

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

California Independent System Operator  
Corporation  
Docket Nos. ER02-250-000 and ER02-527-000

Pacific Gas and Electric Company  
Docket No. ER02-479-000

(Consolidated)

October 29, 2002

Swidler Berlin Shereff Friedman, LLP  
3000 K Street, NW  
Washington, D. C. 20007

Attention: Ms. Julia Moore, Esquire

Reference: Motion to Adjust Interim Settlement Rates

Dear Ms. Moore:

On October 11, 2002, the California Independent System Operator Corporation (CA ISO) and Pacific Gas and Electric Company (PG&E) filed a Joint Motion to Adjust Interim Settlement Rates, requesting an adjustment to the interim Ancillary Services and Real-Time Energy Operations portion of the 2002 Grid Management Charge (GMC) settlement in principle, in the 2002 GMC proceeding.<sup>1</sup>

The CA ISO proposes to collect an interim Ancillary Services and Real-Time Energy Operations (ASREO) rate of \$1.048/MWh for the months of September and October, 2002, and an ASREO rate of \$1.158/MWh, effective November 1, 2002, through December 31, 2002. Good cause having been shown, the CA ISO is authorized to collect the proposed settlement rates on an interim basis pending final Commission

---

<sup>1</sup> The Commission accepted for filing, consolidated, and set for hearing the CA ISO 2002 GMC Amendment and PG&E 2002 GMC Pass-Through Tariff, subject to refund and to the outcome of the 2001 GMC proceeding. See California Independent System Operator Corporation, 97 FERC ¶ 61,303 (2002) and Pacific Gas and Electric Company, et al., 98 FERC ¶ 61,089 (2002).

Docket Nos. ER02-250-000, et al.      -{PAGE }-

action on the settlement. In the event the proposed settlement is not approved, the CA ISO is authorized to reinstate the initial filed rate.

This action is taken pursuant to the authority delegated to the Director, Division of Tariffs and Market Development - West, under 18 C.F.R.§ 375.307.

Sincerely,

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

cc: All Parties