

Market Notice
December 9, 2003
Re-run Update #3

Market Participants:

This notice is a status update on the Preparatory and FERC re-run activity. As part of the Preparatory re-run, the ISO plans to begin publishing Settlement Statements for October, 2000 on December 18, 2003. Scheduling Coordinators will receive the following:

Settlement Detail Files - The ISO will ship to each Scheduling Coordinator a CD containing the Preparatory re-run Settlement Detail files consolidated for all SCs, with the goal that SCs will receive these files before the specific trade dates are published.

Settlement Summary - Prior trade date Summary charges associated with the Preparatory re-run (typically 5 trade days per day) will appear on Preliminary Statements ONLY and will be published beginning December 18th. Please see attached tentative Preparatory re-run Schedule for December 2003.



Prep Rerun
Schedule December 2

Dispute Timeline - The dispute timeline for the Preparatory re-run requires SCs to dispute charges within 30 business days from the publishing of the last day of a Trade Month. According to the tentative schedule attached, SCs will have until February 17, 2004 to dispute October 2000 trade dates. However, the ISO encourages SCs to file any disputes as soon as possible to expedite consideration and resolution.

Invoices - The dollars associated with the prior re-run trade dates will not appear on current market invoices. Financial Settlement of Preparatory re-run data will be handled at the time of the FERC Compliance Refund re-run.

Only 5 issues are identified for re-run during October 2000. Referring to Attachment A of the July 3, 2003 filing in FERC Docket No. ER03-746, they are: Issues 1-4 (correcting meter data submittal errors) and Issue 13 (regarding CT 1030 allocations). Many of the remaining issues were identified for the months of November 2000 through January 2001. The ISO will be notifying Scheduling Coordinators, via email, as the remaining issues become applicable.

There are some potential re-run "hold-points" along the way. Two key items are:

- Whether the Williams GFN should be included in the re-run - In its November 26, 2003 filing to FERC, the ISO noted that this issue must be decided by FERC prior to

the Preparatory re-run date of December 3, 2000 in order for the re-run to proceed as scheduled.

- The Treatment of CERS transactions in the re-run - In its request for rehearing of the FERC refund order dated October 16, 2003, 105 FERC ¶ 61, 066 (2003), the ISO noted difficulties regarding implementation of the language in the Order that would convert CERS sales to the ISO to balanced schedules serving the IOU net short load. This rehearing issue must be decided prior to the Preparatory re-run date of January 17, 2001.

Once the ISO has started the re-run and gained some experience with the publishing logistics, a more detailed schedule will be published. The ISO plans to issue weekly updates as we proceed through the re-run activity.

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