UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation	**)** **)**	**Docket No. ER02-651-002**

ANSWER OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO COMMENTS, PROTEST, AND REQUEST TO MODIFY COMPLIANCE FILING

I. INTRODUCTION AND SUMMARY

On July 3, 2002, the California Independent System Operator Corporation ("ISO")[1] submitted to the Commission a filing ("July 3 Compliance Filing") to comply with the Commission's June 3, 2002 "Order On Rehearing," 99 FERC ¶ 61,253 ("June 3 Rehearing Order"). In response to the July 3 Compliance Filing, Southern California Edison Company ("Edison") filed a "Motion to Comment One Day Out-of-Time and Request to Modify the ISO Compliance Filing" ("Edison Response"); and Reliant Energy Power Generation, Inc. and Reliant Energy Services, Inc., Williams Energy Marketing & Trading Company, and Dynegy Power Marketing, Inc. (collectively, "Generators") filed a "Protest and Motion to File One Day Out of Time" ("Generators' Response").

Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213, the ISO now submits its Answer to the Edison Response and Generators' Response submitted in the above-referenced

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

docket.[2] The ISO does not oppose the motions to file out of time submitted by Edison and the Generators. However, as explained below, the ISO believes that the arguments of Edison and the Generators concerning the July 3 Compliance Filing are erroneous, and that the July 3 Compliance Filing should be accepted by the Commission in its entirety.

II. ANSWER

A. Edison Is Incorrect In Its Assertion That the ISO Applied the Wrong Interest Rate In the July 3 Compliance Filing

Edison argues that, in the July 3 Compliance Filing, the ISO mistakenly uses the ISO Default Interest Rate rather than the interest rate described in an order issued in the California refund proceeding. Edison Response at 1-2 (citing *San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services, et al.*, 96 FERC ¶ 61,120 (2001)). However, as detailed below, it would be incorrect to apply the interest rate to the present proceeding that Edison asserts is under consideration in the ongoing and separate refund proceeding.

As an initial matter, the June 3 Rehearing Order focused upon distribution of interest. Specifically, the Commission expressly directs the ISO to provide for a *pro rata* basis for distribution of interest. June 3 Rehearing Order, slip op. at 1 and 2. Moreover, the June 3 Rehearing Order is silent on how the ISO is to calculate interest and neither denies use of the existing ISO Tariff provisions

[2] To the extent this Answer is deemed an answer to protests, the ISO requests waiver of Rule 213 (18 C.F.R. § 385.213) to permit it to make this Answer. Good cause for this waiver exists here given the usefulness of this Answer in ensuring the development of a complete record. *See, e.g.*, *Enron Corporation*, 78 FERC ¶ 61,1279, at 61,733, 61,741 (1997); *El Paso Electric Company*, 68 FERC ¶ 61,181, at 61,899 & n.57 (1994).

governing the calculation of interest nor directs the ISO to follow an interest calculation set forth in the separate refund proceeding.

Given that the ISO currently charges interest based on the ISO Default Interest Rate as set forth in Section 6.10.5 of the Settlement and Billing Protocol and pursuant to the definition of the ISO Default Interest Rate contained in the Master Definitions Supplement, Appendix A to the ISO Tariff, it is appropriate that the ISO employ the same authorized method for calculation of interest as ordered by the June 3 Rehearing Order. *See* July 3 Compliance Filing at 2 & n.4. Moreover, in the July 3 Compliance Filing, the ISO did not propose to modify the ISO Default Interest Rate, and sought instead only to change the manner in which default interest is utilized. Thus, there is no basis for finding the ISO should calculate interest in any way other than as is presently set forth in the ISO Tariff. There are no findings in the record, nor did any party, including Edison, file in the instant docket prior to the ISO compliance filing that the ISO should apply an interest rate calculation other than that set forth in the Tariff.

Secondly, any determinations made in the California refund proceeding concerning the interest rate to apply in the refund proceeding should not be imported into the present proceeding. The ISO notes that the Commission, in the June 3 Rehearing Order, explained as follows: "The treatment of interest payments due suppliers for purchaser defaults and due purchasers for supplier overcharges for the period October 2000 through June 20, 2001, is at issue in [the California refund proceeding]. The acceptance of [the ISO's filing to comply with the June 3 Rehearing Order] *is without prejudice to the outcome of that*

proceeding." June 3 Rehearing Order, 99 FERC at 62,103-04 n.2 (emphasis added). Thus, the Commission did not intend for determinations made in the present proceeding to be applied in the refund proceeding, or *vice versa*.

For the reasons set forth above, Edison's protest should be denied in its entirety and the ISO's use of the current Tariff provisions governing interest be adopted.

B. Contrary to the Generators' Assertions, CDWR/CERS Interest Should Be Applied On a Trade Month Basis

The Generators argue that:

> The ISO's compliance filing once again highlights an issue that to date the Commission has failed to rule upon. Specifically, the ISO in this docket proposes to apply CDWR/CERS interest on a trade month basis, as opposed to applying interest to parties who sold energy and ancillary services to CDWR/CERS. As a result, for January 2001, interest paid by CDWR/CERS would be allocated on a pro rata basis based on total defaults (amounts owed) by Pacific Gas and Electric Company ("PG&E") and Southern California Edison ("SCE") for the period of January 1 to January 16, 2001, as well as CDWR/CERS for the period of January 17 to January 31, 2001, when CDWR/CERS became the default provider for the investor owned utilities
>
> Allocating such interest on a trade month basis misappropriates interest paid by CDWR/CERS to parties who may not have been owed interest for sales made during the latter part of the month, but are instead owed interest for sales they made during the January 1-16 period when PG&E and SCE were financially responsible for such sales.
> . . . .
>
> Accordingly, the Commission should direct the ISO to apply interest paid by CDWR/CERS during the month of January 2001 only in proportion to amounts owed to suppliers for sales between January 17-31, when CDWR/CERS purchased power on behalf of the investor-owned utilities.

Generators' Response at 1-2, 4.

The ISO has already provided a response concerning this very issue in Docket Nos. ER01-3013 and ER01-889. Specifically, in its "Answer to the Motion of Reliant Energy Power Generation, Inc. and Reliant Energy Services, Inc. for Immediate Commission Action," filed on April 19, 2002 in these two dockets, ("April 19, 2002 Answer") a copy of which is provided as Attachment A to the present filing, the ISO explained how it would be inappropriate to require the allocation of interest on any basis other than a Trade Month basis. As detailed in the April 19, 2002 Answer, the ISO follows its Tariff in disbursement to satisfy ISO Creditors, by allocating sums received, *pro rata* if required, to the oldest unpaid debts. Nowhere has the ISO ever contemplated a split within a Trade Month for disbursement of funds to ISO Creditors. The ISO would require Commission approval for such a departure from the Tariff requirements, and neither has the ISO sought such approval nor has the Commission ordered it. *See* April 19, 2002 Answer at 5-6.

Critically, the Commission, in its March 27, 2002 order, 98 FERC ¶ 61,335 (2002) accepted in part and rejected in part the ISO's proposed invoicing and disbursement process for CERS, and did not order the ISO to do other than disburse funds received on a full Trade Month basis. Thus, the Generator's protest of the same disbursement process in the instant docket is a collateral attack on the same issue that was approved in a separate docket. Inasmuch as the Commission has already approved the disbursement process in the ER01-3013 and ER01-889 dockets, and because the instant proceeding has the same circumstances, the Generators' protest is should be dismissed as moot.

III. CONCLUSION

For the foregoing reasons, the ISO respectfully requests that the Commission accept the July 3 Compliance Filing without further procedures.

Respectfully submitted,

Charles F. Robinson
General Counsel
Margaret A. Rostker
Regulatory Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
(916) 608-7147

Date: August 8, 2002

ATTACHMENT A

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation	)	Docket Nos. ER01-889-009 *et al.*
California Independent System Operator Corporation	)	Docket Nos. ER01-3013-001 *et al.*
San Diego Gas & Electric Company, Complainant v. Sellers of Energy and Ancillary Services Into Markets Operated by the California Independent System Operator and the California Power Exchange, Respondents	)	Docket No. EL00-95-036

ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO THE MOTION OF RELIANT ENERGY POWER GENERATION, INC. AND RELIANT ENERGY SERVICES, INC. FOR IMMEDIATE COMMISSION ACTION

Pursuant to Rules 206 and 213 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. §§ 385.206 and 385.213 (2001), the California Independent System Operator Corporation ("ISO")[1] respectfully hereby submits this answer to the "Motion of Reliant Energy Power Generation, Inc. and Reliant Energy Services, Inc. for Immediate Commission Action" ("Motion"), filed on April 4, 2002, in the above-referenced dockets. The Motion requests the Commission to make an unprecedented and unsupported interpretation of the Commission's previously

[1] Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff.

approved ISO compliance filing in response to the Commission's November 7, 2001 order[2] concerning payments by the California Department of Water Resources ("CDWR") for transactions on behalf of the investor-owned utilities ("IOUs).

The Motion requests the Commission to interpret the ISO compliance filing in a way neither intended by the ISO nor supported by the ISO Tariff. Specifically, the Motion asks the Commission to require the ISO to make a disbursement of funds on a partial month-basis – something not permitted under the ISO Tariff, and not contemplated, suggested nor filed by the ISO. Indeed, if a partial-month disbursement was conducted, it would cause cost-shifting without regard to cost-causation among ISO Market Participants. The end result is likely to be additional litigation before the Commission by newly negatively impacted ISO Market Participants.

The Motion would require the ISO to fingerprint funds received from a specific Scheduling Coordinator, here CDWR, and then match those funds to specific Charge Type transactions on specific Trade Days and thus pay only the debtors, here the movant. The ISO has never conducted Settlements in this manner, and, indeed, to do so, would require express Commission approval to deviate from the Settlement and Billing Protocol in the ISO Tariff.

For the reasons set forth below, as have been previously filed with the Commission in these same dockets, the Motion contradicts the written record,

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[2] 97 FERC ¶ 61,151 (2001) ("November 7 Order").

proposes actions in violation of the ISO Tariff, benefits the movant at the expense of other ISO Market Participants and, therefore, should be dismissed.

I. BACKGROUND

In its November 7 Order, the Commission directed the ISO to enforce its billing and settlement procedures and invoice CDWR for ISO market transactions made on behalf of the IOUs. In compliance, the ISO invoiced CDWR on November 20, 2001 and on November 21, 2001, submitted a compliance filing responsive to the November 7 Order. Subsequently, a "Request for Emergency Ruling Adopting and Enforcing ISO Compliance Filing" was submitted on February 19, 2002, by Dynegy Power Marketing, Inc. *et al.,* in the above-referenced dockets ("Dynegy Request"), seeking the same unsupportable interpretation of the ISO's compliance filing and ISO Tariff procedures for Settlement as does the instant Motion. An answer in support of the Dynegy Request was filed by Williams Energy Marketing & Trading Company on February 25, 2002. A supplement to the Dynegy Request was filed on February 27, 2002, by Dynegy Power Marketing, Inc., EL Segundo Power LLC, Long Beach Generation LLC, Cabrillo Power I LLC and Cabrillo Power II LLC. This supplement attached a letter to Dynegy from the ISO, explaining the ISO's compliance filing and the authorized procedures for Settlement and monthly disbursement of cash to pay creditors in the ISO markets.

The Commission adopted the ISO's compliance filing on March 27, 2002,[3] making no reference to the Dynegy Request, the Williams answer or the Dynegy supplement to the Dynegy Request. Moreover, the Commission, in adopting in

part and rejecting in part the ISO's compliance filing of November 7, 2001, specifically did not reject the ISO's proposed disbursement of funds under the normal process set forth in the ISO Tariff. Thus, the Commission has already, in effect, determined that the ISO has acted properly and in accordance with its compliance filing and the ISO Tariff.

II. THE MOTION PRESUMES TO TELL THE COMMISSION WHAT THE ISO MEANT BUT DID NOT SAY IN THE ISO COMPLIANCE FILING

The crux of the Motion and the several similar filings all presume that the filing parties should be able to require the Commission to interpret the ISO's compliance filing in a way the ISO neither intended, provided for nor implemented in the course of the ISO's routine disbursement of funds to ISO market creditors for the Trade Month of January, 2001. Beyond the untenable presumption in the Motion and other filings that the filing parties have any such rights to "second-guess" the ISO or the Commission, the end result would violate the ISO Tariff and result in prohibited cost-shifting among Market Participants.

Specifically and critically, California State law AB1X contemplates CDWR undertaking such financial obligations on January 17, 2001, and not before. In its November 21 compliance filing, the ISO indicated that a slightly modified settlement process was required because the ISO Settlements and Billing Protocol Section 6.10.4 provides that the "ISO shall apply payments received in respect of amounts owing to ISO creditors to repay the relevant debts in the order of the creation of such debts." However, in specific compliance with California State Law AB1X, the ISO proposed to apply CDWR payments first "to

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[3] 98 FERC ¶ 61,335 (2002) ("March 27 Order").

the month remitted," then forward through February through July and finally, to January,[4] as opposed to the process prescribed by the ISO Tariff, which would have the ISO take funds received in any calendar month and after paying debtors in that month apply any excess funds to the very oldest unpaid debts.[5]

In its November 21, 2001 compliance filing, the ISO provided an example wherein the CDWR June 2001 payment is applied to the CDWR June 2001 invoice to thusly clear that CDWR account. In recognition of the State legislation limiting use of State funds to clearing the past due accounts of the IOUs to those incurred after January 17, 2001, the ISO only invoiced from that start date for CDWR as the IOUs' Scheduling Coordinator. However, as always, pursuant to the ISO Tariff, the crediting of funds received from CDWR to satisfy CDWR (or IOU) accounts is separate and distinct from the ISO disbursement of funds received in any given Trade Month.

Critically, in proposing a modified settlement process for CDWR, the ISO did not seek exemption from the underlying Trade Month foundation for disbursements, pro rata where required, to ISO Creditors. The ISO follows its Tariff in disbursement to satisfy ISO Creditors, by allocating sums received, pro rata if required, to the oldest unpaid debts, but in the case of CDWR, starting with February, advancing through July, and then to January, 2001. Nowhere has the ISO ever contemplated a split within a Trade Month for disbursement of funds to ISO Creditors. The ISO would require Commission approval for such a

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[4] ISO Compliance Filing at 13

[5] In this case, the oldest unpaid debts are in the Trade Month of November, 2000.

departure from the Tariff requirements, and neither has the ISO sought such approval nor has the Commission ordered it.

Moreover, ISO Tariff Section 11.13 requires the ISO to calculate the amounts available for distribution to ISO Creditors on Payment Dates, while Tariff Section 11.16.1 and ISO Tariff Settlements and Billing Protocol Section 6.7.4 collectively provide that if there are insufficient funds for the ISO to pay all ISO Creditors in full, the ISO is to reduce payments to all ISO Creditors proportionately to the net amounts payable to them. Thus, the ISO makes payments based upon Trade Months, and reduces pro rata such payments in the event of insufficient funds to fully pay all accounts owed within a Trade Month. This is precisely what the ISO did for the January, 2001 market. Interestingly, the Motion does not raise a claim about the two other months, *i.e.*, July and August 2001, wherein the ISO used the exact same disbursement procedures and debtors were paid *pro rata* because there were insufficient funds to completely clear those two monthly markets.

III. THE MOTION PRESUMES TO FORCE AN ALTERNATIVE INTERPRETATION TO WHAT THE ISO SPECIFICALLY PROPOSED

The Motion, and the several similar filings, err in their respective attempts to force an interpretation on the ISO's language setting forth the out of sequence settling of CDWR accounts by beginning with February, 2001, advancing through July, 2001 and lastly settling the Trade Month of January, 2001. The ISO explained this out of sequence process, as opposed to settling the month of January, 2001 first, was needed to give ISO staff time to separate the IOUs' transactions between the first part of the month and the latter, to

properly invoice CDWR for the Trade Days of January 17 through January 31. This process has nothing to do with the separate disbursement of all funds received, including those of CDWR's, to all creditors in the Trade Month of January. The ISO reminds the Commission of the fact overlooked in the Motion: the ISO pays creditors out of a pool of all receivables on a monthly basis and nowhere is the ISO permitted to specifically link payment to creditors to specific funds received by a specific debtor. This contradicts the heart of the ISO Tariff Settlement and Billing Protocol.

Thus the Motion must be rejected because it seeks a result neither proposed by the ISO, permitted under the ISO Tariff, nor contemplated in the March 27 Order approving the disbursement process proposed in the ISO's November 21 compliance filing.

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IV. CONCLUSION

WHEREFORE, for the reasons stated above and as set forth in the ISO letter to Dynegy regarding the Dynegy Request and supplement thereto, appended hereto and filed by Dynegy in the above-referenced dockets, the ISO respectfully requests that the Commission reject the Motion.

Respectfully submitted,

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Margaret A. Rostker
Counsel for the
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, California 95630

Dated: April 19, 2002

Appendix

APPENDIX

CALIFORNIA ISO

California Independent
System Operator

February 20, 2002

Joel D. Newton
Sr. Director and Regulatory Counsel
Dynegy Power Marketing, Inc.
1500 K Street, N.W., Suite 400
Washington, DC 20005

Dear Mr. Newton:

I am writing in response to your letter of February 12, 2001, to Charles Robinson, concerning $29.6 million allegedly owed to Dynegy Power Marketing, Inc. ("Dynegy") for power sold to the California Department of Water Resources ("CDWR") during the period of January 17 through 31, 2001. Specifically, this letter details why the payment made to Dynegy is its proper share of the total amounts received by the ISO for the month of January, 2001. I also explain how the settlement procedures for January, 2001 comply with the ISO Tariff, the Federal Energy Regulatory Commission ("Commission") order of November 7, 2001, concerning CDWR obligations for energy transactions on behalf of Southern California Edison Company ("SCE") and Pacific Gas & Electric Company ("PG&E") (collectively, the "IOUs") and the ISO's November 21, 2001 filing made in compliance with the November 7 order.

The total market amounts invoiced by the ISO for all market transactions in January, 2001 was $896,431,365.79, with CDWR invoiced $155,614,362.93 for the period January 17 through 31, 2001. The ISO received $170,516,117.83 from all debtors and, as required, disbursed funds pro rata to all Market Participants who were ISO Creditors for the Trade Month of January, 2001. Dynegy is owed $160,546,000.47 for January, 2001, and received its pro rata share of $36,919,457.35. The legal requirements for the settlement of receivables and pro rata disbursements are as follows.

The ISO Tariff Section 11.9 provides that the ISO is to invoice Scheduling Coordinators on a monthly basis and establishes that each such invoice is to be paid in accordance with the ISO Payment Date. The ISO Payment Calendar, a public document, sets forth Payment Dates by Trade Months, and, so establishes that the ISO Settlement system is based upon Trade Months.

It appears you have confused the specificity of the Trade Day, and even operating hour, for which a Scheduling Coordinator is liable with the settlement of ISO Creditor accounts by Trade Month. Scheduling Coordinators are liable for debts accrued on specific Trade Days and operating hours. Thus, CDWR became liable for debts accrued on and after Trade Day January 17, 2001, in accordance with the terms of State law AB1X and the Commission's

November 7 order. For example, this is the same as when, on April 6, 2001, PG&E filed for bankruptcy, the ISO invoiced the former PG&E Scheduling Coordinator for the Trade Days of April 1 through 6, up to a specific hour, and then began to invoice the new Scheduling Coordinator for the post-petition PG&E entity for all periods thereafter. The ISO, however, in accordance with the ISO Tariff, disbursed funds remitted by the former and new PG&E Scheduling Coordinators, along with all other receivables for the month, to ISO Creditors for that Trade Month of April, pro rata as required. As additional examples, the ISO switched invoices on specific Trade Days to different Scheduling Coordinators for both the California Power Exchange and Enron Energy Services, Inc, to accord with their respective filings of bankruptcy petitions. Again, however, the ISO disbursed funds to ISO Creditors on a pro rata basis within the respective Trade Months as a whole.

In its November 7 Order, the Commission directed the ISO to enforce its billing and settlement procedures and invoice CDWR for its spot market transactions on behalf of the IOUs. Critically, California State law AB1X contemplates CDWR undertaking such financial obligations on January 17, 2001, and not before. In its November 21 compliance filing, the ISO indicated that a slightly modified settlement process was required because the ISO Settlements and Billing Protocol Section 6.10.4 provides that the "ISO shall apply payments received in respect of amounts owing to ISO creditors to repay the relevant debts in the order of the creation of such debts." Thus, the ISO proposed to apply CDWR payments first "to the month remitted," then to February through July and finally, to January. ISO Compliance Filing at 13. The ISO provided an example wherein CDWR June 2001 payment is applied to the CDWR June 2001 invoice. *Id.* As always, the crediting of funds received from CDWR to satisfy CDWR accounts is separate and distinct from the ISO disbursement of funds received in any given Trade Month.

In proposing a modified settlement process for CDWR, the ISO did not seek exemption from the underlying Trade Month foundation for disbursements, pro rata where required, to ISO Creditors. The ISO follows its Tariff in disbursement to satisfy ISO Creditors, by allocating sums received, pro rata if required, to the oldest unpaid debts, but in the case of CDWR, starting with February, advancing through July, and then to January, 2001. Nowhere has the ISO ever contemplated a split within a Trade Month for disbursement of funds to ISO Creditors. The ISO would require Commission approval for such a departure from the Tariff requirements, and neither has the ISO sought such approval nor has the Commission ordered it.

Moreover, ISO Tariff Section 11.13 requires the ISO to calculate the amounts available for distribution to ISO Creditors on Payment Dates, while Tariff Section 11.16.1 and ISO Tariff Settlements and Billing Protocol Section 6.7.4 collectively provide that if there are insufficient funds for the ISO to pay all ISO Creditors in full, the ISO is to reduce payments to all ISO Creditors proportionately to the net amounts payable to them. Thus, the ISO makes payments based upon Trade Months, and reduces pro rata such payments in the event of insufficient funds to fully pay all accounts owed within a Trade Month. This the ISO did for the January, 2001 market (and as concerns months in which CDWR is the Scheduling Coordinator for the IOUs, the ISO disbursed funds pro rata for the July and August, 2001 markets as well).

In closing, I note that you appear to be under a misunderstanding regarding ISO invoicing by charge type as opposed to total transactions by Trade Month. You appear to believe that Dynegy should be reimbursed on a service or product-specific basis, further specified by Trade Day. The ISO Tariff requires, to the contrary, that invoices be based on the Preliminary Settlement Statements and Final Settlement Statements, with each invoice showing amounts to be paid by or to each Scheduling Coordinator and the Payment Date, *i.e.,* the date on which such amounts are to be paid or received. Tariff Section 11.9. Absent permission from the Commission, the ISO is prohibited from invoicing CDWR, Dynegy, or any other Market Participant on a charge type basis.

I hope this letter helps you to understand that Dynegy has received a proper payment for the month of January, 2001.

Very truly yours,

Margaret A. Rostker, Esq.
Counsel for The California
Independent System Operator
Corporation
151 Blue Ravine Road
Folsom, CA 95630
9916) 608-7147

CALIFORNIA ISO

California Independent
System Operator

August 8, 2002

The Honorable Magalie Roman Salas
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: California Independent System Operator Corporation
Docket No. ER02-651-002

Dear Secretary Salas:

Enclosed for electronic filing please find the Answer of The California Independent System Operator Corporation To Comments, Protests and Request to Modify Compliance Filing in the above-referenced docket.

Thank you for your assistance in this matter.

Respectfully submitted,

Margaret A. Rostker
Counsel for The California Independent
System Operator Corporation

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 dockets.

Dated at Folsom, California, on this 8th day of August, 2002.

_____

Margaret A. Rostker
Counsel for The California Independent
System Operator Corporation