 <b>CALIFORNIA ISO</b> <small>California Independent System Operator</small>	<b>Settlements / Rerun</b>	Version No.	1.4
		AMENDMENT 51 Williams - Issue 16	Version Date
		Effective Date	01/29/04

## PURPOSE

This adjustment involves the allocation of \$8 million refund from Williams to the other Scheduling Coordinators during the period of April 25 to May 11, 2000.

## BACKGROUND

During the period in question Williams had a Reliability Must-Run (RMR) contracts with the CAISO. These contracts allow the CAISO to dispatch designated units to provide Energy and Ancillary Services essential to the reliability of the California transmission network. The units covered by the RMR contracts are Alamos Unit 4 and Huntington Beach Unit 2, which are owned, operated, and maintained by AES.

The CAISO was unable to dispatch Alamos 4 from April 25 to May 5, 2000 because it was unavailable for service. Accordingly, to provide needed reliability service, the CAISO called upon another Alamos unit, Alamos 3. This dispatch was considered an Out of Sequence (OOS) call, which meant that the applicable rate was the bid price that Williams submitted for that unit. The bid price was at or very near the then-maximum bid price of \$750 per megawatt hour.

During the period of May 6 to May 11, 2000 the CAISO attempted to dispatch Huntington Beach 2. However, this unit was also unavailable for service. The CAISO again called on a different unit to provide the needed reliability service, Alamos 5. Again, this dispatch was considered an OOS call. Again, the bid price was set by Williams at or very near the then-maximum bid price of \$750 per megawatt hour.


On April 30, 2001, the Commission issued an Order Approving Stipulation and Consent Agreement in which Williams agreed to refund the CAISO \$8 million, to reimburse the CAISO for the additional revenues paid to Williams related with the outages described above. The CAISO accounted for this refund as an \$8 million reduction to the amount that Williams was owed for invoices dating from November and December 2000. However, the CAISO has yet to allocate the \$8 million to the rest of the CAISO Market. This manual adjustment does this by allocating the \$8 million to zonal load and exports in SP15 on the applicable dates in April and May of 2000.

## PROCESS OUTLINE:

Issue 16 relates to the Pre- FERC Refund period and therefore manual adjustments will be made to correct/incorporate the issue in the rerun.

## REFERENCES

- 1 CAISO's Amendment No. 51 filing in Docket No. ER03-746, and other pleadings filed by the CAISO in that Docket

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- 2 FERC Order Approving Stipulation and Consent Agreement issued April 30, 2001 in Docket No. IN01-3-001

**AFFECTED CHARGE TYPES**

The following is a list of potentially affected Charge Types

- 401
- 452
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- 451
- 1010
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**EXPECTED IMPACT**

SCs in SP15 will get credit under CT 1010 and CT 452 based on the metered demand.