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INTEGRATED OPERATIONS AGREEMENT

BETWEEN

THE CITY OF ANAHEIM

AND

SOUTHERN CALIFORNIA EDISON COMPANY

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INTEGRATED OPERATIONS AGREEMENT  
BETWEEN  
THE CITY OF ANAHEIM  
AND  
SOUTHERN CALIFORNIA EDISON COMPANY

1. PARTIES: The Parties to this Agreement are the City of Anaheim, a municipal corporation of the State of California, and the Southern California Edison Company, a California corporation.

2. RECITALS: This Agreement is made with reference to the following facts, among others:

2.1 Edison is a utility engaged in the business of generating and transmitting electric energy in the States of Arizona, California, Nevada and New Mexico. Edison is further engaged in the business of distributing such energy in California.

2.2 Edison owns and operates a system of generation, transmission and distribution facilities which is presently directly interconnected, pursuant to interconnection agreements, with Los Angeles Department of Water and Power, Arizona Public Service Company, City of Pasadena, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Imperial Irrigation District, United States Bureau of

1 reclamation (Lower Colorado Region), Nevada Power Company,  
2 Salt River Project Agricultural Improvement and Power Dis-  
3 trict, Sierra Pacific Power Company, Tucson Gas & Electric  
4 Company, El Paso Electric Company, and Public Service  
5 Company of New Mexico. Edison also has contractual arrange-  
6 ments with Metropolitan Water District of Southern Califor-  
7 nia and the State of California Department of Water Resources  
8 for the purchase and sale of capacity and energy.

9 2.3 City owns and operates a utility which presently  
10 purchases from Edison electric capacity and energy, for  
11 resale and for its own use, under resale rates filed by  
12 Edison with the Commission. City also purchases energy  
13 from Nevada Power Company in the State of Nevada which is  
14 transmitted to City by Edison.

15 2.4 City owns and operates a system of transmission  
16 and distribution facilities.

17 2.5 City desires to engage in the business of con-  
18 tracting for, or owning, constructing, operating and  
19 maintaining its own power supply and transmission system.

20 2.6 Edison and the Cities of Anaheim, Banning and  
21 Riverside, entered into the Settlement Agreement on  
22 August 4, 1972.

23 2.7 In order to better meet the power requirements  
24 of the respective Parties and obtain operational economies  
25 on their respective systems, the Parties agree to integrate  
26 their present and future Resources, and have negotiated

1 this shall be subject to the Settlement Agreement for  
2 this purpose.

3 2.6 Among other things, this Agreement is intended to  
4 provide for Edison to furnish the capacity and energy neces-  
5 sary to meet City's load, to the extent not provided by  
6 City Integrated Resources.

7 3. AGREEMENT: The Parties agree as follows:

8 4. TERM AND RELATION TO SETTLEMENT AGREEMENT:

9 4.1 This Agreement shall become effective on the date  
10 following execution by both Parties when accepted for filing  
11 by the Commission, but if upon such filing the Commission  
12 enters upon a hearing to determine whether this Agreement is  
13 just and reasonable, it shall not become effective until the  
14 date when an order no longer subject to judicial review  
15 has been issued by the Commission determining this Agreement  
16 to be just and reasonable without new conditions unaccept-  
17 able to either Party. It shall remain in effect for 50  
18 years from such date, except as provided in Sections 4.2 and  
19 4.3 below.

20 4.2 Termination Date: This Agreement may be terminated  
21 as follows:

22 4.2.1 At any time by written agreement of the  
23 Parties.

24 4.2.2 Upon 30 days' advance written notice by City,  
25 to Edison, if no City Capacity Resource has been accepted for  
26 integration and listed on the Resource Schedule pursuant to

1 section c.

2 4.2.3 Upon not less than 10 years' advance written  
3 notice by one Party to the other.

4 4.2.4 Upon five years advance written notice from  
5 City to Edison if Edison tenders for filing (under Section  
6 205 of the Act) a change in rates which affects Integrated  
7 Operations and which creates a substantial detriment to  
8 City; provided, that such five years written notice shall be  
9 given to Edison not later than 90 days after it has been  
10 determined by final order of the Commission no longer sub-  
11 ject to judicial review that such change in rates is just  
12 and reasonable.

13 4.3 Effect of Termination: If notice of termination  
14 is given by either Party, the Parties shall, upon request  
15 of either Party, commence negotiations within 90 days after  
16 said notice is given to negotiate in good faith a new  
17 arrangement, to become effective upon termination of this  
18 Agreement, for furnishing services referred to in the  
19 Settlement Agreement. If the Parties fail to agree thereon  
20 within one year after notice of termination, Edison shall  
21 tender for filing with the Commission (under Section 205  
22 of the Act) proposed new arrangements to establish the  
23 rates, terms and conditions for providing such types of  
24 services, but Edison shall not seek to make any proposed  
25 arrangement effective until it has been determined by  
26 final order of the Commission no longer subject to judicial

1       ...shall remain  
2       ...shall remain  
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4       ...shall remain  
5       ...shall remain

6       4.4 Relation to Settlement Agreement:

7       4.4.1 The Settlement Agreement shall not be amended  
8       or superseded by this Agreement, except that the provisions  
9       of the Settlement Agreement which are inconsistent with  
10      those of this Agreement shall be superseded during the term  
11      of this Agreement.

12      4.4.2 This Agreement shall not amend or supersede  
13      Section 4.1.6 of the Settlement Agreement.

14      5. DEFINITIONS: The following terms, when used herein with  
15      initial capitalization (whether in the singular or plural),  
16      shall have the meaning specified:

17      5.1 Act: Federal Power Act or successor act.

18      5.2 Agreement: This Integrated Operations Agreement  
19      between City and Edison.

20      5.3 Authorized Representative: The representative  
21      designated by each Party to act in such Party's behalf with  
22      respect to those matters specified herein to be the functions  
23      of such Authorized Representative.

24      5.4 Automatic Generation Control: The regulation within  
25      a Control Area of the electrical output of Resources in res-  
26      ponse to changes in frequency, time, tieline loading, or the



1 relation of each to each other, so as to maintain the sched-  
2 uled Control Area frequency, time and the established inter-  
3 change with other control areas within predetermined limits.

4 5.5 Capacity Credit: The sum of the rated capabilities  
5 of the existing City Capacity Resources less City's contribu-  
6 tion to reserves as calculated pursuant to Section 12.2,  
7 reduced by transmission losses to the Point of Delivery.

8 5.6 Certificated Service Area: That area served by  
9 Edison in central and southern California, as delineated on  
10 maps prepared by Edison and filed with and accepted by the  
11 California Public Utilities Commission from time to time.  
12 Such approximate area at the time of execution of this  
13 Agreement is shown on Appendix A hereto.

14 5.7 City: The City of Anaheim.

15 5.8 City Capacity Resource: Any existing or planned  
16 City Resource which has been accepted by Edison for inte-  
17 gration in accordance with Section 8 and for which City is  
18 or shall be receiving Capacity Credit.

19 5.9 City Incremental Cost: The cost for energy to be  
20 determined as set forth in the Supplemental Agreement for  
21 each City Integrated Resource, (i) in the case of a City  
22 generating unit, on the basis of the weighted inventory  
23 cost of fuel, average heat rate, City's other costs associ-  
24 ated with the production of such energy, transmission  
25 losses, and incremental transmission costs; and (ii) in  
26 the case of a City purchased power arrangement, on the

1     ratio of transmission losses, average energy costs, and  
2     incremental transmission costs.

3     5.10 Commission: Federal Energy Regulatory Commission  
4     or successor.

5     5.11 Communication Equipment: Equipment and associated  
6     facilities used to provide necessary communication and con-  
7     trol functions on Resources and Transmission Facilities, and  
8     between the systems of City and Edison, including, but not  
9     limited to, microwave, cable, open wire and cable carrier,  
10    power line and ground wire carrier, ultra-high frequency  
11    and very-high frequency radio, dispatch telephone, tele-  
12    phone tieline, digital dispatch security monitoring system,  
13    or any combination thereof.

14    5.12 Contract Energy: Energy purchased from Edison by  
15    City pursuant to Section 16.2.

16    5.13 Contract Energy Cost: The cost of Contract Energy  
17    as determined pursuant to Section 16.2.2.

18    5.14 Control Area: All or part of a Party's Resources,  
19    Transmission Facilities, and distribution facilities, or  
20    a combination thereof with those of Third Parties, to which  
21    a common Automatic Generation Control scheme is applied.

22    5.15 Date of Firm Operation: The date when (i) a City  
23    Capacity Resource has demonstrated that all essential fea-  
24    tures and equipment can reliably operate simultaneously so  
25    as to deliver energy into the Edison Control Area at its  
26    Rated Capability, and such City Capacity Resource has been

1       ... in writing by City to Edison and shall be  
2       ... in writing by Edison as an acceptable City Capacity Resource,  
3       for scheduling and dispatching, or (ii) the date agreed upon  
4       in the Supplemental Agreement when City shall receive Capa-  
5       city Credit for a planned City Capacity Resource, whichever  
6       shall be later.

7       5.16 Date of Initial Operation: The date, agreed upon  
8       by the Authorized Representatives, when a City Capacity  
9       Resource is first operated in synchronism with an estab-  
10      lished control area.

11      5.17 Edison: Southern California Edison Company.

12      5.18 Firm Load: The electrical requirements of a Party,  
13      including (i) its customer obligations, (ii) its firm con-  
14      tractual obligations to provide firm energy in connection  
15      with arrangements for City Capacity Resources as provided  
16      in Section 8.1.1.2 which are integrated in accordance with  
17      this Agreement, and (iii) its contractual obligations to sell  
18      firm capacity or firm energy, or both, to a Third Party. Such  
19      electrical requirements shall not be interruptible except  
20      for Uncontrollable Forces or curtailments and shall not  
21      include interruptible sales of capacity or energy, or both,  
22      by a Party to a Third Party.

23      5.19 Integration Agreement: This Agreement, any  
24      Supplemental Agreement or Transmission Service Agreement,  
25      executed as appropriate for a transaction to implement the  
26      integration of a Resource as an Integrated Resource or



1 to integrate a City Transmission Facility.

2 5.20 Integrated Operations: The operation of the com-  
3 bined output of the Resources and Transmission Facilities  
4 of City, Edison and Third Parties as one Control Area.

5 5.21 Integrated Resource: A City Resource which has  
6 been integrated and for which City is receiving Capacity  
7 Credit, or credit for energy scheduled and dispatched there-  
8 from, or both.

9 5.22 Load: The Firm Load of a Party and its contractual  
10 obligations to sell capacity or energy or both, to its cus-  
11 tomers or to Third Parties, on an interruptible basis.

12 5.23 Non-Firm Energy: Energy acquired by City from a  
13 Third Party which is interruptible with or without notice  
14 from such Third Party and which has been integrated by Edison,  
15 or energy integrated by Edison from a Resource acquired by  
16 City which has not been accepted for integration by Edison as  
17 a City Capacity Resource.

18 5.24 Partial Requirements Rate: That resale rate  
19 schedule under which Edison shall provide Partial Require-  
20 ments Service.

21 5.25 Partial Requirements Service: That resale service  
22 rendered by Edison pursuant to Section 15. Such Partial  
23 Requirements Service shall not include sales by Edison to  
24 City of Replacement Capacity or Contract Energy.

25 5.26 Party: City or Edison.

26 5.27 Point of Attachment: A point (not including a Point

1 of Delivery: where one Party is deemed to deliver capacity or  
2 energy, or both, to the other Party or to a Third Party  
3 for the account of the other Party, or where one Party  
4 receives delivery of capacity or energy or both from the other  
5 Party or a Third Party for the account of the other Party,  
6 which point shall be identified in the applicable Transmission  
7 Service Agreement.

8       5.28 Point of Delivery: A point where the electrical  
9 conductors of Edison connect with those of City and where  
10 the delivery of capacity or energy or both to meet City's  
11 Load is deemed to take place between the Parties as de-  
12 signated in the applicable Transmission Service Agreements.

13       5.29 Point of Interconnection: A point where transfer  
14 of capacity or energy or both take place between control areas.

15       5.30 Rated Capability: City's share of a unit's maxi-  
16 mum level of net generation, including a purchase from a  
17 specific generating unit owned by a Third Party, expressed  
18 in kilowatts, that can be continuously maintained, with  
19 only ordinary maintenance and adjustment, under physical,  
20 regulatory, legal, warranty, or other restrictions at any  
21 given time (reduced by transmission losses to the Edison  
22 Control Area) as determined by operating tests of the type  
23 normally used by Edison to establish the capability of its  
24 generating units. The Rated Capability of a City Capacity  
25 Resource which has been purchased by City from a Third  
26 Party's system shall be deemed to be its maximum firm rate

1       ... Supplemental Agreement, reduced by transmission losses  
2       to the Edison Control Area.  
3

4       5.31 Replacement Capacity: Capacity acquired by City  
5       pursuant to Section 16.1.3 from (i) the Scheduled Mainte-  
6       nance Account, (ii) a source outside Edison's Control  
7       Area or (iii) otherwise from Edison's system, to replace  
8       kilowatts of Rated Capability unavailable from a City  
9       Capacity Resource.

10       5.32 Resource: Any source of electric capacity or  
11       energy or both owned in whole or in part by a Party or  
12       available to it by contract.

13       5.33 Resource Schedule: The latest listing of fore-  
14       cast Loads, planned Resources and Transmission Facilities  
15       used to meet the Parties' forecast Firm Loads, which  
16       listing has been prepared and filed by Edison on or about  
17       March 1 of each year with the California Public Utilities  
18       Commission under that Commission's General Order 131, or  
19       a document which succeeds such General Order 131 and which  
20       contains the required data.

21       5.34 Scheduled Maintenance Account: That account  
22       established annually for each City Capacity Resource pursu-  
23       ant to Section 11.3, from which City may from time to time  
24       acquire from Edison Replacement Capacity for that City  
25       Capacity Resource in lieu of otherwise acquiring such  
26       Replacement Capacity from Edison or Third Parties outside

1 Edison's General Agreement

2 5.35 Settlement Agreement: The agreement between  
3 Edison and the Cities of Anaheim, Banning and Riverside,  
4 entered into on August 4, 1972, which was accepted by the  
5 Commission, as set forth in Opinion No. 554, issued March 19,  
6 1973, in Docket No. E-7618.

7 5.36 Supplemental Agreement: That agreement executed  
8 by the Parties by which the Parties agree to integrate a City  
9 Resource or a City Transmission Facility or both.

10 5.37 Tender Date: That date as marked on Edison's  
11 submittal as having been received by the Commission, which  
12 submittal thereafter is accepted for filing by the Commis-  
13 sion.

14 5.38 Third Party: An electric utility, pool or gener-  
15 ating agency, not a Party to this Agreement.

16 5.39 Transmission Facilities: Equipment required for  
17 the transmission and related transformation and switching of  
18 electricity.

19 5.40 Transmission Service Agreement: One of the agree-  
20 ments under which Edison provides transmission service to  
21 City. Such agreements shall be in the general forms set forth  
22 in Appendices C, D, and E hereto.

23 5.41 Uncontrollable Force: Any cause beyond the control  
24 of the Party affected, including, but not limited to, failure  
25 of or threat of failure of facilities, flood, earthquake,  
26 storm, fire, lightning, epidemic, famine, war, riot, civil

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... or disobedience, labor disputes, labor or material  
shortage, sabotage, restraint by court order or public author-  
ity and action or non-action by or inability to obtain neces-  
sary authorizations or approvals from any governmental agency  
or authority which, by exercise of due diligence and foresight,  
such Party could not reasonably have been expected to avoid and  
which, by exercise of due diligence, it has been unable to  
overcome.

9       5.42 Willful Action:

10           5.42.1 Action taken or not taken by a Party at the  
11 direction of its directors or other governing body, officers,  
12 or employees having management or administrative responsi-  
13 bility affecting its performance under an Integration Agree-  
14 ment, which:

15                   5.42.1.1 Is knowingly or intentionally  
16 taken or failed to be taken with conscious indifference  
17 to the consequences thereof or with intent that injury or  
18 damage would result therefrom;

19                   5.42.1.2 Has been determined by final  
20 arbitration award or judgment or judicial decree to be a  
21 material default under an Integration Agreement, and which  
22 action occurs or continues beyond the time specified in  
23 such arbitration award or judgment or judicial decree for  
24 curing such default, or, if no time to cure is specified  
25 therein, occurs or continues thereafter beyond a reasonable  
26 time to cure such default; or



1  
2  
3 taken or failed to be taken with the knowledge that such  
4 action taken or failed to be taken is a material breach  
5 under an Integration Agreement.

6 5.42.2 As used in this definition:

7 5.42.2.1 Willful Action does not include  
8 any act or failure to act which is merely involuntary, acci-  
9 dental or negligent.

10 5.42.2.2 The phrase "employees having man-  
11 agement or administrative responsibility" means those employees  
12 of a Party who are responsible for one or more of the executive  
13 functions of planning, organizing, coordinating, directing,  
14 controlling, and supervising such Party's performance under the  
15 Integration Agreements, with responsibility for results.

16 6. ADMINISTRATION:

17 6.1 In order to freely exchange information and deter-  
18 mine procedures regarding the planning, design, engineering,  
19 construction, operation and maintenance activities required  
20 under any Integration Agreement, each Party shall, within 10  
21 days following execution of this Agreement, appoint an Author-  
22 ized Representative. For such purposes, the Authorized  
23 Representatives shall have the following functions:

24 6.1.1 To engage in joint planning pursuant to  
25 Section 7, to exchange information necessary for the pre-  
26 paration and modification of the Resource Schedule, including  
forecasts of Load, loss of load and other reliability and

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	

5.1.2 To prepare and submit to the Council for approval, Supplemental Agreements regarding to City Resources or City Transmission Facilities, and Transmission Service Agreements.

6.1.3 To prepare and recommend to the Parties, for approval, methods of operation to be followed by the Parties.

6.1.4 To review, if necessary for the purpose of operating the systems of the Parties in an integrated manner, the following:

6.1.4.1 The general engineering and design of a Party's planned Resources and Transmission Facilities.

6.1.4.2 The proposed operating and scheduling provisions to be contained in any contract relating to the planned purchase of a Resource by a Party.

6.1.5 To discuss and make recommendations pertaining to estimated and actual Dates of Initial Operation and Dates of Firm Operation.

6.1.6 To discuss and make recommendations pertaining to estimated and actual Rated Capabilities.

6.1.7 To confer from time to time on the desirable characteristics, design criteria and contractual

1 arrangements relating to the reliability and availability of  
2 first Party's planned Resources, Transmission Facilities and  
3 Communication Equipment, so that the Parties have a reasonable  
4 period to exchange views on such characteristics, criteria and  
5 arrangements; provided, that such exchange shall not create  
6 any responsibility on the part of the other Party as to the  
7 adequacy or capability of the Resources, Transmission Facili-  
8 ties or Communication Equipment of the first Party, but shall  
9 only be intended to enable the other Party to evaluate the  
10 reliability of the first Party's Resources, Transmission  
11 Facilities and Communication Equipment.

12 6.1.8 To exchange information regarding the en-  
13 gineering, construction and contractual progress of a Party's  
14 new Resources, Transmission Facilities and Communication  
15 Equipment.

16 6.1.9 To be present at performance tests on a  
17 Party's Resource or Transmission Facility.

18 6.1.10 To review procedures to be followed by the  
19 Parties relating to the scheduling and dispatching of capacity  
20 and energy by Edison's dispatcher from City's Resources. Such  
21 procedures shall conform to good electric utility practice.

22 6.1.11 To periodically discuss and recommend for  
23 approval by the Parties a coordinated maintenance schedule  
24 for Integrated Resources, Edison's Resources, and Transmission  
25 Facilities of the Parties and keep each other informed as to  
26 changes thereto.



1 6.1.12 To discuss that communication equipment  
2 required to operate and control the existing or planned  
3 Resources and Transmission Facilities of the Parties, to  
4 recommend to their respective Parties a plan for assigning  
5 responsibility to each Party for the ownership, cost, fur-  
6 nishing, installation, operation and maintenance of such  
7 Communication Equipment; and to recommend to their respec-  
8 tive Parties acquisition, installation or modification of  
9 such Communication Equipment.

10 6.1.13 To review the selection by City of faci-  
11 lities and equipment required for Automatic Generation  
12 Control prior to such facilities and equipment being acquired  
13 by City.

14 6.1.14 To establish the Point of Delivery, a Point  
15 of Attachment or a Point of Interconnection, recommend any  
16 modifications thereto, and recommend to their respective  
17 Parties a plan for assigning responsibility to each Party  
18 for the ownership, cost, furnishing, installation, operation  
19 and maintenance of Transmission Facilities at and between  
20 the Point of Delivery, a Point of Attachment or a Point of  
21 Interconnection.

22 6.1.15 To exchange power flow studies and to  
23 discuss nominal and emergency voltages and power flow capa-  
24 bilities for Transmission Facilities at or between the  
25 Point of Delivery, a Point of Attachment or a Point of  
26 Interconnection.

1 6.1.16 To recommend a program, pursuant to Section  
2 10, relating to load curtailment and limitations on new loads.

3 6.1.17 To select arbitrators pursuant to Section  
4 10.

5 6.1.18 To review scheduling and dispatching charges  
6 in accordance with Section 10.

7 6.1.19 To review procedures to be followed by the  
8 Parties relating to billings, billing credits, sales and pur-  
9 chases of excess capacity and energy.

10 6.2 The Authorized Representatives shall have no  
11 authority to modify, change, add or eliminate any terms or  
12 conditions of any Integration Agreement.

13 6.3 Each Authorized Representative may delegate the  
14 actual performance of any of the functions listed above, but  
15 all communications between the Parties relative to any  
16 Integration Agreement shall be through the Authorized Repre-  
17 sentatives, unless otherwise agreed.

18 6.4 Any action taken or determination made by the  
19 Authorized Representatives shall be reduced to writing.

20 6.5 Whenever a Party is required to use its best efforts  
21 under an Integration Agreement, the other Party shall have the  
22 right to request that the first Party fully explain in writing  
23 through its Authorized Representative the efforts made and the  
24 reasons and related facts for its actions or non-actions.

25 7. JOINT PLANNING: The Parties, through their Authorized  
26 Representatives, shall engage in joint planning for Loads,

Transmission Facilities, Communication Facilities, and other related matters by means of meetings and exchanges of information as follows:

7.1 Joint Meetings: The Authorized Representatives shall meet, during the calendar year quarters set forth below, (and at other appropriate times), to discuss and exchange information including but not limited to the following:

7.1.1 During the first quarter, planned Transmission Facilities, Communication Equipment, Points of Interconnection, the Point of Delivery, Points of Attachment and facilities and equipment necessary for use at such points.

7.1.2 During the third quarter, forecasts of Loads.

7.1.3 During the fourth quarter, planned Resources.

7.2 Planning Period: Forecasts and plans to be discussed, and information pertaining thereto to be exchanged shall span or be contained within the period to be covered in the next Resource Schedule.

7.3 Purpose of Meetings and Exchanges: The purpose of such meetings and exchanges of information shall be to enable each Party to obtain sufficient information as to the forecasts of Loads and plans for Resources and Transmission Facilities of the other Party so that understanding and agreement can be reached as to the following:

7.3.1 Implementation of procedures and qualifications for integrating a City Resource or a City Transmission

7.3.1 Transmission service arrangements.

7.3.2 City Resources to be included in the Resource schedule.

7.3.4 Other matters related to an Integration Agreement.

7.4 Transmission Planning Studies: Transmission planning studies relating to future power supply or transmission plans may be conducted jointly by the Parties. The cost of such studies shall be shared as agreed to by the Parties.

7.5 Capability Rating of Transmission Facilities: Each Party shall, for the purpose of providing the other Party with information regarding the operating capabilities and limitations of its Transmission Facilities, establish capability ratings for its Transmission Facilities. Such capability ratings shall be established (i) in accordance with good electric utility engineering and operating practices and (ii) from stability studies of the systems and facilities of City, Edison and Third Parties, which studies shall give weight to generator and transmission line impedances, transients, series compensation, parallel circuits, conductor material and size, and other parameters. Such studies shall be made available for review by the other Party's Authorized Representative upon request.

7.6 Review by City of Resource Schedule: Edison shall,

each year, furnish to City for its review and comment a copy of the Resource Schedule (in preliminary form) which Edison proposes to submit in that year to the California Public Utilities Commission or its successor. Edison shall take each preliminary Resource Schedule available to City (i) as soon as such preliminary Resource Schedule has been prepared and is available for review and comment by both Parties and (ii) prior to making the submittal to that Commission. City shall furnish to Edison any comments City may have as soon as possible. This review procedure shall not obligate Edison to delay or defer any submittal of the Resource Schedule to the California Public Utilities Commission or its successor.

7.7 If a dispute arises as to the Date of Firm Operation shown, or not shown, for a Party's Resource on a Resource Schedule, the Parties shall endeavor to resolve the dispute. If such resolution cannot be reached within 90 days following the date when one Party notifies the other Party that a dispute exists, the dispute shall, unless otherwise agreed, be submitted to arbitration pursuant to Section 24. Until such dispute is finally resolved, billings and other necessary actions under any Integration Agreement shall be based upon the Resource Schedule as last submitted. Upon final resolution of the dispute, retroactive adjustments shall be made, in accordance with such final resolution, as soon as possible.

8. QUALIFICATIONS AND PROCEDURES FOR INTEGRATION:



1                    City Capacity Resources. City may construct or  
2 acquire and integrate a Resource as a City Capacity Resource  
3 to meet all or part of its Peak Load, but shall not use its  
4 best efforts to integrate such proposed City Capacity Re-  
5 source, provided it meets the qualifications for integration  
6 set forth in Section 8.1.2.

7                    8.1.1 Sources of City Capacity Resources: Sources  
8 from which City may obtain a City Capacity Resource include,  
9 but are not limited to, the following:

10                    8.1.1.1 Construction of generating facili-  
11 ties either solely or in participation with Third Parties;

12                    8.1.1.2 Purchase of capacity and associated  
13 energy from Third Parties, including, but not limited to,  
14 arrangements with Third Parties for storage, exchanges,  
15 banking, and other similar arrangements, from which such  
16 capacity and energy is available during designated periods;

17                    8.1.1.3 Participation with Edison in new  
18 generating units initiated by Edison, in which Edison is a  
19 joint participant with Third Parties; provided, that Edison's  
20 and City's shares shall be in proportion to the relative size  
21 of Edison's and City's historical Loads, as determined from  
22 an average of the last six annual peak Loads for Edison and  
23 City, the latest of which is for the year preceding the year  
24 during which City contractually commits to such participation.  
25 Said shares, expressed as percentages, shall be determined to  
26 the nearest 0.01 percent. Edison shall, as soon as

1                    Edison may of Edison plans for the particu-  
2                    lar in such projects. This Section 8.1.2.3 shall not super-  
3                    sede Exhibit B of the Settlement Agreement.

4                    8.1.2 Qualifications for Inclusion of City Capa-  
5                    city Resources:

6                    8.1.2.1 A City Capacity Resource proposed by  
7                    City shall be of appropriate size, type, reliability, design  
8                    and operating characteristics and shall be capable of per-  
9                    forming in a manner equivalent to Edison capacity Resources;

10                    8.1.2.2 The total planned and existing Rated  
11                    Capabilities of the City Capacity Resources shall not exceed  
12                    City's estimated Firm Load and reserve obligations in the  
13                    reasonably foreseeable future, unless the Parties agree that  
14                    the proposed City Capacity Resource is desirable;

15                    8.1.2.3 Integration of such proposed City  
16                    Capacity Resource shall not require Edison to defer a pro-  
17                    posed capacity Resource listed by Edison in the current  
18                    Resource Schedule for which Edison has made substantial finan-  
19                    cial or other commitments toward its construction, unless the  
20                    Parties otherwise agree;

21                    8.1.2.4 Such proposed City Capacity Resource  
22                    shall be compatible with (i) Resources planned to serve the  
23                    Edison Control Area, (ii) the Resource Schedule, and (iii)  
24                    other resource plans periodically submitted by either Party  
25                    to regional agencies and organizations;

26                    8.1.2.5 The Parties shall reach agreement

1        regarding Transmission Facilities required for the integra-  
2        tion of such proposed City Capacity Resource.

3         
4        8.1.2.6        Such City Capacity Resource shall first be included  
5        in the Resource Schedule for planning purposes;

6        8.1.2.7        City shall include provisions in its  
7        contractual arrangements giving City a right to transfer to  
8        Edison its interest in any proposed City Capacity Resource  
9        in the event of City abandonment, to the extent that this is  
10       practical and legally possible. If, under any circumstances,  
11       City decides to abandon its involvement in the proposed City  
12       Capacity Resource, Edison shall have the right to assume  
13       ownership, to the extent above provided, of the City Capacity  
14       Resource, and the responsibility for its completion, upon  
15       reimbursing City for all costs incurred by City in connection  
16       with such City Capacity Resource.

17       8.1.2.8        At the time Edison accepts a City  
18       Capacity Resource for integration, the Parties shall establish  
19       a date prior to which City shall provide Edison with a written  
20       commitment, subject to obtaining necessary authorizations and  
21       regulatory approvals, to proceed with participation in,  
22       construction of, or acquisition of such City Capacity Re-  
23       source. After such Resource is accepted for integration,  
24       City shall use due diligence in taking all steps necessary  
25       to enable City to execute its written commitment to Edison  
26       by the established date. The commitment date shall be



extended until such time as City is legally able to contribute to the Project. After such commitment is made, City shall take all steps necessary to have the proposed City Capacity Resource available by the scheduled Date of Firm Operation.

8.1.3 Procedures for Integration of City Capacity Resources:

8.1.3.1 City shall inform Edison in writing of its desire to integrate a proposed City Capacity Resource and shall, for the purposes of Section 8.1.2, supply Edison, sufficiently in advance, with data including but not limited to the following: (i) data showing that such proposed City Capacity Resource shall meet all or part of City's Firm Load and reserve obligations in the reasonably foreseeable future, (ii) the scheduled Date of Firm Operation, (iii) the date by which City must make a definite commitment to proceed with participation in, construction or acquisition of, such proposed City Capacity Resource, (iv) data relating to size, type, reliability, design, and operating characteristics of such proposed City Capacity Resource, and (v) City's preliminary proposal for transmission arrangements for such proposed City Capacity Resource.

8.1.3.2 Edison shall, upon receipt of the data referred to in Section 8.1.3.1, promptly initiate the preliminary studies necessary to determine whether the proposed City Capacity Resource meets the qualifications for integration.

1  
2 receipt by Edison of the information on a proposed City  
3 Capacity Resource pursuant to Section 8.1.2.1, or 11. the  
4 agreement on Transmission Facilities as required by Section  
5 8.1.2.5, Edison shall inform City in writing as to its  
6 decision regarding acceptance for integration of the proposed  
7 City Capacity Resource. If such proposed City Capacity  
8 Resource meets the qualifications for integration, Edison  
9 shall use its best efforts to integrate the proposed City  
10 Capacity Resource. If Edison concludes that the proposed  
11 City Capacity Resource does not meet the qualifications  
12 for integration, Edison shall so inform City of Edison's  
13 opinion and shall, based upon Edison's preliminary studies,  
14 fully state in detail the reasons for its conclusion. There-  
15 after, within 30 days following a request by City, Edison  
16 shall make available for examination by City, the plans and  
17 specifications for similar Edison existing or planned  
18 capacity Resources.

19 8.1.3.4 If the proposed City Capacity  
20 Resource is accepted for integration, it shall be included  
21 for planning purposes in the Resource Schedule on the date  
22 agreed upon by the Parties pursuant to Section 8.1.2.6.

23 8.1.3.5 City shall provide Edison with  
24 its written commitment to proceed with participation in,  
25 construction or acquisition of, the proposed City Capacity  
26 Resource pursuant to Section 8.1.2.8.

8.1.3.6 Unless otherwise agreed, Edison shall, at Edison's request install, furnish, operate and maintain, at City's sole expense, facilities and equipment for Automatic Generation Control on each City Capacity Resource which Edison desires to operate on Automatic Generation Control. Edison shall not request such facilities and equipment to be installed on a City Capacity Resource unless Edison would have installed such facilities and equipment on said City Capacity Resource if Edison had owned it. Facilities and equipment installed by City for Automatic Generation Control shall be compatible with Edison facilities and equipment for Automatic Generation Control.

8.1.3.7 The Parties shall execute applicable Supplemental Agreements and Transmission Service Agreements.

8.2 Replacement Capacity: If City acquires Replacement Capacity from Third Parties outside the Edison Control Area, such Replacement Capacity shall be integrated; provided, it meets the qualifications set forth in Section 8.2.1.

8.2.1 Qualifications for Integration of Replacement Capacity Acquired From Third Parties:

8.2.1.1 Contracts for Replacement Capacity acquired by City from Third Parties shall be subject to review and approval by Edison. Edison shall not unreasonably withhold such approval.

8.2.1.2 Agreement shall be reached sufficiently in advance by the Authorized Representatives that

Replacement Capacity meets the applicable criteria set forth in Section 8.2.2 or meets other criteria acceptable to Edison.

8.2.1.3 Agreement shall be reached by the Parties as to the Point of Interconnection, or Point of Attachment, for delivery of such Replacement Capacity.

8.2.1.4 Arrangements for transmission service shall be made by City with Edison or Third Parties, or both, for the transmission of energy associated with the proposed Replacement Capacity, which transmission service shall not be interruptible except for periods of forced outages and for scheduled maintenance; provided, that periods of scheduled maintenance shall be subject to Edison's approval. Edison shall use its best efforts to provide firm transmission service for such Replacement Capacity in accordance with the applicable provisions of Section 21; provided, that the minimum period of such contract term may, by agreement of the Parties, be shorter than the minimum period specified in Section 21 and Appendices D and E.

8.2.2 Procedures for Integration of Replacement Capacity Acquired From Third Parties:

8.2.2.1 City shall notify Edison at the earliest possible date of (i) its desire to integrate such Replacement Capacity, (ii) the source of and all pertinent data pertaining to the proposed Replacement Capacity, including the principles of City's agreement with the Third

1 fully outside the Edison control area supplying said Edison  
2 Replacement Capacity, and (iii) information regarding the proposed  
3 arrangements for transmission service.

4 8.2.2.2 The Parties and Third Parties shall  
5 reach agreement on arrangements proposed by City for trans-  
6 mission service for such Replacement Capacity.

7 8.2.2.3 The Parties shall execute the appli-  
8 cable Supplemental Agreement and Transmission Service  
9 Agreements.

10 8.3 City Transmission Facilities or Transmission  
11 Service from Third Parties: City may acquire, construct and  
12 integrate Transmission Facilities or acquire transmission  
13 service from Third Parties, in accordance with the procedures  
14 set forth in Section 8.3.2; provided, that the proposed City  
15 Transmission Facilities and transmission service arrangements  
16 meet the qualifications set forth in Section 8.3.1.

17 8.3.1 Qualifications for Integration:

18 8.3.1.1 City shall provide Edison in writing  
19 with a preliminary proposal as to transmission arrangements  
20 for a proposed City Resource.

21 8.3.1.2 If City constructs new Transmission  
22 Facilities jointly with any Third Party, or acquires trans-  
23 mission service from a Third Party, Edison shall, if  
24 necessary, enter into arrangements with such Third Party sub-  
25 stantially in accordance with its existing interconnection  
26 agreements, unless Edison has previously entered into an



interconnection of the system. The parties shall use their best efforts to make alternative arrangements.

8.3.1.3 City Transmission Facilities providing transmission for City shall be capable of performing in a manner equivalent to Edison Transmission Facilities.

8.3.1.4 City shall furnish Edison with physical descriptions and characteristics of the proposed City Transmission Facilities or Third Party Transmission Facilities, including, but not limited to nominal operating voltage, terminal points, nominal capability and such other information as is then available.

8.3.1.5 Unless otherwise agreed by the Authorized Representatives, the proposed City Transmission Facilities and Third Party Transmission Facilities (both associated with integration of City Resources) shall be operated continuously in parallel with Edison Transmission Facilities; provided, that a Party shall have the right to separate its Transmission Facilities from those of the other Party, if:

8.3.1.5.1 In the judgment of the separating Party, abnormal operating conditions exist which require such separation to prevent damage to its personnel or unsatisfactory service to its electric customers; or

8.3.1.5.2 Certain conditions of high or

10. frequency or voltage exist, which conditions have been  
continued and coordinated by the Parties acting through the  
Mutual Representation of

8.3.1.5.3 The dispatchers of Edison and  
City or said Third Parties agree to separate; or

8.3.1.5.4 The dispatchers of Edison and  
City or said Third Parties agree that such continued operation  
is temporarily detrimental to the electric system operations  
of one or both Parties and such separation will not result in  
unsatisfactory service to the electric customers of either  
Party.

8.3.1.6 Each Party shall have the right to  
install such devices and equipment as it deems necessary to  
automatically separate its Transmission Facilities from that  
of the other Party or a Third Party under the conditions  
described in Sections 8.3.1.5.1 and 8.3.1.5.2. Each Party  
shall keep the other Party advised of the settings and  
status of such devices and equipment.

8.3.1.7 Each Party shall have the right  
to schedule and take any of its Transmission Facilities out  
of service for necessary inspection, maintenance, repair,  
replacement and additional construction; provided, that  
neither Party shall, by taking any of such Transmission  
Facilities out of service, thereby cause separation of  
the Transmission Facilities of Edison and City or signifi-  
cantly decrease the capability to transmit the electrical

1        of City installed facilities without the prior consent  
2        of the City or the other Party. To the extent prac-  
3        ticable, each Party shall give the other Party  
4        reasonable advance notice (which shall not be less than  
5        two working days prior to the commencement thereof), of any  
6        scheduled outage of such Transmission Facilities and the  
7        estimated duration thereof, and shall cooperate to schedule  
8        such outages so as to minimize interference with the  
9        operations of the other Party.

10                8.3.1.8 Edison shall own, furnish, install,  
11        operate and maintain, at City's sole expense, all equipment  
12        located at Edison's switchyards or substations, which is  
13        required to terminate the proposed City Transmission Facili-  
14        ties and Third Party Transmission Facilities.

15                8.3.1.9 City and Third Parties shall  
16        provide sufficient space at a Point of Interconnection, a  
17        Point of Attachment, or the Point of Delivery, as applicable,  
18        for the installation of a reactive power supply and associated  
19        terminal equipment sufficient to compensate to a power factor  
20        consistent with Edison's standard practices as to bus voltage.

21                8.3.1.10 City and Third Parties shall, at  
22        their sole expense, furnish, install, operate, maintain,  
23        replace or rearrange, any other equipment or facilities which  
24        are required to integrate and control the proposed City Trans-  
25        mission Facilities and Third Party Transmission Facilities and  
26        all related equipment, and shall provide facilities designed



to provide adequate distance protection to all lines and  
equipment system and facilities.

8.3.1.11 Transmission capabilities shall be  
established in accordance with good electric utility engineer-  
ing and operating practices using stability studies of the  
Parties, generator and line impedances, and giving considera-  
tion to transients, series compensation, parallel circuits,  
conductor material size and other parameters.

8.3.1.12 If the proposed City Transmission  
Facilities are to be integrated, City shall submit the ap-  
plicable information as it becomes available.

#### 8.3.2 Procedures for Integration:

8.3.2.1 The Parties shall meet within  
60 days after the written data are furnished to Edison  
pursuant to Sections 8.3.1.1 and 8.3.1.4 and shall endeavor  
to reach a preliminary understanding as to the new Trans-  
mission Facilities and transmission arrangements, whether  
provided by Edison, City or Third Parties, which are  
required to integrate the proposed City Resource.

8.3.2.2 Upon reaching agreement as to  
the transmission service to be provided by Edison, the Parties  
shall execute applicable Transmission Service Agreements.

8.3.2.3 The Parties shall execute a  
Supplemental Agreement for any City Transmission Facilities  
City desires to have integrated.

8.4 Non-Firm Energy: City may acquire and integrate

1 non-firm energy shall be acquired in accordance with the procedures set forth in Section  
2 16 in accordance with the procedures set forth in Section  
3 8.4.1. provided, that the proposed Non-Firm Energy meets  
4 the qualifications set forth in Section 8.4.1.

5 8.4.1 Qualifications for Interconnection of Non-Firm  
6 Energy:

7 8.4.1.1 If Non-Firm Energy is to be acquired  
8 from a Third Party, City shall execute an appropriate agreement  
9 with such Third Party. Such agreement shall contain scheduling  
10 limitations and other procedures necessary to comply with  
11 Section 8.4.1.4.

12 8.4.1.2 City shall arrange as necessary with  
13 Edison, Third Parties, or both, for the transmission of such  
14 Non-Firm Energy in accordance with Section 16.

15 8.4.1.3 The Parties and Third Parties shall  
16 agree upon a Point of Interconnection or Point of Attachment,  
17 or both.

18 8.4.1.4 Edison's dispatcher shall be able  
19 to schedule and dispatch such Non-Firm Energy in accordance  
20 with good electric utility practice as delivered at the  
21 Point of Interconnection or Point of Attachment.

22 8.4.1.5 Edison shall have an interconnec-  
23 tion or integration agreement with the Third Party which  
24 schedules the Non-Firm Energy to a Point of Interconnection  
25 or to a Point of Attachment. If there is no such agreement,  
26 Edison shall use its best efforts to obtain such agreement.

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8.4.2.1.1 A copy of the agreement between City and the Third Party. Such agreement shall set forth (i) the amount of Non-Firm Energy for which City has contracted, (ii) the maximum rate of delivery, (iii) pricing arrangements, (iv) term of the agreement, and (v) any other data necessary to allow Edison to determine whether or not said Non-Firm Energy meets the qualifications for integration and that the agreement contains sufficient information for Edison to schedule such Non-Firm Energy.

8.4.2.1.1 A copy of the agreement between City and the Third Party. Such agreement shall set forth (i) the amount of Non-Firm Energy for which City has contracted, (ii) the maximum rate of delivery, (iii) pricing arrangements, (iv) term of the agreement, and (v) any other data necessary to allow Edison to determine whether or not said Non-Firm Energy meets the qualifications for integration and that the agreement contains sufficient information for Edison to schedule such Non-Firm Energy.

8.4.2.2 Edison shall review City's proposal to determine if the scheduling of Non-Firm Energy into the Edison Control Area is feasible and shall, within the notice period, notify City if City's proposed Non-Firm Energy is accepted for integration.

8.4.2.2 Edison shall review City's proposal to determine if the scheduling of Non-Firm Energy into the Edison Control Area is feasible and shall, within the notice period, notify City if City's proposed Non-Firm Energy is accepted for integration.

### 8.5 Request for Integration:

City may request integration of Replacement Capacity,

1                    Edison, City Facilities and related transmission  
2                    arrangements in advance of operating need.

3                    9. DETERMINATION OF RATED CAPABILITY OF GENERATING RESOURCES:

4                    9.1 The Rated Capability of a City Capacity Resource,  
5                    in the case of a generating unit, shall be determined by  
6                    start-up, performance and operating tests of the types nor-  
7                    mally used by Edison to establish the capability of its  
8                    generating units or by agreement of the Parties. Determina-  
9                    tion of the Rated Capability of a City Capacity Resource  
10                    shall be established during the start-up period prior to its  
11                    Date of Firm Operation.

12                    9.2 A City Capacity Resource shall be considered as a  
13                    source of Rated Capability on the Date of Firm Operation.  
14                    If, after said date, an operating characteristic of such  
15                    City Capacity Resource or its related Transmission Facilities  
16                    is permanently changed as a result of changed design criteria,  
17                    new regulatory restrictions (or relief therefrom), revised  
18                    transmission stability or other transmission criteria,  
19                    new equipment additions, operating experience or other  
20                    factors, the Rated Capability of such City Capacity Resource  
21                    shall be changed. City shall establish the changed Rated  
22                    Capability of City Capacity Resources in which Edison  
23                    is not involved as an owner by having performed (by City  
24                    or Third Parties), at no expense to Edison, the operating  
25                    tests then being used by Edison to establish the rated  
26                    capability of its sources of capacity and energy; provided,

4                    accomplishment of such change in Rated Capability  
5                    may be accomplished without such operating tests if the  
6                    terms of such agreement are such that Edison would have  
7                    performed such tests if Edison had owned such City Capacity  
8                    Resource. Such changed Rated Capability shall become  
9                    effective on a date to be established, and agreed upon,  
10                    by the Authorized Representatives.

11                    9.3    Either Party may, from time to time, request a  
12                    demonstration of the ability of a City Capacity Resource to  
13                    produce its previously established Rated Capability. Such  
14                    demonstration shall be similar to that used to determine its  
15                    previously established Rated Capability and shall be per-  
16                    formed by City at the requesting Party's sole expense. The  
17                    following shall apply in the event such demonstration indi-  
18                    cates a Rated Capability different than that previously  
19                    established:

20                    9.3.1    If such demonstration by City indicates a  
21                    Rated Capability lower than previously established, City,  
22                    at its expense, may take appropriate corrective measures  
23                    to return that City Capacity Resource to its former estab-  
24                    lished Rated Capability within a reasonable period, and, in  
25                    such cases, shall subsequently verify, at its expense, the  
26                    Rated Capability by a similar demonstration if Edison  
                    would have performed such a demonstration had Edison owned  
                    said Resource. Subject to Section 9.4, if a City Capacity  
                    Resource is not returned to its previously established



Rated Capability, a new Rated Capability for such City Capacity Resource shall be established, and shall become effective on a date agreed upon by the Authorized Representatives.

9.3.2 If such demonstration by City indicates a Rated Capability higher than previously established, a new Rated Capability for such City Capacity Resource shall be established, and shall become effective on a date agreed upon by the Authorized Representatives.

9.4 If City desires or is required by regulatory authority or other reasons beyond its control to permanently reduce the Rated Capability of a City Capacity Resource or permanently remove from service a City Capacity Resource, City Transmission Facility or City Communication Equipment, it may do so subject to the following:

9.4.1 If City is required to permanently reduce the Rated Capability of a City Capacity Resource or permanently remove from service a City Capacity Resource:

9.4.1.1 City shall provide Edison with as much advance notice as possible of such reduction in or removal of a City Capacity Resource:

9.4.1.2 City's Rated Capability shall be reduced by an amount equal to the required permanent reduction in Rated Capability or the Rated Capability of the City Capacity Resource required to be permanently removed from service on the date of such reduction or removal from

1 service. Except as provided in Section 9.4.1.3, City shall  
2 then be entitled to purchase, under the Partial Requirements  
3 Rate then applicable to City, additional capacity and  
4 associated energy equal to the resulting reduction in Capa-  
5 city Credit.

6 9.4.1.3 If reduction in, or removal from  
7 service of a City Capacity Resource would cause Edison to  
8 experience system reliability problems, City shall be  
9 obligated to acquire Replacement Capacity and energy from  
10 Third Parties outside of the Edison Control Area, to the  
11 extent and for the period that Edison would have acquired  
12 replacement capacity had the system reliability problem  
13 been due to a reduction in, or unavailability of, rated  
14 capability from an Edison capacity Resource.

15 9.4.2 If City desires to permanently reduce the  
16 Rated Capability of any City Capacity Resource or perman-  
17 ently remove from service any City Capacity Resource:

18 9.4.2.1 City shall provide Edison with  
19 as much advance notice as possible of such reduction in  
20 or removal of a City Capacity Resource:

21 9.4.2.2 City shall first offer to sell  
22 or assign that amount of capacity which City desires to  
23 permanently reduce or remove from service to Edison;  
24 provided, that contractual arrangements between City and  
25 Third Parties so permit;

26 9.4.2.3 If Edison is unable or unwilling

1 to become City, a resource or resource capability of such type  
2 then the Parties shall seek to agree on the period during  
3 which City shall continue to operate the City Capacity  
4 resource, and if unable to agree, City shall (i) maintain  
5 such City Capacity Resource at its established Rated Capa-  
6 bility, or (ii) acquire Replacement Capacity and energy  
7 from Third Parties outside of the Edison Control Area, to  
8 the extent and for the period that Edison would have main-  
9 tained rated capability or acquired replacement capacity.

10 9.4.3 If City is required to permanently remove  
11 from service or reduce the rating of a City Transmission  
12 Facility, City shall use its best efforts to acquire Trans-  
13 mission Facilities, or transmission service from Edison or  
14 Third Parties, as may be required to enable Edison to  
15 continue to provide reliable service for the Edison Control  
16 Area, and in such case, City shall reimburse Edison for  
17 all costs incurred as a result of the permanent removal  
18 from service or reduction in rating of a City Transmission  
19 Facility; provided, such costs would have been incurred by  
20 Edison to provide reliable service for the Edison Control  
21 Area due to the removal from service of, or reduction in,  
22 rating of an equivalent Edison Transmission Facility.  
23 The Parties shall seek to agree upon alternate methods  
24 for providing reliable service for the Edison Control  
25 Area.

26 9.4.4 If City is required to permanently remove

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City shall use its best efforts to obtain an alternate method for scheduling and dispatching of City Integrated Resources, monitoring of equipment, and any other function requiring such Communication Equipment. City shall reimburse Edison for all costs incurred as a result of such removal from service of City Communication Equipment; provided, such costs would have been incurred by Edison had the removal from service been of equivalent Edison Communication Equipment.

10. SCHEDULING AND DISPATCHING:

10.1 General: Because it is not practically, technically or functionally feasible for City to schedule and dispatch City's Resources and City Transmission Facilities as a part of the Edison Control Area pursuant to this Agreement, Edison, acting as City agent, shall provide scheduling and dispatching services for such City Resources and City Transmission Facilities. City shall make such City Resources and City Transmission Facilities available to Edison for scheduling and dispatching as necessary for efficient Integrated Operations.

10.2 Scheduling and Dispatching Services: Edison, as City's agent, shall provide scheduling and dispatching services to City as provided in Section 10.1 for the following:

10.2.1 Integrated Resources and City Transmission Facilities which are integrated pursuant to Integration

1  
2 agreements. In providing such services to City, Edison shall  
3 be in the same manner as if Edison owned such Integrated  
4 Resources and City Transmission Facilities.

5 10.2.2 Subject to the limitations of this Agree-  
6 ment, and as directed by City, for City Resources located  
7 inside or outside the Edison Control Area, the electrical  
8 output of which is to be delivered to Third Parties within  
9 the Edison Control Area or to other control areas and  
10 where such delivery necessarily requires, for technical,  
11 functional or economic reasons, transmission service from  
12 Edison and the use of the Edison Control Area.

13 10.3 Standard of Service: Edison shall perform such  
14 scheduling and dispatching services in accordance with good  
15 electric utility practice. City shall arrange to have any  
16 scheduling and dispatching instructions executed in accordance  
17 with good electric utility practice.

18 10.4 Limitations on Operating Schedules: City shall  
19 keep the Edison dispatcher currently informed of any operating  
20 or scheduling limitation on any City Resource or City Trans-  
21 mission Facility which is scheduled and dispatched by Edison.

22 10.5 Emergency Conditions:

23 10.5.1 Except under emergency conditions, as  
24 determined by the Edison dispatcher, no City Resource or City  
25 Transmission Facility which is scheduled and dispatched by  
26 Edison shall be scheduled and dispatched in excess of Rated  
Capabilities or line current ratings or such Rated



1 operation of line current ratings, or, in the event of  
2 operation or scheduling limitations. In the event of  
3 emergency conditions, Edison shall advise City in advance  
4 when operation of City Resources or City Transmission  
5 Facilities in excess of Rated Capacities or line current  
6 ratings is anticipated, and the anticipated duration of such  
7 operation; provided, that if an emergency condition arises  
8 where such advance advice is not practicable, Edison shall  
9 advise City as soon as practicable after such operation has  
10 occurred or commenced.

11 10.5.2 Except under emergency conditions, as  
12 determined by the Edison dispatcher, Edison shall not be  
13 required to schedule and dispatch its Resources or Trans-  
14 mission Facilities in excess of ratings or limitations  
15 established by the Edison dispatcher therefor.

16 10.6 Operation of Transmission Facilities: Neither  
17 Party shall be obligated to operate its Transmission Facili-  
18 ties in excess of line current ratings, outside voltage  
19 limits, or, under emergency conditions, in excess of the  
20 emergency rating or limits, all as established by the  
21 owning Party. Such ratings and limits shall be exchanged  
22 by the Authorized Representatives.

23 10.7 Payment for Scheduling and Dispatching Services:  
24 For the services provided by Edison under this Section 10,  
25 City shall pay Edison, each month, a charge for each City  
26 Resource and City Transmission Facility scheduled and

1 dispatched by Edison. Such charges shall be determined  
2 annually by the Authorized Representatives in accordance  
3 with the procedures set forth in Appendix A. Scheduling  
4 and dispatching charges for any City Resource or City  
5 Transmission Facility not determined at the time of the  
6 annual determination shall be established by the Authorized  
7 Representatives as of the time such scheduling and dis-  
8 patching occurs. If the Parties cannot agree upon any  
9 charge, Edison may unilaterally file with the Commission,  
10 under Section 205 of the Act, a change in such charge to  
11 be effective during the ensuing year.

12 10.8 Modification of Exhibit B: The procedures set  
13 forth in Exhibit B (including Table 1) shall be reviewed  
14 annually by the Authorized Representatives and, if necessary,  
15 modified so that there will be consistency with procedures  
16 followed by Edison in developing scheduling and dispatching  
17 charges under agreements filed with the Commission.

18 11. OPERATION AND MAINTENANCE:

19 11.1 Responsibility: Each Party shall be responsible  
20 for the operation and maintenance work required on its Re-  
21 sources, Transmission Facilities, and Communication Equipment,  
22 and for its facilities and equipment at the Point of Delivery,  
23 a Point of Attachment, and a Point of Interconnection.

24 11.2 Scheduling: City shall coordinate with Edison  
25 the schedules for maintenance and refueling work, and work  
26 related to construction of capital additions, betterments

and replacement of City Capacity Resources, City Transmission Facilities and City Communication Equipment, and on City facilities and equipment at the Point of Delivery, a Point of Attachment and a Point of Interconnection as follows:

11.2.1 City shall prepare and submit to Edison, on or before November 1 of each year, a schedule of such maintenance and refueling work, and such work related to construction of capital additions, betterments and replacements. Such schedule shall be prepared in accordance with good electric utility practice. Such schedule shall indicate, for the three calendar years following said November 1, (i) the work to be performed, (ii) the estimated dates when such work shall commence and be completed, and (iii) the estimated date when the affected unit, equipment or facility shall be returned to service. Edison shall use its best efforts to coordinate the City schedule with that of Edison in accordance with Section 6.1.11 for the mutual benefit of both Parties.

11.2.2 Each Party shall be responsible for performing all maintenance and refueling work on its Resources, Transmission Facilities and Communication Equipment, or other facilities or equipment, in accordance with the latest approved schedule. Changes in such schedule shall be reviewed by the Authorized Representatives.

11.3 Scheduled Maintenance Account: A Scheduled Maintenance Account shall be established by Edison for each City Capacity Resource on January 1 of each year for that

1 year. Such Scheduled Maintenance Account shall be in terms  
of kilowatt-days and, at the beginning of any year, shall  
equal the result of multiplying the Rated Capacity (reduced  
by appropriate transmission losses to the Point of Delivery)  
of each City Capacity Resource by the number of days such  
City Capacity Resource is expected to be out of service  
during that year for scheduled maintenance and refueling  
work. Such number of days for any year shall be obtained  
from the schedule submitted by City to Edison on or before  
the November 1 immediately preceding that year, as such  
schedule is adjusted or modified prior to January 1 of that  
year for the mutual benefit of both Parties. Any kilowatt-  
days remaining in the Scheduled Maintenance Account at the  
end of any year shall be of no value and shall not be  
carried forward to any following year.

11.4 Removal from Service: Except in emergencies as  
determined by City, City shall not take any City Capacity  
Resource, or any of its City Transmission Facilities,  
Communication Equipment, or other City facilities or equip-  
ment at the Point of Delivery, a Point of Attachment or a  
Point of Interconnection, out of service for any reason  
without prior approval of the Edison dispatcher. If, because  
of such an emergency, prior approval cannot be obtained  
in time, City may remove such City Capacity Resource,  
City Transmission Facility, City Communication Equipment  
or other City facilities or equipment from service and

1. Edison shall, within the Edison Boarder District.

2. RESERVE CONTRIBUTIONS:

12.1 General: Each Party shall, on and after the date of the execution of the River City Capacity Resource and until the termination of this Agreement, contribute its proportionate share of the installed reserves required to provide reliable electric service to the combined Firm Loads of the Parties.

12.2 City Contribution to Installed Reserves: City contribution to installed reserves shall be deemed to be a percentage of the sum of the Rated Capabilities (expressed to the nearest kilowatt) of the City Capacity Resources. The percentage for any year shall be determined from data contained in the Resource Schedule as reviewed pursuant to Section 7.6 which is effective on January 1 of that year and shall be equal to the arithmetic average of the five annual reserve margins, before planned scheduled maintenance, (expressed as a percent of the annual peak of the combined Firm Loads of the Parties) planned for the next five consecutive years, the first year of which is the year in which said percentage is to apply. Such average shall be determined to the nearest 0.01 percent.

13. FACILITIES AND EQUIPMENT TO BE PROVIDED AT THE POINT OF DELIVERY, A POINT OF ATTACHMENT OR A POINT OF INTERCONNECTION:

13.1 Edison shall own, furnish, install, operate and maintain all Transmission Facilities and Communication Equipment at the Point of Delivery, a Point of Attachment or



1       ... of Interconnection which are associated with the  
2       Edison transmission lines at such points. Such transmission  
3       facilities and communication equipment shall include,  
4       but not be limited to, switching, cabling and metering.

5       13.2 The design and construction of City Communica-  
6       tion Equipment and City Transmission Facilities at the Point  
7       of Delivery, a Point of Attachment or a Point of Interconnec-  
8       tion between Edison and City shall be subject to the written  
9       approval of Edison. So long as City has made such design  
10      and performed such construction in accordance with Edison  
11      standards, Edison shall not withhold such approval.

12      13.3 Each Party shall operate its facilities so that  
13      variations in the flow of reactive power, and the resulting  
14      fluctuations in voltage levels, shall not adversely affect  
15      the performance of the facilities of the other Party. Each  
16      Party shall operate its facilities in accordance with good  
17      electric utility practice in order to minimize the reactive  
18      power demand placed on the other Party's facilities.

19      14. LOAD CURTAILMENT AND LIMITATIONS ON NEW LOADS:

20      If, during the term of this Agreement, it becomes necessary  
21      to curtail existing Firm Loads, or limit additions to  
22      Firm Loads of City and Edison because of the lack of  
23      availability of Resources, Transmission Facilities or fuel  
24      supplies, which results in insufficient capacity or energy  
25      to provide adequate service to the combined Firm Loads  
26      of the Parties, the Parties shall engage jointly in such

exception of short duration load shedding due to emergencies, reasonable efforts shall be made until all use of all California and adjacent regional power resources.

PARTIAL REQUIREMENTS SERVICE:

15.1 Sale and Purchase: Edison shall provide Partial Requirements Service to City. Under such service, and subject to the provisions of Section 14, Edison shall make available and deliver capacity and energy to City at the Point of Delivery, under the Partial Requirements Rate, as follows:

15.1.1 The amount of partial requirements capacity to be purchased in any billing period under the billing demand portion of the Partial Requirements Rate shall equal (i) the maximum peak demand of City's Load during the billing period minus (ii) the Capacity Credit in effect at the time such maximum peak demand occurs, but shall not be less than the minimum billing demand, if any, as set forth in the Partial Requirements Rate applicable to City. When the Capacity Credit is increased due to the addition of a City Capacity Resource or an increase in the Rated Capability of a City Capacity Resource, minimum billing demands, if any, shall be calculated as though the increased Capacity Credit had been effective throughout the period used in the calculation of the minimum billing

10.1.2.

11.1.2 The amount of partial requirements energy to be purchased in any billing period shall be determined as follows: Requirements Rate shall equal the sum of the hourly energy requirements for that billing period. Each hour hourly requirement shall be determined as follows:

7  $A = B - C$

8 Where

9 A = The amount of partial requirements energy to be  
10 purchased from Edison by City during that hour (not less than  
11 zero);

12 B = The total energy requirement of the City's Load  
13 during that hour; and

14 C = The greater of (i) the amount of energy scheduled  
15 and dispatched (adjusted for transmission losses to the  
16 Point of Delivery) during that hour by Edison from Integrated  
17 Resources, or (ii) the amount of energy capability associated  
18 for that hour with the then-effective Capacity Credit. *Reserve subtracted out*

19 15.1.3 Such capacity and energy shall be sold by  
20 Edison to City, and City shall pay for such capacity and  
21 energy, at the rates and under the terms and conditions of  
22 the then applicable Partial Requirements Rate.

23 15.1.4 Except as provided in Section 15.1.5, and  
24 notwithstanding any other provision of this Agreement, Edison  
25 shall have the right in furnishing Partial Requirements  
26 Service under the Partial Requirements Rate to unilaterally

1       ... with the Commission a change in rate, service,  
2       classification, or service, or any rule, regulation, or  
3       ...  
4       ... to the Commission's rules and regulations  
5       promulgated thereunder; provided, that no change shall be  
6       made in, or be inconsistent with, any integration agreement  
7       unless such right to do so is expressly provided for in an  
8       Integration Agreement.

9               15.1.5   When in Edison's sole judgment retention  
10       of City in the single customer group Resale Service - Large  
11       (which now comprises all of Edison's large all-requirements  
12       resale customers and partial requirements resale customers)  
13       for purchases under Sections 15.1.1 and 15.1.2 adversely  
14       affects any other customer in that group, Edison may file  
15       changes in the Partial Requirements Rate with the Commission  
16       under Section 205(d) of the Act, which changes result in a  
17       rate which is different in design or level, or both design  
18       and level, from the resale rate applicable to Edison's large  
19       all-requirements resale customers or other partial  
20       requirements resale customers; provided, that such change in  
21       rates shall not become effective until (i) it has been  
22       determined by final order of the Commission, no longer  
23       subject to judicial review, to be just and reasonable, or  
24       (ii) 2 years after the Tender Date, whichever occurs first.

25               15.1.5.1   In case of such a change in rates  
26       which has become effective prior to final order of the

Commission, no longer subject to judicial review, shall  
result in an increased rate or charge, Edison shall upon  
order of the Commission pay to the City of San Francisco  
all amounts received by reason of such increase and, upon  
final order of the Commission, no longer subject to judicial  
review, Edison shall upon order of the Commission remit with  
interest to City such portion of such increased rates or  
charges as by the Commission's final order shall be found not  
just and reasonable.

15.1.5.2 After Edison has filed a change in  
rate pursuant to Section 15.1.5, and while such filing of  
such change in rate is pending and has not become effective  
or if such change has been denied by the Commission, Edison  
shall have the right to file with the Commission under  
Section 205(d) of the Act changes in the then-effective  
Partial Requirements Rate which do not result in a rate  
which is different in design or level, or both design and  
level, from the resale rate applicable to Edison's large  
all-requirements resale customers or other Partial  
Requirements resale customers, and such changes in rate  
shall become effective pursuant to Section 205(e) of the  
Act, notwithstanding the pendency of Edison's filing of  
changes in rates pursuant to this Section 15.1.5.

15.1.5.3 If, while a change in rates  
tendered for filing pursuant to Section 15.1.5 is still  
pending, Edison is unable to make effective a filing of a



1 change in the then-effective Partial Requirements Rate  
2 pursuant to Section 15.1.5.2, Edison shall not be precluded  
3 by this Section from requesting that the change in rates  
4 filed pursuant to said Section 15.1.5 become effective  
5 pursuant to Section 205(e) of the Act, to the extent of  
6 authority there to confer rate levels that Edison could  
7 have achieved if it had been able to make effective the  
8 change tendered for filing pursuant to Section 15.1.5.2.

9 15.1.5.4 If a change in rate filed by Edison  
10 pursuant to Section 15.1.5 has become effective, but has not  
11 been determined by final order of the Commission, no longer  
12 subject to judicial review, to be just and reasonable, Edison  
13 shall have the right to file changes in such newly,  
14 effective Partial Requirements Rate pursuant to Section  
15 205(d) of the Act; provided, however, that changes in the  
16 rate design shall not become effective until (i) they have  
17 been determined by final order of the Commission, no longer  
18 subject to judicial review to be just and reasonable, or  
19 (ii) 2 years after the Tender Date for filing such changes  
20 pursuant to this Section 15.1.5.4, whichever occurs first.

21 15.1.6 After Edison's filing of a change in rate  
22 pursuant to Section 15.1.5 has been determined by final order  
23 of the Commission, no longer subject to judicial review, to be  
24 just and reasonable, Edison may unilaterally file under  
25 Section 205(d) of the Act changes in the new Partial  
26 Requirements Rate applicable to City. However, changes in

1 the rate of the then-effective Partial Requirements Rate  
2 applicable to City shall not become effective (i) until they  
3 have been determined by final order of the Commission, or  
4 longer subject to judicial review, to be just and reasonable,  
5 or (ii) 2 years after the Ticker Date for filing such  
6 changes, whichever occurs first.

7 15.1.6.1 In case of such a change in rate  
8 filed pursuant to Section 15.1.6 which has become effective  
9 prior to final order of the Commission, no longer subject to  
10 judicial review, which results in an increased rate or  
11 charge, Edison shall upon order of the Commission keep  
12 accurate account in detail of all amounts received by reason  
13 of such increase and, upon final order of the Commission, no  
14 longer subject to judicial review, Edison shall refund,  
15 with interest, to City such portion of such increased rates  
16 or charges as by the Commission's final order shall be  
17 found not just and reasonable.

18 15.1.6.2 After Edison has filed a change in  
19 the then-effective Partial Requirements Rate applicable to  
20 City pursuant to this Section 15.1.6, and while such filing  
21 is pending and has not become effective or if such change  
22 has been denied by the Commission, Edison shall have the  
23 right to file with the Commission under Section 205(d) of  
24 the Act changes in the then-effective Partial Requirements  
25 Rate applicable to City other than changes in rate design.  
26 Changes so filed shall become effective pursuant to Section

1 205(e) of the Act, notwithstanding the tendency Edison's  
2 filing of change in such rates pursuant to this Section  
3 15.1.6.

4 15.1.6.3 If, while a change in rate tendered  
5 for filing pursuant to Section 15.1.6 is still pending,  
6 Edison is unable to make effective a filing of a change in  
7 the then-effective Partial Requirements Rate pursuant to  
8 Section 15.1.6.2, Edison shall not be precluded by this  
9 Agreement from requesting that the change in rates filed  
10 pursuant to said 15.1.6 become effective pursuant to Section  
11 205(e) of the Act, to the extent of permitting Edison to  
12 achieve rate levels that Edison could have achieved if it  
13 had been able to make effective the change tendered for  
14 filing pursuant to Section 15.1.6.2.

15 15.1.6.4 If a change in rate filed by Edison  
16 pursuant to Section 15.1.6 has become effective, but has not  
17 been determined by final order of the Commission, no longer  
18 subject to judicial review, to be just and reasonable,  
19 Edison shall have the right to file changes in the newly  
20 effective Partial Requirements Rate pursuant to Section  
21 205(d) of the Act; provided, however, that changes in the rate  
22 design shall not become effective until (i) they have been de-  
23 termined by final order of the Commission, no longer subject to  
24 judicial review, to be just and reasonable or (ii) 2 years  
25 after the Tender Date for filing such changes pursuant to this  
26 Section 15.1.6.4, whichever occurs first.

1 15.2 Notwithstanding the provisions of this Section  
2 15.1 and 15.3, Edison shall have the right to file with  
3 the Commission under Section 203.e. of the Act, a Partial  
4 Requirements Rate applicable to City and State charges  
5 shall become effective pursuant to Section 203.e. of the Act  
6 when such filing is made by Edison under the following circum-  
7 stances: Edison has been directed to make such filing (i) by  
8 lawful, applicable regulatory authority or (ii) by request of  
9 the Commission staff or senior or supervising staff representa-  
10 tive of the Commission, when failure to comply with such  
11 request may, in Edison's judgment, result in Commission action  
12 adverse to Edison. Such filing shall set forth in detail the  
13 specifics of such request and the name of the person making  
14 the request.

15 15.3 Rate Design Changes: For purposes of this Section  
16 15, a change in rate design means a change in any element of  
17 the Partial Requirements Rate schedule resulting from a change  
18 in the method of distributing costs of service among the  
19 elements of the rate schedule, except those changes in elements  
20 of the Partial Requirements Rate schedule which result from  
21 changes in statistical input to the cost of service analysis on  
22 which the elements of the Partial Requirements Rate schedule are  
23 based such as kilowatthours, kilowatts of demand and other fac-  
24 tors to be defined by the Parties. Any new element of cost not  
25 previously included in the cost of service can be added without  
26 being considered a change in the method of distributing cost pro-

1 11.1.1.2 The rate of payment is less than 1% of the total charges  
2 to City for Partial Requirements Service in a billing period.

3 14. REPLACEMENT CAPACITY AND CONTRACT ENERGY:

4 14.1 Replacement Capacity:

5 16.1.1 A daily capacity availability (one number  
6 expressed in kilowatts for each day) shall be determined for  
7 each City Capacity Resource, and shall be equal to the sum of  
8 the hourly availabilities as recorded by the Edison dispatcher  
9 (expressed in kilowatts) of such City Capacity Resource during  
10 that day divided by the hours in that day. Such daily capacity  
11 availability shall not exceed the Rated Capability of such City  
12 Capacity Resource for that day. To the extent that any City  
13 Capacity Resource is unavailable when called upon by the Edison  
14 dispatcher for load or for test, such portion shall thereafter  
15 be deemed to be unavailable until demonstrated, by successful  
16 tests of the type which Edison would normally perform under  
17 similar circumstances, that such portion is available.

18 16.1.2 For each City Capacity Resource, a  
19 kilowatt difference shall be determined for each day, which  
20 shall be equal to the total Rated Capability of the Resource  
21 for that day minus its daily capacity availability determined  
22 pursuant to Section 16.1.1. City shall acquire or purchase  
23 for that day, pursuant to Section 16.1.3, for each City  
24 Capacity Resource an amount of Replacement Capacity (not to  
25 exceed the kilowatt difference determined for that day) equal  
26



to the greater of (i) the maximum kilowatt difference which  
exists for that day and the number for 70 or more  
consecutive days immediately preceding that day, or (ii) the  
maximum kilowatt difference which exists for that day and  
has existed for 100 or more non-consecutive days during  
the 180 consecutive day period immediately preceding that  
day.

16.1.3 Subject to Section 16.1.7, City shall  
acquire or purchase Replacement Capacity for each City  
Capacity Resource as follows:

16.1.3.1 By first withdrawing a number of  
kilowatt-days from the Scheduled Maintenance Account for  
that City Capacity Resource equal to the number of kilowatts  
of Replacement Capacity to be acquired for that day pursuant  
to Section 16.1.2. Edison shall supply the Replacement  
Capacity required under this Section 16.1.3.1 and Edison  
shall make no charge for such Replacement Capacity.

16.1.3.2 After the Scheduled Maintenance  
Account for a City Capacity Resource is exhausted, by  
obtaining Replacement Capacity from City Resources integrated  
for Replacement Capacity purposes, or by a purchase of  
Replacement Capacity from one or more Third Parties  
outside the Edison Control Area, or Edison, or both; provided,  
that, in the case of a purchase from a Third Party, such  
purchase shall meet those qualifications and follow those  
procedures set forth in Section 8 which pertain to the

To the extent City does not obtain replacement capacity from Edison under that value as provided above, Edison shall purchase and sell and City shall purchase and replacement capacity.

16.1.3.3 Replacement Capacity shall be measured at the Point of Delivery. In determining the amount of Replacement Capacity to be acquired or purchased by City, appropriate average transmission loss adjustments shall be applied to reflect the availability of such Replacement Capacity at the Point of Delivery.

16.1.4 Unless otherwise agreed, the charge per kilowatt for Replacement Capacity which City purchases in any day from Edison under Section 16.1.3.2 shall be equal to one three hundred and sixty-fifth ( $1/365$ ) of the sum of the following:

16.1.4.1 The current annual revenue requirements of those Edison generating units whose dates of firm operation occurred during the 5 years prior to the year in which such Replacement Capacity is purchased, divided by the sum of the kilowatts of rated capability of such Edison generating units; plus

16.1.4.2 The current annual network and point-to-point transmission service charges established from such Edison generating units to the Point of Delivery and weighted in accordance with the rated capabilities of

16.1.4.3 Transmission service charges

associated with the City Capacity Resource including the  
Replacement Capacity to the extent these charges  
are for transmission service over the same route.

16.1.5 The current annual revenue requirements  
referred to in Section 16.1.4.1 shall consist of the charges,  
effective at the time of City's purchase of Replacement  
Capacity, for: (i) return on rate base, (ii) depreciation,  
(iii) taxes on income, (iv) property taxes, (v) insurance,  
injuries and damages, (vi) administrative and general  
expenses, and (vii) operation and maintenance costs not  
associated with the incremental production of energy.

16.1.6 The charge per kilowatt set forth in  
Section 16.1.4 shall be increased to provide for average  
transmission losses from such Edison generating units to the  
Point of Delivery and weighted in accordance with the rated  
capabilities of such Edison generating units.

16.1.7 If the then-current reserve situation in  
the Edison Control Area requires, in Edison's opinion,  
purchases of capacity from other control areas in order to  
maintain or restore the reliability and integrity of the  
Edison Control Area, City shall use its best efforts to  
purchase Replacement Capacity from Third Parties outside of  
the Edison Control Area.

16.1.8 Unless otherwise agreed, the daily charge

4 for delivery for transmission of City's purchase of  
5 Replacement Capacity from Third Parties shall be equal to  
6 the sum of the current market clearing price and the  
7 transmission service charge established in accordance with  
8 Section 21 and Appendices E and F, for each day during which  
9 such Replacement Capacity is transmitted.

7 16.2 Contract Energy:

8 16.2.1 Edison shall sell and City shall purchase  
9 Contract Energy as required each hour, which shall be (i) the  
10 amount of energy capability associated with the Capacity  
11 Credit for that hour less (ii) the amount of energy received  
12 as determined from schedules during that hour (adjusted for  
13 transmission losses to the Point of Delivery) from City  
14 Integrated Resources, but not less than zero.

15 16.2.1.1 To the extent a City Capacity  
16 Resource is available but not scheduled or dispatched by  
17 Edison, and Edison instead supplies that amount of Contract  
18 Energy, Edison shall sell and City shall purchase such  
19 Contract Energy at Contract Energy Cost or City Incremental  
20 Cost for such City Capacity Resource, whichever City has  
21 designated (i) in the Supplemental Agreement for that  
22 Resource, (ii) upon three years notice to Edison, or  
23 (iii) when a change in the Contract Energy Cost formula  
24 has become effective.

25 16.2.2 Contract Energy Cost: The cost of Contract  
26 Energy for each hour shall be determined by the following

$$CIC = (FC + HR \times 100) \times \frac{(100)}{(100 - L)}$$

CIC = Contract Energy Cost, expressed in terms of dollars per kilowatthour. Such monthly cost, as determined for the end of any month, shall be applicable to sales made by Edison to City in the next succeeding month.

FC = Edison's fuel cost, expressed in terms of dollars per British Thermal Unit (BTU), for conventional oil-fired, combustion turbine and combined-cycle generation. Such cost, at the end of any month, shall equal the weighted inventory cost of liquid fuel used for such generation, plus operation, maintenance, depreciation and tax costs associated with such fuel. Such fuel cost shall be weighted in accordance with the BTU content of each type of fuel in inventory at the end of such month. Such cost shall be determined and reported in Edison's fuel oil inventory and commitment statement prepared by Edison and made available to City each month. Such cost as determined for the end of such month shall be applicable to sales made by Edison to City in the next succeeding month.

HR = A heat rate, expressed in terms of BTU per kilowatthour of conventional oil-fired, combustion turbine, and combined-cycle generation. Such heat rate shall be determined annually from data contained in Edison's latest Form 1 Report or its successor to the Commission and shall be weighted in accordance with the net generation



for such plants. Such year-end, or calendar year, report in any year from such latest report, shall be applicable to sales made by Edison to City during the 12-month period commencing May 1 of that year.

OC = Edison's other costs associated with the production of such energy, expressed in terms of dollars per kilowatt-hour, of conventional oil-fired, combustion turbine, and combined-cycle generation. Such other costs shall be equal to (i) the sum of money reported by Edison in its latest Form 1 Report or its successor to the Commission for those plants providing such generation for FPC Accounts 500, 502-507, and 510-514, inclusive, divided by (ii) the sum of the net generation (exclusive of plant use) from those plants as reported in such latest report. Such other costs, as determined by Edison in any year from such latest report, shall be applicable to sales made by Edison to City during the 12-month period commencing May 1 of that year.

L = Transmission losses, expressed in percent of net generation, from the conventional oil-fired, combustion turbine, and combined-cycle generation. Such losses shall be determined annually from the point-to-point and network transmission service losses established by Edison for that year and the mileages from such generation to the Point of Delivery. Such losses shall be weighted in accordance with the net generation (exclusive of plant use) as reported

1 in Edison's latest Form 1 Report or its successor to the  
2 Commission for such plants. Such losses, as determined by  
3 Edison in any year from such latest report, shall be  
4 applicable to sales made by Edison to City during the  
5 12-month period commencing May 1 of that year.

6       16.3 Changes in Rates and Charges:

7           16.3.1 Except as provided in Section 16.3.3,  
8 and notwithstanding any other provision of this Agreement,  
9 Edison shall have the right, in furnishing to City  
10 Replacement Capacity or Contract Energy, or both, to  
11 unilaterally file with the Commission for a change in rates,  
12 charges, classification, or service, or any rule, regulation,  
13 or contract relating thereto, under Section 205 of the Act  
14 and pursuant to the Commission's rules and regulations  
15 promulgated thereunder; provided, that no change shall be  
16 made in or be inconsistent with, any Integration Agreement  
17 unless such right to do so is expressly provided for in an  
18 Integration Agreement.

19           16.3.2 Notwithstanding any other provision of  
20 this Agreement, Edison shall have the right to unilaterally  
21 modify the charges for Replacement Capacity by applying  
22 the provisions of Sections 16.1.4, 16.1.5 and 16.1.6, and  
23 to unilaterally modify the charges for Contract Energy by  
24 applying the provisions of Section 16.2.2.

25           16.3.3 Whenever in Edison's sole judgment it  
26 determines to do so, Edison may unilaterally file changes

1 the wording of one or more of Sections 16.1.4, 16.1.5  
2 16.1.6 and 16.2.2 with the Commission under Section 205(d)  
3 of the Act; provided, that any such change shall not become  
4 effective until (i) it has been determined by final order  
5 of the Commission, no longer subject to judicial review,  
6 to be just and reasonable, or (ii) 3 years after the Tender  
7 Date for filing such change, whichever occurs first.

8 16.3.4 In case of such a change which has become  
9 effective prior to final order of the Commission, no longer  
10 subject to judicial review, which results in an increased  
11 rate or charge, Edison shall upon order of the Commission  
12 keep accurate account in detail of all amounts received  
13 by reason of such increase and, upon final order of the  
14 Commission, no longer subject to judicial review, Edison  
15 shall upon order of the Commission refund, with interest,  
16 to City such portion of such increased rates or charges  
17 as by the Commission's final order shall be found not  
18 just and reasonable.

19 16.3.5 Notwithstanding the provisions of Section  
20 16.3.3, Edison shall have the right to file with the  
21 Commission under Section 205(d) of the Act changes in the  
22 wording of one or more of Sections 16.1.4, 16.1.5, 16.1.6  
23 and 16.2.2 and such changes shall become effective pursuant  
24 to Section 205(e) of the Act, when such filing is made by  
25 Edison under the following circumstances: Edison has been  
26 directed to make such filing (i) by lawful, applicable

regulatory authority or (ii) by request of the Commission  
staff or a senior or supervising staff representative of  
the Commission, when failure to comply with such request  
in Edison's judgment, results in Commission action  
adverse to Edison. Such filing shall set forth in detail  
the specifics of such request and the name of the person  
making the request.

17. ENERGY FROM CITY CAPACITY RESOURCE PRIOR TO ITS DATE  
OF FIRM OPERATION:

17.1 City may, on 30 days advance notice to Edison,  
request that the energy scheduled and dispatched by Edison  
from a City Capacity Resource prior to its date of firm  
operation be considered Non-Firm Energy. In such event,  
City shall be entitled to receive energy credit for such  
energy (reduced by transmission losses to the Point of  
Delivery); provided, that City shall make necessary  
arrangements for the transmission of such energy from said  
City Capacity Resource to the Point of Delivery. If City  
does not so request, Edison shall pay City for such energy  
at a rate equal to Edison's Contract Energy Cost, reduced by  
transmission losses to the point to be agreed upon by the  
Authorized Representatives, where such energy is delivered  
by City to Edison.

17.2 Edison shall cooperate, when conditions permit,  
by providing a load for warranty testing for all new City  
Capacity Resources.

1           17.2     For purposes of Section 17.1, the date of firm  
2     operation shall be the date when a City Capacity Resource  
3     has demonstrated that all essential features and conditions  
4     can reliably operate simultaneously so as to deliver energy  
5     into the Edison Control Area at its rated capability.

6     18.     NON-FIRM ENERGY:

7           18.1     Credit For Non-Firm Energy:     If City acquires and  
8     integrates Non-Firm Energy, City shall be credited for such  
9     Non-Firm Energy which is scheduled and dispatched by Edison  
10    during each hour, reduced by transmission losses to the Point  
11    of Delivery, to the extent that such Non-Firm Energy is used  
12    to meet that portion of City's Load which is not being supplied  
13    from City's other Integrated Resources during that hour.

14          18.2     Edison Purchase of Excess Non-Firm Energy:  
15    Edison shall purchase from City all Non-Firm Energy which  
16    is in excess of City's Load in any hour at City's cost,  
17    which cost shall include but not be limited to charges made  
18    by Edison and others to City for transmission service plus  
19    15 percent of such cost; provided, that such energy is  
20    economically usable by Edison.

21          18.3     Sale of Excess Non-Firm Energy by City to  
22    Third Parties:     City may sell excess Non-Firm Energy, not  
23    purchased by Edison pursuant to Section 18.2, to Third  
24    Parties within the Edison Control Area which have an  
25    integration agreement with Edison, or to Third Parties  
26    outside the Edison Control Area, provided:



18.3.1 It is functionally and technically  
feasible for Edison to schedule and dispatch such excess  
Non-Firm Energy;

18.3.2 City shall pay Edison the applicable  
costs for scheduling and dispatching such excess Non-Firm  
Energy;

18.3.3 Such excess Non-Firm Energy which City  
sells to a Third Party shall be subject to immediate recall  
by Edison;

18.3.4 City shall arrange with Edison and  
Third Parties as applicable for the transmission of such  
excess Non-Firm Energy in accordance with the applicable  
provisions of Sections 18.5 and 18.6

18.3.5 The Parties shall execute applicable  
transmission service agreements.

18.4 Spinning Reserves: Edison shall provide  
spinning reserves to back up City's purchase of Non-Firm  
Energy. Edison may charge City for such spinning reserves  
during a billing period at the incremental cost incurred by  
Edison in providing such reserves, when the rate of delivery  
of such Non-Firm Energy exceeds the capacity purchased  
during such billing period by the City under the Partial  
Requirements Rate.

18.5 Firm Transmission Service for Non-Firm Energy:

18.5.1 Edison shall use its best efforts to  
provide firm transmission service for Non-Firm Energy over

existing transmission facilities solely owned by Edison  
for service requested by City.

18.5.1.1 Such transmission service shall be provided from the Point of Delivery shall be provided in accordance with the applicable provisions of Section 11. Such transmission service may be provided for a period of more or less than 12 months and charges shall be calculated on a basis proportional to charges applicable to the rates set forth in the Network or Point-to-Point Transmission Service Agreements. If the period involved is not a multiple of 12 months, a special agreement shall be required which may embody changes in the terms and conditions of the Network and Point-to-Point Transmission Service Agreements to reflect conditions occasioned by the different period of time involved. Charges hereunder shall not apply to Non-Firm Energy being transmitted over Edison Transmission Facilities to the extent that City is already paying Edison for and not using firm transmission service thereover.

18.5.1.2 Such transmission service may be from the Point of Delivery, a Point of Attachment or a Point of Interconnection to a Point of Attachment or a Point of Interconnection and shall be provided pursuant to a specific Transmission Service Agreement, when such service can be found to be functionally, technically and economically feasible and can be effected without adverse effect on service to Edison's own customers. When applicable, such

1 agreement shall be developed and entered into with  
2 the Commission to set forth the applicable terms,  
3  
4 charges hereunder shall not apply to Non-Firm Energy being  
5 transmitted over Edison Transmission Facilities to the  
6 extent that City is already paying Edison for and not using  
7 firm transmission service thereover.

8 18.5.2 For firm transmission service for  
9 Non-Firm Energy over Transmission Facilities outside  
10 Edison's Certificated Service Area, where such facilities  
11 are interconnected with but not solely owned by Edison,  
12 City shall be responsible for negotiations with the  
13 appropriate owner or owners of such Transmission  
14 Facilities. Edison shall cooperate with City in its efforts  
15 to obtain such transmission service.

16 18.6 Interruptible Transmission Service for  
17 Non-Firm Energy: If City requests that Edison provide  
18 interruptible transmission service for Non-Firm Energy,  
19 an agreement separate and apart from the Integration  
20 Agreements may be agreed upon by the Parties and executed  
21 prior to the integration of such Non-Firm Energy. Such  
22 interruptible transmission service provided by Edison  
23 for Non-Firm Energy shall be in accordance with the following  
24 provisions:

25 18.6.1 City shall give Edison seven days'  
26 advance notice of its desire to purchase such interruptible

18.6.1 Edison shall develop and enter into  
agreements with the Commission the separate agreement for interruptible  
transmission service. Such separate agreements shall  
set forth the terms, conditions, rates and charges under  
which the City shall purchase such interruptible  
transmission service.

19. SURPLUS CAPACITY AND EXCESS ENERGY FROM CITY  
CAPACITY RESOURCES:

19.1 Surplus Capacity and Associated Energy: Edison  
shall purchase from City surplus capacity and associated  
energy from any City Capacity Resource, as identified by  
City, the amount of said capacity being that which City  
shall declare, upon 12 months advance notice to Edison, to  
be surplus to City's estimated Load during the period of  
sale. Such purchase and sale shall be for a minimum of 12  
months, and shall be subject to the following:

19.1.1 The Parties shall enter into a separate  
agreement for the purpose of implementing the rights and  
obligations contained in this Section 19.1; provided, that  
such separate agreement shall be consistent with this  
Section 19.1.

19.1.2 City shall first plan to use such City  
Capacity Resource to meet City's estimated Load during  
the period of sale.

19.1.3 The amount of energy to be sold to Edison

1 in any event shall be that which is associated with the  
2 capacity sold to Edison under this Section 19.1 and shall be  
3 calculated by multiplying the total share of capacity  
4 dispatched from each City Capacity Resource from which a  
5 sale is made by the ratio of (i) the capacity sold to Edison  
6 from that City Capacity Resource to (ii) its Rated Capability  
7 before the sale of capacity to Edison.

8 19.1.4 Edison shall pay City for such capacity  
9 and associated energy to be purchased by Edison from each  
10 City Capacity Resource at a price which shall fully  
11 compensate City for its costs associated with such City  
12 Capacity Resource. Such costs shall include, but not be  
13 limited to: debt service, depreciation and return; lease  
14 payments; rents; taxes; fuel and fuel related costs;  
15 purchase power costs; other operation and maintenance costs;  
16 and transmission costs. Edison's share of the total costs  
17 shall be determined by multiplying total costs by the ratio  
18 set forth in Section 19.1.3.

19 19.1.5 For the purpose of determining the Rated  
20 Capability of any City Capacity Resource after the sale of  
21 capacity to Edison, the Rated Capability of such City Capacity  
22 Resource shall be equal to its Rated Capability before the  
23 sale of capacity to Edison minus the amount of capacity  
24 being sold to Edison from such City Capacity Resource.

25 19.2 Excess Energy From City Capacity Resources: Energy  
26 dispatched from one or more City Capacity Resources which



1 exceeds the requirements of City's Load in any hour shall be  
2 excess energy and shall be purchased by Edison. Where a  
3 single City Capacity Resource is so dispatched, the charge  
4 for such energy shall be the City Incremental Cost of that  
5 City Capacity Resource (plus 15% of such cost), the loading  
6 of which would have been reduced to avoid exceeding the  
7 City's Load. Where more than one City Capacity Resource  
8 was so dispatched, the charge for such energy shall be  
9 the City Incremental Costs (plus 15% of such costs) of  
10 those City Capacity Resources, the loading of which would  
11 have been reduced to avoid exceeding the City's Load.

12 19.3 Excess Energy From City Capacity Resources and  
13 Excess Non-Firm Energy: If it is necessary to determine the  
14 source of energy which is purchased by Edison during any hour  
15 under Sections 18.2 or 19.2, or both, the purchase shall be  
16 deemed made from the particular City Integrated Resources  
17 which would have been reduced during such hour to avoid  
18 exceeding City's Load.

19 19.4 Sale of Energy Available From City Capacity  
20 Resources to Third Parties: To the extent a City Capacity  
21 Resource is available but not dispatched by Edison, City may  
22 sell energy associated with such City Capacity Resource to  
23 Third Parties outside the Edison Control Area. Sections  
24 18.3.1 through 18.3.5 shall apply to such sale as they  
25 apply to sales of excess Non-Firm Energy.

NON-INTEGRATED CITY RESOURCE. SALE OF CAPACITY  
AND ENERGY:

20.1 Sale of Capacity and Energy: If Edison does not accept for integration a proposed City Resource as a City Capacity Resource, City may nevertheless proceed with the construction or acquisition of such Resource. In such event, City shall not receive Capacity Credit for such Resource until it has been integrated as a City Capacity Resource. In the absence of such integration, City may sell the capacity or energy or both of such Resource to Third Parties outside of the Edison Control Area.

20.2 Firm Transmission Service for Non-Integrated City Resource: Edison shall provide firm transmission service for a non-integrated City Resource for the period of sale to Third Parties outside the Edison Control Area under the applicable provisions of Section 18.5. In such case, the references in Section 18.5 to Non-Firm Energy shall mean the energy associated with such non-integrated City Resource.

20.3 Interruptible Transmission Service for Non-Integrated City Resources: Edison may provide interruptible transmission service for a non-integrated City Resource for the period of sale to Third Parties outside the Edison Control Area under the applicable provisions of Section 18.6. In such case, the references in Section 18.6 to Non-Firm Energy shall mean the energy associated with such non-integrated City Resource.

10.1 Energy Associated with Non-Integrated City

Resource: The energy associated with a non-integrated City Resource may be assigned to a specific energy in accordance with Sections 8.4 and 18.

11. FIRM TRANSMISSION SERVICE FOR CITY CAPACITY RESOURCES:

11.1 Edison shall provide upon City's request firm transmission service, in conjunction with Integrated Operations, for capacity or energy, or both, associated with City Capacity Resources. Such firm transmission service shall include, but not be limited to, capacity or energy, or both, associated with the sources from which City may obtain City Capacity Resources as referred to in Sections 8.1.1.1, 8.1.1.2 and 8.1.1.3. Such transmission service shall be furnished in accordance with the following:

21.1.1 Transmission service on Edison's 220 kV network (as such network is delineated from time to time in Appendix D), under rates, terms and conditions set forth in Appendices C and D. Such transmission service shall be based on using Edison's existing and planned 220 kV network and shall be limited to power flows to the Point of Delivery. If City requests specific transmission service both to and from the Point of Delivery, and if such service is technically feasible, Edison shall provide such service and shall develop and tender for filing appropriate rates and charges under Section 205 of the Act.

21.1.2 Transmission service outside the 220 kV

1 network, but within Edison's Certificated Service Area, on a  
2 point-to-point basis under rates, terms and conditions set  
3 forth in Appendices C and D. Such transmission service shall  
4 be based on using Edison's Transmission Facilities existing  
5 at the time service is to commence and shall be limited to  
6 power flows to the Point of Delivery. If City requests  
7 specific transmission service both to and from the Point of  
8 Delivery and if such service is technically feasible, Edison  
9 shall provide such service and shall develop and tender for  
10 filing appropriate rates and charges under Section 205 of the  
11 Act.

12 21.1.3 If City requests transmission service  
13 outside Edison's Certificated Service Area, Edison shall use  
14 its best efforts to make arrangements satisfactory to the  
15 Parties for transmission service over Edison's solely-owned  
16 Transmission Facilities existing at the time such transmission  
17 service is to commence. If City desires transmission service  
18 over Transmission Facilities outside Edison's Certificated  
19 Service Area, where such Transmission Facilities are  
20 interconnected with but not solely owned by Edison, City  
21 shall be responsible for negotiations with the appropriate  
22 owner or owners of such Transmission Facilities for said  
23 transmission service. Edison shall cooperate with City in its  
24 efforts to obtain such transmission service.

25 21.1.4 Transmission service inside Edison's  
26 Certificated Service Area from the Point of Delivery, a Point

Attachment or Point of Interconnection, when such service  
can be found to be functionally feasible and can be effected without an adverse effect on  
service to Edison's own customers. Such transmission service  
shall be provided under rates, terms and conditions then in  
effect and on file with the Commission or pursuant to a  
Transmission Service Agreement to be agreed upon at the time.  
In the event of disagreement, Edison shall develop and tender  
for filing with the Commission an appropriate rate schedule  
and Transmission Service Agreement pursuant to Section 205 of  
the Act. City may oppose or seek modification thereof.

21.1.5 The Parties recognize that firm  
transmission service for capacity involves, technically,  
transmission of energy at a rate of delivery equal to the  
designated capacity level.

21.2 For transmission service under Sections 21.1.1,  
21.1.2, and 21.1.3, the Parties shall execute the applicable  
Transmission Service Agreement.

21.3 Except as provided in Sections 21.4 and 22 and  
notwithstanding any other provision of this Agreement,  
Edison shall have the right in furnishing transmission  
service in accordance with Section 21.1 to unilaterally file  
with the Commission a change in rates, charges,  
classification, or service, or any rule, regulation, or  
contract relating thereto. under Section 205 of the Act and



1 pursuant to the Commission's rules and regulations  
2 promulgated hereunder; provided, that no change shall be  
3 made in or be inconsistent with any Integration Agreement  
4 unless such right to do so is expressly provided for in an  
5 Integration Agreement.

6 21.4 Edison may file with the Commission under  
7 Section 205(d) of the Act changes in Appendices C, D or E,  
8 or in any Transmission Service Agreement applicable to City;  
9 provided, however, that changes in the wording (as  
10 distinguished from the numerical designation of rate level)  
11 shall not become effective until (i) it has been determined  
12 by final order of the Commission, no longer subject to  
13 judicial review, to be just and reasonable, or (ii) 2 years  
14 after the Tender Date for filing such change, whichever occurs  
15 first.

16 21.5 Edison may file with the Commission under  
17 Section 205(d) of the Act changes in Appendices C, D or E, or  
18 in any Transmission Service Agreement applicable to City, and  
19 such changes shall become effective pursuant to Section 205(e)  
20 of the Act, when such filing is made by Edison under the  
21 following circumstances: Edison has been directed to make  
22 such filing (i) by lawful, applicable regulatory authority  
23 or (ii) by request of the Commission staff or a senior or  
24 supervising staff representative of the Commission, when  
25 failure to comply with such request may, in Edison's judgment,  
26 result in Commission action adverse to Edison. Such filing

Case	Age	Sex	Occupation	Duration of illness	Site of lesion	Pathological changes	Microscopic findings	Diagnosis
1	45	M	Farmer	10 years	Brain	Chronic	Microscopic	Alzheimer's disease
2	65	F	Housewife	5 years	Brain	Chronic	Microscopic	Alzheimer's disease
3	75	M	Retired	15 years	Brain	Chronic	Microscopic	Alzheimer's disease
4	85	F	Widow	20 years	Brain	Chronic	Microscopic	Alzheimer's disease
5	95	M	Former soldier	25 years	Brain	Chronic	Microscopic	Alzheimer's disease
6	105	F	Former nurse	30 years	Brain	Chronic	Microscopic	Alzheimer's disease
7	115	M	Former teacher	35 years	Brain	Chronic	Microscopic	Alzheimer's disease
8	125	F	Former doctor	40 years	Brain	Chronic	Microscopic	Alzheimer's disease
9	135	M	Former lawyer	45 years	Brain	Chronic	Microscopic	Alzheimer's disease
10	145	F	Former judge	50 years	Brain	Chronic	Microscopic	Alzheimer's disease

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... upon order of such a change in rate received by  
... of P.U.C. which has become effective prior to  
final order of the Commission, no longer subject to judicial  
review, which results in an increased rate or charge, Edison  
shall upon order of the Commission keep accurate account in  
detail of all amounts received by reason of such increase and,  
upon final order of the Commission, no longer subject to  
judicial review, Edison shall upon order of the Commission  
refund, with interest, to City such portion of such increased  
rates or charges as by the Commission's final order shall be  
found not just and reasonable.

21.7 After Edison has filed a change in the wording of the then-effective Appendices C, D or E, or in a then-effective Transmission Service Agreement applicable to City, pursuant to Section 21.4, and while such filing is pending and has not become effective or if such change has been denied by the Commission, Edison may file with the Commission under Section 205(d) of the Act changes in numerical designation of rate level of the then-effective Appendices C, D or E or in a then-effective Transmission Service Agreement applicable to City and such changes shall become effective pursuant to Section 205(e) of the Act, notwithstanding the pendency of Edison's filing of change in such rates pursuant to Section 21.4.

21.8 If, while a change in rate tendered for filing pursuant to Section 21.4 is still pending, Edison is unable to make effective a change pursuant to Section 21.7 of a change in the numerical designation of rate level of the then-effective Appendices C, D or E, or of a then-effective Transmission Service Agreement applicable to City, Edison shall not be precluded by this Agreement from requesting that the change in rates filed pursuant to said Section 21.4 become effective pursuant to Section 205(e) of the Act, to the extent of permitting Edison to achieve rate levels that Edison could have achieved if it had been able to make effective the change tendered for filing pursuant to Section 21.4.

21.9 If a change in rate filed by Edison pursuant to Section 21.4 has become effective, but has not been determined by final order of the Commission, no longer subject to judicial review, to be just and reasonable, Edison may file changes in such newly effective Appendices C, D or E or in the newly effective Transmission Service Agreement applicable to City, pursuant to Section 205(d) of the Act; provided, however, that changes in the wording (as distinguished from the numerical designation of rate level) shall not become effective (i) until they have been determined by final order of the Commission, no longer subject to judicial review, to be just and reasonable or (ii) 2 years after the Tender Date for filing such change pursuant to this Section 21.9, whichever occurs first.

1            If a change in rate filed by Edison pursuant to  
2            Section 214 has become effective, but has not been determined  
3            by the Commission to be just and reasonable, Edison may file  
4            a petition for review, to be just and reasonable, Edison may file  
5            with the Commission under Section 205(d) of the Act, changes  
6            in the newly effective Appendices C, D or E or in the newly  
7            effective Transmission Service Agreement applicable to City,  
8            and such changes shall become effective pursuant to Section  
9            205(e) of the Act, when such filing is made by Edison under  
10          the following circumstances: Edison has been directed to  
11          make such filing (i) by lawful, applicable regulatory  
12          authority or (ii) by request of the Commission staff or a  
13          senior or supervising staff representative of the Commission,  
14          when failure to comply with such request may, in Edison's  
15          judgment, result in Commission action adverse to Edison.  
16          Such filing shall set forth in detail the specific of such  
17          request and the name of the person making the request.

18          22. BASIS FOR CHARGES FOR TRANSMISSION SERVICE:

19          22.1 Design Ratings: Charges for transmission service  
20          shall be based on design ratings for Transmission Facilities.  
21          Such design ratings shall be deemed to be as follows:

22                  22.1.1 With respect to a transmission line  
23          operated, or planned for operation, at 220 kV or less, 57  
24          percent of such line's capacity rating as set forth in  
25          Schedule 18A of the Commission's Annual Power System  
26          Statement (Form 12) for Edison or, if not required in such

1 Edison's estimate of such line's capacity shall  
2 be based on the fact that such overhead line conductors, when  
3 are such overhead conductors, such capacity shall be not  
4 less than the current carrying capacity of that line's  
5 overhead conductor which, at present, shall not  
6 be less than the current carrying capacity of that line's  
7 overhead conductor which, at 60 Hertz continuous alternating  
8 current, shall raise the conductor temperature from an ambient  
9 air temperature of 40 degrees Centigrade to a conductor  
10 temperature of 90 degrees Centigrade with a cross wind having  
11 a velocity of two feet per second. If, in the future, Edison  
12 no longer is required by the Commission to submit data in the  
13 form presented in said Schedule 18A, Edison shall continue to  
14 furnish City with such data in that form.

15 22.1.2 With respect to a transmission line  
16 operated or planned for operation at 500 kV, 1000 megawatts;  
17 provided, that Edison may establish different design ratings  
18 for any 500 kV transmission line on the basis of the  
19 stability studies described in Section 7.5.

20 22.1.3 With respect to the 800 kV DC transmission  
21 line between Celilo and Sylmar Converter Stations, 1400  
22 megawatts, with all equipment in service, at the Nevada-Oregon  
23 border, of which Edison's current entitlement is 21.5 percent  
24 of such design rating. The design rating and entitlement may  
25 be revised by Edison as regional transmission facilities  
26 change.



2 Facility owned by Edison, the design rating shall be that  
3 which is established by Edison after a review of any of  
4 studies made by Edison which consider, among other things,  
5 the configuration, number and arrangement of facilities,  
6 equipment and criteria for maintaining reliable service in  
7 situations involving outages or emergencies.

8 22.2 City may, upon request, review studies made by  
9 Edison which are used to determine the design rating of any  
10 Transmission Facility operated, or planned for operation, at  
11 500 kV. If the design rating for such a 500 kV Transmission  
12 Facility involved in providing transmission service under a  
13 Transmission Service Agreement is changed as a result of the  
14 stability studies described in Section 7.5, charges for such  
15 service shall be modified accordingly and shall be reflected  
16 in the next rate filing made by Edison with the Commission.

17 22.3 Either Party may request a review of (i) the  
18 57 percent figure, or (ii) the basis for determining the  
19 capacity ratings of a transmission line set forth, or  
20 proposed to be set forth, in said Schedule 18A, but such  
21 request shall not be made more often than once in any five-year  
22 period. If such a review indicates that said 57 percent  
23 figure should be increased or decreased by more than one  
24 percent, or if such basis should be changed, such increase,  
25 decrease or change shall be made and an increase or decrease,  
26 as appropriate, in charges for transmission service shall be

1 rate and reflected in the next rate filing made by Edison  
2 with the Commission. If the Parties cannot agree on the  
3 result of such review, the matter shall be referred to  
4 resolution by arbitration.

5 23. TRANSMISSION LOSSES:

6 23.1 Prior to determining City's Capacity Credit for  
7 a City Capacity Resource, the Rated Capability of the City  
8 Capacity Resource shall be reduced to reflect average  
9 transmission losses from such City Capacity Resource to  
10 the Point of Delivery.

11 23.2 Prior to determining the City's credit for energy  
12 scheduled and dispatched from each of the Integrated  
13 Resources, the amount of such energy shall be reduced to  
14 reflect average transmission losses from each Integrated  
15 Resource to the Point of Delivery.

16 23.3 Losses for such capacity and energy shall be  
17 set forth in the applicable Transmission Service Agreements.

18 24. ARBITRATION:

19 24.1 If a dispute arises between the Parties  
20 regarding (i) any question of fact or opinion involved in  
21 the application of the provisions of any Integration  
22 Agreement, or (ii) the interpretation of any provision  
23 of any Integration Agreement, then either Party may call  
24 for submission of such dispute to arbitration, (unless the  
25 subject of such dispute is within a regulatory agency's  
26 jurisdiction), which call shall be binding on both Parties.

24.2 The Party submitting for arbitration shall give notice to the other Party. Such notice shall, in sufficient detail, set forth the nature of the dispute, the issues to be arbitrated, and the remedy sought by such arbitration proceedings. Within 20 days from receipt of such notice, such other Party may, by notice to the first Party, prepare its own statement of the nature of the dispute, the issues to be arbitrated, and the remedy sought by such arbitration proceedings. Thereafter, the Party first submitting its statement of the matter at issue shall have 10 days in which to submit a rebuttal statement to the other Party. The statements shall constitute the submittal statement for arbitration.

24.3 Within 10 days following the submission of the rebuttal statement, the Parties, acting through their Authorized Representatives, shall meet for the purpose of selecting arbitrators. Each Party shall designate an arbitrator. The two arbitrators so selected shall meet within 20 days following their selection for the purpose of selecting a third arbitrator. If the two arbitrators selected by the Parties fail to select such third arbitrator within said 20-day period, then the two arbitrators shall request from the American Arbitration Association (or from a similar organization if that Association does not at that time exist) a list of arbitrators who are qualified and eligible to serve as hereinafter provided. The two

1 arbitrators selected by the Parties shall come from  
2 existing names from the list of arbitrators in Section  
3 The last name remaining on said list shall be the third  
4 arbitrator. All arbitrators shall be persons skilled and  
5 experienced in the field which gives rise to the dispute.  
6 No person shall be eligible for appointment as a third  
7 arbitrator who is, or has been, an officer or employee of  
8 either of the Parties or is otherwise interested in the  
9 matter to be arbitrated.

10 24.4 Except as otherwise provided in this Section 24,  
11 the arbitration shall be governed by the rules and practices  
12 of the American Arbitration Association (or a similar  
13 organization if that Association does not at that time  
14 exist) from time to time in force; provided, that, if such  
15 rules and practices, as modified herein, conflict with the  
16 laws of the State of California then in force which are  
17 specifically applicable to arbitration proceedings, such  
18 laws shall govern.

19 24.5 Included in the issues which may be submitted  
20 to arbitration pursuant to this Section 24 is the issue  
21 of whether the right to arbitrate a particular dispute  
22 is permitted under an Integration Agreement.

23 24.6 The arbitrators shall hear evidence submitted  
24 by the Parties and may call for additional information.  
25 Such additional information shall be furnished by the Party  
26 or Parties having such information. The arbitrators shall

1 have no authority to call for additional information not  
2 related to issues included in the submittal statement or  
3 to determine issues not included in the submittal  
4 statement.

5       24.7     The award of the arbitrators shall contain  
6 findings with respect to the issues involved in the dispute,  
7 including the merits of the respective positions of the  
8 Parties, the materiality of any default and the remedy  
9 or relief which shall be required to resolve the dispute.  
10 The arbitrators may not grant any remedy or relief which  
11 is inconsistent with an Integration Agreement or with any  
12 provisions of the Settlement Agreement which are not  
13 superseded by an Integration Agreement. The arbitrators  
14 shall also specify the time within which the Party shall  
15 comply with the arbitrators' award. In no event shall  
16 the award of the arbitrators contain findings on issues  
17 not contained in, or grant a remedy beyond that sought in,  
18 the submittal statement.

19       24.8     The findings, decision and award of a majority  
20 of the arbitrators shall be final and binding upon all the  
21 Parties to the extent permitted by applicable law.

22       24.9     If a majority of the arbitrators determine that  
23 a default exists, the award of the arbitrators shall  
24 contain findings relative to the period within which the  
25 defaulting Party must remedy the default (or commence  
26 remedial action), and the remedies which may be exercised



1 by the non-defaulting party in the event the case is  
2 not resolved within such period.

3  
4 This arbitration is intended to be  
5 enforceable.

6 25. BILLING AND PAYMENT:

7 25.1 Within 15 days following the end of any month  
8 both Parties shall exchange billing information. Each Party,  
9 within 30 days following the end of any month, shall submit  
10 a bill to the other Party for capacity and energy sold,  
11 and services rendered, during such month to such other  
12 Party. With the exception of transmission services to  
13 be provided by Edison pursuant to Section 21, payment shall  
14 be due and payable within 25 days following the receipt  
15 of such bill. Payment for transmission services to be  
16 provided under said Section 21 shall be due and payable  
17 as provided in the applicable Transmission Service  
18 Agreement.

19 25.2 If charges cannot be determined when billing  
20 information is due because final billing information is not  
21 then available, the best estimate of the Party submitting  
22 said bill for such charges shall be the basis for  
23 establishing the payments to be made. When final billing  
24 information is available and charges can be based on such  
25 final billing information, billings previously made shall  
26 be adjusted retroactively, and payment shall be made by  
either Party, as appropriate.

2 period specified in Article 25.1 shall be deemed payment in the  
3 bill properly addressed with postage prepaid. Interest  
4 on any unpaid amount from the end of each period shall  
5 be the rate upon which payment is received shall accrue at  
6 10 percent per annum, or that maximum amount which is  
7 legally authorized, whichever is greater.

8 25.4 In the event a Party desires to dispute all  
9 or any part of any bill submitted by the other Party, it  
10 shall nevertheless pay the full amount of the bill when  
11 due and shall give notification in writing within 180 days  
12 from the date of the billing stating the grounds for the  
13 dispute and the amount in dispute. The complaining Party  
14 shall not be entitled to an adjustment on any bill which is  
15 not brought to the attention of the Party submitting such  
16 bill within the time and in the manner herein specified.  
17 Interest at 10 percent per annum, or that maximum amount  
18 which is legally authorized, whichever is greater, shall  
19 be added to the adjustment upon settlement of the dispute.

20 26. METERING:

21 26.1 General: Unless otherwise agreed to by the  
22 Parties, Edison shall own, furnish, test, adjust and maintain  
23 all necessary meters, telemetry and associated equipment  
24 utilized under any Integration Agreement for billing and  
25 Integrated Operations. City shall provide, at its expense,  
26 a suitable location for all such meters and equipment to be

1 located on property under its own or controls. City shall  
2 install, at its expense, such meters and equipment which  
3 are attached to its Resource and Transmission Facilities.  
4 Edison shall install, at its expense, all such meters and  
5 equipment not so attached to City Resources and City  
6 Transmission Facilities. City may, at its expense, require  
7 duplicate metering, telemetry and associated equipment to  
8 be provided at any point where metering is utilized under  
9 any Integration Agreement for billing and Integrated  
10 Operations; provided, that Edison's meters shall be used  
11 for the purpose of billing and Integrated Operations.

12 26.2 Billing Meters: Edison shall read, by telemetry  
13 or other means, all meters utilized for billing under any  
14 Integration Agreement. City's Authorized Representative  
15 or the designee thereof shall be given a reasonable  
16 opportunity by Edison to be present when such readings  
17 are made. In the event that a discrepancy arises in  
18 metering accuracy between Edison and City's duplicate  
19 metering, Edison's metering will be used to determine  
20 the billing.

21 26.3 Metering Voltage: All deliveries at the  
22 Point of Delivery and at the high voltage side of the  
23 step-up transformers associated with a City Resource shall  
24 be metered at the voltages established at such Point of  
25 Delivery or high voltage side of the step-up transformers.  
26 All deliveries at a Point of Attachment or a Point of

1 interconnection shall, by metering, schedules or other  
2 methods, be determined at the voltages established at  
3 each such point. By agreement of the parties, bills rendered  
4 may be compensated to reflect such established voltages.

5       26.4   Testing: All meters, telemetry and associated  
6 equipment owned by Edison shall be inspected, tested, or  
7 adjusted by Edison. City's Authorized Representative or  
8 designee thereof shall be afforded reasonable opportunity  
9 to be present when such meters are inspected, tested, or  
10 adjusted. Testing of meters, telemetry and associated  
11 equipment shall be conducted at least once each year, and  
12 at any reasonable time upon request by City. Any meters,  
13 telemetry and associated equipment found defective or  
14 inaccurate shall be repaired and readjusted or replaced.  
15 If metering equipment at any time fails to register, or if  
16 the registration thereof is so erratic as to be meaningless,  
17 the energy delivered, or its rate of delivery, shall be  
18 determined or estimated from the best information available.  
19 If any test conducted herein discloses an error in any  
20 billing meter or meters, adjustment of bills for such  
21 billing meter error shall be made in accordance with  
22 Section 26.4.1. Such adjustments, when made, shall  
23 constitute full settlement of any claim between the  
24 Parties arising out of such meter error.

25               26.4.1   Adjustment of Bills for Meter Error:

26                               26.4.1.1   Fast or Slow Meters: When,

1 When test, any meter is found to be registering more  
2 than 1% fast or 1% slow after all transformer and test  
3 have been applied, the meter shall  
4 be corrected for the excess over the plus or minus 1%  
5 for the most recent one-half of the period between the  
6 most recent test and the preceding test, subject to  
7 the provisions of Section 26.4.1.2, and all billings  
8 will be adjusted to reflect the corrected meter readings.

9 26.4.1.2 General: When it is found  
10 that the error in a meter is due to causes, the date of  
11 which can be reliably established, meter reading corrections  
12 and billing adjustments will be computed back to but not  
13 beyond that date.

14 27. REGULATORY AUTHORITY:

15 27.1 Any Integration Agreement other than this  
16 Agreement shall become effective on the date following  
17 execution by both Parties when accepted for filing by  
18 the Commission, but if upon such filing the Commission  
19 enters upon a hearing to determine whether such Integration  
20 Agreement is just and reasonable, it shall not become  
21 effective until the date when an order no longer subject  
22 to judicial review has been issued by the Commission  
23 determining such Integration Agreement to be just and  
24 reasonable without new conditions unacceptable to either  
25 Party.

26 27.2 The necessary filing fees for any Integration



1        28.0        The Parties shall be held for by 28.0.

2        28.1        The Parties shall request each other in obtaining  
3        any necessary authorizations and regulatory approvals for  
4        new sites, rights of way, and facilities associated with  
5        resources, Transmission Facilities and Communication  
6        Equipment, upon which the Parties agree.

7        28.        UNCONTROLLABLE FORCES:

8        28.1        Neither Party shall be considered to be in  
9        default in the performance of any of its obligations under  
10       any Integration Agreement (other than obligations of said  
11       Party to pay costs and expenses) when a failure of  
12       performance shall be due to Uncontrollable Forces. A Party  
13       rendered unable to fulfill any of its obligations under  
14       any Integration Agreement by reason of an Uncontrollable  
15       Force shall exercise due diligence to remove such inability  
16       with all reasonable dispatch. Nothing contained herein  
17       shall be construed so as to require a Party to settle any  
18       strike or labor dispute in which it may be involved.

19       28.2       Each Party reserves the right to temporarily  
20       interrupt and curtail service under any Integration  
21       Agreement (i) upon reasonable advance notice, after  
22       consultation with the other Party, to the other Party to  
23       make repairs, replacements or modifications, or to perform  
24       maintenance work, all for the purpose of maintaining  
25       continuity of service, or (ii) without notice to the other  
26       Party if such interruption or curtailment is caused by an

1 uncontrollable force. Such curtailment may be related to  
2 implementation of mutual load shedding arrangements agreed

4 29. LIABILITY:

5 29.1 Except for any loss, damage, claim, cost, charge  
6 or expense resulting from Willful Action, no Party (First  
7 Party), its directors or other governing body, officers,  
8 or employees shall be liable to the other Party (Second  
9 Party) for any loss, damage, claim, cost, charge or expense  
10 of any kind or nature (including direct, indirect or  
11 consequential loss, damage, claim, cost, charge or expense)  
12 incurred by the Second Party, resulting (whether or not from  
13 the negligence of any Party, its directors or other governing  
14 body, officers, employees or any other person or entity  
15 whose negligence would be imputed to such Party) from:

16 29.1.1 Engineering, repair, supervision,  
17 inspection, testing, protection, operation, maintenance,  
18 replacement, reconstruction, use or ownership of the First  
19 Party's system, or

20 29.1.2 The performance or nonperformance of the  
21 obligations of any Party under any Integration Agreement.

22 29.2 Except for any loss, damage, claim, cost, charge  
23 or expense resulting from Willful Action, the Second Party  
24 releases the First Party, its directors or other governing  
25 body, officers, and employees, from any such liability  
26 referred to in Section 29.1.

29.1 Except for liability resulting from willful conduct,  
either Party whose electric customer shall make a claim or  
bring an action for death, injury, loss or damage  
out of electric service to such customer shall indemnify  
and hold harmless the other Party, its directors or other  
governing body, officers and employees from and against  
any liability for such death, injury, loss or damage.  
The term "electric customer" shall mean any electric  
customer, except an electric utility system to whom energy  
is delivered for resale.

30. TAXES:

30.1 The Parties shall use their best efforts to have  
any taxing authority imposing any taxes or assessments on  
property owned or used by the Parties in common, or any  
interests or rights therein, assess and levy such taxes or  
assessments directly against the respective ownerships of  
each Party.

30.2 All taxes or assessments which are ascribable  
to a Party's ownership interest in such property shall be  
the sole responsibility of the Party as to whose ownership  
interest said taxes or assessments are levied.

30.3 If any property taxes or other taxes or assessments  
are levied or assessed in a manner other than as specified  
in Sections 30.1 and 30.2, the Parties shall apportion  
such taxes and assessments and the payment thereof in  
accordance with the principles of Section 30.1 and 30.2.

1           30.4 If a property tax is assessed or levied against  
2 Edison for property owned by a City, then Edison shall  
3           30.4.1 If such assessment or levy is levied or assessed  
4 and thereafter City shall cooperate with Edison in  
5 contesting such assessment or levy. If Edison is required  
6 to pay such property tax, then as mutually agreed City shall  
7 reimburse Edison for the amount of such assessment on a  
8 basis which is equitable to both Parties.

9           30.5 The provisions of this Section 30 shall not be  
10 construed so as to avoid taking into account taxes paid by  
11 Edison as a cost to Edison of providing services under  
12 any Integration Agreement.

13   31. NON-DEDICATION OF FACILITIES: An undertaking by either  
14 Party to the other Party under any Integration Agreement  
15 shall not constitute the dedication of the system, or any  
16 portion thereof, of that Party to the public or to the  
17 other Party, nor affect the status of that Party as an  
18 independent system. Any such undertaking shall cease upon  
19 the termination of such Integration Agreement.

20   32. ASSIGNMENT OF INTERESTS:

21           32.1 No Party shall have the right to transfer or  
22 assign any of its rights, obligations or interests in,  
23 to or under any Integration Agreement without the prior  
24 written consent of the other Party.

25           32.2 Any successor to the rights, obligations or  
26 interests of a Party in, to and under any Integration

1 Agreement shall survive and agree to fulfill its  
2 and discharge all of the obligations of the assigning Party  
3 shall still Integration Agreement and shall survive the  
4 other Party written evidence of such transfer or assignment.

5 32.3 No Party shall be relieved of any of its  
6 obligations under any Integration Agreement by an assignment  
7 of interest of all or any part thereof, without the prior  
8 written consent of the other Party.

9 33. WAIVERS: Any waiver at any time by either Party of  
10 its rights with respect to a default under any Integration  
11 Agreement or with respect to any other matter arising in  
12 connection with any Integration Agreement, shall not be  
13 deemed a waiver with respect to any subsequent default or  
14 other matter arising in connection therewith. Any delay,  
15 short of the statutory period of limitation in asserting  
16 or enforcing any right, shall not be deemed a waiver of  
17 such right.

18 34. RELATIONSHIP OF PARTIES: The covenants, obligations  
19 and liabilities of the Parties are intended to be several  
20 and not joint or collective, and nothing herein contained  
21 shall ever be construed to create an association, joint  
22 venture, trust or partnership, or to impose a trust or  
23 partnership covenant, obligation or liability on or with  
24 regard to either Party. Each Party shall be individually  
25 responsible for its own covenants, obligations and liabilities  
26 as herein provided. Neither Party shall be under the control



1 shall be deemed to control the other Party. Neither  
2 Party shall be the agent of or have a right of control over  
3 the other Party without such other Party's express written  
4 consent, except as provided in any Integration Agreement.

5 35. LICENSE TO INSTALL FACILITIES: A Party, upon request of  
6 the other Party, shall give to such other Party a license or  
7 licenses to construct, install, operate, maintain, replace  
8 and repair, upon the property of the Party providing such  
9 license or licenses, such facilities as are necessary or  
10 desirable for the purpose of any Integration Agreement. The  
11 license or licenses so given shall be in form and of legal  
12 sufficiency acceptable to the other Party, and shall be and  
13 remain in effect during the term to be fixed in said license  
14 or licenses. Any facilities so installed by a Party  
15 pursuant to said license or licenses shall be and remain the  
16 property of that Party notwithstanding that the same may  
17 have been affixed to the premises. Such Party shall have a  
18 reasonable time after the expiration of said license or  
19 licenses in which to remove such facilities so installed.

20 36. GOVERNING LAW: Each Integration Agreement shall be  
21 interpreted, governed by and construed under the laws of  
22 the State of California or the laws of the United States as  
23 applicable, as if executed and to be performed wholly within  
24 the State of California.

25 37. CAPTIONS AND HEADINGS: All captions and headings  
26 appearing in this Agreement are inserted to facilities

1       ...shall not govern, except where specifically  
2       necessary, the interpretations of the provisions hereof.

3       38.1 All notices to be given in connection with any  
4       Integration Agreement, if given by City, shall be signed  
5       by the Authorized Representative of City, and, if given by  
6       Edison, shall be signed by the Authorized Representative  
7       or a corporate officer of Edison.

8       38.2 Notices to Edison shall be sufficient if delivered  
9       in person to the Authorized Representative of Edison, or if  
10      sent by mail, postage prepaid, to Edison as specified  
11      below:

12                   Edison:

13                               Southern California Edison Company  
14                               Post Office Box 800  
15                               Rosemead, California 91770  
16                               Attention: (Authorized Representative)

17      38.3 Notices to City shall be sufficient if delivered  
18      in person to the Authorized Representative of City, or if  
19      sent by mail, postage prepaid, to City as specified below:

20                   City:

21                               City of Anaheim  
22                               Post Office Box 3222  
23                               Anaheim, California 92803  
24                               Attention: (Authorized Representative)

25      38.4 Either Party shall be entitled to specify as its  
26      proper address any other address in the United States, and  
27      different recipients of notices, upon written notice to the  
28      other Party.

1 30. HERETOFORE CONCLUDED: THE SOUTHERN CALIFORNIA EDISON COMPANY  
2 AND THE CITY OF ANAHEIM HEREBY CERTIFY THAT THE  
3 ABOVE SIGNED ON BEHALF OF THE CITY FOR THE YEAR ENDING  
4 1967 WAS 24th DAY OF NOVEMBER, 1967.

5  
6 SOUTHERN CALIFORNIA EDISON COMPANY

7  
8 By /s/ Edward A. Myers, Jr.  
9 Vice President

10  
11 Attest: /s/ H. L. Mortensen  
12 Assistant Secretary

13  
14 CITY OF ANAHEIM

15  
16 By /s/ Gordon W. Hoyt  
17 Utilities Director

18  
19 Attest: /s/ Linda D. Roberts  
20 City Clerk

21 /

22 /

23 /

24 /

[illegible]

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11

**WILLIAM H. MANNING**

Managers of Business Requirements

A. O

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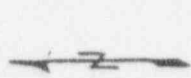
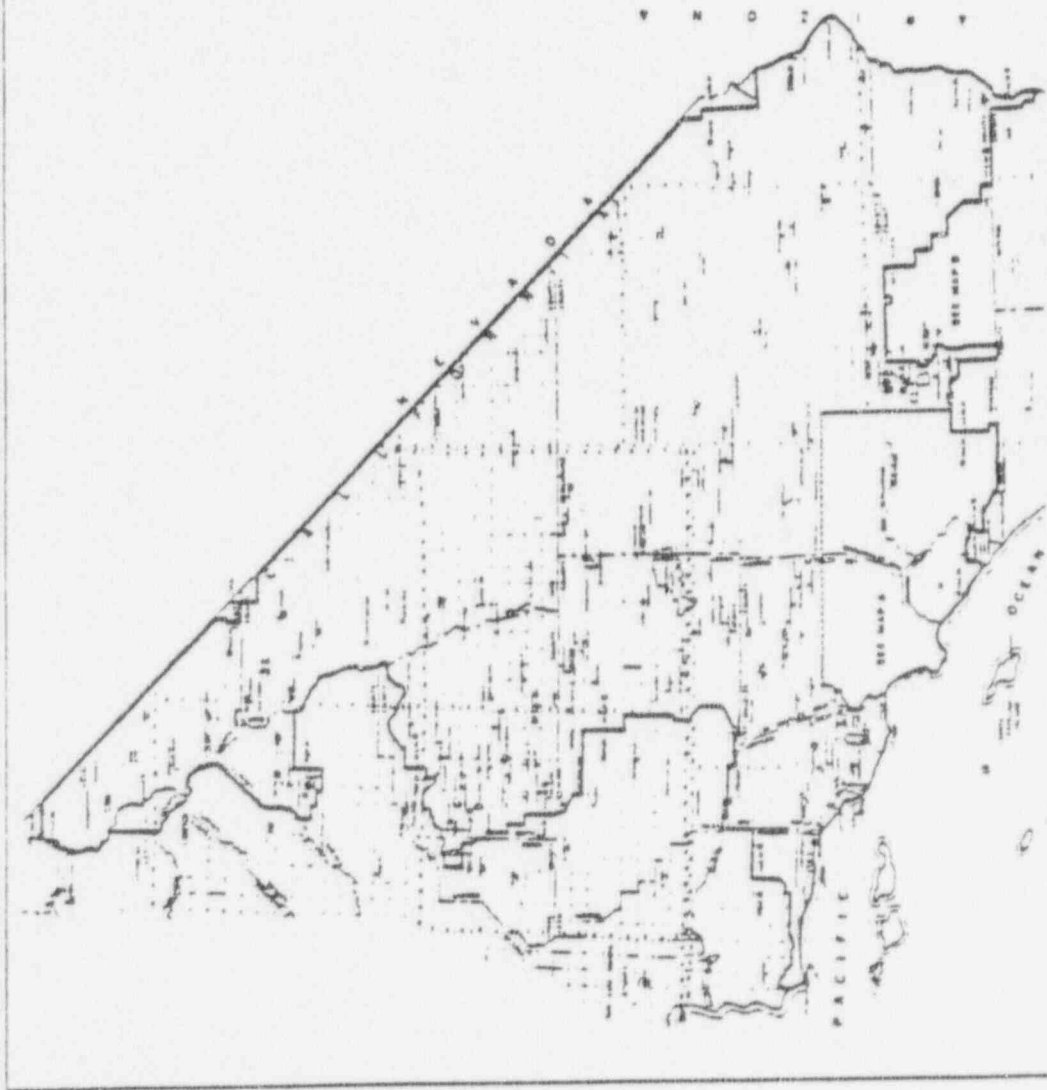
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SOUTHERN CALIFORNIA EDISON COMPANY  
Edison Building  
Los Angeles, California

Page No. 1 of 1

REVENUE MAPS



1 INCH = 1 MILE

STREET	REVENUE
1st St	100
2nd St	200
3rd St	300
4th St	400
5th St	500
6th St	600
7th St	700
8th St	800
9th St	900
10th St	1000
11th St	1100
12th St	1200
13th St	1300
14th St	1400
15th St	1500
16th St	1600
17th St	1700
18th St	1800
19th St	1900
20th St	2000
21st St	2100
22nd St	2200
23rd St	2300
24th St	2400
25th St	2500
26th St	2600
27th St	2700
28th St	2800
29th St	2900
30th St	3000
31st St	3100
32nd St	3200
33rd St	3300
34th St	3400
35th St	3500
36th St	3600
37th St	3700
38th St	3800
39th St	3900
40th St	4000
41st St	4100
42nd St	4200
43rd St	4300
44th St	4400
45th St	4500
46th St	4600
47th St	4700
48th St	4800
49th St	4900
50th St	5000

THIS MAP IS A REVENUE MAP  
SHOWING THE REVENUE RATES  
FOR THE CITY OF LOS ANGELES  
FOR THE YEAR 1900  
AND IS NOT A MAP OF THE CITY  
OR A MAP OF THE AREA  
SURROUNDING THE CITY

U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Albuquerque, N.M.  
Division No. 18661

Approved by  
William M. Morrison  
Manager of Revenue Requirements  
Los Angeles, California

A.1



APPENDIX B

ANNUAL DISTRIBUTION OF MONTHLY CHARGES  
FOR SCHEDULING AND DISPATCHING SERVICES PROVIDED  
FOR CITY RESOURCES BY EDISON

Prior to December 1 of each year, Edison shall present to the Authorized Representatives its budget for scheduling and dispatching expenses, including overhead, for FPC Accounts 556, 561 and 581 for the ensuing year.

The Authorized Representatives shall develop for such ensuing year, Edison's monthly charges for scheduling and dispatching City's Resources as follows:

1. Each City Resource to be scheduled and dispatched by Edison shall be assigned the appropriate number of 5-minute scheduling units required to schedule and dispatch that particular Resource. Such time estimate (number of 5-minute scheduling units) shall be determined from the attached Table 1 by identifying the type of activity which applies to each City Resource.

2. The total number of 5-minute scheduling units assigned to all Resources (including Edison's own Resources) to be scheduled and dispatched by Edison during that calendar year shall be divided into the sum of:

- A. 32 percent of the difference between (i) the amount of money (including money for overhead expenses) budgeted by Edison for the Dispatching Section, FPC Accounts 556, 561, 581, and (ii) payments estimated to be made by

1 These utilities to Edison in each year are calculated as follows:  
2 cost FPC accountants, plus

3  
4 by Edison for its Production Section.

5 3. One-half of the quotient obtained pursuant  
6 to Section 2 above shall represent the monthly rate in  
7 dollars per scheduling unit to be charged by Edison for  
8 scheduling and dispatching services rendered to City by  
9 Edison during any month of that calendar year. The monthly  
10 charge to City for such services shall be equal to the  
11 product of such monthly rate and the number of scheduling  
12 units assigned to City's Integrated Resources.

13 4. Monthly charges made by Edison to City shall be  
14 appropriately adjusted to reflect any purchases or sales  
15 of capacity and energy to Edison or Third Parties by City  
16 which were not included in the above described monthly  
17 calculations, as prepared annually by the Authorized  
18 Representatives.

19 5. The 32 percent (which is deemed to represent  
20 the portion of money to be charged to FPC Account Numbers  
21 556, 561 and 581 and which is allocated to FPC Account  
22 Number 556) and the 100 percent (which is deemed to  
23 represent the portion of Edison's Production Section function  
24 expense involved in scheduling and dispatching activities)  
25 shall be reviewed by the Authorized Representatives on  
26 or about January 1 of every year thereafter and, if



TABLE 1

## DETERMINATION OF SCHEDULING UNITS PER ACCOUNT

Type	Energy	Capacity	Hours Variable	Payback/ Banking	Prescheduling	On Automatic Generation Control System	Off- System Unit	Scheduling Units	Per Day Attribute Scheduling	Per Day Attribute
1	Yes	No	No	No	No	Yes	No	2	5 min	1
2	Yes	No	Yes	No	No	Yes	No	3	10 min	1
3	Yes	Yes	No	No	No	Yes	No	4	10 min	1
4	Yes	No	No	No	Yes	No	Yes	3	5 min	1
5	Yes	No	Yes	No	Yes	No	Yes	5	5 min	1
6	Yes	Yes	Yes	No	No	Yes	No	5	15 min	1
7	Yes	Yes	Yes	No	No	No	No	6	15 min	1
8	Yes	Yes	Yes	No	No	No	Yes	7	15 min	1
9	Yes	Yes	Yes	Yes	No	Yes	No	9	30 min	1
10	Yes	Yes	Yes	Yes	No	No	Yes	10	30 min	1

NOTE: One project may require more than one type of scheduling.

ARTICLE 1  
TRANSMISSION SERVICE AGREEMENT  
SOUTHERN CALIFORNIA EDISON COMPANY  
AND  
THE CITY OF \_\_\_\_\_

1. PARTIES: The parties to this agreement are the Southern California Edison Company (Edison), a California corporation, and the City of \_\_\_\_\_, (City), a municipal corporation of the State of California, hereinafter referred to collectively as Parties.

2. RECITALS: This agreement is made with reference to the following facts, among others:

2.1 The Parties have entered into the Integrated Operations Agreement dated \_\_\_\_\_ for the integrated operation of their combined electric systems; and

2.2 City plans to obtain power from \_\_\_\_\_ starting \_\_\_\_\_ to be delivered for the account of the City at the \_\_\_\_\_ kV Point of Interconnection or Point of Attachment between the \_\_\_\_\_ and Edison electric systems, pursuant to an Interconnected Operations Agreement between Edison and such Third Party, at the \_\_\_\_\_ Substation.

2.3 City desires to have the power obtained from \_\_\_\_\_ transmitted from said Point of Interconnection, or Point of Attachment, less transmission losses, to substation at (Point of Delivery, Point of Attachment, Point of Interconnection) and Edison is willing to transmit said power



1. TRANSMISSION CONTRACT RATE AND POINT-TO-POINT CONTRACT RATE, as applicable.

2. ASSIGNMENT: The Parties agree as follows:

3. TERM: This agreement shall become effective on the date of either its execution by \_\_\_\_\_ of the City of \_\_\_\_\_ and by Edison, or (2) authorization by regulatory commission(s) having jurisdiction, whichever shall be the latest. Edison shall proceed with diligence to obtain such authorization. This agreement shall be for a period ending \_\_\_\_\_, and will continue beyond such date until cancelled by either Party giving no less than 12 months' notice to the other Party.

4. TRANSMISSION SERVICE:

5.1 Transmission Service under this agreement shall commence on \_\_\_\_\_ and shall be provided by Edison in accordance with the terms, conditions and charges set forth in the Network Transmission Contract Rate TN and the Point-to-Point Transmission Contract Rate TP attached or any superseding rate schedules.

5.2 Edison shall accept deliveries of power at the Point of Interconnection or Point of Attachment up to a maximum rate of delivery of \_\_\_\_\_ kW (herein designated as Contract Capacity for application to the transmission service rates) and shall deliver an equivalent amount of power, less transmission losses, to the Point designated in

Section 5.3 above.

5.3 Charges and transmission losses for Network Transmission Service shall be made in accordance with the terms, conditions, and percentages expressed in the Network Transmission Service Contract Rate TN or any superseding rate schedule and shall be subject to modification by Edison pursuant to Section 205 of the Federal Power Act, and by City pursuant to Section 206 of the Federal Power Act. For calculation of such charges and losses, circuit mileage is hereby agreed to be \_\_\_\_\_ miles. Charges for requested connecting services provided under Special Condition 4 shall be \_\_\_\_\_. Charges for new facilities provided under Special Condition 5 shall be \_\_\_\_\_.

5.4 Charges and transmission losses for Point-to-Point Transmission Service shall be made in accordance with the terms and conditions expressed in the Point-to-Point Transmission Service Contract Rate TP or any superseding rate schedule. The initial charge for service shall be \$ \_\_\_\_\_ per kilowatt of Contract Capacity per year, and the initial transmission losses shall be \_\_\_\_\_ percent of Contract Capacity and \_\_\_\_\_ percent of scheduled energy deliveries to Edison, and charges and losses shall be subject to modification by Edison pursuant to Section 205 of the Federal Power Act, and by City pursuant to Section 206 of the Federal Power Act. Charges for new facilities provided under Special Condition 3 shall be \_\_\_\_\_.



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APPENDIX

UTILITY TRANSMISSION SERVICE  
CONTRACT RATE ON

Applicability

Applicable to transmission service to be provided by Southern California Edison Company (Utility) for the use by the City of \_\_\_\_\_ (City) for transmitting City-owned power, over Utility's 220,000 volt transmission facilities from any 220,000 volt substation bus to any other 220,000 volt substation bus designated by the City, both busses to be owned by Utility and to be located within the area delineated on the attached map, and when such City-owned power is integrated with Utility's system in accordance with an Integrated Operation Agreement between City and Utility.

Rates

Per Year

For terminal facilities, per  
kW of Contract Capacity

25.40¢

For transmission facilities,  
per kW of Contract Capacity  
per circuit mile

4.37¢

For switching facilities, per  
kW of Contract Capacity per  
circuit mile

1.52¢

Special Conditions

1. Contract Capacity: The Contract Capacity under this rate will be the capacity requested by the City at the beginning of each Contract Period for which service is requested. Contract Capacity shall not be decreased during



and Contract Period. Each separate power resource owned by the City shall be treated as an individual block of Contract capacity for a specified Contract period.

2. Contract Period: A Contract Period shall be any multiple of 12 months following commencement of service for each block of power to be transmitted. Service shall continue beyond the Contract Period until cancelled by City giving notice of not less than 12 months or by Utility giving notice of not less than 12 months.

3. Circuit Mileage: Circuit Mileage will be the circuit mileage along the shortest route within the delineated area, from the substation from which power is to be delivered. Mileage will be measured to the nearest 0.1 mile.

4. Connection Services:

A. The City will be responsible for the following:

(1) Arrangements necessary to transmit its power to Utility's 220,000 volt bus from which Network Transmission Service begins.

(2) Arrangements within the delineated area to transform such power, if necessary, to or from 220,000 volts.

(3) Arrangements within the delineated area to transmit its power from the Utility's 220,000 volt bus to the City's system.

B. The arrangements required under Sub paragraphs 4.A. (1), (2) and (3) above shall be provided by Utility under Schedule TP, if applicable, and, if Schedule TP is not

1       adequate, may, by agreement of the parties, be provided by  
2       Utility at charges adequate to fully compensate Utility for  
3       use of its facilities, if, in Utility's judgment, adequate  
4       capacity is available in existing facilities.

5       5.   New Facilities: Construction of new 120,000 volt  
6       terminal, transmission and switching facilities within the  
7       delineated area which are required to be built by Utility to  
8       provide service under this rate in advance of Utility's other  
9       needs as a result of a request for transmission service, will  
10      be the subject of special charges adequate to fully compensate  
11      Utility for the investment and costs associated with such  
12      facilities during the period they are not required for  
13      Utility's other needs.

14      6.   Losses: Losses shall be calculated at the following  
15      rates which are based on average system losses:

16	A.   For capacity, per kW of Contract	
17	Capacity per circuit mile	0.023¢
18	B.   For energy, per kWh per circuit	
19	mile	0.023¢

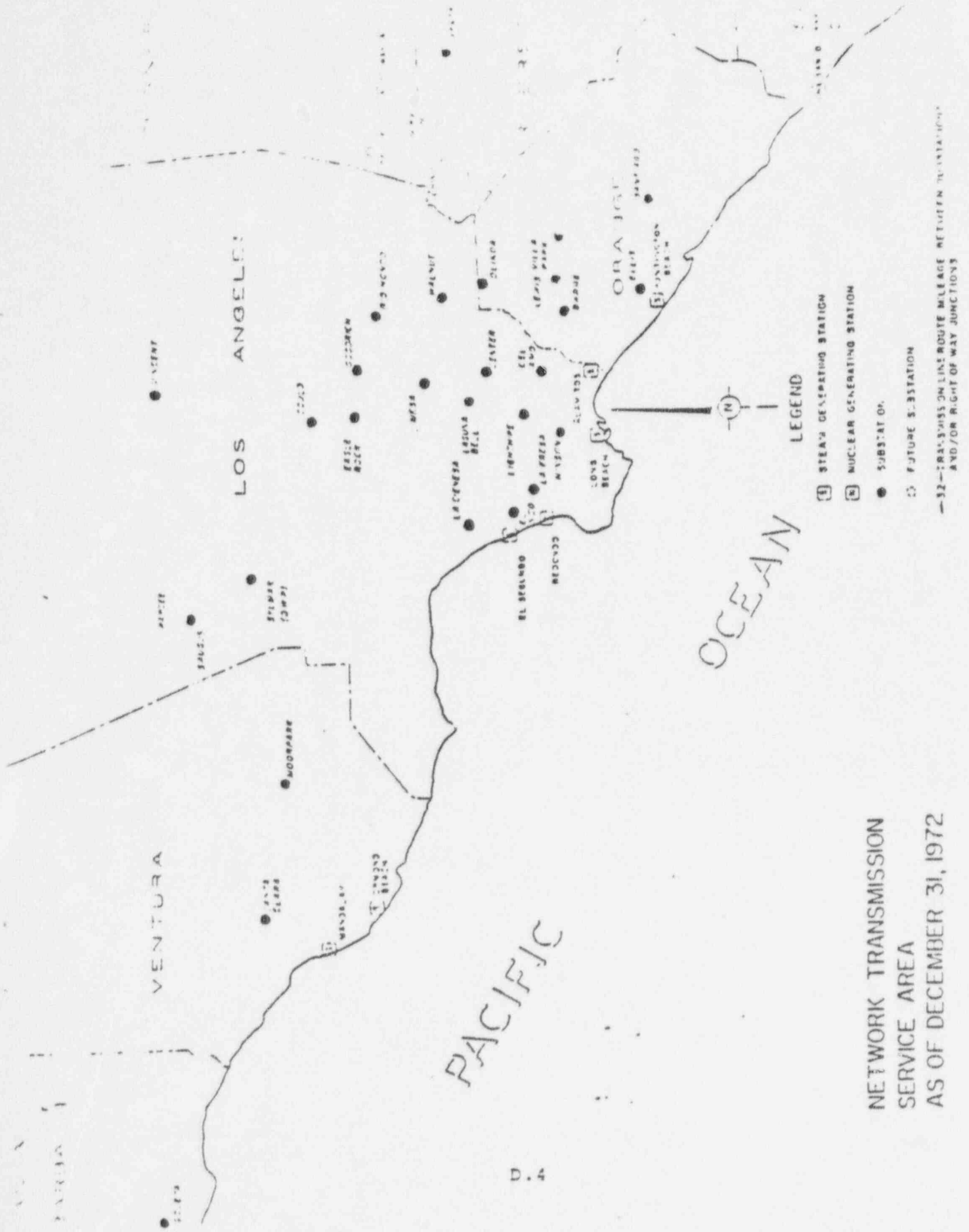
20      Such losses will be deducted by Utility from the quantities  
21      delivered to it for transmission to City.

22      7.   Contracts: Utility shall, within 30 days from the  
23      date when City applies in writing for service under this  
24      schedule, state if new facilities are required under the pro-  
25      visions of Special Condition 5. If no new facilities are  
26      required, service will commence upon date requested by City,  
      but not less than 60 days after the date of said application.

1       The above conditions are required. Service will continue on  
2       the basis of either the rate requested by City or the  
3       amount determined by the Utility's contribution schedule or the rate  
4       determined to be supplied by Utility.

5       8. Payment of Charges: The annual charges for service  
6       in each year of the Contract Period shall be due at the  
7       beginning of each such year and payable monthly at 1/12 of the  
8       annual charges.

9       9. Rules for Service: This rate is subject to the  
10       Rules of Utility on file with the Federal Power Commission, as  
11       they may be modified from time to time.



ARTICLE IV

POINT-TO-POINT TRANSMISSION SERVICE

Applicability

Applicable to transmission service to be provided by Southern California Edison Company (Utility) for the use by the City of \_\_\_\_\_ (City) for transmitting City-owned power, where Network Transmission Service is not applicable, from any substation bus to any other substation bus designated by the City, and when such City-owned power is integrated with Utility's system in accordance with an Integrated Operation Agreement between City and Utility.

Rates

The charges for this service shall be the City's proportionate share of the average of Utility's costs (including return requirements) for two transmission paths, one of which is the shortest circuit mile path, and the other which is the shortest circuit mile path that is located on a separate right-of-way, where practicable.

The charges shall reflect Utility's current revenue requirements associated with the original cost of the land and facilities associated with each transmission path.

Charges shall be based on the design ratings of the transmission lines included in the transmission paths used, and such design ratings shall be used to allocate the original cost of power transformer and other common substation



to the transmission rate on which the charges will be based. Such transmission rate to be calculated as set forth in the Interstate Commerce Commission Agreement.

Special Provisions

1. Contract Capacity: The Contract Capacity under this rate will be the capacity requested by the City at the beginning of each Contract Period for which service is requested. Contract Capacity shall not be decreased during any Contract Period. Each separate power resource obtained by the City shall be treated as an individual block of Contract Capacity for a specified Contract Period.

2. Contract Period: A Contract Period shall be any multiple of 12 months following commencement of service for each block of power to be transmitted. Service shall continue beyond the Contract Period until cancelled by City giving notice of not less than 12 months or by Utility giving notice of not less than 12 months.

3. New Facilities: Reconstruction of existing terminal, transmission and switching facilities which is required to provide service under this rate in advance of Utility's other needs as a result of a request for transmission service, will be the subject of special charges adequate to fully compensate Utility for the investment and costs associated with such reconstruction during the period it is not required for Utility's other needs. Utility shall have no obligation to provide any facilities outside of its certificated service

1. The rate shall be subject to review by the Federal Power Commission at any time and from time to time and shall be subject to adjustment as may be required by the Commission.

2. The rate shall be subject to adjustment as may be required by the Commission.

3. The rate shall be subject to adjustment as may be required by the Commission.

4. The rate shall be subject to adjustment as may be required by the Commission.

5. The rate shall be subject to adjustment as may be required by the Commission.

6. The rate shall be subject to adjustment as may be required by the Commission.

7. The rate shall be subject to adjustment as may be required by the Commission.

8. 5. Contract: Utility shall, within 30 days from the date when City applies in writing for service under this rate, state if new facilities are required under the provisions of Special Condition 3. If no new facilities are required, service will commence not less than 60 days after the date of said application. Where new facilities are required, service will commence on the later of the date requested by City or a date determined by the Utility's construction schedule of the new facilities to be installed by the Utility.

9. 6. Payment of Charges: The annual charges for service in each year of the Contract Period shall be due at the beginning of each such year and payable monthly at 1/12 of the annual charges.

10. 7. Rules of Service: This rate is subject to the Rules of Utility on file with the Federal Power Commission, as they may be modified from time to time.

Southern California Edison Company

P.O. BOX 800

2144 WALNUT GROVE AVENUE

ROSELAND, CALIFORNIA 92803

TELEPHONE

June 9, 1978

Mr. Gordon W. Hoyt  
Utilities Director  
City of Anaheim  
Post Office Box 3222  
Anaheim, California 92803

Dear Mr. Hoyt:

On May 3, 1978, Mr. Robert L. Myers, of the Southern California Edison Company (Edison), wrote to you and Mr. Everett C. Ross, Public Utilities Director of the City of Riverside (Riverside), advising of Edison's discovery of a typographical error in Section 15.1.6 of the Integrated Operations Agreements entered into between Edison and Riverside and Edison and Anaheim. The purpose of this letter agreement is to amend the Integrated Operations Agreement between Edison and Anaheim to correct that error.

Accordingly, it is hereby agreed that the second sentence of Section 15.1.6 of the Integrated Operations Agreement between Edison and Anaheim, executed on November 29, 1977, is hereby amended to read in its entirety as follows:

"However, changes in the rate design of the then-effective Partial Requirements Rate applicable to City shall not become effective until (i) they have been determined by final order of the Commission, no longer subject to judicial review, to be just and reasonable, or (ii) 2 years after the Tender Date for filing such changes, whichever occurs first."

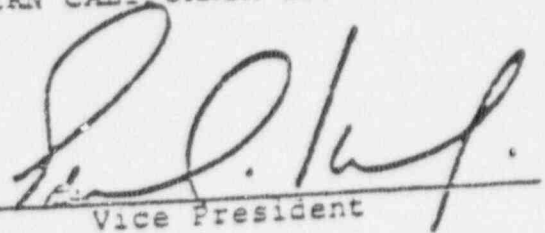
5-11  
By Gordon W. Hoyt

Please indicate your agreement with the foregoing by signing this letter in the space indicated below. Please return one fully executed copy for our file.

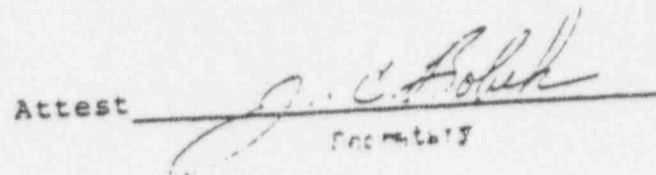
Very truly yours,

SOUTHERN CALIFORNIA EDISON COMPANY

By

  
Vice President

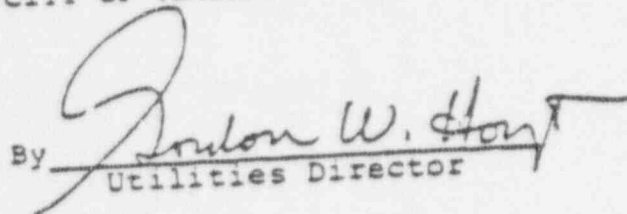
Attest

  
Secretary

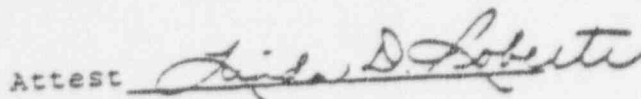
AGREED TO:

CITY OF ANAHEIM

By

  
Utilities Director

Attest



Date

August 22, 1978