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March 7, 2003

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

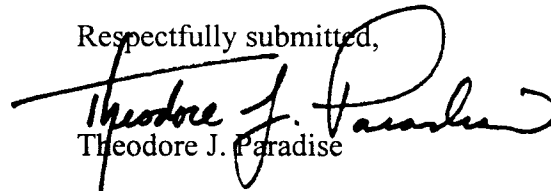
Re: *California Independent System Operator Corporation,*
Docket Nos. ER02-250-000 and ER02-527-000; *Pacific Gas and Electric*
Company, Docket No. ER02-479-000

Dear Secretary Salas:

In accordance with the Commission's letter order dated December 26, 2002 approving the settlement agreement ("Settlement Agreement") in the above-captioned docket and its subsequent notice granting an extension of time, issued on January 27, 2002, the California Independent System Operator Corporation hereby files its compliance filing report on the refunds made pursuant to the Settlement Agreement. In addition to the official service list for the above-captioned dockets, the ISO is also sending this report to all ISO Scheduling Coordinators, the California Public Utilities Commission, the California Energy Commission and the California Electricity Oversight Board.

One original and six copies of the compliance filing report are enclosed for the Commission's review. Two additional copies have been included to be date/time stamped and returned to our messenger. Thank you for your assistance with this matter

Respectfully submitted,



Theodore J. Paradise

Counsel for the
California Independent System Operator
Corporation

**California ISO
Compliance Refund Report
Summary of 2002 GMC Refund Amounts**

"CAISO shall file with the Commission a compliance refund report showing monthly billing determinants, revenue receipt dates, revenues under the present and settlement rates, the monthly revenue refund, and the monthly interest computed, together with a summary of such information for the total refund period. CAISO shall furnish copies of the report to the affected customers and to each state commission within whose jurisdiction the affected wholesale customers distribute and sell electric energy at retail."

Summary of Refund and Interest

		Refund	Interest	Total
CT 521	Control Area Services (CAS)	\$ (3,705,052.27)	\$ (96,237.50)	\$ (3,801,289.77)
CT 522	Congestion Management (CONG)	\$ (3,457,703.47)	\$ (88,907.07)	\$ (3,546,610.54)
CT 524	Ancillary Services and RT Energy Operations (ASREO)	\$ (4,936,837.71)	(124,855.78)	\$ (5,061,693.49)
		<u>\$ (12,099,593.46)</u>	<u>\$ (310,000.35)</u>	<u>\$ (12,409,593.80)</u>

Monthly Billing Determinants

Month	CAS	CONG	ASREO
	CT 521	CT 522	CT 524
1	20,452,360	7,220,760	689,459
2	18,193,259	6,446,734	614,931
3	19,915,350	6,782,106	644,844
4	19,460,955	7,634,142	575,638
5	20,698,739	7,146,983	443,837
6	21,995,483	8,391,100	486,251
7	24,268,752	9,468,986	553,199
8	23,426,569	8,653,893	551,286
9			547,185
10			
11			
12			
	<u>168,411,467</u>	<u>61,744,705</u>	<u>5,106,629</u>

Monthly Revenue Refunds

Month	Revenue Receipt Date (1)	CT 521	CT 522	CT 524	Total
1	April 3, 2002	(\$449,951.93)	(\$404,362.57)	(\$659,812.13)	(\$1,514,126.63)
2	April 30, 2002	(\$400,251.69)	(\$361,017.10)	(\$588,488.66)	(\$1,349,757.45)
3	May 30, 2002	(\$438,137.71)	(\$379,797.95)	(\$617,115.55)	(\$1,435,051.20)
4	July 1, 2002	(\$428,141.00)	(\$427,511.95)	(\$550,885.55)	(\$1,406,538.50)
5	August 1, 2002	(\$455,372.27)	(\$400,231.06)	(\$424,752.07)	(\$1,280,355.40)
6	August 29, 2002	(\$483,900.62)	(\$469,901.57)	(\$465,341.80)	(\$1,419,143.99)
7	October 1, 2002	(\$533,912.54)	(\$530,263.24)	(\$529,411.84)	(\$1,593,587.61)
8	October 31, 2002	(\$515,384.51)	(\$484,618.04)	(\$527,580.57)	(\$1,527,583.12)
9	December 2, 2002	\$0.00	\$0.00	(\$573,449.57)	(\$573,449.57)
10	January 7, 2003	\$0.00	\$0.00	\$0.00	\$0.00
11	February 4, 2003	\$0.00	\$0.00	\$0.00	\$0.00
12	March 5, 2003	\$0.00	\$0.00	\$0.00	\$0.00
		<u>(\$3,705,052.27)</u>	<u>(\$3,457,703.47)</u>	<u>(\$4,936,837.71)</u>	<u>(\$12,099,593.46)</u>

Monthly Interest Computed

Month	Interest Commencement Date	CT 521	CT 522	CT 524	Total
1	April 3, 2002	(\$18,272.90)	(\$16,421.48)	(\$26,795.49)	(\$61,489.88)
2	April 30, 2002	(\$14,798.60)	(\$13,347.97)	(\$21,758.33)	(\$49,904.89)
3	May 30, 2002	(\$14,428.53)	(\$12,507.31)	(\$20,322.53)	(\$47,258.37)
4	July 1, 2002	(\$12,254.56)	(\$12,236.56)	(\$15,767.85)	(\$40,258.97)
5	August 1, 2002	(\$11,166.45)	(\$9,814.30)	(\$10,415.59)	(\$31,396.34)
6	August 29, 2002	(\$10,073.51)	(\$9,782.09)	(\$9,687.17)	(\$29,542.77)
7	October 1, 2002	(\$8,784.54)	(\$8,724.50)	(\$8,710.49)	(\$26,219.52)
8	October 31, 2002	(\$6,458.41)	(\$6,072.87)	(\$6,611.24)	(\$19,142.51)
9	December 2, 2002	\$0.00	\$0.00	(\$4,787.09)	(\$4,787.09)
10	January 7, 2003	\$0.00	\$0.00	\$0.00	\$0.00
11	February 4, 2003	\$0.00	\$0.00	\$0.00	\$0.00
12	March 5, 2003	\$0.00	\$0.00	\$0.00	\$0.00
		(\$96,237.50)	(\$88,907.07)	(\$124,855.78)	(\$310,000.35)

Notes:

- (1) All amounts deemed received on preliminary invoice due dates.
- (2) Interest calculated for each charge by scheduling coordinator, from receipt date to February 5, 2003.
Interest rates as follows:

Interest Rate			
Q2-2002	Q3-2002	Q4-2002	Q1-2003
4.78%	4.75%	4.75%	4.62%
Source: http://www.ferc.fed.us/oil/oil_int.htm			

- (3) Refund amounts calculated as follows:

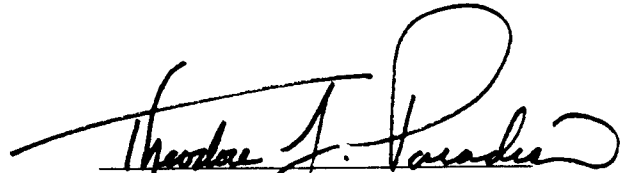
	Rate Billed	Rate Per Settlement	Rate Difference	Qty.	Refund Amount = Qty. * Difference
CT 521 - CAS	0.575	0.553	(0.022)	168,411,467	(3,705,052.27)
CT 522 - CONG	0.368	0.312	(0.056)	61,744,705	(3,457,703.47)
CT 524 - ASREO (A/S self provision)	0.957	0	(0.957)	4,559,444	(4,363,388.15)
	1.048	0	(1.048)	547,185	(573,449.57)
					(12,099,593.45)

Rate for CT524 was \$.957 from January - August and \$1.048 in September 2002.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding. The foregoing document has also been served on the Public Utilities Commission of California, the California Energy Commission, the California Electricity Oversight Board, all entities with effective Scheduling Coordinator Service Agreements under the ISO Tariff.

Dated this 7th day of March, 2003 at Washington in the District of Columbia.

A handwritten signature in black ink, appearing to read "Theodore J. Paradise". The signature is fluid and cursive, with a large, prominent initial "P" at the end.

Theodore J. Paradise
(202) 424-7508