June 3, 2002

Ms. Debi Le Vine Director of Contracts and Compliance California Independent System Operator 151 Blue Ravine Road Folsom, California

Dear Ms. Le Vine:

By this letter, the City of Azusa (Azusa) notifies the CAISO its intent to become Participating Transmission Owner (PTO) by January 1, 2003. Attached herein is Azusa's PTO application. Concurrently, we are forwarding a copy of this application to the existing PTOs identified below:

Ms. Judi Mosley Pacific Gas & Electric Company Manager of Electric Transmission Services 77 Beale Street – Mail Code B13J San Francisco, CA 94105

Ms. Anna Valberg Southern California Edison Company Law Department 2244 Walnut Grove Rosemead, CA 91770

Mr. Don Garber San Diego Gas & Electric Company Sempra Energy 101 Ash Street San Diego, CA 92101

Mr. Ken DeDario Director of Utilities City of Vernon 4305 Santa Fe Ave. Vernon, CA 90058 We look forward working with you to complete the application process as expeditiously as possible.

Sincerely,

Joseph F. Hsu Director of Utilities

Cc:

Judi Mosley – PG&E w/o Attachment III (Set of Contracts) Anna Valberg – Southern California Edison w/o Attachment III (Set of Contracts) Don Garber – SDG&E w/o Attachment III (Set of Contracts) Ken DeDario – City of Vernon w/o Attachment III (Set of Contracts)