

March 24, 2008

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. ER08-\_\_\_\_-000

**Transmission Access Charge Informational Filing**

Dear Secretary Bose:

Please find enclosed an original and 5 copies of an informational filing by the California Independent System Operator Corporation (“CAISO”) that is intended to provide notice regarding the revised transmission Access Charges effective January 1, 2008. The basis for the revision is to implement the Transmission Revenue Requirement (“TRR”) associated with the revised Transmission Revenue Balancing Accounts (“TRBA”) of the Participating Transmission Owners (“Participating TOs”).<sup>1</sup> The docket numbers of the filings of the Participating TOs updating their respective TRRs are provided in Attachment A to this informational filing.

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 CAISO’s submission of August 17, 2007 in Docket No. ER07-1292-000. The changes in the present filing are effective January 1, 2008 in accordance with the ISO Tariff, Appendix F, Schedule 3, Section 8.

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<sup>1</sup> The Participating TOs are Atlantic Path 15, LLC; Pacific Gas and Electric Company; San Diego Gas & Electric Company; Southern California Edison Company; and the Cities of Anaheim, Azusa, Banning, Pasadena, Riverside, and Vernon, California.

Worksheets illustrating the recalculation of the CAISO's transmission Access Charge are included with the present transmittal letter as Attachment B. The recalculated rates for each of the TAC Areas, effective January 1, 2008, are as follows:

|                   |               |
|-------------------|---------------|
| Northern Area-    | \$ 3.2580/MWh |
| East/Central Area | \$ 3.3503/MWh |
| Southern Area     | \$ 3.1040/MWh |

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*                                      | Michael D. Dozier*,<br>Senior Counsel                    |
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\*Individuals designated for service pursuant to Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3).

The CAISO has served copies of this transmittal letter and 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 CAISO is posting this transmittal letter and all attachments on the CAISO website.

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An additional copy of this filing is enclosed to be date-stamped and returned in the enclosed, pre-paid Federal Express envelope. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,



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Attachments

**ATTACHMENT A**

## ATTACHMENT A

### Participating Transmission Owners' 2008 TRBA Adjustment Filings

| PTO                                | Docket No. | Date of Filing |
|------------------------------------|------------|----------------|
| Atlantic Path 15, LLC              | ER08-144   | 11/1/07        |
| City of Anaheim                    | EL08-25    | 12/21/07       |
| City of Azusa                      | EL08-18    | 12/7/07        |
| City of Banning                    | EL08-27    | 12/21/07       |
| City of Pasadena                   | EL08-28    | 12/21/07       |
| City of Riverside                  | EL08-26    | 12/21/07       |
| City of Vernon                     | EL08-30    | 12/31/07       |
| Pacific Gas and Electric Company   | ER08-21    | 10/4/07        |
| San Diego Gas & Electric Company   | ER08-402   | 12/31/07       |
| Southern California Edison Company | ER08-113   | 10/30/07       |

**ATTACHMENT B**

## January 1, 2008 TAC Rates Based on Filed Annual TRR/TRBA and Load Data

**TAC Components:**

|                  | Filed Annual TRR Existing HV Facilities (\$)<br>[1] | Filed Annual TRR New HV Facilities (\$)<br>[2] | Filed Annual Gross Load (MWH)<br>[3] | TAC Area<br>[4] | Total Filed TRR (\$)<br>= [1] + [2]<br>[5] | EHVF only Utility Specific Rate (\$/MWH)<br>[6]<br>= [1] / [3] | EHVF only TAC Area Rate (\$/MWH)<br>[7]<br>= [2] [1] | HV Utility Specific Rate (\$/MWH)<br>[8]<br>= [5] / [3] | TAC Area Rate (\$/MWH)<br>[9]<br>= [19] |
|------------------|---|--|--------------------------------------|-----------------|--|--|--|---|---|
| PGE              | \$ 151,731,104                                      | \$ 154,070,607                                 | 89,438,787                           | N               | \$ 305,801,711                             | \$ 1.6965  | \$ 1.8084  | \$ 3.4191   | \$ 3.2580                               |
| SCE              | \$ 159,363,861                                      | \$ 49,343,942                                  | 91,670,569                           | EC              | \$ 208,707,803                             | \$ 1.7384  | \$ 1.9007  | \$ 2.2767   | \$ 3.3503                               |
| SDGE             | \$ 19,708,518                                       | \$ 65,557,597                                  | 21,271,145                           | S               | \$ 85,266,115                              | \$ 0.9265  | \$ 1.6544  | \$ 4.0085   | \$ 3.1040                               |
| Anaheim          | \$ 21,670,561                                       | \$ -   | 2,766,313                            | EC              | \$ 21,670,561                              | \$ 7.8337  | \$ 1.9007  | \$ 7.8337   | \$ 3.3503                               |
| Azusa            | \$ 1,008,851  | \$ -   | 239,575                              | EC              | \$ 1,008,851                               | \$ 4.2110  | \$ 1.9007  | \$ 4.2110   | \$ 3.3503                               |
| Banning          | \$ 830,074  | \$ -   | 139,457                              | EC              | \$ 830,074                                 | \$ 5.9522  | \$ 1.9007  | \$ 5.9522   | \$ 3.3503                               |
| Pasadena         | \$ 8,706,949  | \$ -   | 1,239,884                            | EC              | \$ 8,706,949                               | \$ 7.0224  | \$ 1.9007  | \$ 7.0224   | \$ 3.3503                               |
| Riverside        | \$ 13,680,083                                       | \$ -   | 1,814,019                            | EC              | \$ 13,680,083                              | \$ 7.5413  | \$ 1.9007  | \$ 7.5413   | \$ 3.3503                               |
| Vernon           | \$ 8,551,622  | \$ -   | 1,210,668                            | EC              | \$ 8,551,622                               | \$ 7.0636  | \$ 1.9007  | \$ 7.0636   | \$ 3.3503                               |
| Atlantic P15     | \$ -  | \$ 35,147,838                                  | -                                    | N               | \$ 35,147,838                              | \$ -   | \$ -   | \$ -  | \$ 3.2580                               |
| <b>ISO Total</b> | <b>\$ 385,251,624</b>                               | <b>\$ 304,119,984</b>                          | <b>209,790,417</b>                   |                 | <b>\$ 689,371,608</b>                      |  |  |   |   |

**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 (20%) divided by the Total Load of each area.

The ISO portion is the percent of all TRR which has transitioned to ISO-Wide (80%), plus the TRR of New HV Facilities, divided by total load.

|                 | Annual TRR Existing HV Facilities (\$)<br>[10]<br>= [1] | Annual TAC Area TRR (\$)<br>[11]<br>= [10] x 20% | Annual Gross Load (MWH)<br>[12]<br>= [3] | TAC Area Rate (\$/MWH)<br>[13]<br>= [11] / [12] | ISO Wide TRR Existing HV Facilities (\$)<br>[14]<br>Total ([10]) x 80% | ISO Wide TRR New HV Facilities (\$)<br>[15]<br>= Total [2] | ISO Wide Annual Gross Load (MWH)<br>[16]<br>= Total [3] | ISO Wide Rate (\$/MWH)<br>[17]<br>= ([14] + [15]) / [16] | EHVF only ISO-Wide Rate (\$/MWH)<br>[18]<br>= [14] / [16] | TAC Rate (TAC Area + ISO Wide) (\$/MWH)<br>[19]<br>= [13] + [17] | Wheeling Rate (TAC Area + ISO Wide) (\$/MWH)<br>[20]<br>= [19] | Existing HV Facilities (EHVF) only TAC Rate (\$/MWH)<br>[21]<br>= [13] + [18] | New HV Facilities (NHVF) only TAC Rate (\$/MWH)<br>[22]<br>= [15] / [16] |
|-----------------|---|--|--|---|--|--|---|--|---|--|--|---|--|
| North           | \$ 151,731,104  | \$ 30,346,221                                    | 89,438,787                               | \$ 0.3393                                       |  |  |   |  |   | \$ 3.2580  | \$ 3.2580  | \$ 1.8084   | \$ 1.4496  |
| East/C          | \$ 213,812,002  | \$ 42,762,400                                    | 99,080,485                               | \$ 0.4316                                       |  |  |   |  |   | \$ 3.3503  | \$ 3.3503  | \$ 1.9007   | \$ 1.4496  |
| South           | \$ 19,708,518   | \$ 3,941,704                                     | 21,271,145                               | \$ 0.1853                                       |  |  |   |  |   | \$ 3.1040  | \$ 3.1040  | \$ 1.6544   | \$ 1.4496  |
| <b>Total</b>    | <b>\$ 385,251,624</b>                                   | <b>\$ 77,050,325</b>                             | <b>209,790,417</b>                       |   |  |  |   |  |   |  |  |   |  |
| <b>ISO-wide</b> | <b>\$ 308,201,299</b>                                   | <b>\$ 304,119,984</b>                            | <b>209,790,417</b>                       | <b>\$ 2.9187</b>                                |  |  |   |  | <b>\$ 1.4691</b>  |  |  |   |  |

## January 1, 2008 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<br>Gross<br>Load<br>(MWH) | EHVF<br>only<br>TAC Rate<br>(\$/MWH) | Amount Paid<br>Based on Filed<br>Gross Load<br>(\$) | EHVF only<br>Utility Specific<br>Rate<br>(\$/MWH) | Would Have Paid<br>w/ EHVF Utility<br>Specific Rate<br>(\$) | EHVF<br>Access Charge<br>(Benefit)/Burden<br>(\$) |
|------------------|---------------------------------|--------------------------------------|---|---|---|---|
| [23]<br>= [4]    | [24]<br>= [3]                   | [25]<br>= [7]                        | [26]<br>= [24] x [25]                               | [27]<br>= [6]                                     | [28]<br>= [24] x [27]                                       | [29]<br>= [26] - [28]                             |
| PGE N            | 89,438,787                      | \$ 1.8084                            | \$ 161,739,974                                      | \$ 1.6965   | \$ 151,731,104  | \$ 10,008,870                                     |
| SCE EC           | 91,670,569                      | \$ 1.9007                            | \$ 174,236,781                                      | \$ 1.7384   | \$ 159,363,861  | \$ 14,872,920                                     |
| SDGE S           | 21,271,145                      | \$ 1.6544                            | \$ 35,190,960                                       | \$ 0.9265   | \$ 19,708,518   | \$ 15,482,442                                     |
| Anaheim EC       | 2,766,313                       | \$ 1.9007                            | \$ 5,257,887  | \$ 7.8337   | \$ 21,670,561   | \$ (16,412,674)                                   |
| Azusa EC         | 239,575                         | \$ 1.9007                            | \$ 455,356  | \$ 4.2110   | \$ 1,008,851  | \$ (553,495)                                      |
| Banning EC       | 139,457                         | \$ 1.9007                            | \$ 265,064  | \$ 5.9522   | \$ 830,074  | \$ (565,011)                                      |
| Pasadena EC      | 1,239,884                       | \$ 1.9007                            | \$ 2,356,628  | \$ 7.0224   | \$ 8,706,949  | \$ (6,350,321)                                    |
| Riverside EC     | 1,814,019                       | \$ 1.9007                            | \$ 3,447,877  | \$ 7.5413   | \$ 13,680,083   | \$ (10,232,206)                                   |
| Vernon EC        | 1,210,668                       | \$ 1.9007                            | \$ 2,301,097  | \$ 7.0636   | \$ 8,551,622  | \$ (6,250,525)                                    |
| <b>ISO Total</b> | <b>209,790,417</b>              |                                      | <b>\$ 385,251,624</b>                               |   | <b>\$ 385,251,624</b>                                       | <b>\$ 0</b>                                       |

**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.

|              | EHVF<br>Access Charge<br>(Benefit)/Burden<br>(\$)<br>= [29] | IOU Burden<br>Annual Cap<br>(\$)<br>[31] | Amount<br>IOUs' Cap Exceeds<br>IOUs' Burden<br>(\$)<br>[32]<br>IF ([31] - [30] > 0)<br>= [31] - [30].<br>if no cap,<br>then 0. | Amount<br>IOUs' Burden<br>Exceeds IOUs' Cap<br>(\$)<br>[33]<br>IF [30] - [31] > 0<br>= [30] - [31].<br>if no cap,<br>then 0. | Payments by<br>Entities with<br>Net Benefit<br>(\$)<br>[34]<br>IOUs =<br>([32] / total[32]) x<br>total[33].<br>Munis w/ Benefit=<br>([30] / total[30])<br>x total[33] - total[32] | Mitigation<br>Payments<br>(\$)<br>[35]<br>= [34] - [33] | Adjusted<br>Net<br>(Benefit) / Burden<br>(\$)<br>[36]<br>= [30] + [35] | Reallocation<br>IOU<br>Burden<br>(\$)<br>[37]<br>Reallocate<br>IOU Burden [39]<br>so it is<br>proportional<br>to IOU Cap [31]<br>= [39] - [36] | Transition<br>Charge<br>(\$)<br>[38]<br>= [35] + [37] | Adjusted<br>Net<br>(Benefit) / Burden<br>(\$)<br>[39]<br>= [36] + [37] | Transition<br>Charge<br>Rate<br>(\$/MWh)<br>[40]<br>= [38] / [24] |
|--------------|---|--|--|--|---|---|--|--|---|--|---|
| PGE          | \$ 10,008,870   | \$ 32,000,000                            | \$ 21,991,130  | \$ 0   | \$ 4,206,413  | \$ 4,206,413  | \$ 14,215,283  | \$ 3,724,375   | \$ 7,930,788  | \$ 17,939,659  | \$ 0.0887   |
| SCE          | \$ 14,872,920   | \$ 32,000,000                            | \$ 17,127,080  | \$ 0   | \$ 3,276,029  | \$ 3,276,029  | \$ 18,148,949  | \$ (209,290)   | \$ 3,066,739  | \$ 17,939,659  | \$ 0.0335   |
| SDGE         | \$ 15,482,442   | \$ 8,000,000                             | \$ 0   | \$ 7,482,442   | \$ 0  | \$ (7,482,442)  | \$ 8,000,000   | \$ (3,515,085)   | \$ (10,997,527)                                       | \$ 4,484,915   | \$ (0.5170)   |
| Anaheim      | \$ (16,412,674)   | \$ 0                                     | \$ 0   | \$ 0   | \$ 0  | \$ 0  | \$ (16,412,674)  | \$ 0   | \$ 0  | \$ (16,412,674)  | \$ 0  |
| Azusa        | \$ (553,495)  | \$ 0                                     | \$ 0   | \$ 0   | \$ 0  | \$ 0  | \$ (553,495)   | \$ 0   | \$ 0  | \$ (553,495)   | \$ 0  |
| Banning      | \$ (565,011)  | \$ 0                                     | \$ 0   | \$ 0   | \$ 0  | \$ 0  | \$ (565,011)   | \$ 0   | \$ 0  | \$ (565,011)   | \$ 0  |
| Pasadena     | \$ (6,350,321)  | \$ 0                                     | \$ 0   | \$ 0   | \$ 0  | \$ 0  | \$ (6,350,321)   | \$ 0   | \$ 0  | \$ (6,350,321)   | \$ 0  |
| Riverside    | \$ (10,232,206)   | \$ 0                                     | \$ 0   | \$ 0   | \$ 0  | \$ 0  | \$ (10,232,206)  | \$ 0   | \$ 0  | \$ (10,232,206)  | \$ 0  |
| Vernon       | \$ (6,250,525)  | \$ 0                                     | \$ 0   | \$ 0   | \$ 0  | \$ 0  | \$ (6,250,525)   | \$ 0   | \$ 0  | \$ (6,250,525)   | \$ 0  |
| <b>Total</b> | <b>\$ 0</b>   | <b>\$ 72,000,000</b>                     | <b>\$ 39,118,210</b>   | <b>\$ 7,482,442</b>  | <b>\$ 7,482,442</b>   | <b>\$ (0)</b>   | <b>\$ 0</b>  | <b>\$ 0</b>  | <b>\$ 0</b>   | <b>\$ 0</b>  | <b>\$ 0</b>   |



## January 1, 2008 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<br>New<br>HV Facilities<br>(\$)<br>[41]<br>= [2] | ISO Wide<br>Annual<br>Gross Load<br>(MWh)<br>[42]<br>= [3] | New<br>HVTRR<br>Rate<br>(\$/MWh)<br>[43]<br>= ([15]) / [16] | New HVTRR<br>Cost<br>Responsibility<br>(\$)<br>[44]<br>= ([42]) * [43] | NHVF<br>Access Charge<br>(Benefit)/Burden<br>(\$)<br>[45]<br>= ([44]) - [41] | Total<br>Access Charge<br>(Benefit)/Burden<br>(\$)<br>[46]<br>= ([45]) + [39] |
|--------------|---|--|---|--|--|---|
| PGE          | \$ 154,070,607  | 89,438,787   | \$ 1.4496   | \$ 129,653,789   | \$ (24,416,818)  | \$ (6,477,159)  |
| SCE          | \$ 49,343,942   | 91,670,569   | \$ 1.4496   | \$ 132,889,063   | \$ 83,545,121  | \$ 101,484,780  |
| SDGE         | \$ 65,557,597   | 21,271,145   | \$ 1.4496   | \$ 30,835,442  | \$ (34,722,155)  | \$ (30,237,240)   |
| Anaheim      | \$ -  | 2,766,313  | \$ 1.4496   | \$ 4,010,150   | \$ 4,010,150   | \$ (12,402,524)   |
| Azusa        | \$ -  | 239,575  | \$ 1.4496   | \$ 347,297   | \$ 347,297   | \$ (206,198)  |
| Banning      | \$ -  | 139,457  | \$ 1.4496   | \$ 202,162   | \$ 202,162   | \$ (362,849)  |
| Pasadena     | \$ -  | 1,239,884  | \$ 1.4496   | \$ 1,797,382   | \$ 1,797,382   | \$ (4,552,940)  |
| Riverside    | \$ -  | 1,814,019  | \$ 1.4496   | \$ 2,629,669   | \$ 2,629,669   | \$ (7,602,537)  |
| Vernon       | \$ -  | 1,210,668  | \$ 1.4496   | \$ 1,755,029   | \$ 1,755,029   | \$ (4,495,495)  |
| Atlantic P15 | \$ 35,147,838   | 0  | \$ 1.4496   | \$ 0   | \$ (35,147,838)  | \$ (35,147,838)   |
| <b>Total</b> | <b>\$ 304,119,984</b>   | <b>209,790,417</b>   |   | <b>\$ 304,119,984</b>  | <b>\$ 0</b>  | <b>\$ 0</b>   |