

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

<b>San Diego Gas &amp; Electric Company,</b>	)	
<b>Complainant,</b>	)	
	)	<b>Docket Nos. EL00-95-000</b>
	)	
<b>v.</b>	)	
	)	
<b>Sellers of Energy and Ancillary Services</b>	)	
<b>Into Markets Operated by the California</b>	)	
<b>Independent System Operator and the</b>	)	
<b>California Power Exchange,</b>	)	
<b>Respondents</b>	)	
	)	
<b>Investigation of Practices of the California</b>	)	<b>Docket Nos. EL00-98-000</b>
<b>Independent System Operator and the</b>	)	
<b>California Power Exchange</b>	)	

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION ON COST RECOVERY FILINGS**

Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213 (2005), and the schedule for comments established at the August 25, 2005 technical conference held in this proceeding ("August 25<sup>th</sup> Conference"), the California Independent System Operator Corporation ("ISO")<sup>1</sup> hereby submits its comments on the cost-recovery filings made on September 14, 2005. The ISO's comments are limited to one discrete

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<sup>1</sup> Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff.

issue with respect to the settlement refund rerun data provided by the ISO to parties in this proceeding.<sup>2</sup>

## **I. BACKGROUND**

Earlier in this proceeding, the ISO distributed to parties a significant amount of settlements data containing the results of the refund rerun with respect to transactions that took place in the ISO's market during the period October 2, 2000 through June 20, 2001. During discussions held at the August 25<sup>th</sup> Conference, parties recognized that this settlements refund rerun data (along with similar data from the California Power Exchange) would be a critical component in the cost-recovery filings that a number of parties were preparing to file with the Commission on September 14, 2005, pursuant to the Commission's August 8, 2005 order in this proceeding, 112 FERC ¶ 61,176 (2005). Several parties at the August 25<sup>th</sup> Conference also expressed confusion regarding the universe of the ISO settlements refund rerun data distributed to parties in this proceeding. Therefore, the ISO agreed to provide, after the conference, information so that parties would understand what settlements refund rerun data they had received from the ISO to date in this proceeding. The ISO did so in an email to the EL00-95 listserv on August 30, 2005, in which the ISO listed all of the settlements refund rerun data it had distributed in this proceeding, and the date on which it had made those distributions.

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<sup>2</sup> See, e.g., *Entergy Services, Inc.*, 101 FERC ¶ 61,289, at 62,163 (2002); *Duke Energy Corporation*, 100 FERC ¶ 61,251, at 61,886 (2002); *Delmarva Power & Light Company*, 93 FERC ¶ 61,098, at 61,259 (2000).

In that email, the ISO also agreed to produce to all interested parties a set of discs that contained a compilation of all of the ISO settlement refund rerun data produced to date in this proceeding. The ISO did so in order to assist parties with their review of the ISO data, and in response to several parties who indicated that they could not locate certain of the ISO's data distributions. Pursuant to this commitment, the ISO produced these compilation discs on September 8, 2005. After producing these discs, the ISO became aware that settlement data relating to one trade date in December of 2000 was missing from the discs, and therefore, the ISO distributed a replacement disc on September 13, 2005.

**II. DISCUSSION – THE ISO’S COMPILATION DISCS DISTRIBUTED ON SEPTEMBER 8 AND 13 CONTAINED THE SAME DATA AS DATA DISTRIBUTED BY THE ISO EARLIER IN THIS PROCEEDING**

In their cost filings made on September 14, 2005, several parties raised issues regarding the ISO's settlement refund rerun data. For instance, Avista notes in its filing that “the ISO has circulated new data sets since August 26, 2005,” and stated that it had not had time to incorporate this “new” data into its filing.<sup>3</sup> Southern California Edison (“SCE”) states that one of the discs provided by the ISO in September 2005 contained “new data not previously provided,” and that it could not and did not incorporate these “latest CAISO updates” in its cost-recovery filing.<sup>4</sup> Similarly, Pacific Gas & Electric (“PG&E”) states in its filing that the ISO data in the CDs distributed in September 2005 “does not appear to match previously disclosed data in the ISO rerun process.” PG&E also states

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<sup>3</sup> Cost Filing on Behalf of Avista Energy, Corp., Filing Letter at 2.

<sup>4</sup> Southern California Edison Cost Filing, Exh. No. SCE-1 at 14, n. 28.

that it reserves the right to modify its cost-recovery filing if it finds that the “updated ISO data” requires a revision to its filing.<sup>5</sup>

The ISO wishes to make clear that the compilation discs distributed on September 8 and September 13, 2005 did *not* contain any “new” data. That is, those discs merely re-packaged settlements refund rerun data that the ISO had already distributed earlier in this proceeding. Although the ISO informed parties of this fact prior to producing the compilation discs, to be certain, the ISO has recently re-checked these discs, and confirmed that they do not contain any data that was not previously distributed by the ISO in this proceeding.

The ISO believes that the parties’ mistaken impression that the discs contained “new” or “updated” data is based on a misunderstanding. As part of its data distributions prior to September 2005, the ISO provided parties with data on certain ISO settlements records known as “manual adjustments.” However, when the ISO provided parties with this manual adjustments data earlier in the proceeding, it only provided them with manual adjustments data relating to their own transactions. So, for example, Avista would not have received manual adjustment data relating to PG&E, and vice versa. When the ISO produced the compilation discs in early September 2005, however, the ISO included on these discs *all* manual adjustment data for *all* parties. Therefore, at that time, parties received manual adjustment data relating to other parties that they had not received before. However, this data was not “new.” It is simply the case that that data had, prior to September 2005, only been made available to the parties to whom it related, rather than the entire universe of parties to this proceeding.

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<sup>5</sup> Pacific Gas & Electric Cost Filing, Filing Letter at 2.

In addition, the ISO wishes to make clear that the manual adjustment data provided on the September 2005 discs should not impact parties' cost-based filings, because, again, the ISO had previously made available to parties manual adjustments data relating to their own transactions. Data relating to the transactions of other parties should, presumably, have no impact on a party's own cost-recovery filing, because such data would not factor into a party's own costs and revenues.

For these reasons, the ISO submits that there is no need for parties to entertain any revisions to their cost-recovery filings based on the settlements refund rerun data provided by the ISO in the compilation discs distributed on September 8 and September 13, 2005. Therefore, no delay in the resolution of the cost-recovery filings is warranted as a result of that distribution.

## **II. CONCLUSION**

Wherefore, for the reasons set forth above, the ISO respectfully requests that the Commission accept the foregoing comments.

Respectfully submitted,

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Dated: October 11, 2005

## Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned 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 this 11th day of October, 2005 at Folsom in the State of California.

*/s/ Anthony J. Ivancovich*

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