AMENDMENT NO. 1 TO THE
SCHEDULING COORDINATOR AGREEMENT

THIS AMENDMENT is dated this ___ day of _____, 1998 and is entered into, by and between:

(1)   **California Polar Brokers, LLC** having its registered or principal place of business located at **503 Divisadero, San Francisco, CA 94117** ("California Polar");

and

(2)   **California Independent System Operator Corporation**, a California non-profit public benefit Corporation having a principal executive office located at such place in the State of California as the ISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California, 95630 (the "ISO").

California Polar and the ISO are hereinafter referred to as the "Amending Parties."

Whereas:

A.   The Amending Parties entered into the Scheduling Coordinator Agreement dated November 4, 1997 (the "Principal Agreement").

B.   By orders issued on December 17, 1997 and February 25, 1998, the Federal Energy Regulatory Commission required that the Principal Agreement be amended.

NOW THEREFORE, **THE AMENDING PARTIES AGREE** as follows:

1)   **Effective Date.** This Amendment shall be effective as of the effective date of the Principal Agreement and shall remain in full force and effect until the termination of the Principal Agreement.

2)   **Amendment to the Principal Agreement.** The Principal Agreement shall be amended as set out below:

a) Recital B is amended to read as follows:

B.   The Scheduling Coordinator wishes to schedule Energy and Ancillary Services on the ISO Controlled Grid under the terms and conditions set forth in the ISO Tariff.

b) Section 2.A is amended to read as follows:

A.   the ISO Tariff governs all aspects of scheduling of Energy and Ancillary Services on the ISO Controlled Grid, including (without limitation), the financial and technical criteria for Scheduling Coordinators, bidding, settlement, information reporting requirements and confidentiality restrictions;

c) Section 2.B is amended to read as follows:

B.   it will abide by, and will perform all of the obligations under the ISO Tariff placed on Scheduling Coordinators in respect of all matters set forth therein including, without limitation, all matters relating to the scheduling of Energy and Ancillary Services on the ISO Controlled Grid, ongoing obligations in respect of scheduling, Settlement, security requirements, billing and payments, confidentiality and dispute resolution;

d) Section 2.E is amended to read as follows:

E.   its status as a Scheduling Coordinator is at all times subject to the ISO Tariff.

e) Section 3.2 is amended to read as follows:

3.2   This Agreement shall terminate upon acceptance by FERC of a notice of termination. The ISO shall timely file any notice of termination with FERC.

f) Section 8 is amended to read as follows:

8.   Agreement to be bound by ISO Tariff.

The ISO Tariff is incorporated herein and made a part hereof. In the event of a conflict between the terms and conditions of this Agreement and any other terms and conditions set forth in the ISO Tariff, the terms and conditions of the ISO Tariff shall prevail.

g) Section 9 is amended to read as follows:

9.   Electronic Contracting.

All submitted applications, schedules, bids, confirmations, changes to information on file with the ISO and other communications conducted via electronic transfer (e.g. direct computer link, FTP file transfer, bulletin board, e-mail, facsimile or any other means established by the ISO) shall have the same legal rights, responsibilities, obligations and other implications as set forth in the terms and conditions of the ISO Tariff as if executed in written format.

IN WITNESS WHEREOF, the Amending Parties have caused this Amendment No. 1 to be duly executed by and through their respective authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: _____

Name:_____

Title: _____

California Polar Brokers, LLC

By: _____

Name:_____

Title: _____