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April 16, 2003

The Honorable Magalie Roman Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: California Independent System Operator Corporation  
Docket No. ER03-407-\_\_\_ – ERRATA**

Dear Secretary Salas:

On April 11, 2003, the California Independent System Operator Corporation (“ISO”)<sup>1</sup> submitted, in the captioned docket, a filing (the “Amendment No. 48 Compliance Filing”) to comply with the Commission’s March 12, 2003 “Order Conditionally Accepting Tariff Amendment For Filing, as Modified, Granting Waiver of Notice, and Directing Compliance Filing,” 102 FERC ¶ 61,268 (2003). It has come to the ISO’s attention that a portion of the black-lined Tariff sheet included in Attachment B to the Amendment No. 48 Compliance Filing, and the corresponding Tariff language contained in Attachment A to the filing and described in the transmittal letter for the filing, are in error.

Accordingly, the ISO now submits a corrected black-lined Tariff sheet in Attachment B to the present filing and a corresponding corrected clean Tariff sheet in Attachment A to the present filing. The ISO also provides a notice of filing, suitable for publication in the Federal Register, in Attachment C to the present filing (and provides the notice in electronic format). Moreover, the ISO advises that the paragraph in Section II of the Amendment No. 48 Compliance Filing that begins “The ISO proposes to add a formula . . .” should be understood

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<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.

to read as follows rather than as shown in the Amendment No. 48 Compliance Filing:

The ISO proposes to add a formula, contained in Section 3.2.7.3 (d) of the ISO Tariff, for determining the Project Sponsor's share of revenues associated with the upgraded transmission capacity. The Project Sponsor's share is determined by dividing the incremental amount of new capacity realized through the upgrade by the total capacity of the upgraded line. The Participating TO's share is determined by subtracting the Project Sponsor's share from one hundred percent (100%). The Participating TO's share could also be determined by dividing the rating of the facility prior to the upgrade by the total capacity of the upgraded line. As an example:

Rating prior to the upgrade: 400 MW

Rating after the upgrade: 500 MW

Project Sponsor's share:  $(500-400)/500 = 20\%$

Participating TO's share:  $100\% - 20\% = 80\%$ , or  $(400/500) = 80\%$ .

No other changes are required to comply with the March 12 Order.<sup>2</sup>

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<sup>2</sup> The ISO notes that Amendment No. 49 to the ISO Tariff, submitted on March 11, 2003 in Docket No. ER03-608-000, also contains proposed changes to Section 3.2.7.3 (d). The changes to Section 3.2.7.3 (d) proposed in the present filing only concern the version of Section 3.2.7.3 (d) submitted in Amendment No. 48. The ISO recognizes that it may need to submit a compliance filing in the Amendment No. 49 proceeding in order to reflect changes to Section 3.2.7.3 (d) approved by the Commission in the present proceeding.

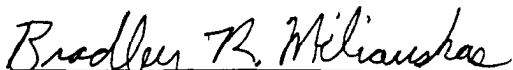
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Two extra copies of the present filing are also enclosed. Please stamp these copies with the date and time filed and return them to the messenger.

Please feel free to contact the undersigned if you have any questions concerning this matter.

Respectfully submitted,

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Enclosures

**ATTACHMENT A**

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.

**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**

## Proposed black-line Tariff amendments

~~3.2.7.3 (d) The Project Sponsor(s), specifically identified beneficiaries and the Participating TO shall agree in writing as to the shares of FTR auction, Wheeling and Congestion revenues to be allocated to each Project Sponsor and specifically identified beneficiary. If the Project Sponsor(s), specifically identified beneficiaries and the Participating TO cannot agree on the allocated shares of FTR auction, Congestion and Wheeling revenues by the later of the date the incremental capacity is placed in service or ninety (90) days after this provision becomes effective, the dispute shall be resolved in accordance with the procedures set forth in Section 13 of the ISO Tariff. If the capacity associated with the upgrade is placed in service before the allocated shares are finally determined, the ISO shall place all FTR auction, Wheeling and Congestion revenues associated with the transmission addition or upgrade in escrow from the time the capacity associated with the upgrade is placed in service until the time the allocated shares are finally determined. Interest accruing on the escrow amounts shall be disbursed in proportion to the allocated shares. 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. 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.~~

**ATTACHMENT C**



