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August 22, 2003

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

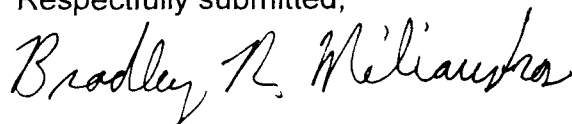
**Re: California Independent System Operator Corporation
Docket No. ER03-746-001**

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,



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. ER03-746-001
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”)¹ submitted a compliance filing in the captioned proceeding (“Compliance Filing”), and on August 8, 2003, filed an answer to comments and protests concerning the Compliance Filing (“Answer”). 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” re-runs of its Settlement system that it proposes to conduct prior to conducting the re-run necessary to apply the mitigated market clearing

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

prices as part of the refund proceeding concerning the California markets in Docket Nos. EL00-95, *et al.* ("Refund Proceeding"). In discussing one of the preparatory re-runs, Issue No. 11, the ISO neglected to note that during that re-run it will apply amounts of payments and charges in Charge Types 451 and 452 that the ISO has heretofore not applied, for the time period from April 1, 2001 to October 29, 2002.² In the preparatory re-run, the ISO will apply the heretofore unapplied Charge Types 451 and 452 only for the dates covered by the "refund period" in the Refund Proceeding, that is, April 1, 2001 through June 20, 2001.³

With regard to the time period from June 21, 2001 through October 29, 2002, the ISO will not apply the Charge Type 451 and 452 payments and charges as part of the Issue No. 11 re-run. As the ISO has previously explained in this proceeding, the preparatory re-runs (such as Issue No. 11) do not include issues that arose subsequent to June 20, 2001, because such issues postdate the refund period, and thus are not germane to the determination of the re-baselined database needed to conduct the Refund Proceeding re-run. Following the re-run for purposes of the Refund Proceeding, the ISO will conduct adjustments and re-runs to address issues affecting dates subsequent to the refund period (e.g., an adjustment or re-run of the Charge Type 451 and 452 payments and charges for the time period after June 20, 2001).⁴

² The ISO has refrained from applying these payments and charges for this time period because of an arbitration between the ISO and other entities concerning the allocation to Charge Type 452 of costs related to real-time Intra-Zonal Congestion for local reliability.

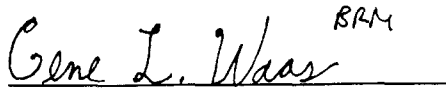
³ The refund period is from October 2, 2000 through June 20, 2001.

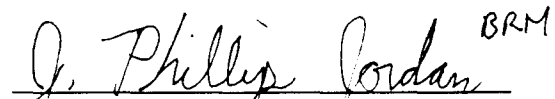
⁴ See Answer at 8 & n.20.

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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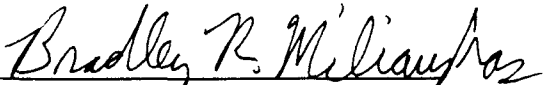

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Date: August 22, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents 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 22nd day of August, 2003.


Bradley R. Miliauskas

Counsel for the California Independent
System Operator Corporation