 CALIFORNIA ISO <small>California Independent System Operator</small>	Settlements / Rerun	Version No.	1.6
		AMENDMENT 51	
Regulation Non-Compliance - Issue 14		Effective Date	01/29/04

1 PURPOSE

Prior to 2002, Non-Compliance charges were calculated by the Compliance department and submitted to the Settlements department in a spreadsheet via e-mail so that charges would be processed and applied on Preliminary Settlements Statements. Settlements, manually uploads this spreadsheet into a tool that applies charges to the statements and perform the reallocations to the market. The CAISO has identified errors made in this transfer of data internally. The CAISO will correct errors made in the manual Settlements process, consisting of approximately \$500,000 of Regulation Non-Compliance charges, for the following dates only: August 18, 1999, August 20, 1999 to August 22, 1999, August 26, 1999, August 31, 1999, September 6, 1999, October 10, 1999, Nov 26, 1999, November 30, 1999, December 1, 1999, December 14, 1999, December 30, 1999, July 21, 2000, July 23, 2000, July 24, 2000, July 31, 2000, August 2, 2000, December 22, 2000, December 24, 2000, February 2, 2001, March 20, 2001 and June 7, 2001. The errors to be corrected include:

- Incorrect Trade Date processed for Preliminary and Final Statements
- Missing Unit-hours or Line Items
- Difference between the price published on OASIS and the Settlement price
- Regulation Up charges applied as opposed to Regulation Down services and vice-versa.

2 BACKGROUND

The Non-Compliance charges rescind Ancillary Service capacity payments when they are unavailable in real-time.

The Non-Compliance charge types include: Spinning, Non Spinning, Replacement, Regulation Up and Regulation Down.

3 OUTLINE

Reversal of Allocations for Affected Trade Dates and Charge Types

Recalculation of new Charges

Reallocation of new Charges


4 PROCESS DESCRIPTION

All processes listed below are to be completed by the CAISO unless otherwise stated.

1. Reversal of original charges/ credits for Affected Trade Dates

- 1.1. Reversal of CT 131 (from 8/1/99 to 10/15/00), CT 145 (from 10/16/00 – 6/20/01), CT 146 (from 10/16/00 – 6/20/01), and CT 1030 (from 8/18/98 – 6/20/01) preliminary manual adjustments.

2. Recalculation of the Penalty Charge

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2.1. Correction of the CT 131, CT 145 and CT 146 for the trade dates mentioned in the Purpose.

3. Recalculation of Allocation Charge

3.1. Recalculation of new CT 1030 based on new metered demand.

5 REFERENCES

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

6 AFFECTED CHARGE TYPES


The following is a list of potentially affected Charge Types

- 131 • 145 • 146
- 1030 • 1210 •

7 EXPECTED IMPACT

Approximate Dollar Impact by Charge Type Per Trade Date

TRADE DATE	Charge Type	Approx Amount
18-Aug-99	CT 131	\$ 130.00
20-Aug-99	CT 131	\$ 20.00
21-Aug-99	CT 131	\$ 30.00
22-Aug-99	CT 131	\$ (5,000.00)
26-Aug-99	CT 131	\$ (3,000.00)
31-Aug-99	CT 131	\$ 300.00
6-Sep-99	CT 131	\$ 2,000.00
10-Oct-99	CT 131	\$ (4,000.00)
26-Nov-99	CT 131	\$ (900.00)
30-Nov-99	CT 131	\$ (525.00)
1-Dec-99	CT 131	\$ (1,200.00)
14-Dec-99	CT 131	\$ 100.00
30-Dec-99	CT 131	\$ (250.00)
21-Jul-00	CT 131	\$ (450.00)
23-Jul-00	CT 131	\$ (8,000.00)
24-Jul-00	CT 131	\$ (200,120.00)
31-Jul-00	CT 131	\$ 125.00
2-Aug-00	CT 131	\$ 450.00
22-Dec-00	CT 145, CT 146	\$ 7,000.00

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24-Dec-00	CT 145, CT 146	\$	(20,700.00)
2-Feb-01	CT 145, CT 146	\$	(367,000.00)
20-Mar-01	CT 145, CT 146	\$	40,000.00
7-Jun-01	CT 145, CT 146	\$	25,800.00
TOTAL		\$	(535,190.00)