

ALSTON & BIRD LLP

The Atlantic Building
950 F Street, NW
Washington, DC 20004

202-756-3300
Fax: 202-756-3333
www.alston.com

Julia Moore

Direct Dial: 202-756-3407

E-mail: julia.moore@alston.com

June 14, 2007

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: *California Independent System Operator Corporation*
Docket No. ER07-____ - 000**

Transmission Access Charge Informational Filing

Dear Secretary Bose:

The enclosed informational filing by the California Independent System Operator Corporation ("ISO") is intended to provide notice regarding the revised transmission Access Charges effective March 1, 2007. The basis for the revision is to implement the revised Transmission Revenue Requirement ("TRR") of Pacific Gas and Electric Company ("PG&E"), which was accepted by the Commission in an order issued on June 7, 2007 in Docket No. ER06-1325.¹

Changes in Rates

The transmission Access Charges provided in the present filing revise the Access Charges and Wheeling Access Charges provided for informational purposes in the ISO's submission of April 26, 2007 in Docket No. ER07-795. The changes in the present filing are effective March 1, 2007 in accordance with the ISO Tariff, Appendix F, Schedule 3, Section 8.

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 March 1, 2007, are as follows:

¹ *Pacific Gas and Electric Company*, 119 FERC ¶ 61,247 (2007). The order approved an uncontested settlement filed by the parties to that proceeding on February 14, 2007.

| | |
|---------------------|----------------|
| Northern Area - | \$ 2.9282 /MWh |
| East Central Area - | \$ 3.0569 /MWh |
| Southern Area - | \$ 2.9843 /MWh |

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:

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

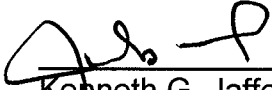
Michael E. Ward*
Julia Moore
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Phone: (202) 756-3300
Fax: (202) 756-3333
michael.ward@alston.com
julia.moore@alston.com

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

The ISO has served copies of this transmittal letter and Attachment A 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,



Anthony J. Ivancovich
Assistant General Counsel
The California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 608-7049
Fax: (916) 608-7296

Kenneth G. Jaffe
Michael E. Ward
Julia Moore
Alston & Bird, LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004
Tel: (202) 756-3300
Fax: (202) 756-3333

Attorneys for the California Independent
System Operator Corporation

ATTACHMENT A

March 1, 2007 TAC Rates Based on Filed Annual TRR/TRBA and Load Data

Per FERC Approval Of PG&E's Offer Of Settlement (Docket No. ER06-1325-000)

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] = [21] | HV Utility Specific Rate (\$/MWh) [8] = [5] / [3] | TAC Area Rate (\$/MWh) [9] = [19] |
|------------------|---|--|--------------------------------------|-----------------|--|---|--|---|---|
| PGE | \$ 138,750,780 | \$ 140,880,921 | 89,438,787 | N | \$ 279,631,701 | \$ 1.5513 | \$ 1.7064 | \$ 3.1265 | \$ 2.9282 |
| SCE | \$ 135,861,900 | \$ 42,066,851 | 91,670,569 | EC | \$ 177,928,751 | \$ 1.4821 | \$ 1.8350 | \$ 1.9410 | \$ 3.0569 |
| SDGE | \$ 36,357,168 | \$ 42,082,122 | 20,915,303 | S | \$ 78,439,290 | \$ 1.7383 | \$ 1.7625 | \$ 3.7503 | \$ 2.9843 |
| Anaheim | \$ 23,306,702 | \$ - | 2,766,313 | EC | \$ 23,306,702 | \$ 8.4252 | \$ 1.8350 | \$ 8.4252 | \$ 3.0569 |
| Azusa | \$ 1,183,561 | \$ - | 239,575 | EC | \$ 1,183,561 | \$ 4.9403 | \$ 1.8350 | \$ 4.9403 | \$ 3.0569 |
| Banning | \$ 924,574 | \$ - | 139,457 | EC | \$ 924,574 | \$ 6.6298 | \$ 1.8350 | \$ 6.6298 | \$ 3.0569 |
| Pasadena | \$ 9,952,813 | \$ - | 1,239,884 | EC | \$ 9,952,813 | \$ 8.0272 | \$ 1.8350 | \$ 8.0272 | \$ 3.0569 |
| Riverside | \$ 15,254,491 | \$ - | 1,814,019 | EC | \$ 15,254,491 | \$ 8.4092 | \$ 1.8350 | \$ 8.4092 | \$ 3.0569 |
| Vernon | \$ 9,703,795 | \$ - | 1,210,668 | EC | \$ 9,703,795 | \$ 8.0152 | \$ 1.8350 | \$ 8.0152 | \$ 3.0569 |
| Atlantic P15 | \$ - | \$ 30,867,299 | - | N | \$ 30,867,299 | \$ - | \$ - | \$ - | \$ 2.9282 |
| ISO Total | \$ 371,295,783 | \$ 255,897,193 | 209,434,575 | | \$ 627,192,976 | | | | |

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 (30%) divided by the Total Load of each area.

The ISO portion is the percent of all TRR which has transitioned to ISO-Wide (70%), 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 30% | Annual Gross Load (MWh) [12] = [3] | TAC Area Rate (\$/MWh) [13] = [11] / [12] | ISO Wide TRR Existing HV Facilities (\$) [14] Total ([10]) x 70% | ISO Wide TRR New HV Facilities (\$) [15] = Total [2] | ISO Wide Annual Gross Load (MWh) [16] = Total [3] | ISO Wide Rate (\$/MWh) [17] = ([14] + [15]) / [16] | EHV only ISO-Wide Rate (\$/MWh) [18] = [14] / [16] | 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 | \$ 138,750,780 | \$ 41,625,234 | 89,438,787 | \$ 0.4654 | | | | | | \$ 2.9282 | \$ 2.9282 | \$ 1.7064 | \$ 1.2218 |
| East/C | \$ 196,187,835 | \$ 58,856,351 | 99,080,485 | \$ 0.5940 | | | | | | \$ 3.0569 | \$ 3.0569 | \$ 1.8350 | \$ 1.2218 |
| South | \$ 36,357,168 | \$ 10,907,150 | 20,915,303 | \$ 0.5215 | | | | | | \$ 2.9843 | \$ 2.9843 | \$ 1.7625 | \$ 1.2218 |
| Total | \$ 371,295,783 | \$ 111,388,735 | 209,434,575 | | | | | | | | | | |
| ISO-wide | \$ 259,907,048 | \$ 255,897,193 | 209,434,575 | \$ 2.4628 | | | | | \$ 1.2410 | | | | |

March 1, 2007 TAC Rates 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) | EHV only TAC Rate (\$/MWH) | Amount Paid Based on Filed Gross Load (\$) | EHV only Utility Specific Rate (\$/MWH) | Would Have Paid w/ EHV Utility Specific Rate (\$) | EHV Access Charge (Benefit)/Burden (\$) |
|------------------|------------------------|----------------------------|--|---|---|---|
| [23] = [4] | [24] = [3] | [25] = [7] | [26] = [24] x [25] | [27] = [6] | [28] = [24] x [27] | [29] = [26] - [28] |
| PGE N | 89,438,787 | \$ 1.7064 | \$ 152,618,231 | \$ 1.5513 | \$ 138,750,780 | \$ 13,867,451 |
| SCE EC | 91,670,569 | \$ 1.8350 | \$ 168,217,295 | \$ 1.4821 | \$ 135,861,900 | \$ 32,355,395 |
| SDGE S | 20,915,303 | \$ 1.7625 | \$ 36,862,916 | \$ 1.7383 | \$ 36,357,168 | \$ 505,748 |
| Anaheim EC | 2,766,313 | \$ 1.8350 | \$ 5,076,239 | \$ 8.4252 | \$ 23,306,702 | \$ (18,230,463) |
| Azusa EC | 239,575 | \$ 1.8350 | \$ 439,625 | \$ 4.9403 | \$ 1,183,561 | \$ (743,936) |
| Banning EC | 139,457 | \$ 1.8350 | \$ 255,906 | \$ 6.6298 | \$ 924,574 | \$ (668,667) |
| Pasadena EC | 1,239,884 | \$ 1.8350 | \$ 2,275,212 | \$ 8.0272 | \$ 9,952,813 | \$ (7,677,601) |
| Riverside EC | 1,814,019 | \$ 1.8350 | \$ 3,328,761 | \$ 8.4092 | \$ 15,254,491 | \$ (11,925,730) |
| Vernon EC | 1,210,668 | \$ 1.8350 | \$ 2,221,600 | \$ 8.0152 | \$ 9,703,795 | \$ (7,482,195) |
| ISO Total | 209,434,575 | | \$ 371,295,783 | | \$ 371,295,783 | \$ (0) |

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

\$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.

| EHV Access Charge (Benefit)/Burden (\$) | IOU Burden Annual Cap (\$) | Amount IOUs' Cap Exceeds IOUs' Burden (\$) | Amount IOU's Burden Exceeds IOU's Cap (\$) | Payments by Entities with Net Benefit IOUs = (([32] / total[32]) x total[33]) Munis w/ Benefit = ([30] / total[30]) x total[33] | Mitigation Payments (\$) | Adjusted Net (Benefit) / Burden (\$) | Reallocation IOU Burden (\$) | Transition Charge (\$) | Adjusted Net (Benefit) / Burden (\$) | Transition Charge Rate (\$/MWh) |
|---|----------------------------|---|---|--|--------------------------|--------------------------------------|--|------------------------|--------------------------------------|---------------------------------|
| [30] = [29] | [31] | IF ([31] - [30] > 0) = [31] - [30]. If no cap, then 0. | IF [30] - [31] > 0 = [30] - [31]. If no cap, then 0. | [34] | [35] | [36] | Reallocate IOU Burden [39] so it is proportional to IOU Cap [31] | [38] | [39] | [40] |
| | | | | IOUs = | = [34] - [35] | = [30] + [35] | | = [35] + [37] | = [36] + [37] | = [38] / [24] |
| PGE \$ 13,867,451 | \$ 32,000,000 | \$ 18,132,549 | \$ 0 | \$ 251,464 | \$ 251,464 | \$ 14,118,915 | \$ 6,649,349 | \$ 6,900,813 | \$ 20,768,264 | \$ 0.0772 |
| SCE \$ 32,355,395 | \$ 32,000,000 | \$ 0 | \$ 355,395 | \$ 0 | \$ (355,395) | \$ 32,000,000 | \$ (11,231,736) | \$ (11,587,131) | \$ 20,768,264 | \$ (0.1264) |
| SDGE \$ 505,748 | \$ 8,000,000 | \$ 7,494,252 | \$ 0 | \$ 103,931 | \$ 103,931 | \$ 609,679 | \$ 4,582,387 | \$ 4,686,318 | \$ 5,192,066 | \$ 0.2241 |
| Anaheim \$ (18,230,463) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (18,230,463) | \$ 0 | \$ 0 | \$ (18,230,463) | \$ 0 |
| Azusa \$ (743,936) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (743,936) | \$ 0 | \$ 0 | \$ (743,936) | \$ 0 |
| Banning \$ (668,667) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (668,667) | \$ 0 | \$ 0 | \$ (668,667) | \$ 0 |
| Pasadena \$ (7,677,601) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (7,677,601) | \$ 0 | \$ 0 | \$ (7,677,601) | \$ 0 |
| Riverside \$ (11,925,730) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (11,925,730) | \$ 0 | \$ 0 | \$ (11,925,730) | \$ 0 |
| Vernon \$ (7,482,195) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ (7,482,195) | \$ 0 | \$ 0 | \$ (7,482,195) | \$ 0 |
| Total \$ 0 | \$ 72,000,000 | \$ 25,626,801 | \$ 355,395 | \$ 355,395 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

March 1, 2007 TAC Rates
Based on Filed Annual TRR/TRBA and Load Data

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 (\$) [41] = [2] | ISO Wide Annual Gross Load (MWh) [42] = [3] | New HVTRR Rate (\$/MWh) [43] = ([15]) / [16] | New HVTRR Cost Responsibility (\$) [44] = ([42]) * [43] | NHVF Access Charge (Benefit)/Burden (\$) [45] = ([44]) - [41] | Total Access Charge (Benefit)/Burden (\$) [46] = ([45]) + [39] |
|--------------|---|--|---|--|--|---|
| PGE | \$ 140,880,921 | 89,438,787 | \$ 1.2218 | \$ 109,280,593 | \$ (31,600,328) | \$ (10,832,064) |
| SCE | \$ 42,066,851 | 91,670,569 | \$ 1.2218 | \$ 112,007,491 | \$ 69,940,640 | \$ 90,708,904 |
| SDGE | \$ 42,082,122 | 20,915,303 | \$ 1.2218 | \$ 25,555,319 | \$ (16,526,803) | \$ (11,334,737) |
| Anaheim | \$ - | 2,766,313 | \$ 1.2218 | \$ 3,380,014 | \$ 3,380,014 | \$ (14,850,450) |
| Azusa | \$ - | 239,575 | \$ 1.2218 | \$ 292,724 | \$ 292,724 | \$ (451,212) |
| Banning | \$ - | 139,457 | \$ 1.2218 | \$ 170,395 | \$ 170,395 | \$ (498,272) |
| Pasadena | \$ - | 1,239,884 | \$ 1.2218 | \$ 1,514,950 | \$ 1,514,950 | \$ (6,162,652) |
| Riverside | \$ - | 1,814,019 | \$ 1.2218 | \$ 2,216,455 | \$ 2,216,455 | \$ (9,709,275) |
| Vernon | \$ - | 1,210,668 | \$ 1.2218 | \$ 1,479,252 | \$ 1,479,252 | \$ (6,002,943) |
| Atlantic P15 | \$ 30,867,299 | 0 | \$ 1.2218 | \$ 0 | \$ (30,867,299) | \$ (30,867,299) |
| Total | \$ 255,897,193 | 209,434,575 | | \$ 255,897,193 | \$ 0 | \$ 0 |