

Illustration of New Access Charge Methodology and Mitigation Measures

Assumptions: in 2001, 90% of TRR of existing High Voltage ("HV") facilities is TAC Area, 10% is ISO Grid-wide and Transmission Revenue Requirement of New HV facilities are included in ISO Grid-wide; each PTO is its own UDC/MSS.

	TRR of Existing HV Facilities (\$1000) [1]	TRR of New HV Facilities (\$1000) [2]	Filed Gross Load GWH [3]	TAC Area [4]	HV Utility Specific Rate (\$/MWH) [5] = ([1] + [2]) / [3]
PG&E	\$118,692	\$0	86,221	N	1.3766
SCE	\$154,955	\$0	78,428	EC	1.9758
SDG&E	\$35,675	\$0	17,701	S	2.0155
Vernon	\$9,852	\$0	1,211	EC	8.1378
Total	\$319,174	\$0	183,560		1.7388

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 (90%) divided by the Total Load of each area. The ISO portion is the percent of all TRR which has transitioned to ISO-Wide (10%), plus the TRR of New HV Facilities, divided by total load.

	TRR of Existing HV Facilities (\$1000) [6]	TAC Area TRR (\$1000) [7] = [6] x 90%	Gross Load (GWH) [8]	TAC-Area Rate (\$/MWH) [9] = [7] / [8]		TAC (TAC Area + ISO-wide) (\$/MWH) [14] = [9] + [13]
North	\$118,692	\$106,823	86,221	1.2389	}	North 1.41
East/C	\$164,807	\$148,327	79,639	1.8625		East/Central 2.04
South	\$35,675	\$32,108	17,701	1.8139		South 1.99
Total	\$319,174	\$287,257	183,560			
	ISO-Wide TRR of Existing HV Facilities (\$1000) [10] Total [6] x 10%	TRR of New HV Facilities (\$1000) [11] Total [2]	Gross Load (GWH) [12]	ISO-Wide Rate (\$/MWH) [13] = ([10] + [11]) / [12]		
ISO-wide	\$31,917	\$0	183,560	0.1739		

Step 2: Calculate the HV Access Charge the UDC/MSS pays on Filed Gross Load and Benefit/Burden

	TAC Area	Filed Gross Load (GWH) [15] = [3]	TAC Area Rate (\$/MWH) [16] = [14]	Amount Paid on Filed Gross Load (\$1000) [17] = [15] x [16]	Utility Specific (\$/MWH) [18] = [5]	Would Have Paid under Utility-Specific (\$1000) [19] = [15] x [18]	Access Charge (Benefit)/ Burden (\$1000) [20] = [17] - [19]
PG&E	N	86,221	1.4128	\$121,815	1.3766	\$118,692	\$3,123
SCE	EC	78,428	2.0364	\$159,709	1.9758	\$154,955	\$4,754
SDG&E	S	17,701	1.9878	\$35,185	2.0155	\$35,675	(\$490)
Vernon	EC	1,211	2.0364	\$2,465	8.1378	\$9,852	(\$7,387)
Total		183,560		\$319,174		\$319,174	\$0

Step 3: Calculate the projected change in unbundled GMC.

	GMC Payment Without New Members (\$1000) [24] = GMC Back-up	GMC Payment With New Members (\$1000) [26] = GMC Back-up	GMC (Benefit)/ Burden (\$1000) [27] = [26] - [24]
PG&E	\$70,709	\$70,709	\$0
SCE	\$73,300	\$73,300	\$0
SDG&E	\$15,326	\$15,326	\$0
Vernon	\$798	\$1,134	\$336
Total	\$160,133	\$160,469	\$336

The GMC calculation will not change since the impact of Vernon joining is not greater than 5%. The additional revenue received will flow to the ISO Operating Reserve. See GMC Back-up Exhibit

2001 Access Charge

Step 4: Calculate the net (benefits)/burdens from Access Charge and GMC Impact. PG&E and SCE have a \$32 Million cap annually and SDG&E has a \$8 Million cap annually; Vernon is held harmless; IOUs pay muni cost increases in proportion to their cap relative to the total cap.

Access Charge (Benefit)/ Burden (\$1000)	GMC (Benefit)/ Burden (\$1000)	Net (Benefit)/ Burden (\$1000)	Cap on Burden (\$1000)	Amount by Which IOUs' Cap Exceeds IOUs' Burden (\$1000)	Amount by Which Burden Exceeds Cap (\$1000)	Payments by Entities which have a Net Benefit (\$1000)	Reallocation of IOU Burden (\$1000)	Transition Charge (\$1000)	Adjusted Net (Benefit)/ Burden (\$1000)	
[28]	[29]	[30]	[31]	[32]	[33]	[34]	[35]	[36]	[37]	
= [20]	= [27]	= [28] + [29]		if [31] - [30] > 0: = [31] - [30]. If there is no cap, then 0.	if [30] - [31] > 0: = [30] - [31]	IOUs = ([32] / total[32]) x total[33]; Munis = ([30] / total[30]) x total[33] - total[32]	Reallocate IOU Burden so that IOU Burden (col [37]) is in proportion to the cap (col [31])	= - [33] + [34] + [35]	= [30] + [36]	
PG&E	\$3,123	\$0	\$3,123	\$32,000	\$28,877	\$0	\$0	\$160	\$160	\$3,283
SCE	\$4,754	\$0	\$4,754	\$32,000	\$27,246	\$0	\$0	(\$1,471)	(\$1,471)	\$3,283
SDG&E	(\$490)	\$0	(\$490)	\$8,000	\$8,490	\$0	\$0	\$1,310	\$1,310	\$821
Vernon	(\$7,387)	\$336	(\$7,051)	\$0	\$0	\$0	\$0	\$0	\$0	(\$7,051)
Total	\$0	\$336	\$336	\$72,000	\$64,613	\$0	\$0	\$0	\$0	\$336

Step 5: ISO TAC revenues collection and disbursement. Actual sales equal to filed load.

Amount Paid on Filed Gross Load (\$1000)	Transition Charge (\$1000)	Filed Gross Load (GWh)	Overall TAC Rate for Each UDC (\$/MWh)	Actual Sales (GWh)	Total Due From UDCs (\$1000)	PTO Would Receive Under Utility-Specific (\$1000)	Net TAC bill (\$1000)	
[38]	[39]	[40]	[41]	[42]	[43]	[44]	[45]	
= [17]	= [36]	= [3]	= ([38] + [39]) / [40]	= [3]	= [41] x [42]	= [5] x [42]	= [43] - [44]	
PG&E	\$121,815	\$160	86,221	\$1.41	86,221	\$121,975	\$118,692	\$3,283
SCE	\$159,709	(\$1,471)	78,428	\$2.02	78,428	\$158,238	\$154,955	\$3,283
SDG&E	\$35,185	\$1,310	17,701	\$2.06	17,701	\$36,496	\$35,675	\$821
Vernon	\$2,465	\$0	1,211	\$2.04	1,211	\$2,465	\$9,852	(\$7,387)
Total	\$319,174	\$0	\$183,560		183,560	\$319,174	\$319,174	\$0