

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

The California Independent System
Operator Corporation
Docket Nos. EL00-105-013
ER00-2019-022

June 8, 2009

Alston & Bird LLP
The Atlantic Building
950 F Street, N.W.
Washington, D.C. 20004-1404

Attention: Michael E. Ward, Esquire
Counsel for the California Independent
System Operator Corporation

Reference: Compliance Refund Report

Dear Mr. Ward:

On April 21, 2009, you submitted, on behalf of the California Independent System Operator Corporation (CAISO) a refund report pursuant to a Commission order issued on October 23, 2008 (Settlement Order) approving a Settlement between the City of Vernon (Vernon) and the California Parties.¹ The Settlement resolved two claims as between Vernon and the California parties: (1) those arising from events and transactions in California and Western energy markets between January 1, 2000 and June 20, 2001, as they relate to Vernon, and (2) the claims concerning Vernon's Transmission Revenue Requirement (TRR) that were addressed by the Commission in Opinion No. 479.² Specifically, the CAISO states that the Settlement Order approved a provision under which the California Power Exchange would disburse funds in an amount equal to Vernon's unpaid receivables from transactions through markets operated by the California Power Exchange and the CAISO and that a portion of these proceeds, \$5.5 million, was then to be transferred to CAISO. The CAISO states that the Settlement Order authorized the CAISO to distribute this \$5.5 million amount as refunds associated with Vernon's TRR by recalculating its Transmission Access Charge for the applicable

¹ See *City of Vernon*, 125 FERC ¶ 61,085 (2008).

² See *City of Vernon, California*, 111 FERC ¶ 61,092 (2005).

period.³ The refund report is accepted as being in satisfactory compliance with the Settlement Order.

This compliance refund report was noticed on April 22, 2009, with protests, comments, or motions to intervene due on or before May 12, 2009. No protests or comments were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

This action is taken pursuant to the authority delegated to the Director, Division of Tariffs and Market Development – West, under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Steve P. Rodgers, Director
Division of Tariffs and Market
Development - West

cc: All Parties

³ In the instant compliance refund report, the CAISO states that it would invoice the refunds on April 29, 2009, and distribute them on May 6, 2009.