



California Independent
System Operator Corporation

January 19, 2007

Attn: Commission's Docket Office
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Docket #A.06-11-007 In the Matter of the Application of Southern California Edison Company (U 338-E) for Approval of Results of Summer 2007 Track of its New Generation Request for Offers and for Cost Recovery.

Dear Clerk:

Enclosed for filing please find an original and eight copies of a Notice of Exparte Communication of the California Independent System Operator Corporation in the above-referenced docket number.

This notice is being filed the same day as the attached communication.

Please date stamp one copy and return to California ISO in the self-addressed stamped envelope provided.

Thank you.

Sincerely,

Grant A. Rosenblum
Attorney for
California Independent System Operator

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

In the Matter of the Application of Southern California
Edison Company (U 338-E) for Approval of Results of
Summer 2007 Track of its New Generation Request for
Offers and for Cost Recovery

Application 06-11-007
(Filed November 15, 2006)

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

January 19, 2007

Anthony Ivancovich, General Counsel –
Regulatory
Grant Rosenblum, Senior Counsel
California Independent System Operator
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Folsom California 95630
Telephone: (916) 351-4400
Facsimile: (916) 608-7296

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THE STATE OF CALIFORNIA**

In the Matter of the Application of Southern California Edison Company (U 338-E) for Approval of Results of Summer 2007 Track of its New Generation Request for Offers and for Cost Recovery

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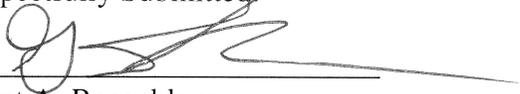
In accordance with Rule 8.3 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation ("CAISO") submits this notice of an written ex parte communication.

On January 19, 2007, Yakout Mansour, President and Chief Executive Officer of the CAISO, sent a letter to President Peevey, with copies to Commissioners John Bohn, Rachelle Chong and Dian Grueneich, in the above-referenced docket. The letter urged the Commission to approve Southern California Edison Company's proposed contract with Long Beach Generation LLC as beneficial to mitigate the risk of service interruptions to California consumers by promoting needed capacity for the summer of 2007. A copy of the correspondence is attached.

Copies of this notice may be obtained by contacting Susan Montana by telephone at (916) 608-7021 or by e-mail at smontana@caiso.com.

January 19, 2007

Respectfully Submitted:

By: 
Grant A. Rosenblum
Attorney for
California Independent System Operator



Yakout Mansour
President & Chief Executive Officer

January 19, 2007

Mr. Michael R. Peevey, President
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102

Dear President Peevey:

Last summer, as you know, California experienced hot weather conditions that exceeded our most extreme planning assumptions. Fortunately, we made it through the event without forced outages thanks to focused effort within California, cooperation throughout the West, operation engineering innovations, and a dose of good fortune. We do not propose to change our planning criteria for infrastructure to accommodate such an onerous low probability scenario but we would like to maintain the level of reserves we had at our disposal last year.

In my August 9th letter to you, I indicated that in order for us to operate the system in 2007 with the same level of risk we faced in 2006, the State must acquire additional capacity equivalent to about a year of load growth. Without that capacity, we will be unable to handle the operating scenarios that were feasible for us to address last year. In the same letter, I urged the Commission to direct the State's investor-owned utilities to use the CPUC- approved procurement processes to acquire generation and demand response resources for the Summer of 2007. I applaud the Commission's subsequent decision and am pleased to see that needed new resources will come on line for service this summer.

In this regard, Southern California Edison Company's proposed power purchase agreement with Long Beach Generation is among the projects that address the critical needs we identified last summer. It is a significant component of the additions necessary to meet Southern California reserve requirements, as documented by the California Energy Commission (CEC) at the Energy Action Planning meeting on December 11th, 2006 and agreed to by the ISO..

The ISO urges the Commission to approve Edison's proposed contract with Long Beach Generation. The facility will deliver urgently needed capacity this summer that significantly mitigates the risk of service interruptions to California consumers during the hottest time of the year. Moreover, we understand that the agreement contains financial incentives to bring the project on line by August 2007. In this regard, I seek your support to advance the in-service date as much as feasible in order to obtain the project's benefits for as much as the summer as possible.

Michael R. Peevey
January 19, 2007
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Thank you in advance for your consideration of our views and your continued leadership in taking the State's energy matters to beneficial conclusions to all Californians.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Y. Mansour".

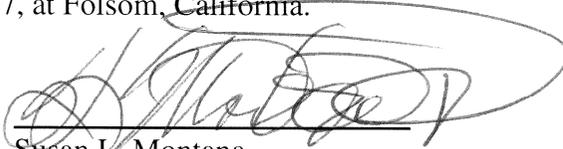
Yakout Mansour
President & Chief Executive Officer

cc: CPUC Commissioner John Bohn
CPUC Commissioner Rachelle Chong
CPUC Commissioner Dian Grueneich

CERTIFICATE OF SERVICE

I hereby certify that I have served, by electronic and United States mail, a Notice of Ex-Parte Communication in Docket Number A.06-11-007.

Executed on January 19, 2007, at Folsom, California.



Susan L. Montana