

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

California Independent System
Operator Corporation
Docket No. ER03-181-000

December 31, 2002

Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW
Suite 300
Washington, DC 20007

Attention: J. Phillip Jordan
Attorney for the California Independent System
Operator Corporation

Reference: ISO Grid Management Charge for 2003

Dear Mr. Jordan:

On November 8, 2002, as amended November 12, 2002, you submitted on behalf of the California Independent System Operator Corporation (CAISO), updated rates for the CAISO's grid management charge for the calendar year 2003. The CAISO's updated rates are accepted for filing effective January 1, 2003, as requested.

The CAISO submitted the updated rates for calendar year 2003 in accordance with the terms of a Commission approved settlement agreement regarding the grid management charge rates for calendar year 2002.¹ According to the CAISO, while Article IV of the settlement agreement specifies grid management charge rates for calendar year 2002, it also provided that under specified conditions (including a proviso that the revenue requirement not exceed \$239,200,000), the CAISO could revise grid management charge rates for calendar year 2003, through a compliance filing. A larger increase in the grid management charge revenue requirement could be accomplished only through a rate change filing under Section 205 of the Federal Power Act. The instant filing is consistent with the terms of the settlement agreement.

¹The settlement agreement was accepted by the Commission on December 18, 2002. See 101 FERC ¶ 61,371 (2002).

Public notice of the instant filing was noticed on December 17, 2002, with comments, protests or interventions due on or before December 27, 2002. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214. No protests or adverse comments were received.

This acceptance for filing shall not be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation or practice affecting such rate or service provided for in the filed documents; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or any which may hereafter be made by the Commission in any proceeding now or pending or hereafter instituted by or against the California Independent System Operator Corporation.

This action is taken pursuant to the authority delegated to the Director, Division of Tariff and Market Development - West, under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Michael A. Coleman
Director, Division of Tariffs and Market
Development - West