



October 31, 2011

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

**Re: California Independent System Operator Corporation
Docket Nos. ER11-4176-000 and ER11-4176-001
Compliance Filing**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Part 35 of the regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. Part 35, the California Independent System Operator Corporation (“CAISO”) hereby electronically submits the instant filing and accompanying tariff amendment in compliance with the Commission’s Order Conditionally Accepting Tariff Revisions, issued on September 30, 2011.¹

I. Background

On August 1, 2011, the CAISO submitted a proposed tariff amendment to accelerate and improve the efficiency of the existing settlement process. The proposed tariff modifications implement five enhancements to the settlement process timeline that are designed to accomplish the following: shorten the time periods between issuance of settlement statements; introduce an unscheduled reissue recalculation settlement statement; extend the timeline for market participants to submit settlement quality meter data; revise the penalty for submitting untimely and inaccurate meter data; and align the billing periods of the weekly invoices for the settlement statements issued three business days after the trading day and twelve business days after the trading day to include the same trading days.²

In the September 30 Order, the Commission accepted the CAISO’s proposed tariff amendments, subject to the additional tariff modification discussed below. The Commission directed the CAISO to submit the required tariff modification within 30 days of the date of the order.

¹ *California Indep. Sys. Operator Corp.*, 136 FERC ¶ 61,232 (2011) (“September 30 Order”).

² Capitalized terms not otherwise defined herein have the meanings set forth in Appendix A to the CAISO tariff.

II. Discussion of Tariff Modification

Comments by Southern California Edison Company on the CAISO's initial filing in this matter requested that the CAISO clarify how the \$1 million threshold for issuing an unscheduled reissue recalculation settlement statement will be calculated. In its answer, the CAISO offered to clarify CAISO Tariff Section 11.29.7.3.1 in a compliance filing, if directed by the Commission, by adding a provision to indicate that, for purposes of determining whether the \$1 million threshold for issuing an unscheduled reissue recalculation settlement statement as been met, the CAISO will calculate the financial impact resulting from an error based on the dollar value of the charges that were mistakenly assessed due to the error. The resulting resolution of the issue will also correct the corresponding payment that was made in error. The September 30 Order directed the CAISO to make that modification to its tariff.

In this compliance filing, the CAISO amends Tariff Section 11.29.7.3.1 to effectuate the change required by the September 30 Order. The CAISO respectfully requests that the Commission accept this tariff modification as complying with the directive in the September 30 Order.

III. Materials Provided in the Instant Compliance Filing

The following documents, in addition to this transmittal letter, support the instant filing:

Attachment A	Clean sheets incorporating the red-lined changes contained in Attachment B
Attachment B	Red-lined changes to the Tariff to implement the revisions contained in this filing

IV. Effective Date

The CAISO requests that the Commission approve the tariff modification submitted in this compliance filing to become effective on October 31, 2011.

V. Conclusion

The CAISO respectfully requests that the Commission accept the instant filing as complying with the directive of the September 30 Order and approve the tariff modification to be effective on the date requested.

Respectfully submitted,

/s/ Beth Ann Burns

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Dated October 31, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service lists for the above-referenced proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, CA this 31st day of October, 2011.

/s/ Anna Pascuzzo
Anna Pascuzzo

California Independent System Operator Corporation

Fifth Replacement FERC Electric Tariff

Attachment A – Clean Tariff

Settlement Process Timeline Change Compliance Filing

October 31, 2011

11.29.7.3.1 **Unscheduled Reissue Recalculation Settlement Statement**

The CAISO shall issue an Unscheduled Reissue Recalculation Settlement Statement to correct a miscalculation that occurred on a Recalculation Settlement Statement T+9M or Recalculation Settlement Statement T+18 if the following criteria are met:

- The miscalculation occurred as a result of a CAISO data transfer error or other similar data processing error;
- The miscalculation was identified by the CAISO, Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO on a timely basis within the dispute timeline applicable to the Recalculation Settlement Statement; and
- The financial impact of the miscalculation on the market as a whole was greater than \$1,000,000 for the Trading Day. For purposes of determining whether the \$1,000,000 threshold for issuing the unscheduled recalculation settlement statement has been met, the CAISO will calculate the financial impact resulting from an error based on the dollar value of the charges that were mistakenly assessed due to the error.

The CAISO will issue a notice to advise the market that a miscalculation occurred and that it will be corrected in an Unscheduled Reissue Recalculation Settlement Statement. The CAISO will issue the Unscheduled Reissue Recalculation Settlement Statement no less than thirty (30) days after the date that the market notice was issued and will include the net adjustment amounts in the next available regularly scheduled invoice. Any miscalculation due to a CAISO data transfer error or other similar data processing error that does not meet the criteria set forth in this section will be corrected on the next Recalculation Settlement Statement T+18M or Recalculation Settlement Statement T+35M as appropriate.

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California Independent System Operator Corporation

Fifth Replacement FERC Electric Tariff

Attachment B – Marked Tariff

Settlement Process Timeline Change Compliance Filing

October 31, 2011

11.29.7.3.1 **Unscheduled Reissue Recalculation Settlement Statement**

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- The miscalculation occurred as a result of a CAISO data transfer error or other similar data processing error;
- The miscalculation was identified by the CAISO, Scheduling Coordinator, CRR Holder, Black Start Generator, or Participating TO on a timely basis within the dispute timeline applicable to the Recalculation Settlement Statement; and
- The financial impact of the miscalculation on the market as a whole was greater than \$1,000,000 for the Trading Day. [For purposes of determining whether the \\$1,000,000 threshold for issuing the unscheduled recalculation settlement statement has been met, the CAISO will calculate the financial impact resulting from an error based on the dollar value of the charges that were mistakenly assessed due to the error.](#)

The CAISO will issue a notice to advise the market that a miscalculation occurred and that it will be corrected in an Unscheduled Reissue Recalculation Settlement Statement. The CAISO will issue the Unscheduled Reissue Recalculation Settlement Statement no less than thirty (30) days after the date that the market notice was issued and will include the net adjustment amounts in the next available regularly scheduled invoice. Any miscalculation due to a CAISO data transfer error or other similar data processing error that does not meet the criteria set forth in this section will be corrected on the next Recalculation Settlement Statement T+18M or Recalculation Settlement Statement T+35M as appropriate.

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