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FEDERAL ENERGY  
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COMMISSION  
SECRETARY  
PM 3:41

October 1, 2003

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: California Independent System Operator Corporation  
Docket No. ER03-746-\_\_\_**

Dear Secretary Salas:

Enclosed please find the Motion for Leave to File Addendum to the Compliance Filing, and Addendum to the Compliance Filing, of the California Independent System Operator Corporation, submitted in the captioned docket.

Two extra copies of this filing are also enclosed. Please stamp these copies with the date and time filed and return them to the messenger. Thank you for your attention in this matter.

Respectfully submitted,

*Bradley R. Miliauskas*

J. Phillip Jordan  
Bradley R. Miliauskas

Counsel for the California  
Independent System Operator  
Corporation

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**California Independent System            )     Docket No. ER03-746-\_\_\_\_  
Operator Corporation                    )**

**MOTION FOR LEAVE TO FILE ADDENDUM TO COMPLIANCE FILING, AND  
ADDENDUM TO COMPLIANCE FILING, OF THE CALIFORNIA  
INDEPENDENT SYSTEM OPERATOR CORPORATION**

**I.     INTRODUCTION AND SUMMARY**

On July 3, 2003, the California Independent System Operator Corporation (“ISO”)<sup>1</sup> submitted a compliance filing in the captioned proceeding (“Compliance Filing”). Pursuant to Rule 212 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.212, the ISO hereby requests leave to file this addendum, and files this addendum, in order to supplement the discussion in the Compliance Filing. The ISO asks that its request be granted because the discussion in the addendum will serve to clarify the record in the proceeding and to provide further useful information to the Commission in the proceeding.

**II.    SUPPLEMENTARY DISCUSSION**

In Attachment A to its Compliance Filing, the ISO described the nature of the “preparatory” adjustments and re-runs of its Settlement system that it proposes to conduct. One of these, Issue No. 16, concerns the allocation of \$8 million that was refunded to the ISO by AES Southland, Inc. and Williams Energy Marketing & Trading Company pursuant to a stipulation and consent agreement

approved by Commission order issued April 30, 2001.<sup>2</sup> With regard to Issue No. 16, the ISO noted that “[t]his adjustment will allocate the \$8 million to the other Scheduling Coordinators based on their load and export.”<sup>3</sup> The stipulation and consent agreement concerned two Reliability Must-Run Units located in Congestion Zone SP15 that were unavailable to be Dispatched by the ISO.<sup>4</sup> The ISO now clarifies that the allocation of the \$8 million will be to load and export in Congestion Zone SP15 (rather than to load and export throughout the ISO Control Area). The original transaction was recorded as “out of sequence for local reliability,” which resulted in charges being allocated to load and export within the zone (SP15). As a result, the correct adjustment would be to those Scheduling Coordinators who originally incurred the charges.<sup>5</sup>

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

<sup>2</sup> Compliance Filing at page 7 of Attachment A. The referenced Commission order is *AES Southland, Inc. and Williams Energy Marketing & Trading Company*, 95 FERC ¶ 61,167 (2001).

<sup>3</sup> Compliance Filing at page 7 of Attachment A.

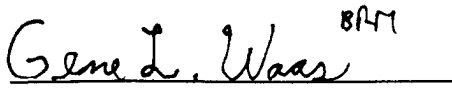
<sup>4</sup> The two units are Unit 4 at the plant located in Alamos, California, and Unit 2 at the plant located in Huntington Beach, California. See *AES Southland, Inc.*, 95 FERC at 61,537.


<sup>5</sup> The ISO provides this clarification in accordance with Section 13.5.3.1 of the ISO Tariff, which states that the ISO will use best efforts to allocate equitably to Market Participants an award received by the ISO.

### III. CONCLUSION

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission accept the present addendum and consider the addendum in its determinations in the instant proceeding.

Respectfully submitted,

  
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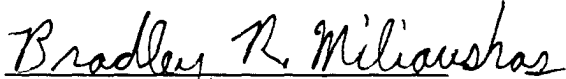
  
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Date: October 1, 2003

## 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 the above-captioned proceeding, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, D.C., on this 1<sup>st</sup> day of October, 2003.

  
Bradley R. Miliauskas  
Bradley R. Miliauskas

Counsel for the California Independent  
System Operator Corporation