CITY OF ANAHEIM

APPLICATION FOR

PARTICIPATING TRANSMISSION OWNER STATUS

July 31, 2002

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CITY OF ANAHEIM APPLICATION FOR PARTICIPATING RANSMISSION OWNER STATUS

1. Description of Anaheim's Transmission Lines and Facilities

The City of Anaheim owns and operates Lewis Substation, a 230 kV/69 kV substation located in Anaheim, that serves as the point of interconnection between the ISO controlled grid (i.e., the SCE 230 kV network) and Anaheim's distribution system. A single line diagram of Lewis Substation is attached. The City of Anaheim does not have ownership of, or entitlements to, any Low Voltage Transmission Facilities.

2. Description of Anaheim's Transmission Entitlements

The City of Anaheim has the following entitlements to transmission associated with High Voltage Transmission Facilities (see also Appendix A and Figure 1 attached thereto):

2.1 <u>Southern Transmission System (STS)</u>

The STS is comprised of the Intermountain-Adelanto ± 500 kV direct current transmission line extending between the Intermountain Power Project and the Adelanto Switching Station. The Los Angeles Department of Water and Power (LADWP) operates and maintains the line.

Anaheim is entitled to firm bi-directional service equaling 17.647% of the facility's 1,920 MW rated capability, or 339 MW.

2.2 <u>Mead-Adelanto Transmission Project</u>

The Mead-Adelanto Transmission Project is comprised of a 500 kV alternating current transmission line extending between the Marketplace Substation and Adelanto Switching Station. LADWP operates and maintains the project facilities.

Anaheim is entitled to firm bi-directional service equaling 9.1666% of the facility's 1,291 MW rated capability, or 118 MW.

2.3 <u>Mead-Phoenix Transmission Project</u> The Mead-Phoenix Transmission Project is comprised of:

► a 500 kV alternating current transmission line extending between Westwing and Perkins Substations. With regard to this component, the Anaheim is entitled to firm bi-directional service equaling 3.6154% of the facility's 1,300 MW rated capability, or 47 MW;

► a 500 kV alternating current transmission line extending between Perkins and Mead Substations. With regard to this component, Anaheim is entitled to firm bi-directional service equaling 3.6154% of the facility's 1,300 MW rated capability, or 47 MW;

► a 500 kV alternating current transmission line extending between Mead Substation and Marketplace Substation. Anaheim is entitled to firm bidirectional service equaling 5.9395% of the facility's 1,852 MW rated capability, or 110 MW; and

► 500/230 kV transformation between the Mead Substation 500 kV bus and the Mead Substation 230 kV bus. Anaheim is entitled to firm bidirectional service equaling 8.8782% of the facility's 1239 MW rated capability, or 110 MW.

The Western Area Power Administration (Lower Colorado) and Salt River Project share responsibility for operating and maintaining the project facilities.

2.4 <u>Marketplace-McCullough Transmission Line</u>

The Marketplace-McCullough transmission line is a 500 kV alternating current transmission line extending between the Marketplace Substation and McCullough Switching Station. LADWP operates and maintains the facilities.

As part of both the Mead-Adelanto and Mead-Phoenix Transmission Projects, Anaheim is entitled to firm bi-directional service over this facility equaling the sum of its transmission entitlements in the each of those projects.

2.5 <u>Adelanto-Victorville/Lugo</u>

Anaheim's 449 MW entitlement to firm transmission service between Adelanto Switching Station and the midpoint of the Lugo-Victorville 500 kV transmission line (a point of interconnection between LADWP's system and the ISO controlled grid) is derived from three agreements between Anaheim and LADWP:

► one agreement providing for 110 MW of firm bi-directional service between Adelanto Switching Station and the midpoint of the Lugo-Victorville 500 kV transmission line;

► one agreement providing for 219 MW of firm unidirectional service from Adelanto Switching Station to the midpoint of the Lugo-Victorville 500 kV transmission line; and

► one agreement providing for 120 MW of firm unidirectional service from Adelanto Switching Station to Victorville Switching Station to the midpoint of the Lugo-Victorville 500 kV transmission line.

2.6 <u>Northern Transmission System (NTS)</u> The NTS is comprised of: ► Two 345 kV transmission lines extending between the Intermountain Power Project (IPP) and Mona Substation.

With regard to this component, Anaheim is entitled to firm bi-directional service equaling 31.7267% of LADWP's rights to capacity and use of this transmission path's 1,400 MW rated capability, or 304 MW.

► One 230 kV transmission line extending between IPP and Gonder Substation.

With regard to this component, Anaheim is entitled to firm bi-directional service equaling 31.7267% of LADWP's rights to capacity and use of this transmission path's 200 MW rated capability, or 43 MW.

Note: LADWP's right to the use of the NTS is subject to seasonal reductions resulting from the exercise of recall rights by certain Utah entities. Anaheim will inform the ISO whenever Anaheim's NTS entitlement changes, or is expected to change, as a result of a change in LADWP's rights due to recall.

2.7 <u>Pacific DC Intertie</u>

Anaheim's entitlement to 24 MW of firm bi-directional service between the Nevada Oregon border and Sylmar Switching Station is derived from a firm transmission service agreement with the Cities of Pasadena and Burbank. LADWP operates and maintains the line.

2.8 San Juan-Four Corners

Anaheim has a 50 MW entitlement to bi-directional firm transmission service between the San Juan Generating Station Switchyard and the Four Corners Generating Station Switchyard under an Interconnection Agreement with Public Service Company of New Mexico (PNM); service is currently limited to Anaheim's San Juan Generating Station Unit 4 entitlement and replacement energy when Unit 4 is unavailable. PNM operates and maintains the facilities.

3. Encumbrances

The City of Anaheim provides 20 MW of bi-directional firm transmission service over its entitlement to the Northern Transmission System between Mona Substation and Gonder Substation to Deseret Generation & Transmission Co-operative (see also Appendix B). The agreement with Deseret will terminate at midnight on December 31, 2009

4. Transmission Lines and Facilities to be placed under ISO's Operational Control

The City of Anaheim intends to place under the ISO's Operational Control the 230 kV facilities associated with Lewis Substation and all of its entitlements to High Voltage Transmission Facilities listed in Section 2 above.

5. Reliability Criteria

The City of Anaheim does not have any specific Local Reliability Criteria that are applied to the facilities identified in Section 2 above. It is Anaheim's understanding that the transmission providers or the operating agents for the transmission projects to which Anaheim has an entitlement meet the WECC standards.

6. Maintenance Practices

The City of Anaheim operates and maintains Lewis Substation in accordance with Prudent Utility Practice. The City of Anaheim does not operate or maintain any of the transmission facilities to which it has an entitlement. The operating agreements for the SCPPA transmission projects require that the operating managers perform operating and maintenance work according to Prudent Utility Practice, the respective agreements and applicable guidelines.

7. Temporary Waivers

Not applicable.

8. Proposed Transmission Owner (TO) Tariff

A draft of Anaheim's TO Tariff is attached as Appendix C. Upon approval of the Anaheim City Council, the City of Anaheim will file the final draft of its TO Tariff, including TRR, with the Federal Energy Regulatory Commission (FERC) under the FERC's rules and procedures for non-jurisdictional rate filings.

9. Anaheim's TRR

The City of Anaheim will file its TRR as part of the non-jurisdictional filing as noted in Section 8 above.

10. Address and Contact Names

Marcie L. Edwards Public Utilities General Manager

City of Anaheim Public Utilities Department 201 S. Anaheim Blvd., Suite 1101 Anaheim, CA 92805

email: <u>medwards@anaheim.net</u> Telephone: (714) 765-5173 Fax: (714) 765-4138 Stephen J. Sciortino Integrated Resources Manager

City of Anaheim Public Utilities Department 201 S. Anaheim Blvd., Suite 802 Anaheim, CA 92805

<u>ssciortino@anaheim.net</u> Telephone: (714) 765-5177 Fax: (714) 765-4140

11. Settlement Account

Same as the Settlement Account that Anaheim currently has as a Scheduling Coordinator.

Bank of America 555 S. Flower Street, Los Angeles, CA Bank ABA Number: 121-000358 FTR Bank Account Number: 14315-81748 Federal Tax ID Number: 95-6000666

12. Anaheim's MWh Demand in 2001

MWh Demand Per Month
Calendar Year 2001

Month January February March April May June July August September October November	<u>MWh</u> 217,480 194,450 214,250 200,410 217,200 217,280 234,740 249,100 222,230 221,280 198,960 202,450
December	202,450
Total	2,589,830

13. Instructions for Encumbrances and Entitlements

Instructions will be developed jointly with the ISO and the operating agents/transmission providers associated with Anaheim's transmission entitlements.