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August 31, 2004

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. ER04-____ - 000**

Transmission Access Charge Informational Filing

Dear Secretary Salas:

The enclosed informational filing by the California Independent System Operator Corporation ("ISO") is intended to provide notice regarding the updated transmission Access Charges that reflect a revision in its transmission Access Charge rates to account for the changes to the rates of San Diego Gas & Electric Company ("SDG&E"), specifically, those resulting from SDG&E's Annual Transmission Formula Rate Change Filing of August 13, 2004 in Docket No. ER04-1126-000.

Changes in Rates

The transmission Access Charges provided in the present filing updates the Access Charges and Wheeling Access Charges provided for informational purposes in the ISO's submission of March 9, 2004 in Docket No. ER04-370-002. The changes in the present filing are effective September 1, 2004, coincident with the effectiveness of SDG&E's transmission rate changes.

Worksheets illustrating the recalculation of the ISO's transmission Access Charge are included with the present transmittal letter as Attachment A. The recalculated rates for each of the TAC Areas, effective September 1, 2004, are as follows:

Northern Area -	\$ 2.2381/MWh
East Central Area -	\$ 2.6771/MWh
Southern Area -	\$ 2.3067/MWh

Additionally, the ISO provides, in Attachment B to the present filing, a form of notice suitable for publication in the Federal Register, which is also provided in electronic form on the enclosed diskette.

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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18 C.F.R. § 385.203(b)(3).

The ISO has served copies of this transmittal letter and all attachments hereto on the Public Utilities Commission of the State of California, the California Energy Commission, the California Electricity Oversight Board, the Participating Transmission Owners, and on all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff. In addition, the ISO is posting this transmittal letter and all attachments on the ISO Home Page.

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,



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ATTACHMENT A

September 1, 2004 TAC Rate Based on Filed Annual TRR/TRBA and Load Data

Per SDG&E's Revised Transmission Rates filed 13 Aug 2004

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 (\$) [5] = [1] + [2]	EHV only Utility Specific Rate (\$/MWh) [6] = [1] / [3]	EHV only TAC Area Rate (\$/MWh) [7] = [2]	HV Utility Specific Rate (\$/MWh) [8] = [5] / [3]	TAC Area Rate (\$/MWh) [9] = [19]
PG&E	\$ 146,199,679	\$ 45,188,967	83,389,232	N	\$ 191,388,646	\$ 1.7532	\$ 1.8943	\$ 2.2951	\$ 2.2381
SCE	\$ 173,100,226	\$ 7,193,729	84,358,000	EC	\$ 180,293,955	\$ 2.0520	\$ 2.3333	\$ 2.1372	\$ 2.6771
SDG&E	\$ 37,734,494	\$ 14,284,700	20,204,653	S	\$ 52,019,194	\$ 1.8676	\$ 1.9630	\$ 2.5746	\$ 2.3067
Anaheim	\$ 22,137,953	\$ -	2,589,830	EC	\$ 22,137,953	\$ 8.5480	\$ 2.3333	\$ 8.5480	\$ 2.6771
Azusa	\$ 1,374,977	\$ -	239,575	EC	\$ 1,374,977	\$ 5.7392	\$ 2.3333	\$ 5.7392	\$ 2.6771
Banning	\$ 977,164	\$ -	139,457	EC	\$ 977,164	\$ 7.0069	\$ 2.3333	\$ 7.0069	\$ 2.6771
Riverside	\$ 16,934,138	\$ -	1,814,019	EC	\$ 16,934,138	\$ 9.3351	\$ 2.3333	\$ 9.3351	\$ 2.6771
Vernon	\$ 9,990,364	\$ -	1,210,668	EC	\$ 9,990,364	\$ 8.2519	\$ 2.3333	\$ 8.2519	\$ 2.6771
ISO Total	\$ 408,448,995	\$ 66,667,396	193,945,434		\$ 475,116,391				

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 (60%) divided by the Total Load of each area.
The ISO portion is the percent of all TRR which has transitioned to ISO-Wide (40%), 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 60%	Annual Gross Load (GWH) [12] = [3]	TAC Area Rate (\$/MWh) [13] = [11] / [12]
North	\$ 146,199,679	\$ 87,719,808	83,389,232	\$ 1.0519
East/C	\$ 224,514,822	\$ 134,708,893	90,351,549	\$ 1.4909
South	\$ 37,734,494	\$ 22,640,696	20,204,653	\$ 1.1206
Total	\$ 408,448,995	\$ 245,069,397	193,945,434	

	ISO Wide TRR Existing HV Facilities (\$) [14] Total ([10] x 40%)	ISO Wide TRR New HV Facilities (\$) [15] = Total [2]	ISO Wide Annual Gross Load (GWH) [16] = Total [3]	ISO Wide Rate (\$/MWh) [17] = ([14] + [15]) / [16]	EHV only ISO-Wide Rate (\$/MWh) [18] = [14] / [16]
ISO-wide	\$ 163,379,598	\$ 66,667,396	193,945,434	\$ 1.1861	\$ 0.8424

	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	\$ 2.2381	\$ 2.2381	\$ 1.8943	\$ 0.3437
East/Central	\$ 2.6771	\$ 2.6771	\$ 2.3333	\$ 0.3437
South	\$ 2.3067	\$ 2.3067	\$ 1.9630	\$ 0.3437

September 1, 2004 TAC Rate 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) [22]	EHVF only TAC Rate (\$/MWH) [24]	Amount Paid Based on Filed Gross Load (\$) [25]	EHVF only Utility Specific Rate (\$/MWH) [26]	Would Have Paid w/ EHVF Utility Specific Rate (\$) [27]	Access Charge (Benefit)/Burden (\$) [28]
PG&E	83,389,232	1.8943	157,966,881	1.7532	146,199,679	11,767,202
SCE	84,358,000	2.3333	196,836,025	2.0520	173,100,226	23,735,799
SDG&E	20,204,653	1.9630	39,661,092	1.8676	37,734,494	1,926,598
Anaheim	2,589,830	2.3333	6,042,958	8.5480	22,137,953	(16,094,995)
Azusa	239,575	2.3333	559,010	5.7392	1,374,977	(815,967)
Banning	139,457	2.3333	325,401	7.0069	977,164	(651,763)
Riverside	1,814,019	2.3333	4,232,726	9.3351	16,934,138	(12,701,412)
Vernon	1,210,668	2.3333	2,824,902	8.2519	9,990,364	(7,165,462)
ISO Total	193,945,434		408,448,995		408,448,995	0

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

\$32/32/8 million cap for IOUs; munits 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 (\$)	IOUs' Cap Exceeds IOUs' Burden (\$)	Amount IOUs' Burden Exceeds IOUs' 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)
[29]	[30]	IF [30] - [29] > 0	IF [29] - [30] > 0	[31] / total [31] x [29] / total [29]	[34]	[35] + [34]	Reallocate IOU Burden [38] so it is proportional to IOU Cap [30] = [38] - [35]	[37]	[35] + [36]	[39] / [23]
PG&E	32,000,000	20,232,798	0	0	0	11,767,202	4,868,175	4,868,175	16,635,377	0.0584
SCE	32,000,000	8,264,201	0	0	0	23,735,799	(7,100,421)	(7,100,421)	16,635,377	(0.0842)
SDG&E	8,000,000	6,073,402	0	0	0	1,926,598	2,232,246	2,232,246	4,159,844	0.1105
Anaheim	0	0	0	0	0	(16,094,995)	0	0	(16,094,995)	0
Azusa	0	0	0	0	0	(815,967)	0	0	(815,967)	0
Banning	0	0	0	0	0	(651,763)	0	0	(651,763)	0
Riverside	0	0	0	0	0	(12,701,412)	0	0	(12,701,412)	0
Vernon	0	0	0	0	0	(7,165,462)	0	0	(7,165,462)	0
Total	72,000,000	34,570,401	0	0	0	0	0	0	0	0

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 (\$)	ISO Wide Annual Gross Load (MWh)	New HVTRR Rate (\$/MWh)	New HVTRR Cost Responsibility (\$)	NHVF Access Charge (Benefit)/Burden (\$)	Total Access Charge (Benefit)/Burden (\$)
[40]	[41]	[42]	[43]	[44]	[45]
PG&E	83,389,232	0.3437	28,664,469	(16,524,497)	110,880
SCE	84,358,000	0.3437	28,997,477	21,803,748	38,439,125
SDG&E	20,204,653	0.3437	6,945,209	(7,339,491)	(3,180,647)
Anaheim	2,589,830	0.3437	890,236	890,236	(15,204,759)
Azusa	239,575	0.3437	82,352	82,352	(733,614)
Banning	139,457	0.3437	47,937	47,937	(603,826)
Riverside	1,814,019	0.3437	623,556	623,556	(12,077,856)
Vernon	1,210,668	0.3437	416,159	416,159	(6,749,303)
Total	193,945,434		66,667,396	0	0

1 September 2004 ISO Access Charge Rate
HIGH VOLTAGE AND LOW VOLTAGE COMPONENTS

PTO	HV	LV	New HV	New LV	Total HV	Total LV	Info Only	
	TRR	TRR	Facilities	Facilities	Filed TRR	Filed TRR	Combined TRR	
PGE	Base TRR	175,953,634	280,755,071	61,280,933		237,234,568	280,755,071	517,989,638
	TRBAA (as of 30Sep03)	(29,036,584)	(35,635,155)	(15,703,915)		(44,740,499)	(35,635,155)	(80,375,654)
	Standby Credit	(717,371)	(1,123,252)	(388,051)		(1,105,423)	(1,123,252)	(2,228,675)
	Total	146,199,679	243,996,663	45,188,967		191,388,646	243,996,663	435,385,309
	Gross Load	83,389,232	83,389,232	83,389,232		83,389,232	83,389,232	83,389,232
SCE	Utility Specific Access Charges (\$/kWh)	1.7532	2.9260	0.5419		2.2951	2.9260	5.2211
	TRR - Eff. Date - Docket#	1-Jan-04 ER04-109-000		1-Jan-04 ER04-109-000				
	TRBA - Eff. Date - Docket#	1-Jan-04 ER04-337-002		1-Jan-04 ER04-337-002				
	Base TRR	213,079,025	29,065,800	8,855,175		221,934,200	29,065,800	251,000,000
	TRBAA (as of 30Sep03)	(38,907,501)	(1,061,600)	(1,616,925)		(40,524,426)	(1,061,600)	(41,586,026)
SDGE	Standby Credit	(1,071,298)	(134,259)	(44,521)		(1,115,819)	(134,259)	(1,250,078)
	Total	173,100,226	27,869,941	7,193,729	-	180,293,955	27,869,941	208,163,896
	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)	2.0520	0.3304	0.0853		2.1372	0.3304	2.4676
	TRR - Eff. Date - Docket#	1-Sep-02 ER02-925		1-Sep-02 ER02-925				
TRBA - Eff. Date - Docket#	1-Jan-04 ER04-334-000		1-Jan-04 ER04-334-000					
Vernon	Base TRR	55,005,000	54,024,000	14,739,000	22,466,000	69,744,000	76,490,000	146,234,000
	TRBAA (as of 1Sep04)	(17,039,554)	(3,809,704)	(392,415)	(124,751)	(17,431,968)	(3,934,455)	(21,366,423)
	Standby Credit	(230,952)	(226,833)	(61,885)	(94,329)	(292,838)	(321,162)	(614,000)
	Total	37,734,494	49,987,463	14,284,700	22,246,920	52,019,194	72,234,383	124,253,577
	Gross Load	20,204,653	20,204,653	20,204,653	20,204,653	20,204,653	20,204,653	20,204,653
Vernon	Utility Specific Access Charges (\$/kWh)	1.8676	2.4741	0.7070	1.1011	2.5746	3.5751	6.1498
	TRR - Eff. Date - Docket#	1-Sep-04 ER03-601-000		1-Sep-04 ER03-601-000				
	TRBA - Eff. Date - Docket#	1-Sep-04 ER04-371-000		1-Sep-04 ER04-371-000				
	Base TRR	10,216,178				10,216,178		10,216,178
	TRBAA (as of 30Sep03)	(225,814)				(225,814)		(225,814)
Vernon	Standby Credit	-				-		-
	Total	9,990,364				9,990,364		9,990,364
	Gross Load	1,210,668				1,210,668		1,210,668
	Utility Specific Access Charges (\$/kWh)	8.2519				8.2519		8.2519
	TRR - Eff. Date - Docket#	1/1/2003 EL03-31-000						
TRBA - Eff. Date - Docket#	1/1/2004 EL04-34-000							

1 September 2004 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
Anaheim	Base TRR	22,900,000				22,900,000		22,900,000
	TRBAA (as of 30Sep03)	(762,047)				(762,047)		(762,047)
	Standby Credit	-				-		-
	Total	22,137,953				22,137,953		22,137,953
	Gross Load	2,589,830				2,589,830		2,589,830
	Utility Specific Access Charges (\$/kWh)	8.5480				8.5480		8.5480
TRR - Eff. Date - Docket#		1/1/2003 EL03-15-003						
TRBA - Eff. Date - Docket#		1/1/2004 EL04-40-001						
Azusa	Base TRR	1,500,000				1,500,000		1,500,000
	TRBAA (as of 30Sep03)	(125,023)				(125,023)		(125,023)
	Standby Credit	-				-		-
	Total	1,374,977				1,374,977		1,374,977
	Gross Load	239,575				239,575		239,575
	Utility Specific Access Charges (\$/kWh)	5.7392				5.7392		5.7392
TRR - Eff. Date - Docket#		1/1/2003 EL03-14-002						
TRBA - Eff. Date - Docket#		1/1/2004 EL04-35-001						
Banning	Base TRR	1,105,000	53,647			1,105,000	53,647	1,158,647
	TRBAA (as of 30Sep03)	(127,836)	-			(127,836)	-	(127,836)
	Standby Credit	-	-			-	-	-
	Total	977,164	53,647			977,164	53,647	1,030,811
	Gross Load	139,457	139,457			139,457	139,457	139,457
	Utility Specific Access Charges (\$/kWh)	7.0069	0.3847			7.0069	0.3847	7.3916
TRR - Eff. Date - Docket#		1/1/2003 EL03-21-002						
TRBA - Eff. Date - Docket#		1/1/2004 EL04-42-001						
Riverside	Base TRR	17,500,000				17,500,000		17,500,000
	TRBAA (as of 30Sep03)	(565,862)				(565,862)		(565,862)
	Standby Credit	-				-		-
	Total	16,934,138				16,934,138		16,934,138
	Gross Load	1,814,019				1,814,019		1,814,019
	Utility Specific Access Charges (\$/kWh)	9.3351				9.3351		9.3351
TRR - Eff. Date - Docket#		1/1/2003 EL03-20-003						
TRBA - Eff. Date - Docket#		1/1/2004 EL04-39-001						
Total CAISO Grid	For Information Only							
	Base TRR	497,258,837	363,898,518	84,875,108	22,466,000	582,133,946	386,364,518	968,498,463
	TRBAA (as of 30Sep03)	(86,790,221)	(40,506,459)	(17,713,255)	(124,751)	(104,503,475)	(40,631,210)	(145,134,685)
	Standby Credit	(2,019,622)	(1,484,344)	(494,458)	(94,329)	(2,514,079)	(1,578,674)	(4,092,753)
	Total	408,448,995	321,907,714	66,667,396	22,246,920	475,116,391	344,154,635	819,271,025
	Gross Load	193,945,434	188,091,342	187,951,885	20,204,653	193,945,434	188,091,342	193,945,434
Utility Specific Access Charges (\$/kWh)	2.1060	1.7114	0.3547	1.1011	2.4497	1.8297	4.2242	

SAN DIEGO GAS & ELECTRIC COMPANY

Wholesale Transmission Rates
High-Voltage Utility Specific Rates, Low -Voltage Wheeling Access Charge & Low Voltage Access Charge Rates

Line No.	Components	(1)	(2)	(3)	(4)	(5) = (1) + (3)	(6) = (2) + (4)	(7) = (5) + (6)	Notes & Reference	Line No.
		Existing Facilities ¹		New Facilities ²		High Voltage Utility Specific Rate	LV Wheeling Access Rate & LV Access Charge Rate	Combined TRR		
		High Voltage TRR	Low Voltage TRR	High Voltage TRR	Low Voltage TRR					
1	Base Transmission Revenue Requirement	\$ 55,005,000	\$ 54,024,000	\$ 14,739,000	\$ 22,466,000	\$ 69,744,000	\$ 76,490,000	\$ 146,234,000		1
2										2
3	Total TRBA	\$ (17,039,554)	\$ (3,809,704)	\$ (392,415)	\$ (124,751)	\$ (17,431,968)	\$ (3,934,455)	\$ (21,366,423)		3
4										4
5	Transmission Standby Revenue	\$ (230,952)	\$ (226,833)	\$ (61,885)	\$ (94,329)	\$ (292,838)	\$ (321,162)	\$ (614,000)		5
6										6
7	Total Transmission Revenue Requirement	\$ 37,734,494	\$ 49,987,463	\$ 14,284,700	\$ 22,246,920	\$ 52,019,194	\$ 72,234,383	\$ 124,253,577	Sum Lines 1; 3; 5	7
8										8
9	Gross Load - MWH					20,204,653	20,204,653			9
10										10
11	Utility Specific Access Charges (\$/MWH)					\$ 2.5746	\$ 3.5751		Line 7 / Line 9	11
12										12
13										13

NOTES:

The following information comes from SDG&E's transmission formula Informational Filing that was filed with the FERC on August 13, 2004. The filing was made in conformance with SDG&E's transmission formula Offer of Settlement approved by the FERC in Docket ER03-601-000

