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March 9, 2004

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

Re: Transmission Access Charge Informational Filing, *California Independent System Operator Corporation*, Docket No. ER04-370-002

Dear Secretary Salas:

The enclosed informational filing by the California Independent System Operator Corporation ("ISO") is intended to provide notice regarding changes to the ISO's transmission Access Charge and Wheeling Rates. These revised rates are necessary in order to account for adjustments to the Transmission Revenue Balancing Account Adjustments ("TRBAAs") of the Cities of Anaheim, Azusa, Banning and Riverside, California ("Southern Cities"), which are included in the Southern Cities revised calculation of their transmission Access Charge and Wheeling rates in their respective submissions on February 20, 2004, in Docket Nos. EL00-40-001, EL00-35-001, EL00-42-001, and EL00-39-001, respectively. These rates are, in turn, included in the ISO's TAC Area rates for the East Central Area.

Changes in Rates

The transmission Access Charge and Wheeling rates provided in the present filing updates the transmission Access Charge and Wheeling rates provided in this proceeding for informational purposes in the ISO's submission of December 31, 2003.¹ The changes in the present filing are effective January 1, 2004, coincident with the effective date of the Southern Cities' revised TRBAAs.

In December, 2003, Anaheim filed in Docket No. EL04-40-000, Azusa filed in Docket No. EL04-35-000, Banning filed in Docket No. EL04-42-000, and Riverside filed in Docket No. EL04-39-000, their first revisions to their TRBAAs, to be effective January 1, 2004. In those filings, the

¹ On January 5, 2004, the ISO filed corrected worksheets.

Southern Cities requested approval from the Commission to revise a component of its TRBAA, Net FTR Revenues, through a procedure first developed for use by the City of Vernon, California.² Under this procedure, the Southern Cities submitted on a confidential basis back-up data for their Net FTR Revenue calculations to the ISO and the Commission. The ISO then compared the Southern Cities' data against its own records to validate the data that the Southern Cities relied upon. The ISO recently reviewed such data submitted to it by the Southern Cities and suggested minor modifications, which Southern Cities have accepted. On February 20, 2004, the Southern Cities filed appropriately revised tariff sheets in their respective dockets.

As a consequence of these modifications, the ISO must revise its transmission Access Charge and Wheeling Rates for the East Central Area (one of the three TAC Areas) included in its December 31st informational filing. The transmission Access Charge and Wheeling rates for the Northern and Southern Areas have not changed, but all three TAC Areas had a minor change in the rate for Existing High Voltage Facilities that impacts calculation of the Transition Charge. Worksheets illustrating the recalculation of the ISO's transmission Access Charge and Wheeling rates are included with the present transmittal letter as Attachment A. The recalculated transmission Access Charge and Wheeling rates for the East Central Area, effective January 1, 2004, are both \$2.6581. This reflects a reduction of .002 mills.

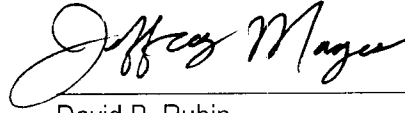
Additionally, the ISO provides in Attachment B to the present filing a form of notice suitable for publication in the *Federal Register*, which is also provided in electronic form on the enclosed diskette.

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 its Website.

² See *City of Vernon, California*, Offer of Settlement filed in Docket No. EL02-103-000 on December 26, 2002, corrected by filing dated January 7, 2003, and approved by a letter order of the Commission issued February 5, 2003.

Two additional copies of this filing are enclosed that we request be time-stamped and returned with our messenger. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,



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Attorneys for the California Independent System Operator Corporation

Attachment A

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

Revised due to S.Cities Revised TRBAs filed 20 Feb 2004

TAC Components:

	Filed Annual TRR Existing HV Facilities (\$)	Filed Annual TRR New HV Facilities (\$)	Filed Annual Gross Load (MWh)	TAC Area	Total Filed TRR (\$)	EHVF only Utility Specific Rate (\$/MWh)	EHVF only TAC Area Rate (\$/MWh)	HV Utility Specific Rate (\$/MWh)	TAC Area Rate (\$/MWh)
	[1]	[2]	[3]	[4]	[5] = [1] + [2]	[6] = [1] / [3]	[7] = [2] / [3]	[8] = [5] / [3]	[9] = [19]
PG&E	\$ 146,199,679	\$ 45,188,967	83,389,232	N	\$ 191,388,646	1,7532	1,8939	2,2951	2,2191
SCE	\$ 173,100,226	\$ 7,193,729	84,358,000	EC	\$ 180,293,955	2,0520	2,3329	2,1372	2,6581
SDG&E	\$ 35,851,531	\$ 10,423,518	19,404,874	S	\$ 46,275,049	1,8476	1,9505	2,3847	2,2757
Anaheim	\$ 22,137,953	\$ -	2,589,830	EC	\$ 22,137,953	8,5480	2,3329	8,5480	2,6581
Azusa	\$ 1,374,977	\$ -	239,575	EC	\$ 1,374,977	5,7392	2,3329	5,7392	2,6581
Banning	\$ 977,164	\$ -	139,457	EC	\$ 977,164	7,0069	2,3329	7,0069	2,6581
Riverside	\$ 16,934,138	\$ -	1,814,019	EC	\$ 16,934,138	9,3351	2,3329	9,3351	2,6581
Vernon	\$ 9,990,364	\$ -	1,210,668	EC	\$ 9,990,364	8,2519	2,3329	8,2519	2,6581
ISO Total	\$ 406,566,032	\$ 62,806,214	193,145,655		\$ 469,372,246				

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 (\$)	Annual TRR New HV Facilities (\$)	Annual TRR HV Facilities (\$)	Annual Gross Load (GWh)	TAC Area Rate (\$/MWh)	ISO Wide New HV Facilities (\$)	ISO Wide Annual Gross Load (GWh)	ISO Wide Rate (\$/MWh)	EHVF only ISO-Wide Rate (\$/MWh)	Wheeling Rate (TAC Area + ISO Wide) (\$/MWh)	Existing HV Facilities (EHVF) only Rate (\$/MWh)	New HV Facilities (NHVF) only TAC Rate (\$/MWh)
	[10]	[11]	[11] x 60%	[12]	[13] = [11] / [12]	[14]	[15]	[16] = ([14] + [15]) / [16]	[17] = [14] / [16]	[19] = [13] + [17]	[20] = [19] / [16]	[21] = [19] / [16]
North	\$ 146,199,679	\$ 87,719,808	\$ 83,389,232	83,389,232	\$ 1,0519	\$ -	83,389,232	1,0519	1,8939	2,2191	1,8939	0,3252
East/C	\$ 224,514,822	\$ 134,708,893	\$ 90,351,549	90,351,549	\$ 1,4909	\$ -	90,351,549	1,4909	2,6581	2,6581	2,3329	0,3252
South	\$ 35,851,531	\$ 21,510,919	\$ 19,404,874	19,404,874	\$ 1,1085	\$ -	19,404,874	1,1085	2,2757	2,2757	1,9505	0,3252
Total	\$ 406,566,032	\$ 243,939,619	\$ 193,145,655	193,145,655			193,145,655	1,1672	\$ 0.8420			
ISO Wide TRR Existing HV Facilities (\$)	\$ 162,626,413	\$ 62,806,214	\$ 193,145,655									
ISO Wide TRR New HV Facilities (\$)	\$ -	\$ -	\$ -									
Total	\$ 162,626,413	\$ 62,806,214	\$ 193,145,655									

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

STEP 2: Calculate the HV Access Charge the UDC/MS 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	[22] = [4]	[23] = [3]	Filed Gross Load (MWh)	EHVF only TAC Rate (\$/MWh)	EHVF only TAC Rate (\$/MWh)	Amount Paid Based on Filed Gross Load (\$)	EHVF only Utility Specific Rate (\$/MWh)	Would Have Paid w/ EHVF Utility Specific Rate (\$)	EHVF Access Charge (Benefit)/Burden (\$)	
			[23] x [24]	[24]	[26]	[25] x [26]	[27]	[27] x [26]	[28] = [25] - [27]	
PG&E	N	83,389,232	\$	1,899	\$	157,932,579	\$	146,199,679	\$	11,732,899
SCE	EC	84,358,000	\$	2,3329	\$	196,801,324	\$	173,100,226	\$	23,701,098
SDG&E	S	19,404,874	\$	1,9505	\$	37,849,599	\$	35,851,531	\$	1,998,068
Anaheim	EC	2,589,830	\$	2,3329	\$	6,041,893	\$	22,137,953	\$	(16,096,060)
Azusa	EC	239,575	\$	2,3329	\$	558,912	\$	1,374,977	\$	(816,065)
Banning	EC	139,457	\$	2,3329	\$	325,343	\$	977,164	\$	(651,821)
Riverside	EC	1,814,019	\$	2,3329	\$	4,231,980	\$	16,934,138	\$	(12,702,158)
Vernon	EC	1,210,668	\$	2,3329	\$	2,824,404	\$	9,990,364	\$	(7,165,960)
ISO Total		193,145,655	\$		\$	406,566,032	\$	406,566,032	\$	(0)

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

\$32/328 million cap for IOUs; munis 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' Burden IOUs' Burden Exceeds IOU's Cap (\$)	Amount IOUs' Burden Exceeds IOU's 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]	[28]	[30]	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]	
			IF [30] - [29] > 0 = [30] - [29] If no cap, then 0.	IF [29] - [30] > 0 = [29] - [30] If no cap, then 0.	IOUs = ([31] / total[31]) x total[32] Munis w/ Benefit = ([29] / total[29]) total[32]	[33] - [32]	[29] + [34]	Reallocate IOU Burden [38] so it is proportional to IOU Cap [30]	[37]	[38]	[37] / [23]	
PG&E	\$	11,732,899	\$	20,267,101	\$	0	\$	11,732,899	\$	4,903,574	\$	0.0588
SCE	\$	23,701,098	\$	8,298,902	\$	0	\$	23,701,098	\$	(7,064,624)	\$	(0.0837)
SDG&E	\$	1,998,068	\$	6,001,932	\$	0	\$	1,998,068	\$	2,161,051	\$	0.1114
Anaheim	\$	(16,096,060)	\$	0	\$	0	\$	(16,096,060)	\$	0	\$	0
Azusa	\$	(816,065)	\$	0	\$	0	\$	(816,065)	\$	0	\$	0
Banning	\$	(651,821)	\$	0	\$	0	\$	(651,821)	\$	0	\$	0
Riverside	\$	(12,702,158)	\$	0	\$	0	\$	(12,702,158)	\$	0	\$	0
Vernon	\$	(7,165,960)	\$	0	\$	0	\$	(7,165,960)	\$	0	\$	0
Total	\$	0	\$	34,567,935	\$	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]			
[40]	[41]	[42]	[43]	[44]	[45]			
PG&E	\$	45,188,967	\$	83,389,232	\$	18,072,841	\$	(1,436,367)
SCE	\$	7,193,729	\$	84,358,000	\$	27,431,146	\$	36,873,890
SDG&E	\$	10,423,518	\$	19,404,874	\$	6,309,987	\$	45,588
Anaheim	\$	-	\$	2,589,830	\$	842,149	\$	(15,253,911)
Azusa	\$	-	\$	239,575	\$	77,904	\$	(738,161)
Banning	\$	-	\$	139,457	\$	45,348	\$	(606,473)
Riverside	\$	-	\$	1,814,019	\$	589,874	\$	(12,112,284)
Vernon	\$	-	\$	1,210,668	\$	393,679	\$	(6,772,281)
Total	\$	62,806,214	\$	193,145,655	\$	62,806,214	\$	0

1 January 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	
PGE	Base TRR (TO7)	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				
Vernon	TRBA - Eff. Date - Docket#	1-Jan-04 ER04-334-000		1-Jan-04 ER04-334-000				
	Base TRR	53,195,000	53,750,000	10,799,000	17,899,000	63,994,000	71,649,000	135,643,000
	TRBAA (as of 30Sep03)	(17,102,713)	(3,827,323)	(326,231)	(110,153)	(17,428,944)	(3,937,476)	(21,366,420)
	Standby Credit	(240,756)	(243,303)	(49,251)	(80,690)	(290,007)	(323,993)	(614,000)
	Total	35,851,531	49,679,374	10,423,518	17,708,157	46,275,049	67,387,531	113,662,580
Vernon	Gross Load	19,404,874	19,404,874	19,404,874	19,404,874	19,404,874	19,404,874	19,404,874
	Utility Specific Access Charges (\$/kWh)	1.8476	2.5601	0.5372	0.9126	2.3847	3.4727	5.8574
	TRR - Eff. Date - Docket#	1-Oct-03 ER03-601-002		1-Oct-03 ER03-601-002				
	TRBA - Eff. Date - Docket#	1-Jan-04 ER04-371-000		1-Jan-04 ER04-371-000				
	Base TRR	10,216,178				10,216,178		10,216,178
Vernon	TRBAA (as of 30Sep03)	(225,814)				(225,814)		(225,814)
	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
Vernon	TRR - Eff. Date - Docket#	1/1/2003 EL03-31-000						
	TRBA - Eff. Date - Docket#	1/1/2004 EL04-34-000						

1 January 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						
For Information Only								
Total CAISO Grid	Base TRR	495,448,837	363,624,518	80,935,108	17,899,000	576,383,946	381,523,518	957,907,463
	TRBAA (as of 30Sep03)	(86,853,380)	(40,524,078)	(17,647,071)	(110,153)	(104,500,451)	(40,634,231)	(145,134,682)
	Standby Credit	(2,029,425)	(1,500,814)	(481,823)	(80,690)	(2,511,249)	(1,581,504)	(4,092,753)
	Total	406,566,032	321,599,625	62,806,214	17,708,157	469,372,246	339,307,782	808,680,028
	Gross Load	193,145,655	187,291,563	187,152,106	19,404,874	193,145,655	187,291,563	193,145,655
	Utility Specific Access Charges (\$/kWh)	2.1050	1.7171	0.3356	0.9126	2.4301	1.8117	4.1869

Attachment B

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

California Independent System
Operator Corporation

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Docket No ER04-370-002

Notice of Filing

Take notice that, on March 9, 2004, the California Independent System Operator Corporation ("ISO") submitted a revised informational filing regarding the ISO's transmission Access Charge and Wheeling rates for the East Central Area (TAC Area), effective January 1, 2004. These changes are necessary to reflect modifications to the Transmission Revenue Balancing Account Adjustments of the Cities of Anaheim, Azusa, Banning and Riverside, California.

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 upon all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff. In addition, the ISO is posting the filing on its Website.

Any person desiring to be heard or to protest the filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385.214). All such motions or protests must be filed in accordance with § 35.9 of the Commission's regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room. Copies of this filing also may be viewed on the Commission's web site at <http://www.ferc.gov>, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866)208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date: _____