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From: CRCommunications
Sent: Thursday, October 14, 2004 10:26 AM
To: SC Settlements Contacts
Subject: CAISO: Settlements and Market Clearing/Access Charge Refunds for the period January 1, 2004 to June 30, 2004

CAISO MARKET NOTICE

ACCESS CHARGE REFUNDS FOR THE PERIOD JANUARY 1, 2004 TO JUNE 30, 2004

Client Action: Information Only

Categories: Settlements and Market Clearing

Subject: Access Charge Refunds for the period January 1, 2004 to June 30, 2004

Summary: Access Charge Refunds for the period January 1, 2004 to June 30, 2004

Main Text: The Transmission Access Charge [includes the High Voltage Access Charge (HVAC), the Low Voltage Access Charge (LVAC) and the Wheeling Access Charge] is a charge for use of the California ISO Controlled Grid. The ISO collects the High Voltage Access Charge and the Wheeling Access Charge (both High Voltage and Low Voltage) and allocates such revenue to each Participating Transmission Owner (PTO). This charge allows PTOs to recover their Transmission Revenue Requirement (TRR), which are the operating and carrying costs of PTO's transmission facilities under the Operational Control of the ISO.

In accordance with the FERC approval of the Offer of Settlement for docket Nos. ER04-109-000 and EL04-37-000, the ISO is issuing a separate invoice of Access Charge Refunds to Market Participants today, Thursday, October 14, 2004.

PROCESS

Seven manual TAC Adjustment Charge Types (CT's) are used for FERC Ordered TAC Refunds. They are:

3372	High Voltage Access Charge Adjustments
3374	High Voltage Access Revenue Adjustments
3382	High Voltage Wheeling Access Charge Adjustments
3383	Low Voltage Wheeling Access Charge Adjustments
3384	High Voltage Wheeling Access Revenue Adjustments
3385	Low Voltage Wheeling Access Revenue Adjustments
793	TAC Refund Transaction Bill Period Adjustment

Except for CT 793, these charge types correspond with the regular Charge Types. They do not replace CTs 372, 374, 382, 383, 384, and 385. The regular charge types

will continue to be used for normal daily/monthly charges. The adjustment charge types are used for only the FERC ordered TRR or TRBA refunds. (Note: Before 2001, charges were processed through CT 352 and the revenues were processed through CT 354. Both of these charge types have been retired. The adjustments that correspond with CTs 352 and 354 are being processed through CTs 3382 and 3384.)

CT 793 is a charge type created per Tariff Amendment 53, which was approved by FERC on December 15, 2003 in order to accommodate the elimination of aggregate TAC related charges or credits less than \$10. Section 11.6.2.1 of the CAISO Tariff states: *"Preliminary and final invoices either due to or from Market Participants for amounts less than \$10.00 will be adjusted to \$0.00 and no amount will be due to or from that Market Participant for that invoice."*

FERC-ordered refunds are not tied to a specific billing cycle but are processed intermittently, as ordered, after all litigation and rehearing are complete. Due to the fact that Access Charge refund invoices are generated using settlement data that has been finalized, there will be only one final invoice issued. The invoice is not tied to a particular trade month, but will cover the period addressed in the FERC ruling.

The **ISO will issue one final invoice** today for the High Voltage and Wheeling Access Charge Refunds for the period of January 1, 2004 to June 30, 2004. The refund transactions will be included in the **August 20, 2004** Preliminary Settlement Statements. The same refund transactions will appear in the **August 20, 2004** Final Settlement Statements, but a second invoice will **not** be issued. To facilitate the refund settlement, schedules for each SC have been aggregated by trade month. The affected date will be the last day of each trade month.

The refund transactions will follow the standard manual adjustment format. The invoice will be forwarded through the EDI system. If the SC does not have an EDI account, the invoice will be faxed. Payment by the PTOs to the ISO is due within 5 business days after invoice issuance. PTO payments of the invoices issued today are scheduled for Wednesday, **October 21, 2004**. Normal disbursement process of funds received by the ISO will apply.

For More Information Contact: Please contact your Account Manager.

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The California ISO strives to be the preferred provider of superior electrical transmission services for the benefit of our customers in California and the West.