



September 2, 2008

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: *California Independent System Operator Corporation*
Docket No. ER08-____-000

Transmission Access Charge Informational Filing

Dear Secretary Bose:

Please find enclosed an original and 5 copies of an informational filing by the California Independent System Operator Corporation (“CAISO”) that is intended to provide notice regarding the CAISO’s revised transmission Access Charges (“TAC”) effective March 1, 2008 through April 3, 2008. The basis for the revision is to implement the revised Transmission Revenue Requirement (“TRR”) of Pacific Gas and Electric Company (“PG&E”) as of March 1 resulting from an uncontested offer of settlement regarding Pacific AC Intertie issues by PacifiCorp, PG&E, the CAISO, and other parties filed with the Commission that included a provision for a revision to PG&E’s TRR. The revised TRR of PG&E was accepted by the Commission in an order issued on December 20, 2007 in Docket No. ER08-255 et al.¹

As first noted in the CAISO’s TAC rates informational filing in Docket No. ER08-1321, which set forth revisions to the CAISO’s TAC rates effective April 4, 2008, and as reiterated in the CAISO’s subsequent informational filings in Docket Nos. ER08-1349 and ER08-1409, the revision to PG&E’s TRR described herein has already been reflected in the revised Access Charges and Wheeling Access Charges that the CAISO has filed in Docket Nos. ER08-1321, ER08-1349, and ER08-1409. As noted in its filings in each of those dockets, the CAISO has deferred until now submitting a separate informational filing describing the effect of this PG&E TRR revision and the need for a recalculation of TAC rates for the period from March 1, 2008 through April 3, 2008. The

¹ *PacifiCorp et al.*, 121 FERC 61,278 (2007). Among other actions by the Commission with regard to the uncontested offer of settlement approved therein, the order accepted the proposed PG&E TRR revision for filing effective March 1, 2008, subject to refund and subject to a final cost allocation being determined in Docket No. ER07-1213-000. The resolution of issues in Docket No. ER07-1213 is currently pending settlement judge proceedings, regarding which the settlement judge filed a report on July 29 that the parties have reached an agreement in principle.

delay in this filing has resulted from the need for the CAISO to recalculate the TAC rates that should have been effective as of March 1, 2008, to prepare the worksheets illustrating the recalculated TAC rates, and to ensure that all stakeholders were in agreement with the recalculated TAC rates. The CAISO has also needed to devote time and resources to preparing the invoices implementing these recalculated TAC rates. By a Market Notice issued on August 20, 2008 and posted on the CAISO Website, the CAISO informed Market Participants that it issued invoices for the adjusted TAC rates for March 2008 on August 20, 2008.²

Changes in Rates

The TAC rates provided in the present filing revise the Access Charges and Wheeling Access Charges provided for informational purposes in the CAISO's submission of May 14, 2008 in Docket No. ER08-972 (deemed by the Commission as filed on May 15, 2008).³ As those revisions to the CAISO's TAC rates were also effective March 1, 2008, the revisions described in this filing should have been implemented at that time concurrent with those revisions. However, due to the oversight described above, the CAISO did not implement the revisions described in this filing until April of 2008. Nevertheless, pursuant to the Commission order in Docket No. ER08-255, the changes in the present filing were effective March 1, 2008, in accordance with CAISO Tariff Appendix F, Schedule 3, Section 8.

Worksheets illustrating the recalculation of the CAISO's TAC rates are included with the present transmittal letter as Attachment A. The recalculated rates for each of the TAC Areas, which were effective March 1, 2008 through April 3, 2008, are as follows:

Northern Area-	\$3.7362/MWh
East/Central Area	\$3.7924/MWh
Southern Area	\$3.5461/MWh ⁴

² The CAISO previously incorporated the revised TAC rates for the period from April 1 through April 3, 2008 into the CAISO's regular invoices issued for the month of April 2008.

³ As the revised Access Charges and Wheeling Access Charges in the present filing include a revision to the TRR of PG&E that was effective March 1, 2008, the revisions included in this filing do not modify current TAC rates, but rather the TAC rates in effect as of March 1, which were the subject of the prior filing in Docket No. ER08-972.

⁴ The CAISO wishes to emphasize that these are not the CAISO's current TAC rates, but only the TAC rates effective March 1, 2008 through April 3, 2008. The CAISO's current TAC rates are set forth in the informational filing submitted by the CAISO on August 14, 2008 in Docket No. ER08-1409 (deemed by the Commission as filed on August 15, 2008).

Communications regarding this filing should be addressed to the following individuals, whose names should be placed on the official service list established by the Secretary with respect to this submittal:

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The CAISO has served copies of this transmittal letter and attachments hereto on the Public Utilities Commission of the State of California, the California Energy Commission, and the Participating TOs, and on all parties with effective Scheduling Coordinator Agreements under the CAISO Tariff. In addition, the CAISO is posting this transmittal letter and all attachments on the CAISO Website.

An additional copy of this filing is enclosed to be date-stamped and returned in the enclosed, pre-paid Federal Express envelope. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,



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Attachment

ATTACHMENT A

March 01, 2008 TAC Rates Based on Filed Annual TRR/TRBA and Load Data

Based on the FERC Order on PG&Es Revised Transmission Revenue Requirement (Docket No. ER08-255)

TAC Components:

	Filed Annual TRR Existing HV Facilities (\$) [1]	Filed Annual TRR New HV Facilities (\$) [2]	Filed Annual Gross Load (MWh) [3]	TAC Area [4]	Total Filed TRR (\$) = [1] + [2] [5]	EHVF only Utility Specific Rate (\$/MWh) [6] = [1] / [3]	EHVF only TAC Area Rate (\$/MWh) [7] = [2] [1]	HV Utility Specific Rate (\$/MWh) [8] = [5] / [3]	TAC Area Rate (\$/MWh) [9] = [19]
PGE	\$ 170,711,601	\$ 194,448,728	90,934,164	N	\$ 365,160,329	\$ 1.8773	\$ 1.9060	\$ 4.0157	\$ 3.7362
SCE	\$ 159,363,861	\$ 94,316,942	91,670,569	EC	\$ 253,680,803	\$ 1.7384	\$ 1.9622	\$ 2.7673	\$ 3.7924
SDGE	\$ 19,708,518	\$ 65,557,597	21,271,145	S	\$ 85,266,115	\$ 0.9265	\$ 1.7159	\$ 4.0085	\$ 3.5461
Anaheim	\$ 21,670,561	\$ -	2,766,313	EC	\$ 21,670,561	\$ 7.8337	\$ 1.9622	\$ 7.8337	\$ 3.7924
Azusa	\$ 1,008,851	\$ -	239,575	EC	\$ 1,008,851	\$ 4.2110	\$ 1.9622	\$ 4.2110	\$ 3.7924
Banning	\$ 830,074	\$ -	139,457	EC	\$ 830,074	\$ 5.9522	\$ 1.9622	\$ 5.9522	\$ 3.7924
Pasadena	\$ 8,706,949	\$ -	1,239,884	EC	\$ 8,706,949	\$ 7.0224	\$ 1.9622	\$ 7.0224	\$ 3.7924
Riverside	\$ 13,680,083	\$ -	1,814,019	EC	\$ 13,680,083	\$ 7.5413	\$ 1.9622	\$ 7.5413	\$ 3.7924
Vernon	\$ 8,551,622	\$ -	1,210,668	EC	\$ 8,551,622	\$ 7.0636	\$ 1.9622	\$ 7.0636	\$ 3.7924
Atlantic P15	\$ -	\$ 32,373,056	-	N	\$ 32,373,056	\$ -	\$ -	\$ -	\$ 3.7362
ISO Total	\$ 404,232,121	\$ 386,696,323	211,285,794		\$ 790,928,444				

STEP 1: Calculate the Access Charge Rate for each TAC Area.

TAC-Area portion is the percent of Total TRR in each area which has not yet transitioned to the ISO (20%) divided by the Total Load of each area.

The ISO portion is the percent of all TRR which has transitioned to ISO-Wide (80%), plus the TRR of New HV Facilities, divided by total load.

	Annual TRR Existing HV Facilities (\$) [10] = [1]	Annual TAC Area TRR (\$) [11] = [10] x 20%	Annual Gross Load (MWh) [12] = [3]	TAC Area Rate (\$/MWh) [13] = [11] / [12]	ISO Wide TRR Existing HV Facilities (\$) [14] Total ([10] x 80%)	ISO Wide TRR New HV Facilities (\$) [15] = Total [2]	ISO Wide Annual Gross Load (MWh) [16] = Total [3]	ISO Wide Rate (\$/MWh) [17] = ([14] + [15]) / [16]	EHVF only ISO-Wide Rate (\$/MWh) [18] = [14] / [16]	TAC Rate (TAC Area + ISO Wide) (\$/MWh) [19] = [13] + [17]	Wheeling Rate (TAC Area + ISO Wide) (\$/MWh) [20] = [19]	Existing HV Facilities (EHVF) only TAC Rate (\$/MWh) [21] = [13] + [18]	New HV Facilities (NHVF) only TAC Rate (\$/MWh) [22] = [15] / [16]
North	\$ 170,711,601	\$ 34,142,320	90,934,164	\$ 0.3755						\$ 3.7362	\$ 3.7362	\$ 1.9060	\$ 1.8302
East/C	\$ 213,812,002	\$ 42,762,400	99,080,485	\$ 0.4316						\$ 3.7924	\$ 3.7924	\$ 1.9622	\$ 1.8302
South	\$ 19,708,518	\$ 3,941,704	21,271,145	\$ 0.1853						\$ 3.5461	\$ 3.5461	\$ 1.7159	\$ 1.8302
Total	\$ 404,232,121	\$ 80,846,424	211,285,794										
ISO-wide	\$ 323,385,697	\$ 386,696,323	211,285,794	\$ 3.3608					\$ 1.5306				

March 01, 2008 TAC Rates Based on Filed Annual TRR/TRBA and Load Data

STEP 2: Calculate the HV Access Charge the UDC/MSS pays on Filed Gross Load and Benefit/Burden. Note: ISO total for (Benefit)/Burden may not equal zero due to rounding of TAC Rate.

TAC Area	Filed Gross Load (MWH)	EHVF only TAC Rate (\$/MWH)	Amount Paid Based on Filed Gross Load (\$)	EHVF only Utility Specific Rate (\$/MWH)	Would Have Paid w/ EHVF Utility Specific Rate (\$)	EHVF Access Charge (Benefit)/Burden (\$)
[23] = [4]	[24] = [3]	[25] = [7]	[26] = [24] x [25]	[27] = [6]	[28] = [24] x [27]	[29] = [26] - [28]
PGE N	90,934,164	\$ 1.9060	\$ 173,322,562	\$ 1.8773	\$ 170,711,601	\$ 2,610,961
SCE EC	91,670,569	\$ 1.9622	\$ 179,871,690	\$ 1.7384	\$ 159,363,861	\$ 20,507,829
SDGE S	21,271,145	\$ 1.7159	\$ 36,498,479	\$ 0.9265	\$ 19,708,518	\$ 16,789,961
Anaheim EC	2,766,313	\$ 1.9622	\$ 5,427,930	\$ 7.8337	\$ 21,670,561	\$ (16,242,631)
Azusa EC	239,575	\$ 1.9622	\$ 470,083	\$ 4.2110	\$ 1,008,851	\$ (538,769)
Banning EC	139,457	\$ 1.9622	\$ 273,636	\$ 5.9522	\$ 830,074	\$ (556,438)
Pasadena EC	1,239,884	\$ 1.9622	\$ 2,432,842	\$ 7.0224	\$ 8,706,949	\$ (6,274,107)
Riverside EC	1,814,019	\$ 1.9622	\$ 3,559,383	\$ 7.5413	\$ 13,680,083	\$ (10,120,700)
Vernon EC	1,210,668	\$ 1.9622	\$ 2,375,516	\$ 7.0636	\$ 8,551,622	\$ (6,176,106)
ISO Total	211,285,794		\$ 404,232,121		\$ 404,232,121	\$ (0)

STEP 3: For Information Only -- Projected annual net benefits/burdens from Access Charge for Existing Facilities.

\$32/32/8 million cap for IOUs; munis are held harmless; IOUs pay muni cost increases in proportion to their cap relative to the total cap.

	EHVF Access Charge (Benefit)/Burden (\$)	IOU Burden Annual Cap (\$)	Amount IOUs' Cap Exceeds IOUs' Burden (\$)	Amount IOU's Burden Exceeds IOU's Cap (\$)	Payments by Entities with Net Benefit (\$)	Mitigation Payments (\$)	Adjusted Net (Benefit) / Burden (\$)	Reallocation IOU Burden (\$)	Transition Charge (\$)	Adjusted Net (Benefit) / Burden (\$)	Transition Charge Rate (\$/MWh)
	[30] = [29]	[31]	IF ([31] - [30] > 0) = [31] - [30]. if no cap, then 0.	IF [30] - [31] > 0 = [30] - [31]. if no cap, then 0.	IOUs = ([32] / total[32]) x total[33]. Munis w/ Benefit = ([30] / total[30]) x total[33] - total[32]	[35] = [34] - [33]	[36] = [30] + [35]	Reallocate IOU Burden [39] so it is proportional to IOU Cap [31] = [39] - [36]	[38] = [35] + [37]	[39] = [36] + [37]	[40] = [38] / [24]
PGE	\$ 2,610,961	\$ 32,000,000	\$ 29,389,039	\$ 0	\$ 6,319,003	\$ 6,319,003	\$ 8,929,964	\$ 8,807,258	\$ 15,126,261	\$ 17,737,223	\$ 0.1663
SCE	\$ 20,507,829	\$ 32,000,000	\$ 11,492,171	\$ 0	\$ 2,470,957	\$ 2,470,957	\$ 22,978,787	\$ (5,241,564)	\$ (2,770,607)	\$ 17,737,223	\$ (0.0302)
SDGE	\$ 16,789,961	\$ 8,000,000	\$ 0	\$ 8,789,961	\$ 0	\$ (8,789,961)	\$ 8,000,000	\$ (3,565,694)	\$ (12,355,655)	\$ 4,434,306	\$ (0.5809)
Anaheim	\$ (16,242,631)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (16,242,631)	\$ 0	\$ 0	\$ (16,242,631)	\$ 0
Azusa	\$ (538,769)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (538,769)	\$ 0	\$ 0	\$ (538,769)	\$ 0
Banning	\$ (556,438)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (556,438)	\$ 0	\$ 0	\$ (556,438)	\$ 0
Pasadena	\$ (6,274,107)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,274,107)	\$ 0	\$ 0	\$ (6,274,107)	\$ 0
Riverside	\$ (10,120,700)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (10,120,700)	\$ 0	\$ 0	\$ (10,120,700)	\$ 0
Vernon	\$ (6,176,106)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,176,106)	\$ 0	\$ 0	\$ (6,176,106)	\$ 0
Total	\$ 0	\$ 72,000,000	\$ 40,881,209	\$ 8,789,961	\$ 8,789,961	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

March 01, 2008 TAC Rates

Based on Filed Annual TRR/TRBA and Load Data

STEP 4: For Information Only -- Projected annual net benefits/burdens from Access Charge for New Facilities and Total projected annual net benefits/burdens from Access Charge.

	Filed Annual TRR New HV Facilities (\$) [41] = [2]	ISO Wide Annual Gross Load (MWh) [42] = [3]	New HVTRR Rate (\$/MWh) [43] = ([15]) / [16]	New HVTRR Cost Responsibility (\$) [44] = ([42]) * [43]	NHVF Access Charge (Benefit)/Burden (\$) [45] = ([44]) - [41]	Total Access Charge (Benefit)/Burden (\$) [46] = ([45]) + [39]
PGE	\$ 194,448,728	90,934,164	\$ 1.8302	\$ 166,428,164	\$ (28,020,564)	\$ (10,283,341)
SCE	\$ 94,316,942	91,670,569	\$ 1.8302	\$ 167,775,937	\$ 73,458,995	\$ 91,196,217
SDGE	\$ 65,557,597	21,271,145	\$ 1.8302	\$ 38,930,557	\$ (26,627,040)	\$ (22,192,735)
Anaheim	\$ -	2,766,313	\$ 1.8302	\$ 5,062,920	\$ 5,062,920	\$ (11,179,711)
Azusa	\$ -	239,575	\$ 1.8302	\$ 438,471	\$ 438,471	\$ (100,297)
Banning	\$ -	139,457	\$ 1.8302	\$ 255,235	\$ 255,235	\$ (301,203)
Pasadena	\$ -	1,239,884	\$ 1.8302	\$ 2,269,242	\$ 2,269,242	\$ (4,004,865)
Riverside	\$ -	1,814,019	\$ 1.8302	\$ 3,320,027	\$ 3,320,027	\$ (6,800,673)
Vernon	\$ -	1,210,668	\$ 1.8302	\$ 2,215,771	\$ 2,215,771	\$ (3,960,335)
Atlantic P15	\$ 32,373,056	0	\$ 1.8302	\$ 0	\$ (32,373,056)	\$ (32,373,056)
Total	\$ 386,696,323	211,285,794		\$ 386,696,323	\$ 0	\$ 0