

California Independent System Operator  
**1999 GMC CALCULATION**  
For the Year Ending December 31, 1999  
In Thousands

**Filed as Part of the December 15, 1998 Informational Filing**

Line No.	Description	Amount	Line No.
<u>Grid Management Charge Revenue Requirement:</u>			
1	Operating Expenses (Statement AH)		1
2	Transmission	\$59,202	2
3	Customer Accounts	8,216	3
4	Customer Service and Informational Expenses	2,841	4
5	Administrative and General	42,803	5
6	Total	<u>\$113,062</u>	6
7	Debt Service (Statement BK)		7
8	Principal Reserve Funding	\$25,600	8
9	Interest Reserve Funding	13,456	9
10	Total	<u>\$39,056</u>	10
11	Coverage Requirement (Statement BK)	<u>\$9,764</u>	11
12	Interest Earnings (Statement BK)	<u>(\$200)</u>	12
13	Other Earnings (Statement AU)	<u>(\$2,948)</u>	13
14	Total GMC Revenue Requirement	<u>\$158,734</u>	14
15	<u>Forecasted Annual Volume (MWh)</u>	<u>204,000</u>	15
16	<u>Grid Management Charge</u>	<u>\$0.7781</u>	16

California Independent System Operator  
Budget to FERC Accounts Reconciliation  
Operation and Maintenance Expenses  
For the Year Ending December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Total Amount By FERC	Salaries and Benefits	Bldg. Leases & Fac Costs	Insurance	Third Party Vendor Contract	Prof & Cons Svcs	Legal & Regulatory	Training, Travel & Prof Dues	Other	FERC Fees	Total Budget	Line No.
<u>Transmission Expenses</u>														
1	560	Operation Supervision and Engineering	\$1,956	\$1,426	\$0	\$0	\$0	\$300	\$0	\$171	\$59	\$0	\$1,956	1
2	561	Load Dispatching	50,684	14,283	1,200	0	32,202	1,760	0	1,076	163	0	50,684	2
3	566	Miscellaneous Transmission Expenses	0	0	0	0	0	0	0	0	0	0	0	3
5	568	Maintenance Supervision and Engineering	6,562	4,589	0	0	1,351	355	0	231	36	0	6,562	5
6		Total Transmission Expenses	<u>\$59,202</u>	<u>\$20,298</u>	<u>\$1,200</u>	<u>\$0</u>	<u>\$33,553</u>	<u>\$2,415</u>	<u>\$0</u>	<u>\$1,478</u>	<u>\$258</u>	<u>\$0</u>	<u>\$59,202</u>	6
<u>Customer Accounts Expenses</u>														
7	901	Supervision	\$330	\$294	\$0	\$0	\$0	\$20	\$0	\$13	\$3	\$0	\$330	7
8	902	Meter Reading Expenses	1,822	1,259	0	0	335	-	0	199	29	0	1,822	8
9	903	Customer Record and Collection Expenses	5,054	2,586	0	0	1,312	750	0	321	85	0	5,054	
10	905	Miscellaneous Customer Accounts Expenses	1,010	600	0	0	334	10	0	50	16	0	1,010	10
11		Total Customer Accounts Expenses	<u>\$8,216</u>	<u>\$4,739</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,981</u>	<u>\$780</u>	<u>\$0</u>	<u>\$583</u>	<u>\$133</u>	<u>\$0</u>	<u>\$8,216</u>	11
<u>Customer Service and Informational Expenses</u>														
12	907	Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	12
13	908	Customer Assistance Expenses	2,841	1,749	0	0	384	315	0	336	57	0	2,841	13
14	909	Informational and Instructional Advertising Expenses	0	0	0	0	0	0	0	0	0	0	0	14
15		Total Customer Service - Informational Expenses	<u>\$2,841</u>	<u>\$1,749</u>	<u>\$0</u>	<u>\$0</u>	<u>\$384</u>	<u>\$315</u>	<u>\$0</u>	<u>\$336</u>	<u>\$57</u>	<u>\$0</u>	<u>\$2,841</u>	15
<u>Administrative and General Expenses</u>														
16	920	Administrative and General Salaries	\$11,626	\$11,626	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,626	16
17	921	Office Supplies and Expenses	2,279	0	0	0	588	0	0	1,058	633	0	2,279	17
18	923	Outside Services Employed	8,329	0	0	0	276	6,023	2,030	0	0	0	8,329	18
19	924	Property Insurance	56	0	0	56	0	0	0	0	0	0	56	19
20	925	Injuries and Damage	712	0	0	712	0	0	0	0	0	0	712	20
21	928	Regulatory Commission Expenses	3,000	0	0	0	0	0	3,000	0	0	0	3,000	21
22	930	Miscellaneous General Expenses	2,158	0	0	0	0	0	0	0	658	1,500	2,158	22
23	931	Rents	11,063	0	2,663	0	8,400	0	0	0	0	0	11,063	23
26	935	Maintenance of General Plant	3,580	0	2,302	0	1,278	0	0	0	0	0	3,580	26
28		Total Administrative and General Expenses	<u>\$42,803</u>	<u>\$11,626</u>	<u>\$4,965</u>	<u>\$768</u>	<u>\$10,542</u>	<u>\$6,023</u>	<u>\$5,030</u>	<u>\$1,058</u>	<u>\$1,291</u>	<u>\$1,500</u>	<u>\$42,803</u>	28
29		Total Operating and Maintenance Expenses	<u>\$113,062</u>	<u>\$38,412</u>	<u>\$6,165</u>	<u>\$768</u>	<u>\$46,460</u>	<u>\$9,533</u>	<u>\$5,030</u>	<u>\$3,455</u>	<u>\$1,739</u>	<u>\$1,500</u>	<u>\$113,062</u>	29

California Independent System Operator  
Statement AA  
Balance Sheet  
December 31, 1999  
Unaudited  
In Thousands

Line No.	Account Description	Balance at Beginning of Year	Balance at End of Year	Line No.
<u>Utility Plant</u>				
1	Utility Plant	\$225,421	\$264,145	1
2	Less: Accumulated Depreciation and Amortization	31,220	79,232	2
3	Net Utility Plant	<u>194,201</u>	<u>184,913</u>	3
 <u>Other Property and Investments</u>				
4	Special Funds	257,555	12,964	4
5	Total Other Property and Investments	<u>257,555</u>	<u>12,964</u>	5
 <u>Current and Accrued Assets</u>				
6	Cash - Unrestricted	6,483	16,237	6
7	- Restricted for payment of debt service	10,500	17,067	7
8	Customer Accounts Receivable	36,602	36,612	8
9	Prepayments	3,109	1,205	9
10	Accrued Utility Revenues	0	0	10
11	Total Current and Accrued Assets	<u>56,694</u>	<u>71,121</u>	11
 <u>Deferred Debits</u>				
12	Unamortized Debt Expense	1,608	1,308	12
13	Total Deferred Debits	<u>1,608</u>	<u>1,308</u>	13
14	Total Assets and Other Debits	<u>\$510,058</u>	<u>\$270,306</u>	14

California Independent System Operator  
Statement AA  
Balance Sheet  
December 31, 1999  
Unaudited  
In Thousands

Line No.	Account Description	Balance at Beginning of Year	Balance at End of Year	Line No.
	<u>Proprietary Capital</u>			
15	Unappropriated Retained Earnings	(\$42)	(\$14,894)	15
16	Total Proprietary Capital	(42)	(14,894)	16
	<u>Long-Term Debt</u>			
17	Bonds	301,400	282,500	17
18	Notes Payable	206,000	0	18
19	Net Long-Term Debt	507,400	282,500	19
	<u>Current and Accrued Liabilities</u>			
20	Accounts Payable	2,700	2,700	20
21	Interest Accrued	0	0	21
22	Total Current and Accrued Liabilities	2,700	2,700	22
23	Total Liabilities and Other Credits	<u>\$510,058</u>	<u>\$270,306</u>	23

California Independent System Operator  
Statement AB  
Income Statement  
For the Period Ending December 31, 1999  
Unaudited  
In Thousands

Line No.	Account Description	Balance at End of Year	Line No.
	<u>Utility Operating Income</u>		
1	Operating Revenues	\$161,682	1
2	Operating Expenses:		2
3	Operating Expenses	102,920	3
4	Maintenance Expenses	10,142	4
5	Depreciation Expenses	48,012	5
6	Amortization of Maintenance Contracts	<u>1,904</u>	6
7	Total Utility Operating Expenses	<u>162,978</u>	7
8	Net Utility Operating Income	<u>(1,296)</u>	8
	<u>Other Income and Deductions</u>		
9	Interest Income	<u>200</u>	9
	<u>Interest Charges</u>		
10	Interest on Long-term Debt	13,456	10
11	Amortization of Debt Discount and Expense	300	11
12	Other Interest Expense	<u>0</u>	12
13	Total Interest Charges	<u>13,756</u>	13
14	Net Income	<u><u>(\$14,852)</u></u>	14

California Independent System Operator  
Statement AC  
Retained Earnings  
December 31, 1999  
Unaudited  
In Thousands

Line No.	Account Description	Amount	Line No.
<u>Unappropriated Retained Earnings</u>			
1	Unappropriated Retained Earnings - Beginning of Year	(\$42)	1
2	Balance Transferred from Income (Account 433)	(14,852)	2
3	Appropriations of Retained Earnings (Account 436)	<u>0</u>	3
4	Unappropriated Retained Earnings - End of Year	<u>(\$14,894)</u>	4
<u>Appropriated Retained Earnings</u>			
5	Appropriated Retained Earnings - Beginning of Year	\$0	5
6	Increase in Appropriations of Retained Earnings	0	6
7	Decrease in Appropriations of Retained Earnings	<u>0</u>	7
8	Appropriated Retained Earnings - End of Year	<u>\$0</u>	8

California Independent System Operator  
Statement AD  
Cost of Plant  
December 31, 1999  
In Thousands

Line No.	Functional Classification	Average Balance	Line No.
1	Transmission	\$0	1
2	Intangible	213,930	2
3	General	<u>30,853</u>	3
4	Total Plant	<u>\$244,783</u>	4

	Balance		Simple Average 1/		
	<u>12/31/98</u>	<u>12/31/99</u>			
5	Transmission	\$0	\$0	\$0	5
6	Intangible	195,955	231,905	213,930	6
7	General	29,466	32,240	30,853	7

1/ Averages for Transmission, Intangibles and General are based on a beginning-of-period, and end-of-period simple average.

California Independent System Operator  
Statement AE  
Accumulated Depreciation and Amortization  
December 31, 1999  
In Thousands

Line No.	Functional Classification	Average Balance	Line No.
1	Transmission	\$0	1
2	Intangible	50,050	2
3	General	<u>5,176</u>	3
Total Accumulated Depreciation and Amortization		<u><u>\$55,226</u></u>	

	Balance		Simple Average 1/	
	<u>12/31/98</u>	<u>12/31/99</u>		
4	\$0	\$0	\$0	4
5	28,233	71,867	50,050	5
6	2,987	7,365	5,176	6

1/ Averages for Accumulated Depreciation and Amortization are based on a beginning-of-period, and end-of-period simple average.

**Statement AF**

**Specified Deferred Credits**

The ISO has not projected any specified deferred credits

California Independent System Operator  
Statement AG  
Specified Plant Accounts and Deferred Debits  
December 31, 1999  
In Thousands

Line No.	Functional Classification	Balance		Average 1/ Balance	Line No.
		12/31/98	12/31/99		
	<u>Account 181 - Unamortized Debt Expense</u>				
1	General	<u>\$1,608</u>	<u>\$1,308</u>	<u>\$1,458</u>	1
2	Total - Specified Plant Accounts and Deferred Debits	<u><u>\$1,608</u></u>	<u><u>\$1,308</u></u>	<u><u>\$1,458</u></u>	2

1/ Averages for Deferred Debits are based on a beginning-of-period, and end-of-period simple average.

California Independent System Operator  
Statement AH  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Line No.</u>
1	Transmission	\$59,202	1
2	Customer Accounts	8,216	2
3	Customer Service and Informational	2,841	3
4	Administrative and General	42,803	4
5	Total	<u>\$113,062</u>	5

California Independent System Operator  
Statement AH  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Amount	Line No.
<u>Transmission Expenses - Operation</u>				
1	560	Operation Supervision and Engineering	\$1,956	1
2	561	Load Dispatching	50,684	2
3	566	Miscellaneous Transmission Expenses	<u>0</u>	3
4		Total Operation	<u>\$52,640</u>	4
<u>Transmission Expenses - Maintenance</u>				
5	568	Maintenance Supervision and Engineering	<u>\$6,562</u>	5
6		Total Maintenance	<u>\$6,562</u>	6
7		Total Transmission Expenses	<u><u>\$59,202</u></u>	7

California Independent System Operator  
Statement AH  
Electric Operating and Maintenance Expenses  
December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Amount	
<u>Customer Accounts Expenses - Operation</u>				
8	901	Supervision	\$330	8
9	902	Meter Reading Expenses	1,822	9
10	903	Customer Record and Collection Expenses	5,054	
11	905	Miscellaneous Customer Accounts Expenses	<u>1,010</u>	11
12		Total Customer Accounts Expenses	<u><u>\$8,216</u></u>	12
<u>Customer Service and Informational Expenses - Operation</u>				
13	907	Supervision	\$0	13
14	908	Customer Assistance Expenses	2,841	14
15	909	Informational and Instructional Advertising Expenses	<u>0</u>	15
16		Total Customer Service - Informational Expenses	<u><u>\$2,841</u></u>	16

California Independent System Operator  
Statement AH  
Electric Operating and Maintenance Expenses  
December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Amount	
<u>Administrative and General Expenses - Operation</u>				
17	920	Administrative and General Salaries	\$11,626	17
18	921	Office Supplies and Expenses	2,279	18
19	923	Outside Services Employed	8,329	19
20	924	Property Insurance	56	20
21	925	Injuries and Damage	712	21
22	928	Regulatory Commission Expenses	3,000	22
23	930	Miscellaneous General Expenses	2,158	23
24	931	Rents	<u>11,063</u>	24
25		Total Operation	<u>\$39,223</u>	25
<u>Administrative and General Expenses - Maintenance</u>				
26	935	Maintenance of General Plant	<u>\$3,580</u>	26
27		Total Maintenance	<u>\$3,580</u>	27
28		Total Administrative and General Expenses	<u><u>\$42,803</u></u>	28
29		Total Operating and Maintenance Expenses	<u><u>\$113,062</u></u>	29

Statement AH  
Operation and Maintenance Expenses  
Itemization of General Advertising Expenses - Account 930.1  
December 31, 1998  
In Thousands

<u>Line No.</u>	<u>Description</u>	<u>Total</u>	<u>Line No.</u>
1	Recruiting/ Advertising	<u>\$50</u>	1
2	Total	<u><u>\$50</u></u>	2

Statement AH  
Operation and Maintenance Expenses  
Itemization of Miscellaneous General Expenses - Account 930.2  
December 31, 1999  
In Thousands

<u>Line No.</u>	<u>Description</u>	<u>Total</u>	<u>Line No.</u>
1	Board Compensation and Expenses	<u>\$608</u>	1
2	Total	<u><u>\$608</u></u>	2

California Independent System Operator  
Statement AI  
Wages and Salaries  
December 31, 1999  
In Thousands

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>	<u>Line No.</u>
1	Transmission	\$20,298	1
2	Customer Accounts	4,739	2
3	Customer Service and Informational	1,749	3
4	Administrative and General	11,626	4
5	Total	<u>\$38,412</u>	5

California Independent System Operator  
Statement AI  
Wages and Salaries  
December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Amount	Line No.
<u>Transmission Expenses - Operation</u>				
1	560	Operation Supervision and Engineering	\$1,426	1
2	561	Load Dispatching	14,283	2
3	566	Miscellaneous Transmission Expenses	<u>0</u>	3
4		Total Operation	<u>\$15,709</u>	4
<u>Transmission Expenses - Maintenance</u>				
5	568	Maintenance Supervision and Engineering	<u>\$4,589</u>	5
6		Total Maintenance	<u>\$4,589</u>	6
7		Total Transmission Salary Expenses	<u><u>\$20,298</u></u>	7

California Independent System Operator  
Statement AI  
Electric Wages and Salaries  
December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Amount	Line No.
<u>Customer Accounts Expenses - Operation</u>				
8	901	Supervision	\$294	8
9	902	Meter Reading Expenses	1,259	9
10	903	Customer Record and Collection Expenses	2,586	10
11	905	Miscellaneous Customer Accounts Expenses	<u>600</u>	11
12		Total Customer Accounts Expenses	<u><u>\$4,739</u></u>	12
<u>Customer Service and Informational Expenses - Operation</u>				
13	907	Supervision	\$0	13
14	908	Customer Assistance Expenses	<u>1,749</u>	14
15		Total Customer Service - Informational Expenses	<u><u>\$1,749</u></u>	15

California Independent System Operator  
Statement AI  
Wages and Salaries  
December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Amount	Line No.
<u>Administrative and General Expenses - Operation</u>				
16	920	Administrative and General Salaries	\$11,626	16
17	921	Office Supplies and Expenses	<u>0</u>	17
18		Total Operation	\$11,626	18
<u>Administrative and General Expenses - Maintenance</u>				
19	935	Maintenance of General Plant	<u>\$0</u>	19
20		Total Maintenance	\$0	20
21		Total Administrative and General Salary Expenses	<u><u>\$11,626</u></u>	21
22		Total Operating and Maintenance Salary Expenses	<u><u>\$38,412</u></u>	22

California Independent System Operator  
Statement AJ  
Depreciation and Amortization Expenses  
December 31, 1999  
In Thousands

Line No.	Functional Classification	1999 Average Depreciable Cost of Plant	Annual Depreciation Rate	Amount of Expense	Line No.
1	Transmission	\$0	0.00%	\$0	1
2	General	30,853	14.19%	4,378	2
3	Intangibles	213,930	20.40%	43,635	3
4	TOTAL	<u>\$244,783</u>		<u>\$48,012</u>	4

California Independent System Operator  
Statement AK  
Taxes Other Than Income Taxes  
December 31, 1999  
In Thousands

Line No.	Account Description	Total	Line No.
1	Property Taxes	<u>\$904</u>	1
	<u>EMPLOYER PAYROLL TAXES (2)</u>		
2	Hospital Insurance (Medicare)	\$399	2
3	Old-Age Survivors, and Disability Insurance (FICA)	1,188	3
4	Federal Unemployment Insurance Tax (FUTA)	17	4
5	State Unemployment Insurance Tax (SUI)	73	5
6	California Employment Training Tax (ETT)	<u>2</u>	6
7	Total Employer Payroll Taxes	<u>\$1,680</u>	7
8	<u>TOTAL TAXES OTHER THAN INCOME</u>	<u>\$2,584</u>	8

California Independent System Operator  
Statement AL  
Working Capital  
December 31, 1999  
In Thousands

Line No.	Month/Year	Average Working Cash	Line No.
1	December-98	\$6,483	1
2	January-99	6,922	2
3	February-99	7,506	3
4	March-99	8,755	4
5	April-99	9,360	5
6	May-99	9,527	6
7	June-99	10,988	7
8	July-99	11,580	8
9	August-99	12,738	9
10	September-99	13,864	10
11	October-99	16,031	11
12	November-99	16,474	12
13	December-99	16,237	13
14	13-Month Total	\$146,465	14
15	13-Month Average	\$11,267	15

**Statement AM**  
**Construction Work in Progress**

The ISO has not projected any amounts related to Construction Work in Progress.

California Independent System Operator  
Statement AN  
Notes Payable  
December 31, 1999  
In Thousands

Line No.	Date	Amount	Line No.
1	01/01/99	\$206,000 /1	1
2	01/31/99	0	2
3	02/28/99	0	3
4	03/31/99	0	4
5	04/30/99	0	5
6	05/31/99	0	6
7	06/30/99	0	7
8	07/31/99	0	8
9	08/31/99	0	9
10	09/30/99	0	10
11	10/31/99	0	11
12	11/30/99	0	12
13	12/31/99	0	13
14	Total	<u>\$206,000</u>	14
15	Average Balance	<u>\$15,846</u>	15

/1 The note will be paid-off in January, 1999.

**Statement AO**

**Rate for Allowance for Funds Used During Construction**

This Statement was not prepared because the ISO does not intend to request a return on funds used during construction.

**Statement AP**

**Federal Income Tax Deductions - Interest**

This Statement was not prepared because the ISO is tax-exempt under section 501(c)(3) of the Internal Revenue Code.

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**Statement AQ**

**Federal Income Tax Deductions - Other than Interest**

This Statement was not prepared because the ISO is tax-exempt under section 501(c)(3) of the Internal Revenue Code.

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**Statement AR**

**Federal Tax Adjustments**

This Statement was not prepared because the ISO is tax-exempt under section 501(c)(3) of the Internal Revenue Code.

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**Statement AS**

**Additional State Income Tax Deduction**

This Statement was not prepared because the ISO is tax-exempt under section 501(c)(3) of the Internal Revenue Code.

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**Statement AW**  
**Cost of Short-term Debt**

The ISO has not projected short-term debt costs for 1999.

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**Statement AT**

**State Tax Adjustments**

This Statement was not prepared because the ISO is tax-exempt under section 501(c)(3) of the Internal Revenue Code.

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**Statement AX**

**Other Recent and Pending Rate Changes**

There are no recent or pending rate changes.

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**Statement AY**

**Income and Revenue Tax Rate Data**

This Statement was not prepared because the ISO is tax-exempt under section 501(c)(3) of the Internal Revenue Code.

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California Independent System Operator  
Statement AU  
Revenue Credits  
December 31, 1999  
In Thousands

Line No.	FERC Account	Description	Amount	Line No.
1	456	Other Operating Revenue		1
2		Grid Management Charge	\$158,734	2
3		MCI Subscriber Charges	100	3
4		WSCC Security Coordinator Fees	688	4
5		Phase II Telecommunications Charges	2,160	5
6		Total Operating Revenue (Account 456)	<u>\$161,682</u>	6
7		Total Revenue Credits	<u>\$2,948</u>	7

California Independent System Operator  
Statement AV  
Cost of Capital  
December 31, 1999  
In Thousands

<u>Line No.</u>	<u>Component</u>	<u>Capitalization Amount</u>	<u>Capitalization Ratio</u>	<u>Component Cost</u>	<u>Weighted Component Cost</u>	<u>Line No.</u>
1	Long-Term Debt	\$282,500	100%	4.71%	4.71%	1



## **Statement BB**

### **Allocation Demand and Capability Data**

In developing the 1999 Grid Management Charge, the ISO forecasted the 1999 transmission volume to be 204,000,000 MWh. This forecast is based on the projected demand of the investor-owned utilities (IOUs), PG&E, SCE and SG&E, plus the volumes wheeled by the IOUs under existing contracts, and an estimate of the amount of wheeling through transactions.

## **Statement BG**

### **Revenue Data to Reflect Changed Rates**

The ISO will have only one customer group. The ISO's forecasted revenue requirement for 1999 is \$158,734,000. The amount equals the forecasted volume, 204,000,000 MWh, times the Grid Management Charge of \$0.7781. The revenue requirement for each year will be trued up with actual costs under the Grid Management Charge formula rate.

## **Statement BH**

### **Revenue Data to Reflect Present Rates**

The ISO will have only one customer group. The ISO's forecasted revenue requirement for 1999 is \$158,734,000. The amount equals the forecasted volume, 204,000,000 MWh, times the Grid Management Charge of \$0.7781. The revenue requirement for each year will be trued up with actual costs under the Grid Management Charge formula rate.

California Independent System Operator  
Statement BJ  
Summary Data Tables  
December 31, 1999  
In Thousands

Line No.	Item	Total	Table	Data Source	Line No.
1	Total Plant in Service				1
2	Intangible Plant in Service	\$213,930		AD	2
3	General Plant in Service	\$30,853		AD	3
4	Accumulated Depreciation and Amortization				4
5	Intangible Depreciation and Amortization	\$50,050		AE	5
6	General Depreciation and Amortization	\$5,176		AE	6
7	Unamortized Debt Expense	\$1,458		AG	7
8	Working Capital	\$11,413		AL	8
9	Transmission Expense - O&M	\$59,202		AH	9
10	Customer Accounts Expense	\$8,216		AH	10
11	Customer Service & Information Expense	\$2,841		AH	11
12	Administration and General Expense	\$42,803		AH	12
13	Customer Accounts Expense - Labor	\$4,739		AI	13
14	Customer Service & Information Expense - Labor	\$1,749		AI	14
15	Administration and General Expense - Labor	\$11,626		AI	15
16	General - Depreciation Expense	\$4,378		AJ	16
17	Intangibles - Depreciation Expense	\$43,635		AJ	17
18	Employer Payroll Tax	\$1,680		AK	18
19	Other Tax	\$904		AK	19
20	Other Operating Revenues	\$161,682		AU	20
21	Cost of Capital	4.71%		AV	21

California Independent System Operator  
Statement BK  
Electric Utility Department Cost of Service, Total and as Allocated  
December 31, 1999  
Unaudited  
In Thousands

Line No.	Utility Operating Income	Balance at End of Year	Line No.
1	Add: Operating Expenses	\$113,062	1
2	Add: Debt Service Funding	39,056	2
3	Add: Coverage Requirement	9,764	3
4	Less: Interest Earnings on Operating Funds	(200)	4
5	Less: MCI Subscriber Charges	(100)	5
6	Less: WSCC Security Coordinator Fees	(688)	
7	Less: Phase II Telecommunications Charges	<u>(2,160)</u>	7
8	Total Revenue Requirement	<u>\$158,734</u>	8
9	Operating Revenues	\$158,734	9
10	Operating Expenses:		10
11	Operating Expenses	\$102,920	11
12	Maintenance Expenses	10,142	12
13	Depreciation Expenses	48,012	13
14	Amortization of Utility Plant	1,904	14
15	Revenue Credits	<u>(2,948)</u>	15
16	Total Utility Operating Expenses	<u>160,030</u>	16
17	Net Utility Operating Income	(1,296)	17
18	Add: Depreciation Expenses	48,012	18
19	Add: Amortization Expenses	1,904	19
20	Changes in assets and liabilities:		
21	Increase in customer accounts receivable	(10)	21
22	Increase in unbilled utility revenues	0	22
24	Increase in accounts payable	0	24
25	Increase in accrued interest payable	0	25
26	Decrease in bonds payable	(18,900)	26
27	Add: Interest Income	200	27
28	Less: Interest Expense	<u>(13,456)</u>	28
29	Subtotal	<u>16,454</u>	29
30	Less: Debt Service Funding	<u>(6,700)</u>	30
31	Subtotal	9,754	31
32	Cash, January 1, 1999	<u>6,483</u>	32
33	Cash, December 31, 1999	<u>16,237</u>	33

# **WORKPAPERS**

California Independent System Operator  
Statements AD and AE - Workpaper  
Cost of Plant  
December 31, 1999  
In Thousands

FERC Account	12/31/98	1999 Capital Additions	12/31/99	Amortization/ Depreciation Rate 1/	1998 Amortization/ Depreciation Expenses	1999 Amortization/ Depreciation Expenses	
Intangible Assets:							
301	ISO Start-up Costs						
	ISO Corporation Start-up Costs	\$54,401	\$0	\$54,401	5.0	\$8,160	\$10,880
	ISO Trust Start-up Costs	30,078	0	30,078	5.0	4,512	6,016
	Computing Equipment Services	7,396	0	7,396	3.0	1,849	2,465
	Communication Equipment Svces	28,057	0	28,057	5.0	4,209	5,611
	Total Account 301	119,932	0	119,932		18,729	24,973
303	Miscellaneous Intangible Plant Software						
	Power Management Systems	12,738	16,000	28,738	6.0	1,592	4,790
	Scheduling and Business Sys	59,501	14,268	73,769	6.0	7,438	12,295
	Metering Systems	3,774	0	3,774	6.0	472	629
	Information Security	0	2,500	2,500	6.0	0	417
	EDMS	0	680	680	6.0	0	113
	Document Warehousing	0	1,700	1,700	6.0	0	283
	Market Surveillance	0	800	800	6.0	0	133
	Mapboard Software	12	0	12	6.0	2	2
	Total Account 303	76,025	35,948	111,973		9,503	18,662
	Total Intangible Assets	\$195,957	\$35,948	\$231,905		\$28,233	\$43,635
General Assets:							
390	Structures and Improvements						
	Leasehold Improvements	\$9,220	\$1,018	\$10,238	10.0	\$692	\$1,024
	Total Account 390	9,220	1,018	10,238		692	1,024
391	Office Furniture and Equipment						
	Hardware						
	Balance of Business Systems	1,380	0	1,380	6.0	173	230
	Mapboard and Video System	885	0	885	6.0	111	148
	Furniture	4,938	0	4,938	10.0	370	494
	Total Account 391	7,203	0	7,203		653	871
392	Transportation Equipment						
	Field Vehicles	96	0	96	3.0	24	32
399	Other Tangible Property						
	Hardware						
	Power Management Systems	3,257	300	3,557	6.0	407	593
	SI/SA System	6,520	1,350	7,870	6.0	815	1,312
	Metering Systems	1,877	108	1,985	6.0	235	331
	ACC Upgrades	1,291	0	1,291	6.0	161	215
	Total Account 399	12,945	1,758	14,703		1,618	2,451
	Total General Assets	\$29,464	\$2,776	\$32,240		\$2,987	\$4,378
	Totals	\$225,421	\$38,724	\$264,145		\$31,220	\$48,012

1/ The amortization and depreciation rates are calculated by dividing the average balances by their respective depreciation expenses.

California Independent System Operator  
Statement AG - Workpaper  
Specified Plant Accounts and Deferred Debits  
December 31, 1999  
In Thousands

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Functional Classification

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Account 181 - Unamortized Debt Expense

Total debt issuance costs, Jan 1, 1999	\$1,608
Amortization period	10 years, or 120 months
Date of issuance	5/1/98
Months of amortization in 1999	12.0
1998 Amortization expenses charged to account 428, Amortization of Debt Discount and Expense	<u>\$300</u>
Net Unamortized Debt Expense at 12/31/98	<u>\$1,308</u>

California Independent System Operator  
Statement AH - Workpaper  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

<u>Department</u>	<u>FERC Account</u>	<u>Description</u>	<u>Amounts</u>	<u>Account Totals</u>
Operations	560	Operation Supervision and Engineering		
		Salary and Benefits	\$1,426	
		Third Party Vendor Contracts	0	
		Professional and Consulting Services	300	
		Training, Travel and Professional Dues	171	
		Other	59	
		Contingency	0	
		Total Account 560	<u>          </u>	\$1,956
	561	Load Dispatching		
		Salaries and Benefits	\$14,283	
		Third Party Vendor Contracts	238	
		Professional and Consulting Services	1,760	
		Training, Travel and Professional Dues	1,076	
		Other	163	
		Total Account 561	<u>          </u>	17,520
	566	Miscellaneous Transmission Expenses		
		Salaries and Benefits	\$0	
		Training, Travel and Professional Dues	0	
		Contingency	0	
		Total Account 566	<u>          </u>	0
	568	Maintenance Supervision and Engineering		
		Salaries and Benefits	\$4,590	
		Third Party Vendor Contracts	1,350	
		Professional and Consulting Services	355	
		Training, Travel and Professional Dues	231	
		Other	36	
		Contingency	0	
		Total Account 568	<u>          </u>	6,562
	920	Administrative and General Salaries		
		Salaries and Benefits	\$0	
		Total Account 920	<u>          </u>	0
	921	Office Supplies and Expenses		
		Other	\$0	
		Total Account 921	<u>          </u>	0
		Total Operations Department		<u><u>\$26,038</u></u>

California Independent System Operator  
Statement AH - Workpaper  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

<u>Department</u>	<u>FERC Account</u>	<u>Description</u>	<u>Amounts</u>	<u>Account Totals</u>
Customer Service				
	901	Supervision		
		Salaries and Benefits	\$294	
		Professional and Consulting Services	20	
		Training, Travel and Professional Dues	13	
		Other	3	
		Total Account 901	<u>330</u>	\$330
	902	Meter Reading Expenses		
		Salaries and Benefits	\$1,259	
		Third Party Vendor Contracts	335	
		Training, Travel and Professional Dues	199	
		Other	29	
		Total Account 902	<u>1,822</u>	1,822
	903	Customer Record and Collection Expenses		
		Salaries and Benefits	\$2,586	
		Third Party Vendor Contracts	1,312	
		Professional and Consulting Services	750	
		Training, Travel and Professional Dues	321	
		Other	85	
		Total Account 903	<u>5,054</u>	5,054
	905	Miscellaneous Customer Accounts Expenses		
		Salaries and Benefits	\$600	
		Third Party Vendor Contracts	334	
		Professional and Consulting Services	10	
		Training, Travel and Professional Dues	50	
		Other	16	
		Total Account 905	<u>1,010</u>	1,010
	907	Supervision		
		Salaries and Benefits	\$0	
		Total Account 907	<u>0</u>	0
	908	Customer Assistance Expenses		
		Salaries and Benefits	\$1,749	
		Third Party Vendor Contracts	384	
		Professional and Consulting Services	315	
		Training, Travel and Professional Dues	336	
		Other	57	
		Total Account 908	<u>2,841</u>	2,841
		Total Customer Service Department		<u><u>\$11,057</u></u>

California Independent System Operator  
Statement AH - Workpaper  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

<u>Department</u>	<u>FERC Account</u>	<u>Description</u>	<u>Amounts</u>	<u>Account Totals</u>
Finance	920	Administrative and General Salaries Salaries and Benefits Total Account 920	<u>\$1,294</u>	\$1,294
	921	Office Supplies and Expenses Training, Travel and Professional Dues Other Contingency Total Account 921	<u>\$104 228 0</u>	332
	923	Outside Services Employed Professional and Consulting Services Legal and Regulatory Total Account 923	<u>\$325 1,030</u>	1,355
	924	Property Insurance Insurance Total Account 924	<u>\$56</u>	56
	925	Injuries and Damage Insurance Total Account 925	<u>\$712</u>	712
	935	Maintenance of General Plant Other Total Account 935	<u>\$0</u>	0
		Total Finance Department		<u>\$3,749</u>

California Independent System Operator  
Statement AH - Workpaper  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

<u>Department</u>	<u>FERC Account</u>	<u>Description</u>	<u>Amounts</u>	<u>Account Totals</u>
Human Resources/Executive				
	920	Administrative and General Salaries		
		Salaries and Benefits	\$2,490	
		Total Account 920		\$2,490
	921	Office Supplies and Expenses		
		Salaries and Benefits	\$0	
		Training, Travel and Professional Dues	200	
		Other	104	
		Contingency	0	
		Total Account 921		304
	923	Outside Services Employed		
		Third Party Vendor Contracts	\$0	
		Professional and Consulting Services	547	
		Total Account 923		547
	925	Injuries and Damage		
		Insurance	\$0	
		Total Account 925		0
	930	Miscellaneous General Expenses		
		Other	\$50	
		Total Account 930		50
	931	Rents		
		Building and Facilities	\$1,891	
		Total Account 931		1,891
	935	Maintenance of General Plant		
		Building and Facilities	\$2,302	
		Total Account 935		2,302
		Total Human Resources/Executive Departments		<u>\$7,584</u>

California Independent System Operator  
Statement AH - Workpaper  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

<u>Department</u>	<u>FERC Account</u>	<u>Description</u>	<u>Amounts</u>	<u>Account Totals</u>
Information	561	Load Dispatching		
		Building, Leases and Facility	\$1,200	
		Third Party Vendor Contracts	31,964	
		Total Account 566		\$33,164
	908	Customer Assistance Expenses		
		Third Party Vendor Contracts	\$0	
		Total Account 908		0
	920	Administrative and General Salaries		
		Salaries and Benefits	\$4,845	
		Total Account 920		4,845
	921	Office Supplies and Expenses		
		Third Party Vendor Contracts	\$588	
		Travel, Training and Professional Dues	314	
		Other	160	
		Contingency	0	
		Total Account 921		1,062
	923	Outside Services Employed		
		Third Party Vendor Contracts	\$276	
		Professional and Consulting Services	4,301	
		Other	0	
		Total Account 923		4,577
	931	Rents		
		Building, Leases and Facility	\$772	
		Third Party Vendor Contracts	8,400	
				9,172
	935	Maintenance of General Plant		
		Salaries and Benefits	\$0	
		Third Party Vendor Contracts	1,278	
		Total Account 935		1,278
		Total Information Department		<u>\$54,098</u>

California Independent System Operator  
Statement AH - Workpaper  
Operation and Maintenance Expenses  
December 31, 1999  
In Thousands

<u>Department</u>	<u>FERC Account</u>	<u>Description</u>	<u>Amounts</u>	<u>Account Totals</u>
Regulatory Affairs/Chief Counsel				
	909	Informational and Instructional Advertising Expenses		
		Other	\$0	
		Total Account 909		\$0
	920	Administrative and General Salaries		
		Salaries and Expenses	\$2,997	
		Total Account 920		2,997
	921	Office Supplies and Expenses		
		Third Party Vendor Contracts	\$0	
		Legal and Regulatory	0	
		Training, Travel and Professional Dues	315	
		Other	266	
		Contingency	0	
		Total Account 921		581
	923	Outside Services Employed		
		Professional and Consulting Services	\$850	
		Legal and Regulatory	1,000	
		Total Account 923		1,850
	928	Regulatory Commission Expenses		
		Professional and Consulting Services	\$0	
		Legal and Regulatory	3,000	
		Training, Travel and Professional Dues	0	
		Total Account 928		3,000
	930	Miscellaneous General Expenses		
		Other	\$483	
		Training, Travel and Professional Dues	125	
		FERC Fees	1,500	
				2,108
	935	Maintenance of General Plant		
		Other	\$0	
		Total Account 935		0
		 Total Regulatory Affairs/Chief Counsel Department		 <u>\$10,536</u>
		 Total Operating and Maintenance Expense		 <u>\$113,062</u>

California Independent System Operator  
Statement AI - Workpaper  
Wages and Salaries  
December 31, 1999  
In Thousands

FERC Account	Description	Department	Amount	FERC Acct. Totals
560	Operation Supervision and Engineering	Operations	<u>\$1,426</u>	
		Total Account 560		\$1,426
561	Load Dispatching	Operations	<u>\$14,283</u>	
		Total Account 561		14,283
566	Miscellaneous Transmission Expenses	Operations	<u>\$0</u>	
		Total Account 566		0
568	Maintenance Supervision and Engineering	Operations	<u>\$4,589</u>	
		Total Account 568		4,589
901	Supervision	Customer Service	<u>\$294</u>	
		Total Account 901		294
902	Meter Reading Expenses	Customer Service	<u>\$1,259</u>	
		Total Account 902		1,259
903	Customer Record and Collection Expenses	Customer Service	<u>\$2,586</u>	
		Total Account 903		2,586
905	Miscellaneous Customer Accounts Expenses	Customer Service	<u>\$600</u>	
		Total Account 905		600
908	Customer Assistance Expenses	Customer Service	<u>\$1,749</u>	
		Total Account 908		1,749
920	Administrative and General Salaries	Operations	\$0	
		Customer Service	0	
		Finance	1,294	
		Human Resources/Executive	2,490	
		Information	4,845	
		Regulatory Affairs/Chief Counsel	<u>2,997</u>	
		Total Account 920		11,626
921	Office Supplies and Expenses	Human Resources/Executive	<u>\$0</u>	
		Total Account 921		0
935	Maintenance of General Plant	Information	<u>\$0</u>	
		Total Account 935		<u>0</u>
		Total Operating and Maintenance Salary Expense		<u><u>\$38,412</u></u>

California Independent System Operator  
Statement AI - Workpaper  
Wages and Salaries  
December 31, 1999  
In Thousands

Department	FERC Account	Description	Amount	Department Total
Operations	560	Operation Supervision and Engineering	\$1,426	
	561	Load Dispatching	14,283	
	566	Miscellaneous Transmission Expenses	0	
	568	Maintenance Supervision and Engineer	4,589	
	920	Administrative and General Salaries	0	
		Total Operations		\$20,298
Customer Service	901	Supervision	\$294	
	902	Meter Reading Expenses	1,259	
	903	Customer Record and Collection Exper	2,586	
	905	Miscellaneous Customer Accounts Exp	600	
	907	Supervision	0	
	908	Customer Assistance Expenses	1,749	
	920	Administrative and General Salaries	0	
		Total Customer Service		6,488
Finance	920	Administrative and General Salaries	\$1,294	
		Total Finance		1,294
Human Resources/Executive	920	Administrative and General Salaries	\$2,490	
	921	Office Supplies and Expenses	0	
		Total Human Resources/Executive		2,490
Information	920	Administrative and General Salaries	\$4,845	
	935	Maintenance of General Plant	0	
		Total Information		4,845
Regulatory Affairs/Chief Counsel	920	Administrative and General Salaries	\$2,997	
		Total Regulatory Affairs/Chief Counsel		2,997
		Total Operating and Maintenance Salary Expense		<u>\$38,412</u>