

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

San Diego Gas & Electric Company,)		
Complainant,)		
)		
v.)	Docket Nos.	EL00-95-000
)		EL00-95-045
Sellers of Energy and Ancillary Services)		
Into Markets Operated by the California)		
Independent System Operator and the)		
California Power Exchange,)		
Respondents.)		
)		
Investigation of Practices of the California)	Docket Nos.	EL00-98-000
Independent System Operator and the)		EL00-98-069
California Power Exchange)		

**SECOND JOINT STATUS REPORT OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION AND
PUGET SOUND ENERGY, INC. CONCERNING REFUND DATA DISPUTES**

Pursuant to Paragraph 30 of the “Order Addressing Refund Process Disputes and Providing Guidance,” 116 FERC ¶ 61,167 (2006), issued by the Federal Energy Regulatory Commission (“Commission”) on August 23, 2006 in the above-captioned dockets (“August 23 Order”), the California Independent System Operator Corporation (“ISO”) and Puget Sound Energy, Inc. (“Puget”) hereby provide their second joint status report detailing efforts to resolve Puget’s concerns with respect to data distributed by the ISO to parties in this proceeding.

I. BACKGROUND

In an order issued on August 8, 2005, 112 FERC ¶ 61,176 (2005), the Commission concluded that in order to expedite the resolution of the refund

proceeding, market participants would be required to submit to the Commission, by December 1, 2005, any disputes with refund reruns, cost offsets, FCA claims, and emissions costs offset claims. On December 1, 2005, Puget filed with the Commission a “Notice of Rerun Discrepancies and Reservation of Rights.” Therein, Puget stated that recent refund rerun data disks from the ISO had failed to reflect the resolution of disputes between Puget and the ISO from the preparatory rerun phase. Puget stated that it had not been able to correct or challenge these errors, and thus filed its dispute in order to put the Commission on notice and to reserve the right to challenge a compliance filing by the ISO. In response to Puget’s filing, the ISO requested that the Commission defer action on Puget’s issues pending further discussions between Puget and the ISO on the data discrepancies.

In the August 23 Order, the Commission agreed to defer action on Puget’s dispute. However, the Commission directed the ISO and Puget, within 15 days of the date of the issuance of the August 23 Order and every 15 days thereafter, to submit a report detailing the progress made regarding Puget’s data concerns and informing the Commission of any further data issues. The Commission also stated that if this dispute is not resolved by the time of the third progress report, both parties will be required to file their final positions on any remaining data issues raised by Puget in its initial dispute filing no later than five days after the date of submission of the last progress report.

II. STATUS REPORT

The ISO settlements staff has examined the data disputes identified by Puget, and provided responses via email to Puget on September 5 and 6, 2006. Puget's consultants have reviewed those responses, and have agreed with the ISO's explanation as to two of the six issues identified by Puget. Therefore, these issues have been resolved. The ISO and Puget have reached agreement on a third issue pending final review of certain ISO data by Puget. On still a fourth issue, the ISO and Puget appear to be close to an agreement, pending the provision of additional clarifications by the ISO. With respect to the remaining issues, the ISO and Puget will continue to work on these issues, and are committed to taking whatever additional steps are necessary in order to resolve these issues as quickly as possible without the need for further Commission intervention.

III. CONCLUSION

The ISO and Puget respectfully request that the Commission accept this second joint status report in compliance with the Commission's August 23 Order.

Respectfully submitted,

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Dated: September 22, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list for the captioned proceeding, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Washington, DC, on this 22nd day of September, 2006.

/s/ Bradley R. Miliauskas
Bradley Miliauskas