

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

September 5, 2002

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. ER02-____ - 000
Transmission Access Charge Informational Filing**

Dear Secretary Salas:

In accordance with Appendix F, Schedule 3, Section 8.1 of the ISO Tariff, the California Independent System Operator Corporation ("ISO") is to update its transmission Access Charges when the Commission makes effective a change to the High Voltage Transmission Revenue Requirements of any Participating TO.¹ Accordingly, in the enclosed informational filing, the ISO provides notice regarding the updated transmission Access Charges that reflect the revised Transmission Revenue Requirement of a Participating TO, Southern California Edison Company ("SCE"). The Commission approved SCE's revised Transmission Revenue Requirement in Docket No. ER02-925, effective September 1, 2002.²

The transmission Access Charges provided in the present filing update the Access Charges provided for informational purposes in the ISO's submission of

¹ Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, Appendix A to the ISO Tariff. The provision in the ISO Tariff requiring the ISO to update its transmission Access Charges as described above was contained in Amendment No. 45 to the ISO Tariff ("Amendment No. 45"). The Commission approved Amendment No. 45 in its entirety, with the exception of one required compliance change that is not relevant here. See *California Independent System Operator Corporation*, 100 FERC ¶ 61,209 (2002).

² See *Southern California Edison Company*, 99 FERC ¶ 61,032, *reh'g denied and clarification provided*, 99 FERC ¶ 61,319 (2002).

Amendment No. 45, which charges were made effective July 1, 2002.³ In accordance with the Commission's acceptance of Amendment No. 45 and the revised formula rate, the changes in the present filing were made effective September 1, 2002.

Attachment D to the Amendment No. 45 filing listed the recalculated rates for each of the TAC Areas as follows:

Northern Area -	\$2.21/MWh
East Central Area-	\$1.80/MWh
Southern Area-	\$2.49/MWh

Worksheets taking into account the revised Transmission Revenue Requirement data supplied by SCE and illustrating the recalculation of the ISO's transmission Access Charge with these data is included with the present transmittal letter as Attachment A. The re-calculated rates for each of the TAC Areas, effective September 1, 2002, are as follows:

Northern Area -	\$ 2.27/MWh
East Central Area -	\$ 2.16/MWh
Southern Area -	\$ 2.56/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.

³ Amendment No. 45 provided in relevant part as follows:

Attachment D provides the Access Charge and Wheeling Access Charge based on the current Transmission Revenue Requirements ("TRR") and Transmission Revenue Balancing Accounts ("TRBA") of the Participating TOs. These rates will change: (1) when any Participating TO submits a change to their TRR or TRBA and the Commission makes such change effective

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:

Stephen Morrison*
Deborah A. Le Vine
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Phone: 916-608-7143
Fax: (916) 608-7296

David B. Rubin*
Bradley R. Miliauskas
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007
Phone: 202-424-7500
Fax: 202-424-7647

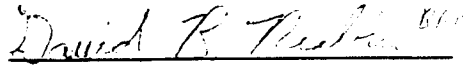
*Individuals designated for service pursuant to Rule 203(b)(3),
18 C.F.R. § 385.203(b)(3).⁴

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 TOs, 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.

⁴ In addition to Mr. Morrison and Mr. Rubin, the ISO respectfully requests that Ms. Le Vine be included on the Official Service List. Mr. Morrison 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,



Stephen Morrison
The California Independent
System Operator Corporation

David B. Rubin
Swidler Berlin Shereff Friedman, LLP

**Counsel for
the California Independent System
Operator Corporation**

ATTACHMENT A

TAC Rate - Effective September 1, 2002 Rate Based on Only Annual TRR and Load Data

Rates to be Effective until Effective Date of next TRR Filing by a PTO or January 1, 2003
(No Refunds Included in Rate Calculation)

TAC Components:	Filed Annual TRR of Existing HV Facilities (\$)	TRBA Adjmt based on prorated TRR (\$)	Filed Annual TRR for New HV Facilities (\$)	Filed Annual Gross Load (MW/h)	TAC Area	Total filed TRR (\$1000)	HV Utility Specific Rate (\$/MWH)	TAC Area Rate (\$/MWH)
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
						= [1] + [2] + [3]	= [6] / [4]	= [8] / [7]
RATE @ 1Jul02								
PG&E	\$ 191,836,100	\$ -	\$ -	85,707,000	N	\$ 191,836,100	\$ 2.2383	\$ 2.2736
SCe	\$ 169,691,604	\$ -	\$ 7,052,073	84,358,000	EC	\$ 176,743,677	\$ 2.0952	\$ 2.1615
SDG&E	\$ 45,916,380	\$ -	\$ 750,760	17,700,683	S	\$ 46,667,140	\$ 2.6365	\$ 2.5582
Vernon	\$ 9,852,130	\$ -	\$ -	1,210,668	EC	\$ 9,852,130	\$ 8.1378	\$ 2.1615
Total	\$ 417,296,214	\$ -	\$ 7,802,833	188,976,351		\$ 425,099,047		

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

	Annual TRR of Existing HV Facilities (\$)	Annual TAC Area TRR (\$)	Annual Gross Load (GWH)	TAC-Area Rate (\$/MWH)	TAC Rate (TAC Area + ISO-wide) (\$/MWH)	Wheeling Rate for TAC Area (\$/MWH)
	[9]	[10]	[11]	[12]	[17]	[17]
	= [1] + [2]	= [9] x 80%	= [4]	= [10] / [11]	= [12] + [16]	= [17]
North	\$ 191,836,100	\$ 153,468,880	85,707,000	\$ 1.7906		
East/C	\$ 179,543,734	\$ 143,634,987	85,568,668	\$ 1.6786		
South	\$ 45,916,380	\$ 36,733,104	17,700,683	\$ 2.0752		
Total	\$ 417,296,214	\$ 333,836,971	188,976,351			
ISO-Wide	TRR of Existing HV Facilities (\$)	TRR of New HV Facilities (\$)	Gross Load (GWH)	ISO-Wide Rate (\$/MWH)		
	[13]	[14]	[15]	[16]		
	Total [9] x 20%	Total [3]	[4]	= [13] + [14] / [15]		
ISO-wide	\$ 83,459,243	\$ 7,802,833	188,976,351	\$ 0.4829		
					North \$ 2.2736	\$ 2.27
					East/Central \$ 2.1615	\$ 2.16
					South \$ 2.5582	\$ 2.56

STEP 2: Calculate the HV Access Charge the UDC/MSS pays on Filed Gross Load and Benefit/Burden (Based on Revised Rate)

	TAC Area	Filed Gross Load (MWH)	TAC Area Rate (\$/MWH)	Amount Paid Based on Filed Gross Load (\$)	Utility Specific Rate (\$/MWH)	Would Have Paid w/ Utility Specific Rate (\$)	Access Charge (Benefit)/Burden (\$)
	[18]	[19]	[20]	[21]	[22]	[23]	[24]
	= [5]	= [4]	= [8]	= [19] x [20]	= [7]	= [19] x [22]	= [21] - [23]
PG&E	N	85,707,000	\$ 2.2736	\$ 194,859,238	\$ 2.2383	\$ 191,836,100	\$ 3,023,138

TAC Rate - Effective September 1, 2002 Rate Based on Only Annual TRR and Load Data

Rates to be Effective until Effective Date of next TRR Filing by a PTO or January 1, 2003
(No Refunds Included in Rate Calculation)

SCE	EC	84,358,000	\$	2,1615	\$	182,341,655	\$	2,0952	\$	176,743,677	\$	5,597,978
SDG&E	S	17,700,683	\$	2,5582	\$	45,281,269	\$	2,6365	\$	46,667,140	\$	(1,385,871)
Vernon	EC	1,210,668	\$	2,1615	\$	2,616,885	\$	8,1378	\$	9,852,130	\$	(7,235,245)
Total		188,976,351	\$		\$	425,099,047	\$		\$	425,099,047	\$	(0)

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

STEP 3: For Information Only -- Estimated annual GMC (Benefit) Burden based on increased ISO participation. (No longer applicable.)

STEP 4: For Information Only -- Projected annual net benefits/burdens from Access Charge. (Based on Option 1)

\$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 IOUs' Burden Exceeds IOUs' 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)
[25]	[26]	[27]	[28]	[29]	[30]	[31]	[32]	[33]	[34]	[35]
= [24]		IF ([26] - [25]) > 0 = [26] - [25] If no cap, then 0	IF [25] - [26] > 0 = [25] - [26] If no cap, then 0	IOUs = ([27] / total[27]) x total[28] Munis = ([25] / total[25]) x total[28] - total[27]	= [29] - [28]	= [25] + [30]	Reallocate IOU Burden [34] so it is proportional to IOU Cap [26] = [34] - [31]	= - [28] + [30] + [32]	= [33] + [31]	= [33] / [19]
\$ 3,023,138	\$ 32,000,000	\$ 28,976,862	\$ 0	\$ 0	\$ 0	\$ 3,023,138	\$ 192,527	\$ 192,527	\$ 3,215,664	\$ 0.0022
\$ 5,597,978	\$ 32,000,000	\$ 26,402,022	\$ 0	\$ 0	\$ 0	\$ 5,597,978	\$ (2,382,314)	\$ (2,382,314)	\$ 3,215,664	\$ (0.0282)
\$ (1,385,871)	\$ 8,000,000	\$ 9,385,871	\$ 0	\$ 0	\$ 0	\$ (1,385,871)	\$ 2,189,787	\$ 2,189,787	\$ 803,916	\$ 0.1237
\$ (7,235,245)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,235,245)	\$ 0	\$ 0	\$ (7,235,245)	\$ 0.0000
Total	(0)	\$ 64,764,755	\$ 0	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)

ATTACHMENT B

