

**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**

October 5, 2006

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General Counsel
Grant Rosenblum, Counsel
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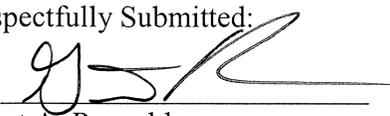
In accordance with Rules 1.4 and 7.1 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation ("CAISO") submits this notice of an oral exparte communication.

On October 5, 2006, via telephone from the CAISO's office in Folsom, California, Robin Smutny-Jones, Director of Regulatory Affairs for CAISO, and Grant Rosenblum, counsel for the CAISO, communicated with Nancy Ryan, advisor to President Peevey and Paul Clanon, Commission Deputy Executive Director. The CAISO discussed conditions that may be acceptable to the Commission sufficient to revise the conclusion of the Proposed Decision in the above referenced-proceeding, mailed June 20, 2006, on the issue of "deference" to a CAISO finding of economic need for a proposed transmission project.

Copies of this notice may be obtained by contacting Charity Wilson by telephone at (916) 608-7147 or by e-mail at cwilson@caiso.com.

October 5, 2006

Respectfully Submitted:

By: 

Grant A. Rosenblum

Attorney for

California Independent System Operator