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September 15, 2004

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

**Re: California Independent System Operator Corporation
Docket No. ER04-____ - 000**

Transmission Access Charge Informational Filing

Dear Secretary Salas:

The enclosed informational filing by the California Independent System Operator Corporation ("ISO") is intended to provide notice regarding the revised transmission Access Charges for the period of August 13, 2003 to December 31, 2003. The basis for the revision is a settlement recently approved by the Commission in Docket Nos. ER03-409, *et al.*¹

Changes in Rates

The transmission Access Charges provided in the present filing revises the Access Charges and Wheeling Access Charges first provided for informational purposes in the ISO's submission of September 17, 2003 in Docket No. ER03-1357, and revised effective October 1, 2003 in a filing made on September 30, 2003 in Docket No. ER03-1404. The changes in the present filing are effective August 13, 2003 through December 31, 2003, pursuant to the terms of the settlement in Docket Nos. ER03-409, *et al.*

Worksheets illustrating the recalculation of the ISO's transmission Access Charge are included with the present transmittal letter as Attachment A. The re-

¹ *Pacific Gas and Electric Company*, 108 FERC ¶ 61,169 (2004).

calculated rates for each of the TAC Areas, effective August 13, 2003 through December 31, 2003, are as follows:

Northern Area -	\$ 2.0508/MWh
East Central Area -	\$ 2.6166/MWh
Southern Area -	\$ 2.5276/MWh

Pacific Gas and Electric Company is filing a refund report separately as required by the settlement. 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.

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:

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18 C.F.R. § 385.203(b)(3).

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 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,



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ATTACHMENT A

TAC Rates

August 13 - September 30, 2003
 Revised Rates Per FERC Docket Nos. ER03-409-003 and ER03-666-003

TAC Components:

	Filed Annual Existing HV Facilities (\$)	Filed Annual New HV Facilities (\$)	Filed Annual Gross Load (MWh)	TAC Area	Total Filed TRR (\$)	EHV only Utility Specific Rate (\$/MWh)	EHV 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] / [4]	[8] = [5] / [3]	[9] = [9] / [10]
PG&E	\$ 136,834,244	\$ 42,432,420	82,761,368	N	\$ 179,266,664	1.6534	1.7871	2.1661	2.0508
SCE	\$ 169,946,053	\$ 7,062,648	84,358,000	EC	\$ 177,008,701	2.0146	2.3530	2.0983	2.6166
SDG&E	\$ 41,321,927	\$ 815,050	17,700,683	S	\$ 42,136,977	2.3345	2.2639	2.3805	2.5276
Anaheim	\$ 22,585,000	-	2,589,830	EC	\$ 22,585,000	8.7206	2.3530	8.7206	2.6166
Azusa	\$ 1,417,712	-	239,575	EC	\$ 1,417,712	5.9176	2.3530	5.9176	2.6166
Banning	\$ 1,066,849	-	139,457	EC	\$ 1,066,849	7.6500	2.3530	7.6500	2.6166
Riverside	\$ 17,227,000	-	1,814,019	EC	\$ 17,227,000	9.4966	2.3530	9.4966	2.6166
Vernon	\$ 10,175,975	-	1,210,668	EC	\$ 10,175,975	8.4053	2.3530	8.4053	2.6166
ISO Total	\$ 400,574,760	\$ 50,310,118	190,813,600		\$ 450,884,878				

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 (70%) divided by the Total Load of each area. The ISO portion is the percent of all TRR which has transitioned to ISO-Wide (30%), plus the TRR of New HV Facilities, divided by total load.

	Annual Existing HV Facilities (\$)	Annual TAC Area TRR (\$)	Annual Gross Load (GWh)	TAC Area Rate (\$/MWh)	ISO Wide Annual Gross Load (GWh)	ISO Wide Annual TRR (\$)	ISO Wide HV Facilities (\$)	ISO Wide TAC Area TRR (\$)	ISO Wide HV Facilities (\$)	ISO Wide TAC Area Rate (\$/MWh)	ISO Wide HV Facilities Rate (\$/MWh)	ISO Wide TAC Area Rate (\$/MWh)
	[10]	[11] = [10] x 70%	[12] = [3]	[13] = [11] / [12]	[14]	[15]	[16] = Total [3]	[17] = [14] + [15]	[18] = [14] / [16]	[19]	[20] = [19] / [21]	[22] = [15] / [16]
North	\$ 136,834,244	\$ 95,783,971	82,761,368	\$ 1,1574	90,351,549	\$ 1,7232						
East/C	\$ 222,418,589	\$ 155,693,012	17,700,683	\$ 1,6341	17,700,683	\$ 1,6341						
South	\$ 41,321,927	\$ 28,925,349	190,813,600									
Total	\$ 400,574,760	\$ 280,402,332										
ISO Wide Existing HV Facilities (\$)					ISO Wide Annual Gross Load (GWh)							
ISO Wide TAC Area TRR (\$)					ISO Wide Annual TRR (\$)							
ISO Wide HV Facilities (\$)					ISO Wide HV Facilities (\$)							
ISO Wide TAC Area Rate (\$/MWh)					ISO Wide TAC Area Rate (\$/MWh)							
ISO Wide HV Facilities Rate (\$/MWh)					ISO Wide HV Facilities Rate (\$/MWh)							
ISO-wide	\$ 120,172,428	\$ 50,310,118	190,813,600	\$ 0.8935								
North	\$ 2,0508	\$ 2,0508										
East/Central	\$ 2,6166	\$ 2,6166										
South	\$ 2,5276	\$ 2,5276										

TAC Rates August 13 - September 30, 2003 Revised Rates Per FERC Docket Nos. ER03-409-003 and ER03-666-003

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)	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 (\$)
[22] = [4]	[23] = [3]	[24] = [7]	[25] = [23] x [24]	[26] = [6]	[27] = [23] x [26]	[28] = [25] - [27]
PG&E N	82,761,368	\$ 1.7871	\$ 147,906,223	\$ 1.6534	\$ 136,834,244	\$ 11,071,979
SCE EC	84,358,000	\$ 2.3530	\$ 198,492,774	\$ 2.0146	\$ 169,946,053	\$ 28,546,721
SDG&E S	17,700,683	\$ 2.2639	\$ 40,073,056	\$ 2.3345	\$ 41,321,927	\$ (1,248,871)
Anaheim EC	2,589,830	\$ 2.3530	\$ 6,093,821	\$ 8.7206	\$ 22,585,000	\$ (16,491,179)
Azusa EC	239,575	\$ 2.3530	\$ 563,715	\$ 5.9176	\$ 1,417,712	\$ (853,997)
Banning EC	139,457	\$ 2.3530	\$ 328,140	\$ 7.6500	\$ 1,066,849	\$ (738,709)
Riverside EC	1,814,019	\$ 2.3530	\$ 4,268,352	\$ 9.4966	\$ 17,227,000	\$ (12,958,648)
Vernon EC	1,210,668	\$ 2.3530	\$ 2,848,679	\$ 8.4053	\$ 10,175,975	\$ (7,327,296)
ISO Total	190,813,600		\$ 400,574,760		\$ 400,574,760	\$ (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.

	EHVF Access Charge (Benefit)/Burden (\$)	IOU Burden Annual Cap (\$)	Amount IOUs' Cap Exceeds IOUs' Burden (\$)	Amount IOUs' Burden Exceeds IOUs' 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] IF ([30] - [29] > 0) = [30] - [29]. If no cap, then 0.	[32] IF [29] - [30] > 0 = [29] - [30]. If no cap, then 0.	[33] ([31] / total[31]) x total[32]. Munis w/ Benefit = ([29] / total[29]) x total[32] - total[31]	[34]	[35] = [33] - [32]	[35] = [29] + [34]	[36] Reallocate IOU Burden [38] so it is proportional to IOU Cap [30] = [38] - [35]	[37] = [34] + [36]	[38] = [35] + [36]	[39] = [37] / [23]
PG&E	\$ 11,071,979	\$ 32,000,000	\$ 20,928,021	\$ 0	\$ 0	\$ 0	\$ 11,071,979	\$ 5,981,279	\$ 5,981,279	\$ 17,053,257	\$ 0.0723
SCE	\$ 28,546,721	\$ 32,000,000	\$ 3,453,279	\$ 0	\$ 0	\$ 0	\$ 28,546,721	\$ (11,493,464)	\$ (11,493,464)	\$ 17,053,257	\$ (0.1362)
SDG&E	\$ (1,248,871)	\$ 8,000,000	\$ 9,248,871	\$ 0	\$ 0	\$ 0	\$ (1,248,871)	\$ 5,512,186	\$ 5,512,186	\$ 4,263,314	\$ 0.3114
Anaheim	\$ (16,491,179)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (16,491,179)	\$ 0	\$ 0	\$ (16,491,179)	\$ 0
Azusa	\$ (853,997)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (853,997)	\$ 0	\$ 0	\$ (853,997)	\$ 0
Banning	\$ (738,709)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (738,709)	\$ 0	\$ 0	\$ (738,709)	\$ 0
Riverside	\$ (12,958,648)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (12,958,648)	\$ 0	\$ 0	\$ (12,958,648)	\$ 0
Vernon	\$ (7,327,296)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,327,296)	\$ 0	\$ 0	\$ (7,327,296)	\$ 0
Total	\$ 0	\$ 72,000,000	\$ 33,630,171	\$ 0	\$ 0	\$ 0	\$ 0	\$ 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] = [2]	[41] = [3]	[42] = ([15]) / [16]	[43] = ([41]) * [42]	[44] = ([43]) - [40]	[45] = ([44]) + [38]	
PG&E	\$ 42,432,420	82,761,368	\$ 0.2637	\$ 21,820,951	\$ (20,611,469)	\$ (3,558,212)
SCE	\$ 7,062,648	84,358,000	\$ 0.2637	\$ 22,241,921	\$ 15,179,273	\$ 32,232,530
SDG&E	\$ 815,050	17,700,683	\$ 0.2637	\$ 4,666,981	\$ 3,851,931	\$ 8,115,245
Anaheim	\$ -	2,589,830	\$ 0.2637	\$ 682,837	\$ 682,837	\$ (15,808,342)
Azusa	\$ -	239,575	\$ 0.2637	\$ 63,167	\$ 63,167	\$ (790,830)
Banning	\$ -	139,457	\$ 0.2637	\$ 36,769	\$ 36,769	\$ (701,940)
Riverside	\$ -	1,814,019	\$ 0.2637	\$ 478,286	\$ 478,286	\$ (12,480,361)
Vernon	\$ -	1,210,668	\$ 0.2637	\$ 319,206	\$ 319,206	\$ (7,008,090)
Total	\$ 50,310,118	190,813,600		\$ 50,310,118	\$ 0	0

ATTACHMENT B

