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REGULATORY COMMISSION

June 23, 2003

BY HAND

**DATE STAMP AND RETURN**

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. ER03-608, ER00-2019-006 and ER01-819-002**

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")<sup>1</sup> respectfully submits six copies of this informational filing in accordance with the Commission's order of May 30, 2003 in the above-captioned proceeding, 103 F.E.R.C. ¶161,260 ("May 30<sup>th</sup> Order"), in which the Commission acted on an amendment ("Amendment No. 49") to the ISO Tariff. In the May 30<sup>th</sup> Order, the Commission *inter alia* accepted and suspended until June 1, 2003, a revision to Appendix F, Schedule 3, Section 5.7 of ISO Tariff, as that provision was originally filed in a prior amendment ("Amendment No. 27"). The revised provision excludes the cost of New High Voltage Facilities from the calculation of the Transition Charge. Although this filing does not change the Transmission Access Charge rates, it provides notice of the Transmission Access Charge ("TAC") rates that came into effect on June 1, 2003 in accordance with the new method.

**I. Background**

On March 11, 2003, the ISO filed Amendment No. 49 in Docket No. ER03-608-000 in order to resolve a number of outstanding issues regarding the Access Charge methodology set forth in Amendment No. 27,<sup>2</sup> as well as to address certain issues that arose in connection with the implementation of the

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

<sup>2</sup> The ISO filed Amendment No. 27 on March 31, 2000, in order to propose a new methodology for determining transmission Access Charges, through which the embedded costs of the transmission facilities comprising the ISO Controlled Grid are recovered. This filing was required by Section 9600(a)(2)(A) of California's AB 1890 and later by the Commission. See

Access Charge methodology. As noted above, the May 30<sup>th</sup> Order accepts, suspends and sets for hearing the revised method proposed in Amendment No. 49 for the calculation of the Transition Charge.<sup>3</sup>

Under the effective method included in Amendment No. 27, the Transmission Revenue Requirement ("TRR") attributable to New High Voltage Facilities was included in the costs used to determine the shift and the Transition Charge calculation. Under the revised method included in Amendment No. 49, the TRR attributable to New High Voltage Facilities is excluded from this calculation. Consequently, the Access Charge and Wheeling Access Charge rates effective June 1, 2003, pursuant to the May 30<sup>th</sup> Order reflect the new method for calculating the Transition Charge.

## II. Compliance with the May 30<sup>th</sup> Order

The rates for each TAC Area<sup>4</sup>, as of June 1, 2003 are:

- \$1.5848 for the North TAC Area;
- \$2.3887 for the East/Central TAC Area; and
- \$2.2693 for the South TAC Area.

The Transition Charge as of June 1, 2003 is:

- \$0.0320/MWh for Pacific Gas and Electric Company;
- \$(0.1105)/MWh for Southern California Edison Company; and
- \$0.3716/MWh for San Diego Gas and Electric Company.

The calculation of these rates is provided in Attachment A hereto.

## III. Service

The ISO has served copies of this filing on the Public Utilities Commission of the State of California, the California Energy Commission, the California Electricity Oversight Board, the Participating

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*Pacific Gas & Electric Co., et al.*, 77 F.E.R.C. ¶61,204 at 61,827 (1996). The ISO Governing Board approved the transmission Access Charge filing after an extensive multi-year stakeholder process. By order dated May 31, 2000, the Commission accepted Amendment No. 27 for filing, suspended it, and set for hearing the proposed Access Charge methodology and related tariff provisions. *California Independent System Operation Corp.*, 94 F.E.R.C. 61,205 (2000).

<sup>3</sup> The Commission consolidated this and four other issues set for hearing in Amendment No. 49 (Docket No. ER03-608-000) with issues set for hearing in Amendment No. 27 (Docket Nos. ER00-2019, et al.) May 30<sup>th</sup> Order at P 7. These issues are now under consideration in a proceeding before Judge Bobbie McCartney.

<sup>4</sup> Currently Pacific Gas & Electric Company is in the North TAC Area; San Diego Gas & Electric Company is in the South TAC Area; and Southern California Edison Company and the Cities of Anaheim, Azusa, Banning, Riverside and Vernon are in the East/Central TAC Area.

Transmission Owners under the ISOTariff, all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff, and to all parties not among the foregoing on the restricted service list in the above-captioned proceeding. The ISO also has prepared a form of notice suitable for publication in the *Federal Register* (Attachment B) and provided it in electronic form on the enclosed diskette. This filing will be posted as well on the ISO's Website.

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Two additional copies of this filing are enclosed, which the ISO requests be time-stamped and returned with its courier. Please contact one of the undersigned at (202) 424-7500 if you have any questions regarding this filing.

Respectfully Submitted,



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# **Attachment A**

June 1, 2003 TAC Rate  
Based on Compliance with Amendment 49

TAC Components:

RATE @ 1Jun03									
	Filed Annual TRR Existing HV Facilities (\$)	Filed Annual TRR New HV Facilities (\$)	Filed Annual Gross Load (MWh)	TAC Area	Total Filed TRR (\$1000)	HV Utility Specific Rate (\$/MWh)	TAC Area Rate (\$/MWh)		
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
PG&E	\$ 116,274,905	\$ -	85,707,000	N	\$ 116,274,905	\$ 1.3567	\$ 1.5848		
SCE	\$ 169,346,053	\$ 7,062,648	84,358,000	EC	\$ 177,008,701	\$ 2.0983	\$ 2.3887		
SDG&E	\$ 41,321,927	\$ 815,050	17,700,683	S	\$ 42,136,977	\$ 2.3805	\$ 2.2693		
Anaheim	\$ 23,665,095	\$ -	2,589,830	EC	\$ 23,665,095	\$ 9.1377	\$ 2.3887		
Azusa	\$ 1,812,911	\$ -	239,575	EC	\$ 1,812,911	\$ 7.5672	\$ 2.3887		
Banning	\$ 1,262,005	\$ -	139,457	EC	\$ 1,262,005	\$ 9.0494	\$ 2.3887		
Riverside	\$ 19,481,736	\$ -	1,814,019	EC	\$ 19,481,736	\$ 10.7395	\$ 2.3887		
Vernon	\$ 10,175,975	\$ -	1,210,668	EC	\$ 10,175,975	\$ 8.4053	\$ 2.3887		
<b>Total</b>	<b>\$ 383,940,607</b>	<b>\$ 7,877,698</b>	<b>193,759,232</b>		<b>\$ 391,818,305</b>				

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 (70%) divided by the Total Load of each area. The ISO portion is the percent of all TRR which has transitioned to ISO-Wide (30%), plus the TRR of New HV Facilities, divided by total load.

	Annual TRR Existing HV Facilities (\$)	Annual TRR New HV Facilities (\$)	Annual Gross Load (GWh)	TAC Area Rate (\$/MWh)	ISO Wide TRR New HV Facilities (\$)	ISO Wide Annual Gross Load (GWh)	ISO Wide Rate (\$/MWh)	TAC Rate (TAC Area + ISO Wide) (\$/MWh)	Wheeling Rate (TAC Area + ISO Wide) (\$/MWh)
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
North	\$ 116,274,905	\$ 81,392,434	85,707,000	\$ 0.9497				\$ 1.5848	\$ 1.58
East/C	\$ 226,343,775	\$ 158,440,643	90,351,549	\$ 1.7536				\$ 2.3887	\$ 2.39
South	\$ 41,321,927	\$ 28,925,349	17,700,683	\$ 1.6341				\$ 2.2693	\$ 2.27
<b>Total</b>	<b>\$ 383,940,607</b>	<b>\$ 268,758,425</b>	<b>193,759,232</b>						
<b>ISO-wide</b>	<b>\$ 115,182,182</b>	<b>\$ 7,877,698</b>	<b>193,759,232</b>	<b>\$ 0.6351</b>					

STEP 2: Calculate the HV Access Charge the UDC/MSS pays on Filed Gross Load and Benefit/Burden

	Filed Gross Load (MWh)	TAC Area Rate for Existing HV Facilities (\$/MWh)	Amount Paid Based on Filed Gross Load (\$)	Utility Specific Rate for Existing HV Facilities (\$/MWh)	Would Have Paid w/ Utility Specific Rate (\$)	Access Charge (Benefit)/Burden (\$)
	[1]	[2]	[3]	[4]	[5]	[6]
PG&E	85,707,000	\$ 1.5441	\$ 132,341,847	\$ 1.3567	\$ 116,274,905	\$ 16,066,942
SCE	84,358,000	\$ 2.3481	\$ 198,077,831	\$ 2.0146	\$ 169,946,053	\$ 28,131,778
SDG&E	17,700,683	\$ 2.2286	\$ 39,447,703	\$ 2.3345	\$ 41,321,927	\$ (1,874,224)

June 1, 2003 TAC Rate  
Based on Compliance with Amendment 49

Anaheim	EC	2,589,830	\$	2,3481	\$	6,081,082	\$	9,1377	\$	23,665,095	\$	(17,584,013)
Azusa	EC	239,575	\$	2,3481	\$	562,537	\$	7,5672	\$	1,812,911	\$	(1,250,374)
Banning	EC	139,457	\$	2,3481	\$	327,454	\$	9,0494	\$	1,262,005	\$	(934,551)
Riverside	EC	1,814,019	\$	2,3481	\$	4,259,429	\$	10,7395	\$	19,481,736	\$	(15,222,307)
Vernon	EC	1,210,668	\$	2,3481	\$	2,842,724	\$	8,4053	\$	10,175,975	\$	(7,333,251)
<b>Total</b>		<b>193,759,232</b>				<b>383,940,607</b>				<b>383,940,607</b>		<b>(0)</b>

Note: ISO total for Access Charge (Benefit)/Burden may not equal zero due to rounding of TAC Rate

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

\$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.

	Access Charge (Benefit)/ Burden (\$)	Annual Cap on IOU Burden (\$)	Amount IOUs' Cap Exceeds IOUs' Burden (\$)	Amount Burden Exceeds Cap (\$)	Payments by Entities with Net Benefit (\$)	Mitigation Payments (\$)	Adjusted Net (Benefit) Burden (\$)	Reallocation of IOU Burden (\$)	Transition Charge (\$)	Adjusted Net (Benefit) Burden (\$)	Transition Charge Rate (\$/MWh)
	[24]	[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]	[34]
	= [23]	IF [25] - [24] > 0 = [25] - [24]. If no cap, then 0.	IF [25] - [26] > 0 = [25] - [26]. If no cap, then 0.	IF [24] - [25] > 0 = [24] - [25]. If no cap, then 0.	IOUs = [28] / total [26] x total [27]. Munis w/Benefit = ([24] / total [27] - total [26]) x total [27].	= [28] - [27]	= [24] + [29]	Reallocate IOU Burden so it is proportional to IOU Cap	= - [27] + [29] + [31]	= [30] + [31]	= [32] / [18]
PG&E	\$ 16,066,942	\$ 32,000,000	\$ 15,933,058	\$ 0	\$ 0	\$ 0	\$ 16,066,942	\$ 2,743,945	\$ 2,743,945	\$ 18,810,887	\$ 0.0320
SCE	\$ 28,131,778	\$ 32,000,000	\$ 3,868,222	\$ 0	\$ 0	\$ 0	\$ 28,131,778	\$ (9,320,891)	\$ (9,320,891)	\$ 18,810,887	\$ (0.1105)
SDG&E	\$ (1,874,224)	\$ 8,000,000	\$ 9,874,224	\$ 0	\$ 0	\$ 0	\$ (1,874,224)	\$ 6,576,946	\$ 6,576,946	\$ 4,702,722	\$ 0.3716
Anaheim	\$ (17,584,013)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (17,584,013)	\$ 0	\$ 0	\$ (17,584,013)	\$ 0.0000
Azusa	\$ (1,250,374)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,250,374)	\$ 0	\$ 0	\$ (1,250,374)	\$ 0.0000
Banning	\$ (934,551)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (934,551)	\$ 0	\$ 0	\$ (934,551)	\$ 0.0000
Riverside	\$ (15,222,307)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (15,222,307)	\$ 0	\$ 0	\$ (15,222,307)	\$ 0.0000
Vernon	\$ (7,333,251)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,333,251)	\$ 0	\$ 0	\$ (7,333,251)	\$ 0.0000
<b>Total</b>	\$ (0)	\$ 72,000,000	\$ 29,675,504	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)

Note: Amendment 49 compliance

**June 2003 ISO Access Charge Rate**  
**HIGH VOLTAGE AND LOW VOLTAGE COMPONENTS**

						Info Only		
PTO	HV TRR	LV TRR	New HV Facilities	New LV Facilities	Total HV Filed TRR	Total LV Filed TRR	Combined TRR	
PGE	Base TRR	154,356,411	211,743,589			154,356,411	211,743,589	366,100,000
	TRBAA (as of 30Sep02)	(37,385,610)	(17,539,182)			(37,385,610)	(17,539,182)	(54,924,792)
	Standby Credit	(695,896)	(954,619)			(695,896)	(954,619)	(1,650,515)
	Total	116,274,905	193,249,788			116,274,905	193,249,788	309,524,693
	Gross Load	85,707,000	85,707,000			85,707,000	85,707,000	85,707,000
	Utility Specific Access Charges (\$/kWh)	1.3567	2.2548			1.3567	2.2548	3.6114
	Effective Date	6-May-01ER01-839 (Approved)						
	Docket #	1-Jan-03 ER03-??? (????)						
SCE	Base TRR	213,079,025	29,065,800	8,855,175		221,934,200	29,065,800	251,000,000
	TRBAA (as of 30Sep02)	(42,061,674)	(1,850,304)	(1,748,006)		(43,809,680)	(1,850,304)	(45,659,984)
	Standby Credit	(1,071,298)	(134,259)	(44,521)		(1,115,819)	(134,259)	(1,250,078)
	Total	169,946,053	27,081,237	7,062,648		177,008,701	27,081,237	204,089,938
	Gross Load	84,358,000	84,358,000	84,358,000		84,358,000	84,358,000	84,358,000
	Utility Specific Access Charges (\$/kWh)	2.0146	0.3210	0.0837		2.0983	0.3210	2.4193
	Effective Date	1-Sep-02 ER02-925 (Settled)		1-Sep-02				
	Docket #	1-Jan-03 ER03-??? (????)		ER02-925 (Accepted)				
SDGE	Base TRR	53,591,200	50,408,800	820,760	338,570	54,411,960	50,747,370	105,159,330
	TRBAA (as of 30Sep02)	(12,093,556)	1,986,497	(5,710)	13342	(12,099,266)	1,999,839	(10,099,427)
	Standby Credit	(175,717)	(165,283)			(175,717)	(165,283)	(341,000)
	Total	41,321,927	52,230,014	815,050	351,912	42,136,977	52,581,926	94,718,903
	Gross Load	17,700,683	17,700,683	17,700,683	17,700,683	17,700,683	17,700,683	17,700,683
	Utility Specific Access Charges (\$/kWh)	2.3345	2.9507	0.0460	0.0199	2.3805	2.9706	5.3511
	Effective Date	1-Jan-01 ER97-2364 (Approved)		1-Jul-02 ER02-1687 (Accepted)				
	Docket #	1-Jan-03 ER03-??? (????)		1-Nov-01 ER01-3074 (Accepted)				
Vernon	Base TRR	10,216,178				10,216,178		10,216,178
	TRBAA (as of 30Sep02)	(40,203)				(40,203)		(40,203)
	Standby Credit	-				-		-
	Total	10,175,975				10,175,975		10,175,975
	Gross Load	1,210,668				1,210,668		1,210,668
	Utility Specific Access Charges (\$/kWh)	8.4053				8.4053		8.4053
	Effective Date	1-Jan-03						
	Docket #	EL03-31 (Filed)						

Note: Amendment 49 compliance

**June 2003 ISO Access Charge Rate**  
**HIGH VOLTAGE AND LOW VOLTAGE COMPONENTS**

PTO	HV TRR	LV TRR	New HV Facilities	New LV Facilities	Total HV Filed TRR	Total LV Filed TRR	Info Only Combined TRR
Anahelm	Base TRR	23,980,095			23,980,095		23,980,095
	TRBAA (as of 01Jan03)	(315,000)			(315,000)		(315,000)
	Standby Credit	-			-		-
	Total	23,665,095			23,665,095		23,665,095
	Gross Load	2,589,830			2,589,830		2,589,830
	Utility Specific Access Charges (\$/kWh)	9.1377			9.1377		9.1377
Effective Date	1-Jan-03						
Docket #	EL03-15 (Filed)						
Azusa	Base TRR	1,895,199			1,895,199		1,895,199
	TRBAA (as of 01Jan03)	(82,288)			(82,288)		(82,288)
	Standby Credit	-			-		-
	Total	1,812,911			1,812,911		1,812,911
	Gross Load	239,575			239,575		239,575
	Utility Specific Access Charges (\$/kWh)	7.5672			7.5672		7.5672
Effective Date	1-Jan-03						
Docket #	EL03-14 (Filed)						
Banning	Base TRR	1,300,156	61,208		1,300,156	61,208	1,361,364
	TRBAA (as of 01Jan03)	(38,151)	-		(38,151)	-	(38,151)
	Standby Credit	-	-		-	-	-
	Total	1,262,005	61,208		1,262,005	61,208	1,323,213
	Gross Load	139,457	139,457		139,457	139,457	139,457
	Utility Specific Access Charges (\$/kWh)	9.0494	0.4389		9.0494	0.4389	9.4883
Effective Date	1-Jan-03						
Docket #	EL03-21 (Filed)						
Riverside	Base TRR	19,754,736			19,754,736		19,754,736
	TRBAA (as of 01Jan03)	(273,000)			(273,000)		(273,000)
	Standby Credit	-			-		-
	Total	19,481,736			19,481,736		19,481,736
	Gross Load	1,814,019			1,814,019		1,814,019
	Utility Specific Access Charges (\$/kWh)	10.7395			10.7395		10.7395
Effective Date	1-Jan-03						
Docket #	EL03-20 (Filed)						



# **Attachment B**

Form of Notice Suitable for Publication in the *Federal Register*

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System  
Operator Corporation

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Docket Nos. ER03-608, ER00-2019-006  
and ER01-819-002

NOTICE OF FILING

Take notice that on June 23, 2003 the California Independent System Operator Corporation ("ISO") tendered an information filing in accordance with the Commission's order of May 30, 2003, 103 F.E.R.C. ¶161,260 ("May 30<sup>th</sup> Order"), in which the Commission acted on an amendment (Amendment No. 49) to the ISO Tariff.

In the May 30<sup>th</sup> Order, the Commission *inter alia* accepted and suspended until June 1, 2003, a revision to the ISO Tariff that excludes the cost of New High Voltage Facilities from the calculation of the Transition Charge. Although this filing does not change the Transmission Access Charge rates, it provides notice of the Transmission Access Charge ("TAC") rates that came into effect on June 1, 2003 in accordance with the new method.

The ISO states that this filing has been served on the Public Utilities Commission of the State of California, the California Energy Commission, the California Electricity Oversight Board, Participating Transmission Owners under the ISO Tariff, all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff, and to all parties not among the foregoing on the restricted service list in the above-captioned proceeding. This filing will be posted as well on the ISO's Website at <http://www.caiso.com>.

Any person desiring to be heard or to protest the filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests must be filed in accordance with Sec. 35.8 of the Commission's regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. 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 in the Public Reference Room. This filing may also be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance).