SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

The Washington Harbour 3000 K Street, NW, Suite 300 Washington, DC 20007-5116 Telephone (202) 424-7500 Fax (202) 424-7643 www.swidlaw.com

New York Office The Chrysler Building 405 Lexington Avenue New York, NY 10174 (212) 973-0111 fax (212) 891-9598

November 24, 2004

The Honorable Magalie R. Salas Secretary Federal Energy Regulatory Commission 888 First Street, NE Washington, DC 20426

Re: California Independent System Operator Corporation Compliance Filing Docket No. ER03-407-

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")¹ respectfully submits six copies of this filing in compliance with the Commission's October 29, 2004 order in the captioned docket, 109 FERC ¶ 61,098 ("October 29 Order"), which order concerned the compliance filing the ISO submitted on August 25, 2003 ("August 25 Compliance Filing"). In the October 29 Order, the Commission rejected the August 25 Compliance Filing and directed the ISO to file a subsequent compliance filing. See October 29 Order at ordering paragraph (B). The ISO now provides the required further compliance filing.

The Commission directed the ISO to modify Section 3.2.7.3(d) of the ISO Tariff to state that the full amount of capacity added to the system will be as determined through the regional reliability council process of the Western Electricity Coordinating Council or its successor and to remove the phrase "based on the physical addition to the transfer capability" from the section. October 29 Order at P 19. The ISO now revises Section 3.2.7.3(d) to comply with this directive.

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

The Honorable Magalie R. Salas November 24, 2004 Page 2

The modification to the ISO Tariff is shown in the revised Tariff sheet provided in Attachment A to the present filing, and is 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,

Anthony J. Ivancovich Associate General Counsel The California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630 Tel: (916) 351-4400

Bradlen R. Milisuphan

J. Phillip Jordan David B. Rubin Bradley R. Miliauskas Swidler Berlin Shereff Friedman, LLP 3000 K Street, NW, Suite 300 Washington, DC 20007 Tel: (202) 424-7500

ATTACHMENT A

Fourth Substitute Original Sheet No. 148A Superseding Third Sub. Original Sheet No. 148A

number that is determined by subtracting the rating of the transmission facility before the upgrade from the new rating for the upgraded transmission facility by the new rating for the upgraded transmission facility. The Participating TO's share of Wheeling, Congestion and FTR auction revenues for the upgraded transmission facility shall be the number that is determined by subtracting the Project Sponsor's share from one hundred percent (100%). Such allocated shares shall become effective on the date the new rating takes effect. The full amount of capacity added to the system will be as determined through the regional reliability council process of the Western Electricity Coordinating Council or its successor.

3.2.7.4 Once a New Participating TO has executed the Transmission Control Agreement and it has become effective, the cost for New High Voltage Facilities for all Participating TOs shall be included in the ISO Grid-wide component of the High Voltage Access Charge in accordance with Schedule 3 of Appendix F. The

ATTACHMENT B

3.2.7.3 (d) The Project Sponsor's share of Wheeling, Congestion and FTR auction revenues for the upgraded transmission facility shall be the number that is determined by dividing the number that is determined by subtracting the rating of the transmission facility before the upgrade from the new rating for the upgraded transmission facility by the new rating for the upgraded transmission facility by the new rating for the upgraded transmission facility. The Participating TO's share of Wheeling, Congestion and FTR auction revenues shall be the number that is determined by subtracting the Project Sponsor's share from one hundred percent (100%). Such allocated shares shall become effective on the date the new rating takes effect. The full amount of capacity added to the system will be based on the physical addition to the transfer capability as determined through the regional reliability council process of the Western Electricity Coordinating Council or its successor.

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. ER03-407-____

Notice of Filing

)

)

Take notice that on November 24, 2004, the California Independent System Operator Corporation (ISO) submitted a filing in compliance with the order issued in the captioned docket on October 29, 2004, 109 FERC ¶ 61,098.

ľ

The ISO states that this filing has been served upon all parties on the official service list for the captioned docket. In addition, the ISO has posted this filing on the ISO Home Page.

Any person desiring to intervene or to protest this filing should file 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 CFR 385.211 and 385.214). 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. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at http://www.ferc.gov, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866)208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date: