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August 18, 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 No. ER03-____ - 000
Amendment No. 57 to the ISO Tariff

Dear Secretary Salas:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, and Section 35.13 of the Commission's regulations, 18 C.F.R. § 35.13, the California Independent System Operator Corporation ("ISO")[1] respectfully submits for filing an original and six copies of an amendment ("Amendment No. 57") to the ISO Tariff. 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 which resolved a number of outstanding issues regarding the transmission Access Charge methodology set forth in Amendment No. 27 to the ISO Tariff, as well as addressed certain issues that have arisen in the implementation of the transmission Access Charge methodology, but was inadvertently omitted.

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

I. BACKGROUND - THE REVISED ACCESS CHARGE METHODOLOGY

On March 31, 2000, the ISO filed Amendment No. 27 to the ISO Tariff in Docket No. ER00-2019-000, proposing a new methodology for determining transmission Access Charges, through which the Participating Transmission Owners ("Participating TOs") recover the embedded costs of the transmission facilities constituting the ISO Controlled Grid. That filing was required by legislation restructuring the California electric industry, and later by the Commission.[2] The ISO Governing Board approved the transmission Access Charge filing after an extensive 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 revisions.[3] The Commission also held the hearing in abeyance pending efforts at settlement and established settlement judge procedures with the Chief Judge acting as Settlement Judge. After lengthy negotiations, the parties were unable to resolve the issues. The Chief Judge therefore terminated settlement proceedings on December 9, 2002, and the matter is currently pending hearing before Administrative Law Judge Bobbie McCartney.

The Access Charge methodology that preceded Amendment No. 27 consisted of three separate transmission rates, each based on the Transmission Revenue Requirement of the Original Participating TO[4] whose Service Area constituted the zone. Under Amendment No. 27, this methodology was to continue in effect until a New Participating TO joined the ISO. When a New Participating TO joined the ISO – which occurred on January 1, 2001, when the City of Vernon joined – a new transmission Access Charge took effect. The portion of that charge that was to be administered by the ISO, the High Voltage Access Charge ("HVAC"), was based on a transitioning percentages of (1) the sum of the High Voltage Transmission Revenue Requirements ("HVTRRs") of all the Participating TOs in each TAC Area – which approximated the former Control Areas of the Original Participating TOs – divided by the sum of their Gross Loads, and (2) the sum of the HVTRRs of all Participating TOs divided by the sum of their Gross Loads.[5]

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[2] Section 9600(a)(2)(A) of California's AB 1890 required the ISO to recommend a new rate methodology within two years after commencement of operations. *See Pacific Gas and Electric Company, et al.*, 77 FERC ¶ 61,204 at 61,827 (1996).

[3] *See California Independent System Operator Corporation*, 91 FERC ¶ 61,205 (2000).

[4] The Original Participating TOs are Pacific Gas and Electric Company ("PG&E"), San Diego Gas & Electric Company ("SDG&E"), and Southern California Edison Company ("Edison").

[5] The City of Pasadena ("Pasadena") was its own Control Area but joined the ISO Control Area on July 1, 1999. Pasadena is in the same TAC Area as Edison, the East Central TAC Area. If the Los Angeles Department of Water and Power chooses to become a Participating TO, its Control Area would become a fourth TAC Area.

Over a ten-year transition period, the TAC Area portion of the HVAC will be phased out, resulting in a single ISO Grid-wide Access Charge. During the ten-year transition period, ten percent per year of each TAC Areas High Voltage Transmission Revenue Requirement has been and will be combined into the ISO Grid-wide component of the HVAC. The proportion represented by the ISO Grid-wide portion thus increases by ten percent each year, such that, at the end of the ten-year period, the HVAC will be one rate for the entire ISO Controlled Grid. In addition, capital investments in any New High Voltage Facilities, or additions to Existing High Voltage Facilities, are included in the ISO Grid-wide component of the HVAC. The Low Voltage Access Charge would continue to be a "license plate" rate based on each Participating TO's Low Voltage Transmission Revenue Requirement and assessed in its PTO Service Area.

Amendment No. 27 also established a Transition Charge, which will be in effect for the duration of the ten-year transition period. This is a mechanism under which the Original Participating TOs collect increased revenues from their customers, up to a certain level, that are then used to compensate customers of New Participating TOs (via rates lower than would otherwise be possible) for any net increased costs the latter would otherwise have borne under High Voltage Access Charges during the ten-year transition. The compensating revenues collected from and distributed to the customers of the Participating TOs under this provision become part of the Transition Charge. The Transition Charge limits the cost-shift burden that it imposes on the Load of the Original Participating TO to an annual amount of $32 million for PG&E and SCE and $8 million for SDG&E.

Subsequent to Amendment No. 27, the ISO has filed five amendments to the ISO Tariff that directly or indirectly affected the transmission Access Charge. Amendment No. 34 was filed with the Commission in December 2000 when the City of Vernon became a New Participating TO (thus triggering the new Access Charge methodology). The amendment clarified revenue distribution among the Participating TOs and the timing of the semi-annual adjustment of the Access Charge and the Wheeling Access Charge. The Commission accepted the filing, made it effective January 1, 2001, subject to refund, and consolidated Amendment No. 34 with the ongoing Amendment No. 27 proceeding.

Amendment No. 45 was filed on June 28, 2002 in Docket No. ER02-2192. It 1) modified the process for updating the Access Charge to provide for revisions any time the Commission accepted a modified Transmission Revenue Requirement from a Participating TO; 2) clarified who pays the Wheeling Access Charge, which is assessed according to use of the ISO Controlled Grid; and 3) clarified who pays the Access Charge, which is assessed according to Gross Load served by the transmission systems of Participating TOs. The Commission accepted the filing on August 27, 2002, with minor modifications, and made it effective July 1, 2002. *California Independent System Operator Corp.*, 100 FERC ¶ 61,209. The compliance filing was made on September 11, 2002.

Amendment No. 46, filed on July 15, 2002 in Docket No. ER02-2321-000, amended the ISO Tariff to include changes to implement the Metered Subsystem concept negotiated with the Northern California Power Agency, Silicon Valley Power, and the City of Roseville. The Commission conditionally accepted the tariff changes, subject to modification. *California Independent System Operator Corp.*, 100 FERC ¶ 61,234. Amendment No. 46, among other changes, eliminated the provision that limited eligibility for Metered Subsystem Agreements to New Participating TOs. The compliance filing was made on September 27, 2002. Rehearing of the Commission's order on Amendment No. 46 was denied on February 6 of this year. *California Independent System Operator Corp.*, 102 FERC ¶ 61,146.

Amendment No. 47 was filed with the Commission on November 25, 2003 in Docket No. ER03-218-000, to address issues regarding four utilities that became Participating TOs effective January 1, 2003: the Cities of Anaheim, Azusa, Banning, and Riverside, California (collectively referred to as the "Southern Cities"). As a result of differences between the Transmission Control Agreement executed by the Southern Cities and the previous Transmission Control Agreement, corresponding changes had to be made in the ISO Tariff. The tariff amendment required Participating TOs to refund Firm Transmission Rights auction revenues if they withdraw from the ISO due to an adverse tax action, and clarified a number of definitions such that if the ISO does not have Operational Control of a High Voltage Transmission Facility, the costs of that facility are not included in the ISO's Access Charge. The Commission approved the amendment on January 24, 2003, without modification, and made it effective January 1, 2003. *California Independent System Operator Corp.*, 102 FERC ¶ 61,061 at P 41.

Finally, Amendment No. 49 was filed with the Commission on March 11, 2003 in Docket No. ER03-608-000 to address a number of issues that had been discussed during the course of the extensive, but unsuccessful, settlement negotiations. The ISO was able to identify a number of modifications to the transmission Access Charge methodology that would address the concerns of a number of parties without disturbing the balanced approach represented in Amendment No. 27. In addition, based on three years of administering the revised transmission Access Charge, the ISO determined that there were a number of amendments that were necessary to facilitate the use of the new methodology and the application process for New Participating TOs. The Commission accepted in part, suspended in part, and rejected in part the amendment. *California Independent System Operator Corp.*, 103 FERC ¶ 61,260. In addition, the Commission consolidated certain issues with the proceeding established in Docket No. ER00-2019-006, *et al.*

II. TARIFF CHANGES

While Amendment No. 49 substantially amended the ISO Tariff to account for the addition of a Participating TOs that is not a UDC, MSS or does not serve End-Use Customers, the final change to the disbursement of High Voltage Access Charge and Transition Charge Revenues was inadvertently omitted from the filing. Amendment No. 34 revised the calculation in Appendix F, Schedule 3, Section 10 of the ISO Tariff to allocate revenues in proportion to actual Gross Load and exports, consistent with the methodology for the collection of the transmission Access Charge. This was done so that the collection and allocation methodology would be on the same basis, and to allow each Participating TO to be allocated revenue associated with load growth and avoid the administrative burden of regularly filing rate cases to update the Gross Load assumptions in its TO Tariff.

Since such a Participating TO does not have End-Use Customers and therefore does not have Gross Load in its TO Tariff on which basis to receive an allocation of revenues, the calculation in Appendix F, Schedule 3, Section 10 of the ISO Tariff must be amended to allow this type of Participating TO to recover its FERC-approved Transmission Revenue Requirement. In addition, to avoid over recovery of the FERC-approved Transmission Revenue Requirement, Appendix F, Schedule 3, Section 6 is also being amended to require adjustment of the Participating TO's Transmission Revenue Balancing Account to credit or debit any over or under recovery of the Transmission Revenue Requirement. The ISO believes that it would be advantageous to put these modifications in place immediately, rather than await a final Commission order on Amendment No. 27.[6] Accordingly, the ISO is today filing these modifications as Amendment No. 57.

In addition, Amendment No. 57 corrects several minor typographical errors in Appendix F, Schedule 3, Sections 7(a), 9.2, and 10.1(b)(i).

III. EFFECTIVE DATE

For the changes described in this Amendment No. 57, the ISO requests an effective date of sixty (60) days after the submission of the present filing, or October 17, 2003, in accordance with the provisions of 18 C.F.R. § 35.3 (2003).

IV. REQUEST FOR CONSOLIDATION

The ISO requests that, unless the Commission accepts this amendment without suspension, this matter be consolidated with the ongoing proceedings

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[6] The Initial Decision from the ALJ in the consolidated Docket Nos. ER00-2019-006, ER01-819-002, and ER03-608-000 is scheduled for February 17, 2004.

concerning Amendment No. 27, Docket No. ER00-2019-006. As discussed above, the substance of this amendment already is being addressed in that docket. Accordingly, no party will be prejudiced by the consolidation.

V. COMMUNICATIONS

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:

Anthony Ivancovich *
Deborah A. Le Vine[7]
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
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* Individuals designated for service pursuant to Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3).

VI. SERVICE

This filing has been served on the Public Utilities Commission of California, the California Energy Commission, the California Electricity Oversight Board, the Participating TOs, Trans-Elect, and all parties with effective Scheduling Coordinator Agreements under the ISO Tariff.

VII. SUPPORTING DOCUMENTS

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

Attachment A	Revised Tariff sheets;
Attachment B	Black-lined Tariff provisions showing the changes;
Attachment C	A sample calculation showing the revised disbursement;
Attachment D	A form of notice suitable for publication in the Federal Register, which is also provided in electronic form on the enclosed diskette.

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7 In addition to Mr. Ivancovich and Mr. Rubin, the ISO respectfully requests that Ms. Le Vine be included in the Official Service List. Mr. Ivancovich and Ms. Le Vine work in separate buildings, and it would be of significant assistance to the ISO if both were included on the list.

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,

Charles F. Robinson
General Counsel
Anthony J. Ivancovich
Senior Regulatory Counsel
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

David B. Rubin
Julia Moore
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Attorneys for the California Independent System Operator Corporation

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. 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 Transmission Revenue Requirement in its TRBA. If the annual 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.

(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).

9.2 Federal power marketing agencies whose transmission facilities are under ISO Operational Control shall develop their High Voltage Transmission Revenue Requirements pursuant to applicable federal laws and regulations, including filing with FERC. All such filings with FERC will include a separate appendix that states the HVTRR, LVTRR (if applicable) and the appropriate Gross Load data and other information required by the FERC to support the Access Charges. The procedures for public participation in a federal power marketing agency's ratemaking process shall be posted on the federal power marketing agency's website. The federal power marketing agency shall also post on the website the Federal Register Notices and FERC orders for rate making processes that impact the federal power marketing agency's High Voltage Transmission Revenue Requirement. The Participating TO will provide a copy of its filing to the ISO and the other Participating TOs in accordance with the notice provisions in the Transmission Control Agreement.

10. Disbursement of High Voltage Access Charge and Transition Charge Revenues.

10.1 High Voltage Access Charge and Transition Charge revenues shall be calculated for disbursement to each Participating TO on a monthly basis as follows:

(a) the amount determined in accordance with Section 7.1.2 of the ISO Tariff ("Billed HVAC/TC");

(b)

(i) for a Participating TO that is a UDC, MSS or a Scheduling Coordinator serving End-Use Customers and has Gross Load in its TO Tariff in accordance with Appendix F, Schedule 3, Section 9, then calculate the amount each UDC or MSS Scheduling Coordinators serving Gross Load of End-Use Customers in the PTO Service Area not directly connected to the facilities of a UDC or MSS would have paid and the Participating TO would have received by multiplying the High Voltage Utility-Specific Rates for the Participating TO whose High Voltage Facilities served such UDC or MSS and Scheduling Coordinators serving Gross Load of End-Use Customers in the PTO Service Area not directly connected to the facilities of a UDC or MSS times the actual Gross Load of such UDCs or MSSs and Scheduling Coordinators serving Gross Load of End-Use Customers in the PTO Service Area not directly connected to the facilities of a UDC or MSS ("Utility-specific HVAC"); or

(ii) 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, then calculate the Participating TO's portion of the total Billed HVAC/TC in subsection (a) based on the ratio of the Participating TO's High Voltage Transmission Revenue Requirement to the sum of all Participating TOs' High Voltage Revenue Requirements.

(c) if the total Billed HVAC/TC in subsection (a) received by the ISO less the total dollar amounts calculated in Utility-specific HVAC in subsection (b)(i) and subsection (b)(ii) is different from zero, the ISO shall allocate the positive or negative difference among those Participating TOs that are subject to the calculations in subsection (b)(i) based on the ratio of each Participating TO's High Voltage Transmission Revenue Requirement to the sum of all of those Participating TOs' High Voltage Transmission Revenue Requirements that are subject to the calculations in subsection (b)(i). This monthly distribution amount is the "HVAC Revenue Adjustment";

(d) the sum of the HVAC revenue share determined in subsection (b) and the HVAC Revenue Adjustment in subsection (c) will be the monthly disbursement to the Participating TO.

10.2 If the same entity is both a Participating TO and a UDC or MSS, then the monthly High Voltage Access Charge and Transition Charge amount billed by the ISO will be the charges payable by the UDC or MSS in accordance with Section 7.1.2 of the ISO Tariff less the disbursement determined in accordance with Section 10.1(d). If this difference is negative, that amount will be paid by the ISO to the Participating TO.

ATTACHMENT B

6 High Voltage Transmission Revenue Requirement.

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 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 Transmission Revenue Requirement in its TRBA. If the annual 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.

* * * *

9.2 Federal power marketing agencies whose transmission facilities are under ISO Operational Control shall develop their High Voltage Transmission Revenue Requirements pursuant to applicable federal laws and regulations, including filing with FERC. All such filings with FERC will include a separate appendix that states the HVTRR, LVTRR (if applicable) and the appropriate Gross Load data and other information required by the FERC to_s-upport the Access Charges. The procedures for public participation in a federal power marketing agency's ratemaking process shall be posted on the federal power marketing agency's website. The federal power marketing agency shall also post on the website the Federal Register Notices and FERC orders for rate making processes that impact the federal power marketing agency's High Voltage Transmission Revenue Requirement. The Participating TO will provide a copy of its filing to the ISO and the other Participating TOs in accordance with the notice provisions in the Transmission Control Agreement.

10. Disbursement of High Voltage Access Charge and Transition Charge Revenues.

10.1 High Voltage Access Charge and Transition Charge revenues shall be calculated for disbursement to each Participating TO on a monthly basis as follows:

(a) the amount determined in accordance with Section 7.1.2 of the ISO Tariff ("Billed HVAC/TC");

(b)

(i) <u>for a Participating TO that is a UDC, MSS or a Scheduling Coordinator serving End-Use Customers and has Gross Load in its TO Tariff in accordance with Appendix F, Schedule 3, Section 9, then</u> calculate the amount each UDC or MSS Scheduling Coordinators serving Gross Load of End-Use Customers in the PTO Service Area not directly connected to the facilities of a UDC or MSS would have paid and the Participating TO would have received by multiplying the High Voltage Utility-Specific Rates for the Participating TO whose High Voltage Facilities served such

UDC or MSS and Scheduling Coordinators serving Gross Load of End-Use Customers in the PTO Service Area not directly connected to the facilities of a UDC or MSS times the actual Gross Load of such UDC's or MSS's and Scheduling Coordinator's serving Gross Load of End-Use Customers in the PTO Service Area not directly connected to the facilities of a UDC or MSS ("Utility-specific HVAC"); or

(ii) 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, then calculate the Participating TO's portion of the total Billed HVAC/TC in subsection (a) based on the ratio of the Participating TO's High Voltage Transmission Revenue Requirement to the sum of all Participating TOs' High Voltage Transmission Revenue Requirements.

(c) if the total Billed HVAC/TC in subsection (a) received by the ISO less the total dollar amounts calculated in Utility-specific HVAC in subsection (b)~~-~~(i) and subsection (b)(ii) is different from zero, the ISO shall allocate the positive or negative difference among those Participating TOs that are subject to the calculations in subsection (b)(i) based on the ratio of each Participating TO's High Voltage Transmission Revenue Requirement to the sum of all of those Participating TOs' High Voltage Transmission Revenue Requirements that are subject to the calculations in subsection (b)(i). This monthly distribution amount is the "HVAC Revenue Adjustment";

(d) the sum of the ~~Utility-specific~~ HVAC revenue share determined in subsection (b) and the HVAC Revenue Adjustment in subsection (c) will be the monthly disbursement to the Participating TO.

10.2 If the same entity is both a Participating TO and a UDC or MSS, then the monthly High Voltage Access Charge and Transition Charge amount billed by the ISO will be the charges payable by the UDC or MSS in accordance with Section 7.1.2 of the ISO Tariff less the disbursement determined in accordance with Section 10.1(d). If this difference is negative, that amount will be paid by the ISO to the Participating TO.

ATTACHMENT C

ACCESS CHARGE WORKSHEET

TAC Components:

RATE @ 1Jan03	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 ($1000) [5] = [1] + [2]	HV Utility Specific Rate ($/MWH) [6] = [5] / [3]	TAC Area Rate ($/MWH) [7] = [16]
PG&E	$ 116,274,905	$ -	85,707,000	N	$ 116,274,905	$ 1.3567	$ 1.8428
SCE	$ 169,946,053	$ 7,062,648	84,358,000	EC	$ 177,008,701	$ 2.0983	$ 2.6468
SDG&E	$ 41,321,927	$ 815,050	17,700,683	S	$ 42,136,977	$ 2.3805	$ 2.5273
Anaheim	$ 23,665,095	$ -	2,589,830	EC	$ 23,665,095	$ 9.1377	$ 2.6468
Azusa	$ 1,812,911	$ -	239,575	EC	$ 1,812,911	$ 7.5672	$ 2.6468
Banning	$ 1,262,005	$ -	139,457	EC	$ 1,262,005	$ 9.0494	$ 2.6468
Riverside	$ 19,481,736	$ -	1,814,019	EC	$ 19,481,736	$ 10.7395	$ 2.6468
Vernon	$ 10,175,975	$ -	1,210,668	EC	$ 10,175,975	$ 8.4053	$ 2.6468
New PTO	$ -	$ 50,000,000	-	N	$ 50,000,000		
Total	**$ 383,940,607**	**$ 57,877,698**	**193,759,232**		**$ 441,818,305**		

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 ($) [8] = [1]	Annual TAC Area TRR ($) [9] = [8] x 70%	Annual Gross Load (GWH) [10]	TAC Area Rate ($/MWH) [11] = [9] / [10]
North	$ 116,274,905	$ 81,392,434	85,707,000	$ 0.9497
East/C	$ 226,343,775	$ 158,440,643	90,351,549	$ 1.7536
South	$ 41,321,927	$ 28,925,349	17,700,683	$ 1.6341
Total	**$ 383,940,607**	**$ 268,758,425**	**193,759,232**	

	ISO Wide TRR Existing HV Facilities ($) [12] Total [8] x 30%	ISO Wide TRR New HV Facilities ($) [13] = Total [2]	ISO Wide Annual Gross Load (GWH) [14]	ISO Wide Rate ($/MWH) [15] = ([12] + [13]) / [14]
ISO-wide	$ 115,182,182	$ 57,877,698	193,759,232	$ 0.8932

	TAC Rate (TAC Area + ISO Wide) ($/MWH) [16] = [11] + [15]	Wheeling Rate (TAC Area + ISO Wide) ($/MWH) = [16]
North	$ 1.8428	$ 1.84
East/Central	$ 2.6468	$ 2.65
South	$ 2.5273	$ 2.53

ACCESS CHARGE WORKSHEET

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

	TAC Area	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 ($)
	[17] = [4]	[18] = [3]	[19] = [11] + ([12] / [14])	[20] = [18] x [19]	[21] = [1] / [3]	[22] = [18] x [21]	[23] = [20] - [22]
PG&E	N	85,707,000	$ 1.5441	$ 132,341,847	$ 1.3567	$ 116,274,905	$ 16,066,942
SCE	EC	84,358,000	$ 2.3481	$ 198,077,831	$ 2.0146	$ 169,946,053	$ 28,131,778
SDG&E	S	17,700,683	$ 2.2286	$ 39,447,703	$ 2.3345	$ 41,321,927	$ (1,874,224)
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)
Total		**193,759,232**		**$ 383,940,607**		**$ 383,940,607**	$ (0)

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 ($)	Amount IOU's Burden Exceeds IOU's Cap ($)	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] = [23]	[25]	[26] IF ([25] - [24] >0) = [25] - [24] If no cap, then 0	[27] IF [24] - [25] >0 = [24] - [25] If no cap, then 0	[28] IOUs = ([26] / total[26]) x total[27]; Munis = ([24] / total[24]) x total[27] - total[25]	[29] = [28] - [27]	[30] = [24] + [29]	[31] Reallocate IOU Burden [33] so it is proportional to IOU Cap [25] = [33] - [30]	[32] = - [27] + [29] + [31]	[33] = [30] + [31]	[34] = [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)
Total	$ (0)	**$ 72,000,000**	**$ 29,675,504**	**$ 0**	**$ 0**	**$ 0**	$ (0)	$ (0)	$ (0)	$ (0)	

ACCESS CHARGE WORKSHEET

Step 5a: CT374 (TAC Revenue Disbursement) Calulation: USING FILED LOAD

	TAC Rate ($/MWh) [35] = [15]	Utility Specific Rate ($MWh) [35a] = [6]	Total TAC due from UDCs (CT372) (w/o Exemptions or Transition Charge) ($) [36] (for information only)	METER DATA HERE: INPUT: Metered Gross Load (SS_Measurements) (MWh) [37]	INPUT: Exemptions (supplied by PTOs) (MWh) [38]	OUTPUT: Metered Gross Load (net of exemptions) (MWh) [39] = [37] - [38]	Total TAC Due From UDCs (w/o Transition Charge) ($) [40] = [35] * [39]	Section 10.1.b Amounts PTO Would Receive Under Utility-Specific ($) [41] (see note)	Difference ($) [42] = [40] - [41]	Section 10.1.c Proportion of total TRR (%) [43] =[5] / sum of [5]	Section 10.1.c Allocation of Difference ($) [44] = [42] x [43]	OUTPUT: (Section 10.1.d) Total Due to PTOs (CT374) [45] = [41] + [44]
PG&E	$ 1.8428	$ 1.3567	$ 157,943,331	85,707,000.00		85,707,000.00	$ 157,943,331	$ 116,274,905		26.32%	$ -	$ 116,274,905
SCE	$ 2.6468	$ 2.0983	$ 223,276,356	84,358,000.00		84,358,000.00	$ 223,276,356	$ 177,008,701		40.06%	$ -	$ 177,008,701
SDG&E	$ 2.5273	$ 2.3805	$ 44,735,063	17,700,683.00		17,700,683.00	$ 44,735,063	$ 42,136,977		9.54%	$ -	$ 42,136,977
Anaheim	$ 2.6468	$ 9.1377	$ 6,854,688	2,589,830.00		2,589,830.00	$ 6,854,688	$ 23,665,095		5.36%	$ -	$ 23,665,095
Azusa	$ 2.6468	$ 7.5672	$ 634,100	239,575.00		239,575.00	$ 634,100	$ 1,812,911		0.41%	$ -	$ 1,812,911
Banning	$ 2.6468	$ 9.0494	$ 369,111	139,457.00		139,457.00	$ 369,111	$ 1,262,005		0.29%	$ -	$ 1,262,005
Riverside	$ 2.6468	$ 10.7395	$ 4,801,294	1,814,019.00		1,814,019.00	$ 4,801,294	$ 19,481,736		4.41%	$ -	$ 19,481,736
Vernon	$ 2.6468	$ 8.4053	$ 3,204,362	1,210,668.00		1,210,668.00	$ 3,204,362	$ 10,175,975		2.30%	$ -	$ 10,175,975
New PTO	$ -	$ -	$ -	0.00		0.00	$ -	[redacted]		11.32%	$ -	$ 50,000,000
Total			$ 441,818,305	193,759,232.00	0.00	193,759,232.00	$ 441,818,305	$ 441,818,305	$ -	100.00%	$ -	$ 441,818,305

Note: Column [38] exempts all Metered Gross Load (Column [37]) on which the TAC should not be assessed (e.g., any ETC and wheeling loads that are included in Column [37]).
Column [41] calculated as [35a]x[39] for PTOs with their own gross load; calculated as (sum of [40])x[43] for PTOs without their own gross load.

Step 5b: CT374 (TAC Revenue Disbursement) Calulation: USING ACTUAL 2002 LOAD IF AVAILABLE

	TAC Rate ($/MWh) [35] = [15]	Utility Specific Rate ($MWh) [35a] = [6]	Total TAC due from UDCs (CT372) (w/o Exemptions or Transition Charge) ($) [36] (for information only)	METER DATA HERE: INPUT: Metered Gross Load (SS_Measurements) (MWh) [37]	INPUT: Exemptions (supplied by PTOs) (MWh) [38]	OUTPUT: Metered Gross Load (net of exemptions) (MWh) [39] = [37] - [38]	Total TAC Due From UDCs (w/o Transition Charge) ($) [40] = [35] * [39]	Section 10.1.b Amounts PTO Would Receive Under Utility-Specific ($) [41] (see note)	Difference ($) [42] = [40] - [41]	Section 10.1.c Proportion of total TRR (%) [43] =[5] / sum of [5]	Section 10.1.c Allocation of Difference ($) [44] = [42] x [43]	OUTPUT: (Section 10.1.d) Total Due to PTOs (CT374) [45] = [41] + [44]
PG&E	$ 1.8428	$ 1.3567	$ 197,934,331	107,407,876.07	16,961,879.52	90,445,996.55	$ 166,676,491	$ 122,704,093		26.32%	$ 251,347	$ 122,955,439
SCE	$ 2.6468	$ 2.0983	$ 239,085,651	90,331,048.52	7,908,669.12	82,422,379.40	$ 218,153,210	$ 172,947,181		40.06%	$ 382,633	$ 173,329,814
SDG&E	$ 2.5273	$ 2.3805	$ 47,164,560	18,661,981.47	278.09	18,661,703.38	$ 47,163,857	$ 44,424,713		9.54%	$ 91,086	$ 44,515,799
Anaheim	$ 2.6468	$ 9.1377	$ 6,854,688	2,589,830.00		2,589,830.00	$ 6,854,688	$ 23,665,095		5.36%	$ 51,156	$ 23,716,251
Azusa	$ 2.6468	$ 7.5672	$ 634,100	239,575.00		239,575.00	$ 634,100	$ 1,812,911		0.41%	$ 3,919	$ 1,816,830
Banning	$ 2.6468	$ 9.0494	$ 369,111	139,457.00		139,457.00	$ 369,111	$ 1,262,005		0.29%	$ 2,728	$ 1,264,733
Riverside	$ 2.6468	$ 10.7395	$ 4,801,294	1,814,019.00		1,814,019.00	$ 4,801,294	$ 19,481,736		4.41%	$ 42,113	$ 19,523,849
Vernon	$ 2.6468	$ 8.4053	$ 3,092,924	1,168,564.87	0.00	1,168,564.87	$ 3,092,924	$ 9,822,087		2.30%	$ 21,997	$ 9,844,084
New PTO	$ -	$ -	$ -	0.00		0.00	$ -	[redacted]		11.32%	$ 108,083	$ 50,778,878
Total			$ 499,936,659	222,352,351.93	24,870,826.73	197,481,525.20	$ 447,745,675	$ 446,790,614	$ 955,061	100.00%	$ 955,061	$ 447,745,675

Note: Column [38] exempts all Metered Gross Load (Column [37]) on which the TAC should not be assessed (e.g., any ETC and wheeling loads that are included in Column [37]).
Column [41] calculated as [35a]x[39] for PTOs with their own gross load; calculated as (sum of [40])x[43] for PTOs without their own gross load.

ATTACHMENT D

NOTICE SUITABLE FOR PUBLICATION IN THE FEDERAL REGISTER

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation	**)**	**Docket No. ER03-_____-000**

Notice of Filing

[ ]

Take notice that the California Independent System Operator Corporation (ISO), on August 18, 2003, tendered for filing a revision to the ISO Tariff, Amendment No. 57, for acceptance by the Commission. The ISO states that the purpose of the amendment is an addendum to Amendment No. 49 that should complete resolution of revenue disbursement of the transmission Access Charge for a New Participating TO that does not serve End-Use Customers.

The ISO states that this filing has been served on the Public Utilities Commission of California, the California Energy Commission, the California Electricity Oversight Board, the Participating TOs, Trans-Elect, and all parties with effective Scheduling Coordinator Agreements under the ISO Tariff.

The ISO is requesting the amendment to be made effective in sixty (60) days, *i.e.*, October 17, 2003.

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, 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 and 385.214). All such motions or protests must be filed in accordance with § 35.9 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.gov/docs-filing/elibrary.asp (call 202-502-8400 for assistance).

Comment Date: ________