

Market Notice

February 23, 2004

Preparatory Rerun Update

ISO SC Settlements Contacts:

- **The CAISO identified the following errors:**

- **Meter Data:** An error occurred with the calculation of re-submitted meter data. Since the error was restricted to Generator meter data from one SC, it impacts CT 407 for that SC and CT 406, CT 1010, and CT 1210 for the market. As a result of correcting this error, the market will see a credit in CT 406 and CT 1010, CT 1210.
- **No Pay Calculation:** The system calculation of No Pay charges incorrectly applied the most recent Pmax value for Generating units. The software was corrected to apply the Pmax used in the original settlement calculation. The charge types impacted are: CT 141, CT 142, CT 144, and CT 1030.

The impacted trade date range for both of these issues is October 2, 2000 - December 15, 2000. As a result of this correction, new CDs for October 2, 2000 - October 31, 2000 will be issued today that will replace the CDs previously sent. This week, SCs will see the incremental adjustments noted above on the Preliminary Statements beginning with trade date October 2, 2000.

- **Instructed Energy:** In response to questions received about the settlement of Instructed Energy in the preparatory rerun, the ISO will implement the original pricing methodology used in the settlement of Instructed Energy, CT 401. This change will affect trade dates November 2, 2000 forward. These adjustments will impact CT 401, CT 1010, and CT 1210. Please see the following 2 notes on "Original Settlement" and "Preparatory Rerun" for additional details:

Original Settlement:

- Originally, SCs received a "negotiated price" for OOM calls.
- From December 8, 2000 to December 11, 2000, all Instructed Energy was settled at the bid price. Manual adjustments were made to provide an uplift to the SCs bid price.

Preparatory Rerun:

- In the Preparatory rerun, OOM calls were adjusted to settle either at Option A (Hourly Ex Post Price) or Option B (the gas based price).

- In the Preparatory rerun, the manual adjustments that were made to provide an uplift to bid price were incorrectly reversed.

The ISO will correct trade dates November 2, 2000 forward by making the appropriate adjustments to compensate SCs for their "bid" or "negotiated price". (Note: as directed by the FERC, the prices discussed above will be mitigated with the MMCP during the refund phase.)

- **Dispute Timeline:**

The 30 Business Day timeline for disputing incremental changes to the settlements being published this week will begin when the adjustments for trade date October 31, 2000 are published. Disputes will only be accepted for changes made to these trade dates as a result of the incremental corrections referenced above. A revised calendar will be posted on the CAISO Website.

- **Frequently Asked Questions:**

An updated version of the FAQs is posted on the CAISO web site. Summary of Revisions:

- Section 11. Neutrality
- Section 12. Energy Exchange

For any questions, please contact your Account

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