least through 22.

18 PAT: Okay. So, and the first hour that we can put it in for  
19 would be?

20 BOYD: Probably 14. Thirteen's just about over.

21 PAT: Uh-huh.

22 BOYD: So hour ending 14 through 22?

23 PAT: 14 Through 22. Yeah.

24 BOYD: Okay?

25 PAT. We could do that

1 BOYD. And when you set that up, call me at 916 --

2 PAT. Uh-huh.

3 BOYD: -- 351 --

4 PAT: Uh-huh

5 BOYD: -- 2335.

6 PAT: 2335.

7 BOYD: Appreciate it, Pat.

8 PAT: Will do.

9 BOYD: Thanks.

10 PAT: Okay. Bye.

11 End time is 11:33:04.

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14 **[CONVERSATION BETWEEN ISO AND SMUD]**

15 Time stamp is 12:04:51.

16 BOYD: ISO, this is Boyd

17 PAT. Yeah, Boyd, Pat, SMUD.

18 BOYD: Yeah.

19 PAT: Okay I got a hold of Lee, Washington Water Power.

20 BOYD: Uh-huh.

21 PAT: And he said he was wanting to do that for hour ending 14

22 through 22, the 50.

23 BOYD: This will be at Malin.

24 PAT: Let's see, did you -- did you want to pick it up from inside,

25 because I can deliver it to you at NP-15? Or were you going to pick it up right at Malin?

1 BOYD: I can just go ahead and pick it up at Malin and save you that  
2 transmission. In other words, we both got to take it -- you know.

3 PAT: Uh-huh.

4 BOYD: Whatever. For me, I'd just as soon pick it up at Malin, that's  
5 at my tie point.

6 PAT: Uh-huh.

7 BOYD: So I show it as an incoming schedule on, from the northwest  
8 for my controller

9 PAT: Okay.

10 BOYD: Okay?

11 PAT: So then I wouldn't even need to put the schedule in then,  
12 into my system then, huh?

13 BOYD: No. I've just got you -- I'm just going to put that you're  
14 sending the ISO out-of-market energy, 50 megawatts for 14 through 22 at \$500 And  
15 what I do down here, my miscellaneous INAUDIBLE, Pat --

16 PAT: Uh-huh.

17 BOYD: -- is I'm going to put your name --

18 PAT: Okay.

19 BOYD: So if they have any questions. I put Boyd and Pat down  
20 there and they can just refer to us.

21 PAT: Okay

22 BOYD: Okay?

23 PAT: Sounds good.

24 BOYD: Yeah, there's no need for a schedule. We're just using you  
25 as a scheduling type coordinator, a loop INAUDIBLE.

1 PAT: Okay  
2 BOYD: Okay?  
3 PAT: See, we're -- would it matter whether we're a scheduling  
4 coordinator or not?  
5 BOYD: No.  
6 PAT: Because we usually use PGAE for that.  
7 BOYD: Right, right. No, this is between you and me.  
8 PAT: Okay.  
9 BOYD: PGAE is not even in the same league  
10 PAT: So do I even need to tell them?  
11 BOYD: Nope. Nope.  
12 PAT: Okay.  
13 BOYD: It's not on any of their transmission or rights. It's on my  
14 rights. Okay?  
15 PAT: Okay Sounds good.  
16 BOYD: I appreciate the work, Pat.  
17 PAT: Okay.  
18 BOYD: Thanks.  
19 PAT: All right. Bye

20 End time is 12.07:33.  
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