

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
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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
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American Arbitration Association
(as delegated agent for the ISO ADR Committee)
Ms. Molly Bargaquest, Vice President -
Case Management Center
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Kelly M. Morton, Attorney
Law Department
Pacific Gas and Electric Company
San Francisco, CA 94120

FROM: Wallace L. Duncan
Kathleen L. Mazure
Attorneys for the Modesto Irrigation District

RE: Statement of Claim of the Modesto Irrigation District, pursuant to ISO Tariff
§ 13.2.2

In accordance with Section 13.2.2 of the ISO Tariff, the Modesto Irrigation District (“MID”), submits 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 regarding COTP and “bubble” charges from April 1, 1998 to April 1, 1999. 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”).” MID is a holder of transmission entitlements on the COTP and thus may be considered an interested party to this proceeding. While MID’s participation in this proceeding also may be initiated through an intervention pursuant to the ISO Tariff Supplemental Procedure 3, MID is using the Statement of Claim procedure in order to ensure that all of its rights respecting this dispute are preserved.

While MID is generally aware of the parameters of PG&E’s dispute with the ISO, MID is not in contractual privity with the ISO with regard to this matter and presently has inadequate information upon which to establish a binding position in this proceeding. Thus, on a preliminary and non-binding basis, and subject to change, MID submits the following as its Statement of Claim:

Parties to the Dispute: ISO, PG&E, MID

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: MID 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

MID: Roger Van Hoy

Service: MID requests the following individuals be designated for communications:

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