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November 7, 2003

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: California Independent System Operator Corporation  
Docket Nos. ER03-1222-000 and ER03-1222-001**

## **Amendment No. 57 to the Tariff – Compliance Filing**

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO") submits and original and six copies of this filing in compliance with the Commission's October 17, 2003 order in the captioned proceeding.<sup>1</sup>

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<sup>1</sup> *California Independent System Operator Corp.*, 105 FERC ¶ 61,071 (2003) ("October 17 Order"). The October 17 Order directed the ISO to make a compliance filing within fifteen days. October 17 Order, Ordering Paragraph C. Concurrently with this filing, the ISO is filing a Motion to Submit Compliance Filing Out-of-Time in the captioned dockets.

## **I. Background**

On August 18, 2003, the California Independent System Operator Corporation ("ISO") submitted Amendment No. 57 to the ISO Tariff. In Docket No. ER03-1222-000.<sup>2</sup> Amendment No. 57 is an addendum to ISO Tariff Amendment No. 49 that should complete the resolution of revenue disbursement to a New Participating Transmission Owner ("New Participating TO") that does not serve End-Use Customers. This amendment was to have been included with Amendment No. 49 but was inadvertently omitted.

The Tariff changes included in Amendment No. 57 were designed to add the final change to the disbursement of High Voltage Access Charge and Transition Charge Revenues that had been inadvertently left out of Amendment No. 49.

## **II. Compliance Filing**

In response to comments on Amendment 57 submitted by Pacific Gas and Electric Company ("PG&E"), the ISO agreed to revise the language included in ISO Tariff Appendix F, Schedule 3, Section 6.1 to refer to a no-load Participating TO's High Voltage Transmission Revenue Requirement or "HVTRR" (rather than just the TRR), in order to ensure clarity of the provision. The ISO proposed slightly different language from that proposed by PG&E in order to achieve this goal. It is this revised language which is the subject of this compliance filing.

## **III. Attachments**

The following documents, in addition to this letter, support this filing:

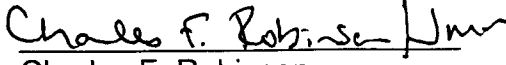

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|--------------|---|
| Attachment A | Revised Tariff sheets;                                    |
| Attachment B | Black-lined Tariff provisions showing the changes;<br>and |
| Attachment C | A Certificate of Service.                                 |

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<sup>2</sup> The ISO made an errata filing on Amendment No. 57

Two additional copies of this filing are enclosed to be date-stamped and returned to our messenger. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

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| <br>Charles F. Robinson<br>General Counsel<br>Anthony J. Ivancovich<br>Senior Regulatory Counsel<br>The California Independent<br>System Operator Corporation<br>151 Blue Ravine Road<br>Folsom, CA 95630 | <br>David B. Rubin<br>Julia Moore<br>Swidler Berlin Shereff Friedman, LLP<br>Suite 300<br>3000 K Street, N.W.<br>Suite 300<br>Washington, DC 20007 |
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Attorneys for the California Independent System Operator Corporation

## ATTACHMENT A

- (b) the annual high voltage TRBA adjustment shall be based on the principal balance in the high voltage TRBA as of September 30, which shall be calculated as a dollar amount based on the projected Transmission Revenue Credits as adjusted for the true up of the prior year's difference between projected and actual credits. For a Participating TO that is not a UDC, MSS or a Scheduling Coordinator serving End-Use Customers and that does not have Gross Load in its TO Tariff in accordance with Appendix F, Schedule 3, Section 9, the Participating TO shall include any over- or under- recovery of its annual High Voltage Transmission Revenue Requirement in its high voltage TRBA. If the annual high voltage TRBA adjustment involves only a partial year of operations, the Participating TO's over- or under- recovery shall be based on a partial year revenue requirement, calculated by multiplying the Participating TO's High Voltage Transmission Revenue Requirement by the number of days the High Voltage Transmission Facilities were under the ISO's Operational Control divided by the number of days in the year.

**7 Limitation**

- (a) During each year of the transition period described in this Schedule 3, the increase in the total payment responsibility applicable to deliveries of Energy to Gross Loads in the PTO Service Area of an Original Participating TO attributable to the total for the year of (i) the amount applicable for the Original Participating TO under Section 8.6 of the ISO Tariff; plus (ii) the amount applicable to the implementation of the High Voltage Access Charge shall not exceed the amount specified in paragraph (b) of this section. This limitation shall be calculated individually for each Original Participating TO, provided that, if the net effect of clauses (i) and (ii) of this paragraph is positive for one or more Original Participating TOs for any year, the combined net effect shall be allocated among all Original Participating TOs in proportion to the amounts specified in paragraph (b) of this section. This limitation shall be applied by the ISO's calculation annually of amounts payable by New Participating TOs to Original Participating TOs such that the combined effect of clauses (i) and (ii) of this paragraph, and the payments received by each Original Participating TO shall not exceed the amounts specified in paragraph (b) of this section. The amount receivable by the Original Participating TO from the New Participating TOs to implement the limitation in paragraph (b) of this section, shall be credited through the Transition Charge established pursuant to Section 5.7 of this Schedule 3.

Payment responsibility under this section, if any, shall be allocated among New  
Participating TOs in proportion to their TAC Benefits.

**ATTACHMENT B**

## Appendix F, Schedule 3, Section 6.1

- (b) the annual high voltage TRBA adjustment shall be based on the principal balance in the high voltage TRBA as of September 30, which shall be calculated as a dollar amount based on the projected Transmission Revenue Credits as adjusted for the true up of the prior year's difference between projected and actual credits. For a Participating TO that is not a UDC, MSS or a Scheduling Coordinator serving End-Use Customers and that does not have Gross Load in its TO Tariff in accordance with Appendix F, Schedule 3, Section 9, the Participating TO shall include any over- or under- recovery of its annual High Voltage Transmission Revenue Requirement in its high voltage TRBA. If the annual high voltage TRBA adjustment involves only a partial year of operations, the Participating TO's over- or under- recovery shall be based on a partial year revenue requirement, calculated by multiplying the Participating TO's High Voltage Transmission Revenue Requirement by the number of days the High Voltage Transmission Facilities were under the ISO's Operational Control divided by the number of days in the year.

### 7 Limitation

- (a) During each year of the transition period described in this Schedule 3, the increase in the total payment responsibility applicable to deliveries of Energy to Gross Loads in the PTO Service Area of an Original Participating TO attributable to the total for the year of (i) the amount applicable for the Original Participating TO under Section 8.6 of the ISO Tariff; plus (ii) the amount applicable to the implementation of the High Voltage Access Charge shall not exceed the amount specified in paragraph (b) of this section. This limitation shall be calculated individually for each Original Participating TO, provided that, if the net effect of clauses (i) and (ii) of this paragraph is positive for one or more Original Participating TOs for any year, the combined net effect shall be allocated among all Original Participating TOs in proportion to the amounts specified in paragraph (b) of this section. This limitation shall be applied by the ISO's calculation annually of amounts payable by New Participating TOs to Original Participating TOs such that the combined effect of clauses (i) and (ii) of this paragraph, and the payments received by each Original Participating TO shall not exceed the amounts specified in paragraph (b) of this section. The amount receivable by the Original Participating TO from the New Participating TOs to implement the limitation in paragraph (b) of this section, shall be credited through the Transition Charge established pursuant to Section 5.7 of this Schedule 3. Payment responsibility under this section, if any, shall be allocated among New Participating TOs in proportion to their TAC Benefits.

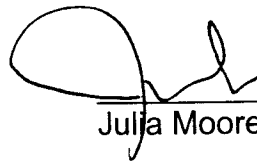


**ATTACHMENT C**

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-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 7<sup>th</sup> of November, 2003.



Julia Moore