

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

California Independent System Operator
Corporation

Docket Nos. ER01-313-009
ER01-313-010

Pacific Gas & Electric Company

ER01-424-009
ER01-424-010

**INFORMATIONAL REPORT OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

In its January 21, 2009 Order on Requests for Clarification, the Commission denied the request by Modesto Irrigation District (MID) and Silicon Valley Power (SVP) to require the California Independent System Operator Corporation (ISO) to submit a refund report by February 4, 2009 detailing the refund of the ISO's Grid Management Charges (GMC) assessed to behind the meter load during 2001-2003. The Commission did, however, order the ISO to either submit a refund report by June 30, 2009, or provide an informational report providing details as to when refunds can be determined and a refund report filed.¹

As the ISO anticipated, the substantial commitment of resources necessary during the three months prior to the implementation of the ISO's new markets (on April 1, 2009), as well as the months following that date,

¹ 126 FERC ¶ 61,058 (2009) at 3.

prevented the ISO from developing and completing this GMC refund process. Indeed, the ISO has recently developed a tentative settlements schedule for all matters that will involve the legacy settlements systems, a task that could not be accomplished until late in the second quarter of 2009 and well after the implementation of the ISO's new markets. In addition, the internal 2001-2003 GMC refund "team" has determined that certain information about behind the meter load must be verified by the affected stakeholders before the data can be uploaded into the legacy systems. Given the lapse of time since the refund period, the ISO intends to hold a stakeholder workshop to assist parties with data collection and verification.

Accordingly, the ISO intends to hold a workshop regarding the refunds on July 22, 2009 in conjunction with a stakeholder meeting about other GMC issues. It is anticipated that a market notice and proposed agenda will be issued in early July, and that a brief discussion paper will be posted in advance of the workshop. The ISO will work with the participants to develop the dates by which data verification must be provided and other milestones in the refund process. Once the stakeholders have provided and verified the necessary data from the 2001-2003 period (in accordance with the schedule developed at the meeting), the ISO will require approximately four to six months to upload the data into the legacy system and begin the rerun process. Several more months will be necessary to complete the rerun. The ISO will explore with its stakeholders any means by which the refund process can go

forward on a more expeditious basis, and proposes to update this informational report once a definitive schedule has been established.

Respectfully submitted,

/s/ Michael E. Ward

Anthony J. Ivancovich
Assistant General Counsel –
Regulatory
Judith Sanders, Senior Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7296

Michael E. Ward
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Tel: (202) 756-3300
Fax: (202) 654-4875

Counsel for the
California Independent System
Operator Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the 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 at Washington, D.C. this 30th day of June, 2009.

/s/ Michael E. Ward

Michael E. Ward
Alston & Bird LLP