

5. Access Charges and Transmission Rates.

5.1 Low Voltage Access Charge.

The Low Voltage Access Charge shall be determined in accordance with the ISO Tariff. The Low Voltage Access Charge customer shall pay the Participating TO a Low Voltage Access Charge equal to the product of the Participating TO's Low Voltage Access Charge rate and the kilowatt-hours of transmission service provided under the ISO Tariff to the Low Voltage Access Charge customer. The Participating TO shall not assess the Low Voltage Access Charge to any other Participating TO for transmission service over Low Voltage Transmission Facilities that such other Participating TO receives and pays for under an Existing Contract. Where a customer receives deliveries of energy at voltage levels both above and below 200 kV, the Low Voltage Access Charge shall be applied only to the kilowatt hours of energy delivered at voltage levels lower than 200 kV. The Participating TO's monthly charge to be applied to Low Voltage Access Charge customers is set forth in Appendix II herein.

5.2 Wheeling Access Charge.

The Wheeling Access Charge shall be determined in accordance with the the ISO Tariff. The Wheeling Access Charge, assessed by the ISO, consists of a High Voltage Wheeling Access Charge and, if applicable, a Low Voltage Wheeling Access Charge. The High Voltage Wheeling Access Charge is set forth in the ISO Tariff. The Participating TO's Low Voltage Wheeling Access Charge is set forth in Appendix II herein.

5.3 End-User Transmission Rates.

End-User transmission rates for a FERC-jurisdictional Participating TO shall be based on the Base Transmission Revenue Requirement authorized by FERC. In addition, all End-Use Customers of a FERC-jurisdictional Participating TO shall be subject to the FERC-authorized TRBAA rate and TACBAA rate. For a Local Publicly Owned Electric Utility that is a Participating TO, such rates shall be submitted to the ISO for information only. In addition, all customers of a Local Publicly Owned Electric Utility that is a Participating TO shall be subject to the Local Regulatory Authority authorized TRBAA, which shall also be submitted to the ISO. The Participating TO's End-User transmission rates, by retail rate schedule, are set forth in Appendix III. An End-User shall pay the same End-User transmission rate as other similarly situated End-Use Customers of the Participating TO regardless of its energy supplier. End-Users withdrawing power from the Participating TO's transmission or distribution facilities shall not qualify for transmission access under the Wheeling Access Charge if FERC would be prohibited from ordering transmission service for such customer by Section 212(h) of the FPA.

5.4 Transmission Revenue Requirement.

As set forth in the ISO Tariff, the Transmission Revenue Requirement for each Participating TO shall be used to develop the Access Charges set forth in the ISO Tariff. The Transmission Revenue Requirement, High Voltage Transmission Revenue Requirement, and Low Voltage Transmission Revenue Requirement for the Participating TO are set forth in Appendix I.

5.5 Transmission Revenue Balancing Account Adjustment (TRBAA).

The Participating TO shall maintain a Transmission Revenue Balancing Account ("TRBA") that will ensure that all Transmission Revenue Credits and the refunds, specified in Sections 6 and 8 of Appendix F, Schedule 3 of the ISO Tariff, associated with transmission service are flowed through to customers taking transmission service from the ISO. The TRBAA shall be equal to:

$$\text{TRBAA} = \text{Cr} + \text{Cf} + \text{I} + \text{FF\&U}$$

Where:

Cr = The principal balance in the TRBA recorded in FERC Account No. 254 as of September 30 of the year prior to commencement of the January billing cycle. This balance represents the unamortized balance in the TRBA from the previous period and the difference in the amount of revenues from Transmission Revenue Credits and the amount of such revenues that has been refunded to customers through operation of the TRBAA, adjusted for franchise fees and uncollectable accounts expense;

Cf = The forecast of Transmission Revenue Credits for the following calendar year;

I = The interest balance for the TRBA, which shall be calculated using the interest rate pursuant to Section 35.19(a) of FERC's regulations under the Federal Power Act (18 CFR Section 35.19(a)). Interest shall be calculated based on the average TRBA principal balance each month, compounded quarterly; and

FF&U = An adjustment for franchise fees and, if applicable, uncollectable accounts expense.

Beginning in January of each year, the bills of End-Use Customers of the Participating TO shall include, as a component of the End-User transmission rates, a TRBAA rate per kilowatt-hour (rounded to the nearest \$0.00001) equal to:

$$\text{TRBAA Rate} = \frac{\text{TRBAA}}{S}$$

Where:

S = The total kilowatt-hours of Gross Load measured at the customer-meter level as recorded for the twelve month period ending September 30 of the year prior to commencement of the January billing cycle.

5.6 Transmission Access Charge Balancing Account Adjustment (TACBAA).

Commencing on the transition date determined under Section 4 of Schedule 3 to Appendix F of the ISO Tariff, the Participating TO shall maintain a Transmission Access Charge Balancing Account (TACBA). Each month the Participating TO shall make two entries to the TACBA. One entry will equal the difference between (i) the actual charges by the ISO to the Participating TO pursuant to Section 26.1.2 of the ISO Tariff for the High Voltage Access Charge and Transition Charge and (ii) the revenues disbursed by the ISO to the Participating TO pursuant to Section 26.1.3 of the ISO Tariff. The second entry will equal the TACBAA rate revenues, adjusted for franchise fees and uncollectable accounts expense, billed to End-Use Customers during the month. Interest on the amounts accumulated in the TACBA shall be calculated based on the average TACBA principal balance each month, compounded quarterly, using the

interest rate pursuant to Section 35.19(a) of FERC's regulations under the Federal Power Act (18 CFR Section 35.19(a)). For service rendered on and after the effective date of new retail rates, authorized by the CPUC, modifying the frozen retail rates established pursuant to California Assembly Bill 1890, the bills of End-Use Customers of the Participating TO shall include, as a component of the End-User transmission rates, a TACBAA rate per kilowatt-hour (rounded to the nearest \$0.00001) equal to:

$$\text{TACBAA Rate} = \frac{\text{Br} + \text{Bf} - \text{Rf} + \text{FF\&U}}{\text{S}}$$

Where:

Br = The balance in the TACBA, including interest, as of the end of February prior to the commencement of the June billing cycle;

Bf = A forecast of the annual Access Charge billings from the ISO;

Rf = A forecast of the annual revenues disbursed by the ISO to the Participating TO pursuant to Section 26.1.3 of the ISO Tariff;

FF&U = An adjustment for franchise fees and uncollectable accounts expense; and

S = The total kilowatt-hours of Gross Load measured at the customer-meter level as recorded for the twelve-month period ending February prior to commencement of the June billing cycle.

The TACBAA shall be revised effective June 1 of each year; however, nothing herein shall preclude the Participating TO from filing with the FERC to revise the TACBAA rate at any other time.