

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

California Independent System Operator Corporation)	Docket No. ER04-835-____
)	
)	
Pacific Gas and Electric Company)	
v.)	
California Independent System Operator Corporation)	Docket No. EL04-103-____ (consolidated)

**INFORMATIONAL REPORT OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
CONCERNING STATUS OF SETTLEMENT ADJUSTMENTS**

The California Independent System Operator Corporation (“CAISO”) respectfully submits this informational report to provide the Commission and parties with updated information concerning the need to republish corrected versions of the cost allocation reports, that were originally published on June 13, 2012, and to reissue corrected versions of the CDs, that were previously distributed on December 20, 2013.¹

As a result of an error identified in the dispute review process following issuance of the CDs containing the settlement data, the CAISO determined that it had not reclassified all of the Miguel and South of Lugo commitments from local to zonal during the refund effective period established by the Commission. The CAISO has traced the error back to the methodology utilized to pull the data from the database which was subsequently used to generate the informational reports published on June 13, 2012. The ISO has carefully reviewed all of the commitments and has republished a corrected

¹ For background information, please see the informational refund report submitted by the ISO on December 20, 2013 in this docket.

version of the relevant June 12, 2012 reports on May 12, 2014, the date of this information filing. A copy of the related market notice is attached here to as Exhibit A.

As a result of the corrections, the ISO has now determined that the total amount of the resettlement is \$217 million.² In addition, as a result of the corrections, there is an additional \$22.9 million shift from system and local to zonal cost allocation. The ISO will be issuing corrected CDs containing the adjusted settlement data on or about May 16, 2014. Following another data review and dispute period of 30 days, if no subsequent errors are identified, the ISO will post the final adjustments on settlement statements and invoice the charges and credits on June 16, 2014 with market clearing to occur on June 26, 2014. These invoices will not include interest. The ISO intends to invoice interest within 30 days, subject to Commission directives issued in response to pending protests.

Respectfully submitted,
By: /s/ Sidney M. Davies

Michael E. Ward
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Tel: (202) 239-3300
Fax: (202) 654-4875
E-mail: michael.ward@alston.com

Roger E. Collanton
General Counsel
Sidney M. Davies
Assistant General Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7222
E-mail: sdavies@caiso.com

May 12, 2014

² The December 20, 2013 informational report identified a total resettlement of \$197.6 million.

ATTACHMENT A

Market Notice

May 12, 2014



Categories

Legal/ Regulatory
Settlements and Market Clearing

Requested Client Action

Information Only

Corrected Must Offer Waiver Denial Commitments 7/17/04 to 3/31/09, Cost Allocation Reports Posted

Summary

FERC issued an order in the Amendment 60 proceeding directing the ISO to provide market participants sufficient information to calculate the net incremental local cost allocations from must offer waiver denial commitments for July 17, 2004 through March 31, 2009. The ISO has reposted corrected Amendment 60 cost allocation reports. The ISO will recalculate the associated settlement adjustments and distribute corrected CDs on or about May 16, 2014.

Main Text

FERC issued an order on September 16, 2011 in the Amendment 60 proceeding directing the ISO to provide sufficient information for market participants to calculate the net incremental local cost allocations from must offer waiver denial commitments for July 17, 2004 through March 31, 2009. The ISO posted this information on May 15, 2012 and distributed CDs on December 20, 2013 to each scheduling coordinator. The CDs included settlement adjustments consistent with the Amendment 60 FERC orders and adjustments associated with the reclassification of ISO commitments for Miguel and South of Lugo from local to zonal commitments, which were based on the June 2012 reports.

Through the dispute review process, the ISO identified errors in the June 2012 reports. Specifically, the reports did not correctly reclassify all of the Miguel and South of Lugo commitments from zonal to local. The ISO has carefully reviewed the data and is confident that all the transactions are now correctly reclassified.

The ISO has reposted corrected Amendment 60 cost allocation reports, which are available at the following links:

- **The Total Minimum Load MWs of the must-offer capacity**
<http://www.caiso.com/Documents/TotalMinimumLoadMWsMust-OfferCapacity.xls>
- **The Total Minimum Load Cost**
http://www.caiso.com/Documents/TotalMinimumLoadCostJuly17_04-Mar31_09.xls

The ISO plans to distribute corrected CDs on or about May 16, 2014. Comments or inquires must be submitted through the settlement dispute function of CIDI by June 16, 2014.

If no subsequent issues are found during the dispute review process, the ISO will post the final adjustments on settlements statements and invoice the charges and credits on June 19. Interest on the adjustments, as applicable, will be invoiced at a later date.

For More Information Contact

[Your ISO Client Representative](#)

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[Glossary of terms and acronyms](#)

P&CS/ComPR/WS/dds

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in 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, California this 12th of May 2014.

/s/ Anna Pascuzzo

Anna Pascuzzo