

**APPENDIX B: CITY OF VERNON'S
ENCUMBRANCES**

<u>TYPE OF RECEIPT-DELIVERY</u>	<u>PARTIES</u>	<u>DIRECTION</u>	<u>CONTRACT TITLE</u>	<u>FERC NO.</u>	<u>CONTRACT TERMINATION</u>	<u>CONTRACT AMOUNT</u>
<u>Power from South to North on COTP [1]</u>	<u>Vernon, PG&E</u>		<u>Transmission Service Exchange Agreement Between Pacific Gas & Electric Company and the City of Vernon</u>	<u>148</u>		<u>121 MW</u>
	<u>PG&E, SCE, and SDG&E</u>		<u>Coordinated Operation Agreement</u>	<u>[2]</u>		<u>92 MW</u>

Contract Termination (Transmission Service Exchange Agreement Between Pacific Gas & Electric Company and the City of Vernon) :

This Agreement may be terminated on July 31, 2007:

By PG&E with one year notice to Vernon if PG&E has not retained for the remaining term of this Agreement at least a 659 MW transmission capability in DC Line at NOB.

By Vernon if PG&E's entitlement in the DC Line after July 2007 results in an arrangement for the operation of DC Line as to reduce transmission capability.

If the DC Line or COTP facilities are retired.

In the event City elects to participate in an alternative project that provides City with transmission capability between the Southern Terminal and Edison's system, City may terminate this Agreement by written notice to PG&E at least five (5) years in advance of such termination.

(3) Otherwise, the Agreement remains in effect for fifty years from the effective date.

WE is an existing PTO and a joint-owner of COTP. We believe documents relating to the COTP are submitted to the CAISO pursuant to Docket No. ER92-626-000