

**SCE COMMENTS ON ISO PROPOSED TARIFF LANGUAGE TO ADDRESS  
LOW VOLTAGE TRR RECOVERY BY A NON-LOAD-SERVING  
PARTICIPATING TO**

On August 8, 2006 the ISO posted proposed Tariff language to address the recovery by a non-load-serving Participating TO of its Low Voltage Transmission Revenue Requirements. SCE has reviewed the proposed Tariff language and has the following comments and proposed revisions:

**SCE Proposed Revisions to ISO Proposed Tariff Language:**

1) SCE recommends that instead of revising the definition of the Transmission Revenue Balancing Account to provide for the inclusion of LV Access Charge amounts paid, that it would be better to revise the definition of Transmission Revenue Credit. The ISO Tariff definition of TRBA already refers to TRC; it is confusing to not have these amounts included in the TRC. Accordingly, a sentence should be added to the definition of TRC:

Definition of Transmission Revenue Credit:

For an Original Participating TO, the proceeds received from the CAISO for Wheeling service, CRR Auction revenue and Congestion Charges, plus the shortfall or surplus resulting from any cost differences between Transmission Losses and Ancillary Service requirements associated with Existing Rights and the CAISO's rules and protocols. For a New Participating TO during the 10-year transition period described in Section 4 of Schedule 3 of Appendix F, the proceeds received from the CAISO for Wheeling service and Net CRR Revenue, plus the shortfall or surplus resulting from any cost differences between Transmission Losses and Ancillary Service requirements associated with Existing Rights and the CAISO's rules and protocols. After the 10-year transition period, the New Participating TO Transmission Revenue Credit shall be calculated the same as the Transmission Revenue Credit for the Original Participating TO. Additionally, pursuant to Section 26.1, Transmission Revenue Credits include any Low Voltage Access Charge amounts paid by a Participating TO associated with the Low Voltage Transmission Facilities of a Participating TO.

If the definition of Transmission Revenue Credit is not modified as suggested by SCE, then the last sentence of the first paragraph and the fourth sentence of the second paragraph of Section 26.1 would need to be modified in any case to include these costs in the TRBA:

Last sentence of first paragraph of Section 26.1:

The second component shall be based on the Transmission Revenue Balancing Account (TRBA), which shall be designed to flow through to the Participating TO's Transmission Revenue Credits calculated in accordance with Section 5 of the TO

Tariff and other credits identified in Sections 6 and 8 of Schedule 3 in Appendix F of the ISO Tariff [and this Section 26.1](#).

Fourth sentence of the second paragraph of Section 26.1:

The second component shall be the Transmission Revenue Balancing Account (TRBA), which shall be designed to flow through the Participating TO's Transmission Revenue Credits associated with the high voltage or low voltage, as applicable, transmission facilities and Entitlements and calculated in accordance with Section 5 of the TO Tariff and other credits identified in Section 6 and 8 of Schedule 3 of Appendix F of the ISO Tariff [and this Section 26.1](#).

2) Section 13.2, second paragraph, first sentence: There could be no refunds ordered for a non-load-serving PTO by FERC for service prior to the Transition Date (January 1, 2001), since no such entities existed before the Transition Date. SCE recommends that this first sentence be deleted.