

Trans-Elect NTD Path 15, LLC Application For Participating Transmission Owner Status

1. Description of Trans-Elect Transmission Lines and Facilities

Trans-Elect NTD Path 15, LLC (Trans-Elect) will have a long-term transmission capacity right in the Path 15 Upgrade Project (Project) being constructed by Western Area Power Administration (Western), Trans-Elect and Pacific Gas & Electric (PG&E). The project will consist of an 84-mile long 500-kilovolt transmission line between the existing PG&E substation at Los Banos and the existing PG&E substation at Gates, both of which are located in the Central Valley of California. Additional facilities will be constructed at both the Los Banos and Gates substations to accommodate the new transmission line. In addition, parts of the existing Gates-Arco-Midway 230 kV transmission line will be upgraded and the existing Los-Banos-Midway 500 kV transmission line will be realigned at its entry into the Gates Substation. The current rating of the South to North capacity of the Project is 1500 megawatts. It is currently estimated that Trans-Elect will be allocated an entitlement equal to approximately 72% of capacity of the Project. This partial interest in the Path 15 Upgrade Project is the only transmission-related capacity right or contract that Trans-Elect or any of its affiliates currently have in California. Trans-Elect proposes to place all of its Path 15 entitlements under the ISO's Operational Control. The expected commercial operation date for the Project is December, 2004. Trans-Elect would turn over operational control to the California ISO at the time of commercial operation. A map of the route of the proposed new 500 kV transmission line between the Los Banos and Gates substations is attached hereto as Appendix A.

2. Description on Trans-Elect Transmission Entitlements

Trans-Elect has no other transmission entitlements.

3. Encumbrances

There will be no Encumbrances as defined in the CAISO Tariff on Trans-Elect's Path 15 interest.

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

Trans-Elect's only transmission interests in California are its entitlement to a portion of the Path 15 Project. Trans-Elect will place all of the capacity related to those rights under the ISO's operational control.

5. Reliability Criteria

Trans-Elect is not aware of any local reliability requirement relating to the Path 15 Upgrade Project other than PG&E's installation of Remedial Action Scheme protection to support the rating of Path 15. It is Trans-Elect's understanding that the Project will meet Western Electricity Coordinating Council (WECC) and North American Electric Reliability Council (NERC) reliability requirements.

6. Maintenance

PG&E and Western will share the maintenance responsibility for the Path 15 Upgrade Project. PG&E will maintain the substation facilities associated with the Project using the same ISO-approved maintenance practices which it follows at its existing substations. Western will be responsible for maintenance on the newly constructed transmission line. As a member of the WECC, Western, like PG&E, is required to develop and document a transmission maintenance, testing, and inspection plan which meets the requirements of the WECC's Transmission Maintenance Standard. This Standard requires Western to certify in writing annually that it has developed an adequate plan, performed all the required maintenance, testing, and inspection activities and maintained appropriate maintenance records. In addition, Western has a representative on the ISO Maintenance Coordination Committee, and has assisted in the development of the ISO's own maintenance standards. Western has the capability and intention to comply with all applicable maintenance standards and procedures for the Path 15 Upgrade Project.

7. Temporary waivers

Not applicable.

8. Proposed Transmission Owner (TO) Tariff

As the Project is in the development stage with construction to begin in the summer of 2003, the final costs of the Project and the proposed tariff for the Trans-Elect portion of the Path 15 Upgrade Project will be filed at a later date. As part of this application, Trans-Elect has attached a draft Transmission Owner Tariff. This draft tariff will not go into effect until approved by the Federal Energy Regulatory Commission. In addition to any tariff which is required, Trans-Elect will be required to file an application with the Federal Energy Regulatory Commission to determine its Transmission Revenue Requirement, which filing by rule must be made no later than 60 days before the commercial operation date. The Path 15 Upgrade Project's commercial operation date is currently expected to be December of 2004.

9. Transmission Revenue Requirement Data Request Form

Trans-Elect will file for approval of its Transmission Revenue Requirement (TRR) as part of its filing as noted in Section 8 above. Upon FERC approval it will submit the final TRR to the ISO and complete a TRR Data Request form. At this time, Trans-Elect can only provide an estimate of its revenue requirement, based upon pre-construction budgeting for the Project. Trans-Elect's current estimate is that the revenue requirement would be \$49,750,000 per year.

10. Address and Contact Names

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11. Settlement Account

Trans-Elect NTD Path 15, LLC:
Bank of America, N.A.
Washington, D.C.
Routing No. 054001204
For the account of: Trans-Elect NTD Path 15, LLC.
Account No. 001922217527

12. Mwh Demand Per Month

Not Applicable

13. Instructions for Encumbrances and Entitlements

Not Applicable

This application is respectfully submitted on this 3rd day of March, 2003.

Signed,

Michael B. Day

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Appendix A

Appendix B