

October 19, 2000

VIA TELECOPY AND U.S. MAILS

STATEMENT OF CLAIM PURSUANT TO  
THE ISO TARIFF § 13.2.2

TO: California Independent System Operator  
Mr. Richard Jacobs, Assistant Corporate Counsel  
151 Blue Ravine Road  
Folsom, CA 95630

California Independent System Operator  
ISO Governing Board  
Mr. Jan Smutney-Jones, Chair of the Board  
151 Blue Ravine Road  
Folsom, CA 95630

California Independent System Operator  
ISO Governing Board  
Mr. Charles F. Robinson, General Counsel  
and Corporate Secretary  
151 Blue Ravine Road  
Folsom, CA 95630

American Arbitration Association  
(as delegated agent for the ISO ADR Committee)  
Ms. Molly Bargaquest, Vice President -  
Case Management Center  
1750 Two Galleria Tower  
13455 Noel Road  
Dallas, TX 75240-6636

Kelly M. Morton, Attorney  
Law Department  
Pacific Gas and Electric Company  
P.O. Box 7442  
San Francisco, CA 94120

FROM: James D. Pembroke  
Lisa S. Gast

RE: Statement of Claim of the City of Redding, California, the City of Santa Clara, California, the M-S-R Public Power Agency and the Transmission Agency of Northern California, pursuant to ISO Tariff § 13.2.2

In accordance with Section 13.2.2 of the ISO Tariff, the City of Redding, California ("Redding"), the City of Santa Clara, California ("Santa Clara"), the M-S-R Public Power Agency ("M-S-R") and the Transmission Agency of Northern California ("TANC") (collectively "Claimants") submit this Statement of Claim. This Statement of Claim relates to the Pacific Gas and Electric Company's ("PG&E") October 5, 2000 Statement of Claim. In PG&E's Statement, among the entities listed as "Other Potentially Interested Parties" are "Holders of transmission entitlements on the California-Oregon Transmission Project ("COTP")." Redding, Santa Clara, each of M-S-R's constituent members<sup>1/</sup> and each of TANC's constituent members<sup>2/</sup> are holders of transmission entitlements on the COTP and thus may be considered to be an interested party to this proceeding.

While the Claimants' participation in this proceeding also may be initiated through an intervention pursuant to the ISO Tariff Section 13 Supplemental Procedure 3, the Claimants utilize this Statement of Claim procedure to ensure that all of their rights respecting this dispute are preserved.

While the Claimants are generally aware of the parameters of PG&E's dispute with the ISO, they presently have inadequate information upon which to establish a binding position in this proceeding. Thus, on a preliminary and non-binding basis, and subject to change, the Claimants submit the following as their Statement of Claim:

---

<sup>1/</sup> Redding, Santa Clara and the Modesto Irrigation District.

<sup>2/</sup> The California Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah; the Sacramento Municipal Utility District; the Modesto Irrigation District; the Turlock Irrigation District; and the Plumas-Sierra Rural Electric Cooperative, an associate member of TANC.

STATEMENT OF CLAIM

Parties to the Dispute: ISO, PG&E, Redding, Santa Clara,  
M-S-R and TANC

Other Potentially Interested Parties: Western Area Power Administration,  
Sacramento Municipal Utility District, Holders of transmission  
entitlements on the COTP

Claim: From April 1998 to April 1999, the  
ISO improperly billed PG&E for  
charges amounting to  
\$14,172,337.08.

Relief Sought: Reimbursement to PG&E of the  
\$14,172,337.08 in charges that the  
ISO lacked any tariff or contract  
right to impose on the Company,  
plus interest, and any other relief  
deemed just and reasonable.

Summary of Claim: The Claimants' refer to PG&E's  
October 5, 2000 Summary of Claim.

Knowledgeable Individuals:

PG&E: Joan Childs  
Robert Cowden  
Shirley Eshbach  
Stephen Metague  
Judi Mosley  
Julie Petersen

ISO: Kellan Fluckiger  
Kevin Graves  
Debi Le Vine  
Susan Schneider

Redding: Tim Nichols

Santa Clara: Wayne Ware

TANC: Maury Kruth  
Bryan Griess

Service: The Claimants request the following individuals be  
designated for communications:



William C. Walbridge  
General Manager  
M-S-R Public Power Agency  
P.O. Box 4060  
Modesto, CA 95352  
(775) 322-4211  
(775) 322-5933 (fax)

James H. Pope  
Director of Electric Utility  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050  
(408) 984-5190

James C. Feider  
Director, Electric Department  
City of Redding  
777 Cypress Avenue  
Redding, CA 96049-6071  
(530) 245-7450  
(530) 245-7489 (fax)

James H. Pope, Chairman  
Maury A. Kruth, Executive Director  
Transmission Agency of Northern California  
P.O. Box 15129  
Sacramento, California 95851-0129  
(916) 852-1673

Harrison Call  
Call Company  
130 S. Cloverdale Blvd.  
P.O. Box 219  
Cloverdale, CA 95425  
(707) 894-4190

Wallace L. Duncan, Esq.  
James D. Pembroke, Esq.  
Michael Postar, Esq.  
Lisa S. Gast, Esq.  
Sean M. Neal, Esq.  
Duncan, Weinberg, Genzer  
& Pembroke, P.C.  
1615 M Street, N.W.  
Suite 800  
Washington, D.C. 20036  
(202) 467-6370  
(202) 467-6379 (fax)

Please contact Mr. Pembroke or Mr. Postar if questions arise.

---

Wallace L. Duncan  
James D. Pembroke  
Michael Postar  
Lisa S. Gast  
Sean M. Neal  
Duncan, Weinberg, Genzer  
& Pembroke, P.C.  
1615 M Street, N.W.  
Suite 800  
Washington, D.C. 20036  
  
Attorneys for Claimants