

# Memorandum

To: ISO Board of Governors  
From: Brad Bouillon, Manager of Billing & Settlements  
Date: April 12, 2007  
Re: **2000-2001 FERC Refund Rerun Project Monthly Status Report**

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***This memorandum is a status report and does not require Board action.***

## EXECUTIVE SUMMARY

As noted in previous updates, the preparatory re-run was completed July 16, 2004, and the FERC refund re-run statement production phase was completed February 15, 2005. The ISO is currently processing the financial adjustment phase, which involves offsets to refunds for the costs of fuel, emissions permit, and any overall entity revenue shortfall, as well as interest. As mentioned in a previous update, the ISO has completed the emissions component. The ISO disbursed revised fuel cost data, including both payment and allocation information, to participants on March 29, 2007. Comments on the data are due to the ISO by April 12<sup>th</sup>. Allocation data for the cost-recovery offset will be distributed in the coming week, with comments due to the ISO on May 1, 2007.

On August 23, 2006, the Commission issued an order resolving all of the outstanding issues in the financial adjustment phase except the Commission's final determination on certain cost-based recovery claims. The remaining issues were resolved in an order issued November 2, 2006.

Based on remaining work requirements, the ISO originally estimated that it will take approximately 10 weeks to complete the financial adjustment phase, including applicable review periods for Scheduling Coordinators. After FERC approves these calculations, the ISO will turn to accounting for the effects of "global settlements" among the parties.

Finally, the ISO recognizes that this schedule could change as the result of any number of legal challenges to Commission orders, including the recent decisions by the Ninth Circuit in *BPA v. FERC* concerning the refund liability of non-FERC jurisdictional entities, and *CPUC v. FERC* concerning certain "scope/transactions" issues. The Ninth Circuit recently remanded the issue of non-jurisdictional sellers to FERC for resolution. Depending on the upcoming order, there could be significant work impacts and timing delays, which could extend the ISO's completion date.