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September 11, 2002

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 No. ER02-2192-___

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")[1] respectfully submits six copies of the present filing in compliance with the Commission's August 27, 2002 order in the captioned docket concerning Amendment No. 45 to the ISO Tariff, 100 FERC ¶ 61,209 ("Amendment No. 45 Order").

In the Amendment No. 45 Order, the Commission explained in relevant part as follows:

> As previously noted, the ISO has proposed a tariff revision that will require all [Participating Transmission Owners] to make an annual adjustment to their [Transmission Revenue Balancing Account ("TRBA")] to be effective January 1. We find this proposal reasonable. However, we agree . . . that Appendix F, Schedule 3, Section 6.1(b) [of the ISO Tariff] should be amended to reflect the fact that the annual TRBA adjustment would no longer be based upon actual data for the prior calendar year but for a different period. Accordingly, we will require the ISO to make a compliance filing to reflect this modification.

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1 Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff.

Amendment No. 45 Order, 100 FERC at P 24. The Commission directed the ISO to submit the compliance filing within 15 days. *Id.* at P 1.

Accordingly, the ISO now submits modifications to the referenced section of the ISO Tariff to comply with the Commission's directive. The section, as modified, reflects the fact that "[r]evisions to the Transmission Revenue Balancing Account adjustment shall be made effective annually on January 1 based on the principal balance in the TRBA as of September 30 of the prior year and a forecast of Transmission Revenue Credits for the next year."[2]

The modification are contained in the revised ISO Tariff sheet provided in Attachment A to the present filing, and are shown in black-line format in Attachment B to the present filing. Additionally, the ISO submits, in Attachment C to the present filing, a form notice of filing suitable for publication in the Federal Register, along with a computer diskette containing the notice of filing.

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

Respectfully submitted,

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2 ISO Tariff, Appendix F, Schedule 3, § 8.1. The ISO Tariff language quoted above was provided in Amendment No. 45.

ATTACHMENT A

(b) the annual TRBA adjustment shall be based on the principal balance in the 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.

7 Limitation

(a) During each year of the transition period described in Section 4 of this Schedule 3, the increase in the total payment responsibility applicable to deliveries of Energy to Gross Loads in the 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; less (iii) the amount by which the GMC payable with respect to deliveries of Energy to Gross Loads in the Service Area of the Original Participating TO is reduced due to the inapplicability to New Participating TOs of the exclusion of certain volumes in the calculation of GMC responsibility in accordance with Schedule 1 to this Appendix F, shall not exceed the amount specified in paragraph (b), below. This limitation shall be calculated individually for each Original Participating TO, provided that, if the net effect of items (i), (ii) and (iii) above 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). 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 items (i), (ii), and (iii) above, and the payments received by each Original Participating TO shall not exceed the amounts specified in paragraph (b). The amount receivable by the Original Participating TO from the New Participating TOs to implement the limitation in paragraph (b) below, 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 positive TAC Benefits.

(b) The maximum annual amounts for Original Participating TO shall be as follows:

(i) For Pacific Gas and Electric Company and Southern California Edison Company, the maximum annual amount shall be thirty-two million dollars ($32,000,000.00) each; and

(ii) For San Diego Gas & Electric Company, the maximum annual amount shall be eight million dollars ($8,000,000.00).

ATTACHMENT B

ISO Tariff Appendix F
Schedule 3
High Voltage Access Charges

* * *

6.1 The High Voltage Transmission Revenue Requirement of a Participating TO will be determined consistent with ISO procedures posted on the ISO Home Page and shall be the sum of:

(a) the Participating TO's High Voltage Transmission Revenue Requirement (including costs related to Existing Contracts associated with transmission by others and deducting transmission revenues actually expected to be received by the Participating TO related to transmission for others in accordance with Existing Contracts, less the sum of the Standby Transmission Revenues); and

(b) the annual TRBA adjustment shall be based on the principal balance in the 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 ~~calendar~~ year's difference between projected and actual credits.

ATTACHMENT C

NOTICE OF FILING SUITABLE FOR PUBLICATION IN THE FEDERAL REGISTER

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation	))	**Docket No. ER02-2192-___**

Notice of Filing of Compliance Filing

[ ]

Take notice that on September 11, 2002, the California Independent System Operator Corporation (ISO) submitted for filing modifications to the ISO Tariff to comply with the Commission's August 27, 2002 order in the captioned docket concerning Amendment No. 45 to the ISO Tariff, 100 FERC ¶ 61,209. The ISO has served copies of the filing on all parties in the captioned docket.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211, 385.214). All such motions and protests should be filed on or before [ ], 2002. Protests will be considered by the Commission to determine the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection. This filing may also be viewed on the Internet at <http://www.ferc.gov> using the "RIMS" link, select "Docket#" and follow the instructions (call 202-208-2222 for assistance). Comments, protests, and interventions may be filed electronically via the Internet in lieu of paper. See 18 C.F.R. § 385.2001(a)(1)(iii) and the instructions on the Commission's Internet site under the "e-Filing" link.