

CITY OF ANAHEIM, CALIFORNIA
FERC ELECTRIC TARIFF

TABLE OF CONTENTS

	<u>Sheet No.</u>
1. Preamble	4
2. Effective Date	4
3. TO Definitions	4
4. Eligibility	7
5. Access Charges	7
5.1 Transmission Revenue Requirement	7
5.2 Transmission Revenue Balancing Account Adjustment ("TRBAA")	7
6. Ancillary Services--Applicability and Charges	8
7. Billing and Payment	8
8. Expansion and Interconnection for Anaheim's Interests in STS, MPP, MAP, and Marketplace Substation	8
8.1 Expansion	8
8.2 Interconnection	9
8.3 Project Managers and Operators	9
8a. Obligation to Interconnect or Construct Transmission Expansions and Facility Upgrades	10
8a.1 Participating TO Obligation to Interconnect	10
8a.2 Participating TO Obligation to Construct Transmission Expansions or Facility Upgrades	12
8a.3 Request for FERC Deference Regarding Need Determination	13
9. Expansion Process for Anaheim's Interests in STS, MPP, MAP, and Marketplace Substation	13
9a. Expansion Process	13
9a.1 Determination of Facilities	13
9a.2 Obligation to Build	14

	<u>Page No.</u>
9a.3 Provisions Relating To Transmission Construction On the Systems Of Other TOs	16
10. Interconnection Process for Anaheim’s Interests in STS, MPP, MAP, and Marketplace Substation	17
10a. Interconnection Process	17
10a.1 Applicability	17
10a.2 Applications	17
10a.3 Interconnection Application	17
10a.4 Review of Completed Interconnection Application	18
10a.5 Notice of Need for System Impact Study	19
10a.6 System Impact Study Cost Reimbursement and Agreement	20
10a.7 System Impact Study Procedures	20
10a.8 Notice of Need for Facilities Study	21
10a.9 Facilities Study Procedures	22
10a.10 Partial Interim Service	22
10a.11 Expedited Procedures for New Facilities	22
11. Uncontrollable Forces and Indemnification	23
11.1 Procedures to Follow if Uncontrollable Force Occurs	23
11.2 Indemnification	23
12. Regulatory Filings	23
13. Miscellaneous	24
13.1 Notices	24
13.2 Waiver	24
13.3 Confidentiality	24
13.4 Titles	25
13.5 Severability	25
13.6 Preservation of Obligations	25
13.7 Governing Law	25
13.8 Appendices Incorporated	25
13.9 Consistency with ISO Tariff	25
13.10 Disputes	25
APPENDIX I	26
APPENDIX II	27

1. **Preamble.** Anaheim's TRR for its high voltage transmission facilities and Entitlements placed under the ISO's operational control, and certain terms and conditions relating to transmission expansion of and interconnection with Anaheim's high voltage transmission facilities and Entitlements placed under the ISO's operational control, are set forth in this TO Tariff.
2. **Effective Date.** This TO Tariff is effective on the date on which Anaheim becomes a Participating TO and shall continue to be effective so long as Anaheim is a party to the TCA.
3. **TO Definitions.** Certain capitalized terms used in this TO Tariff that are set out immediately below shall have the meanings set out immediately below. Capitalized terms used in this tariff and not defined below shall have the meanings set out in the ISO Tariff as it may be amended from time to time.
 - 3.1 **Completed Application Date.** The date on which a party submits an Interconnection Application that satisfies the requirements of a Completed Interconnection Application.
 - 3.2 **Completed Interconnection Application.** An application that satisfies all of the information and other requirements of this TO Tariff, including any required deposit.
 - 3.3 **Direct Assignment Facilities.** Facilities or portions of facilities that are constructed by the Participating TO for the sole use or benefit of a particular party requesting Interconnection under this TO Tariff. Direct Assignment Facilities shall be specified in the Interconnection Agreement that governs service to such party.
 - 3.4 **Facilities Study Agreement.** An agreement between a Participating TO and either a party requesting Interconnection to the ISO Controlled Grid, Market Participant, Project Sponsor, or identified principal beneficiaries pursuant to which the party requesting such Interconnection, Market Participants, Project Sponsor, or identified principal beneficiaries agrees to reimburse the Participating TO for the cost of performing or reviewing a Facilities Study.
 - 3.5 **Facility or Facilities Study.** An engineering study conducted to determine required modifications to the Participating TO's transmission system, including estimated cost and scheduled completion date for such modifications that will be required to provide needed services.
 - 3.6 **Local Regulatory Authority.** In the case of Anaheim, the Anaheim City Council.
 - 3.7 **MAP Joint Ownership Agreement.** That certain agreement entered into by the Mead-Adelanto Project owners, as the same may be revised, amended or supplemented from time to time.
 - 3.8 **MAP Coordinating Committee.** Governing committee of the MAP.
 - 3.9 **MAP Operation Agreement.** That certain agreement entered into by the Mead-

Adelanto Project owners and Los Angeles, which, among other things, designates Los Angeles as operation manager for the Mead-Adelanto Project.

- 3.10 Marketplace Administrative Committee.** Governing committee of the Marketplace Substation.
- 3.11 Marketplace Owners.** Each of the Mead-Phoenix owners and each of the Mead-Adelanto owners, their successors and assigns.
- 3.12 Marketplace Substation.** The common terminal for the Mead-Phoenix and Mead-Adelanto Projects and includes the Marketplace-McCullough tie line as common facilities, as more fully described in the Marketplace Substation Participation Agreement.
- 3.13 Marketplace Substation Participation Agreement.** That certain agreement entered into by the Marketplace Owners, which provides, among other things, for ownership, construction, operation, maintenance, and rights of use associated with the Marketplace Substation.
- 3.14 Mead-Adelanto Project or MAP.** A 500 kV AC transmission line with termination facilities at the Adelanto Switching station and Marketplace Substation, as more fully described in the Mead-Adelanto Project Agreements as defined in the MAP Joint Ownership Agreement.
- 3.15 Mead-Phoenix Project or MPP.** A 500 kV AC transmission line interconnecting the Westwing Switchyard, Mead Substation, and Marketplace Substation, as more fully described in the Mead-Phoenix Agreements as defined in the Mead-Phoenix Project Joint Ownership Agreement.
- 3.16 MPP Joint Ownership Agreement.** That certain agreement entered into by the Mead-Phoenix Project owners, as the same may be revised, amended or supplemented from time to time.
- 3.17 MPP Management Committee.** Governing committee of the MPP.
- 3.18 MPP Operation Agreement.** That certain agreement entered into by the Mead-Phoenix Project owners, SRP and Western, which, among other things, designates SRP and Western as operation managers for the Mead-Phoenix Project.
- 3.19 Net FTR Revenue.** The sum of: 1) The revenue received by Anaheim from the sale, auction, or other transfer of the FTRs provided to it pursuant to ISO Tariff Section 9.4.3, or any substantively identical successor provision of the ISO Tariff; and 2) for each hour: a) the Usage Charge revenue received by Anaheim associated with its ISO Tariff Section 9.4.3 FTRs; minus b) Usage Charges that are: i) incurred by the Scheduling Coordinator for Anaheim under ISO Tariff Section 7.3.1.4, ii) associated with Anaheim's ISO Tariff Section 9.4.3 FTRs, and iii) incurred by Anaheim for its energy transactions but not incurred as a result of the use of the transmission by a third-party and minus c) the charges paid by Anaheim pursuant to ISO Tariff Section 7.3.1.7, to the extent such charges are incurred by the Scheduling Coordinator of Anaheim on Congested

Inter-Zonal Interfaces that are associated with the ISO Tariff Section 9.4.3 FTRs provided to Anaheim. The component of Net FTR Revenues represented by item 2) immediately above shall not be less than zero for any hour.

- 3.20 Participating TO.** A party to the TCA whose application under Section 2.2 of the TCA has been accepted and who has placed its transmission assets and Entitlements under the ISO's Operational Control in accordance with the TCA. A Participating TO may be an Original Participating TO or a New Participating TO. For purposes of this TO Tariff, the Participating TO is Anaheim.
- 3.21 Participation Agreement.** An agreement between a Participating TO and a Project Sponsor that specifies the terms and conditions under which the Participating TO will construct a transmission addition or upgrade on behalf of the Project Sponsor.
- 3.22 Project Proponent.** A Market Participant or group of Market Participants that: (i) advocates a transmission addition or upgrade; (ii) is unwilling to pay the full cost of the proposed transmission addition and upgrade, and thus is not a Project Sponsor; and (iii) initiates proceedings under the ISO ADR Procedures to determine the need for the proposed transmission addition or upgrade.
- 3.23 Reliability Upgrade.** The transmission facilities, other than Direct Assignment Facilities, beyond the first point of Interconnection necessary to interconnect a New Facility or wholesale load safely and reliably to the ISO Controlled Grid, which would not have been necessary but for the Interconnection of a New Facility or wholesale load, including network upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of a New Facility or wholesale load to the ISO Controlled Grid. Reliability Upgrades also include, consistent with WSCC practice, the facilities necessary to mitigate any adverse impact a New Facility's or wholesale load's interconnection may have on a path's WSCC path rating. Reliability Upgrades shall be specified in the Interconnection Agreement that governs Interconnection service to the New Facility Operator or wholesale load and shall be subject to FERC approval.
- 3.24 Southern Transmission System ("STS").** The direct current transmission line between the Intermountain Power Project ("IPP") and the Adelanto Switching Station.
- 3.25 System Impact Study.** An engineering study conducted to determine whether a request for Interconnection to the ISO Controlled Grid would require new transmission additions, upgrades, or mitigation measures.
- 3.26 System Impact Study Agreement.** An agreement between a Participating TO and an entity that has requested Interconnection to the Participating TO's transmission system pursuant to which the entity requesting Interconnection agrees to reimburse the Participating TO for the cost of a System Impact Study.
- 3.27 Transmission Revenue Balancing Account Adjustment ("TRBAA").** A mechanism established by the Participating TO which will ensure that all Transmission Revenue Credits and other credits specified in Sections 6 and 8 of Appendix F, Schedule 3 of the ISO Tariff, flow through to ISO Tariff and TO

Tariff transmission customers.

- 3.28 Transmission Revenue Credit.** Collectively, 1) the sum of: a) all revenues received by the Participating TO from the ISO for Wheeling service, plus b) Usage Charge revenues received by the Participating TO pursuant to Section 7.3.1.6(ii) of the ISO Tariff, plus c) Net FTR Revenue received by the Participating TO; minus 2) any charges attributable to the Participating TO (but not those attributable to the FTR Holder) pursuant to Section 7.3.1.7 of the ISO Tariff. After the Transition Period set forth in the ISO Tariff, the definition of Transmission Revenue Credits for the New Participating TOs shall be the same as that of the Original Participating TOs.
- 3.29 Transmission Revenue Requirement ("TRR").** The TRR is the total annual authorized revenue requirements associated with transmission facilities and Entitlements turned over to the Operational Control of the ISO by the Participating TO. The costs of any transmission facility turned over to the Operational Control of the ISO shall be fully included in the Participating TO's TRR. The TRR includes the costs of transmission facilities and Entitlements and deducts Transmission Revenue Credits and credits for Standby Transmission Revenue and the transmission revenue expected to be actually received by the Participating TO for Existing Rights and Converted Rights. The TRR is shown in Appendix I.
- 4. Eligibility.** Transmission service over Anaheim's high voltage transmission facilities and Entitlements placed under the ISO's Operational Control shall be provided only to Eligible Customers as defined by the ISO Tariff. Any dispute as to whether a customer is eligible for wholesale transmission service shall be resolved by FERC and any dispute as to whether an Anaheim End-Use Customer is eligible for service under this TO Tariff shall be resolved by the Local Regulatory Authority. At the present time, there are no Anaheim End-Use Customers eligible for service under this tariff.
- 5. Access Charges.** The applicable Access Charges are provided in the ISO Tariff.
- 5.1 Transmission Revenue Requirement.** As set forth in the ISO Tariff, the Transmission Revenue Requirement for each Participating TO shall be used to develop the Access Charges set forth in the ISO Tariff. Anaheim's Transmission Revenue Requirement, as approved by its City Council and filed with the FERC, is set forth in Appendix I.
- 5.2 Transmission Revenue Balancing Account Adjustment ("TRBAA").** The Participating TO shall maintain a Transmission Revenue Balancing Account ("TRBA") that will ensure that all Transmission Revenue Credits and the refunds, specified in Sections 6 and 8 of Appendix F, Schedule 3 of the ISO Tariff, flow through to transmission customers. The TRBAA shall be equal to:
$$TRBAA = TRC_F + TRC_T + I$$

$TRC_T =$ The balance representing the prior period difference between the projected Transmission Revenue Credits and the actual credits.

$TRC_F =$ The forecast of Transmission Revenue Credits for the following calendar year.

$I =$ The interest balance for the TRBA, which shall be calculated using the interest rate pursuant to Section 35.19(a) of FERC's regulations under the Federal Power Act (18 CFR Section 35.19(a)). Interest shall be calculated based on the average TRBA principal balance each month, compounded quarterly.

The Anaheim TRBAA, calculated in accordance with the ISO Tariff and approved by the Anaheim City Council, is stated in Appendix I.

6. Ancillary Services--Applicability and Charges. If any Ancillary Services are required, Anaheim will not provide such services, but transmission customer will be required to meet any such requirement in accordance with the ISO Tariff.

7. Billing and Payment.

7.1 [intentionally left blank]

7.2 The ISO, in accordance with the ISO Tariff, shall pay the Participating TO, among other things, Wheeling, Usage, Access Charge revenues, and FTR auction proceeds (excluding Usage Charge revenues payable to FTR Holders) in accordance with the ISO Tariff.

7.3 Users of Anaheim's high voltage transmission facilities and Entitlements placed under the ISO's Operational Control shall pay to the ISO all applicable charges in accordance with the ISO Tariff.

8. Expansion and Interconnection for Anaheim's Interests in STS, MPP, MAP, and Marketplace Substation. Expansion of and/or interconnection to the high voltage transmission facilities presently placed under the ISO's Operational Control by Anaheim, which consist of Anaheim's minority interests in the STS, MPP, MAP, and the Marketplace Substation, require approval of the owners and/or the management committees of those facilities. Therefore Anaheim does not have the legal authority to compel expansion and interconnection. Anaheim will submit, or assist in the submission of, expansion and/or interconnection requests from third parties to the appropriate bodies of a project pursuant to the individual agreements. It is Anaheim's intent to facilitate the submission of such requests to the full extent allowed by the agreements governing or otherwise applying to those projects and the applicable laws and regulations. The project agreements have the provisions, described immediately below, that address expansion and interconnection requests. Third parties making such requests will be responsible for reimbursing all of Anaheim's reasonable expenses incurred by Anaheim in facilitating submission of such requests to such governing bodies. Sections 8a, 9a, and 10a, and their subparts, of this Anaheim TO Tariff shall apply as described in Section 8a.

8.1 Expansion

8.1.1 Southern Transmission System. Pursuant to Section 6 of the Intermountain Power Project Construction Management and Operating

Agreement, the Coordinating Committee may consider increasing the available transmission capability of the transmission line.

8.1.2 Mead-Adelanto Project. Pursuant to Section 11.4 of the MAP Operation Agreement, the Project Coordinating Committee may consider increasing the available transmission capability of the transmission line.

8.1.3 Mead-Phoenix Project. Pursuant to Section 11.4 of the MPP Operation Agreement, the Project Management Committee may consider increasing the available transmission capability of the transmission line.

8.1.4 Marketplace Substation. Pursuant to Section 10.6 of the Marketplace Substation Participation Agreement, the Administrative Committee may consider increasing the capability of the Substation.

8.2 Interconnection

8.2.1 Southern Transmission System. Pursuant to Section 6.13 of the Intermountain Power Project Construction Management and Operating Agreement, the Coordinating Committee has the power to approve and designate contracts.

8.2.2 Mead-Adelanto Project. Pursuant to Section 6.2.10 of the MAP Ownership Agreement, the Project Coordinating Committee has the power to approve and designate contracts.

8.2.3 Mead-Phoenix Project. Pursuant to Section 6.2.10 of the MPP Ownership Agreement, the Project Management Committee has the power to approve and designate contracts.

8.2.4 Marketplace Substation. Pursuant to Section 13 of the Marketplace Substation Participation Agreement, any entity may interconnect transmission lines at the Marketplace Substation subject to approval by each Marketplace Owner and execution of an interconnection agreement between the Marketplace Owners and the requesting entity.

8.3 Project Managers and Operators. Each transmission project in which Anaheim has Entitlements has a project manager and an operating agent or manager. They are as follows and can be contacted in connection with any request for expansion or interconnection.

	<u>Project Manager</u>	<u>Operating Agent</u>
STS	LADWP	LADWP
Mead-Phoenix Project	SRP, WAPA (DSW)	SRP, WAPA (DSW)
Mead-Adelanto Project	LADWP	LADWP
Marketplace Substation	LADWP	LADWP

8a. Obligation to Interconnect or Construct Transmission Expansions and Facility Upgrades.

8a.1 Participating TO Obligation to Interconnect. Sections 8a, 9a, and 10a, and their subparts, are provided for consistency with other PTOs' TO Tariffs and for potential future application should Anaheim acquire transmission facilities or acquire additional legal authority in its existing facilities that would provide Anaheim sufficient legal authority to implement those Sections. Sections 8a, 9a, and 10a have no current application to the transmission facilities turned over to ISO operational control by Anaheim, which facilities are Anaheim's minority interests in STS, MAP, MPP, and the Marketplace Substation, which are covered solely by Sections 8, 9, and 10 as to expansions and interconnections. Neither are they presently applicable to any other Anaheim facilities. If the situation changes so that Anaheim has legal authority over transmission facilities so that Anaheim is able to implement the provisions of Sections 8a, 9a, and 10a so that those provisions become effective, to the extent consistent with Sections 9a.2 and 9a.3 of this TO Tariff, the Participating TO shall, at the request of a third party pursuant to Section 210, interconnect its system to the generation of such third party, or modify an existing Interconnection. Interconnections under this TO Tariff shall be available to entities eligible to request interconnection consistent with the provisions of Section 210(a) of the FPA.

8a.1.1 Interconnection to Transmission System. Interconnection must be consistent with Good Utility Practice, in conformance with all Applicable Reliability Criteria, all applicable statutes, regulations and ISO reliability criteria for the ISO Controlled Grid. The Participating TO will not accommodate the Interconnection if doing so would impair system reliability, or would otherwise adversely affect the ability of the Participating TO to honor its Encumbrances existing as of the time a party submits its Interconnection Application. The Participating TO shall identify any such adverse effect on its Encumbrances in the System Impact Study performed pursuant to Section 10a.7. To the extent the Participating TO determines that the Interconnection will have an adverse effect on Encumbrances, the party requesting Interconnection shall mitigate such adverse effect.

8a.1.2 Costs Associated with Interconnection. Each party requesting Interconnection shall pay the costs of planning, installing, owning, operating, and maintaining any Direct Assignment Facilities and, if applicable, any Reliability Upgrades required to provide the requested Interconnection. In addition, such party shall implement all existing operating procedures necessary to safely and reliably interconnect such party's generation or wholesale load to the facilities of the Participating TO and to ensure the ISO Controlled Grid's conformance with the ISO Grid Planning Criteria, and shall bear all costs of implementing such operating procedures. A New Facility Operator shall be responsible for the costs of Reliability Upgrades only if the necessary facilities are not included in the ISO Controlled Grid Transmission Expansion Plan approved as of the New Facility Operator's Completed Application Date, or the date for the installation of a facility is advanced by the

interconnection of the New Facility, in which case the New Facility Operator shall be responsible only for the incremental costs associated with the earlier installation of the facility. Each New Facility Operator may, at its own discretion, sponsor, pursuant to Section 3.2 of the ISO Tariff and Section 9a of this TO Tariff, any Delivery Upgrades. Any additional costs associated with accommodating the Interconnection shall be allocated in accordance with the cost responsibility methodology set forth in the ISO Tariff for transmission expansions or upgrades.

8a.1.3 Interconnection Agreement. Pursuant to Section 10a.4, 10a.7.1, or 10a.9.1, a party requesting Interconnection shall request in writing that the Participating TO tender to such party an Interconnection Agreement that will be filed with FERC, or the Local Regulatory Authority, in the case of a Local Publicly Owned Electric Utility. The Interconnection Agreement will include, without limitation, cost responsibilities and payment provisions for any engineering, equipment, construction, ownership, operation and maintenance costs for any Direct Assignment Facilities, any Reliability Upgrades, any Delivery Upgrades, if applicable, and for any other mitigation measures. For an Interconnection request to remain a Completed Interconnection Application, the party requesting the Interconnection shall execute the Interconnection Agreement and return it to the Participating TO within thirty (30) Business Days of receipt. Alternatively, if an Eligible Customer requesting the Interconnection requests the Participating TO to file an unexecuted Interconnection Agreement and commits to abide by the terms, conditions, and cost assignments determined to be just and reasonable under the ISO ADR Procedures, including any determination by FERC or on appeal of a FERC determination in accordance with that process, the Participating TO shall promptly file an unexecuted Interconnection Agreement. Provided, however, that if the ISO ADR Procedures concerns whether the requesting entity is an Eligible Customer, the Participating TO shall not be obligated to file an unexecuted Interconnection Agreement or commence construction of the Interconnection facilities or incur other costs under the Interconnection Agreement until a final order determining the just and reasonable rates, terms, and conditions for such Interconnection Agreement has been issued by the applicable court or regulatory authority. The Interconnection Agreement will set forth a payment schedule that enables the Participating TO to recover its costs. If the applicant elects not to execute the Interconnection Agreement and does not request the Participating TO to file an unexecuted Interconnection Agreement, its Completed Interconnection Application shall be deemed withdrawn, and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application not covered by any System Impact Study Agreement or Facilities Study Agreement. To maintain its queue position, the New Facility Operator must timely comply with the interconnection requirements of Section 5.7 of the ISO Tariff and Sections 8a.1 and 10a of this TO Tariff. If the New Facility Operator fails to timely comply with such interconnection requirements, such New Facility Operator shall pay the reasonable costs of revising the System Impact Studies for other New Facility Operators that have established a

new queue position due to the New Facility Operator either withdrawing its Interconnection Application or because its queue position has been modified pursuant to the queuing provisions in Section 5.7.4.4 of the ISO Tariff.

- 8a.1.4 Coordination with ISO on Interconnection Requests.** The Participating TO shall use due diligence to construct, within a reasonable time, any Direct Assignment Facilities and any Reliability Upgrades that it is obligated to construct pursuant to this TO Tariff and, as applicable, Section 5.7 of the ISO Tariff. The Participating TO's obligation to build will be subject to: 1) its ability, after making a good faith effort, to obtain any necessary approvals and property rights under applicable federal, state, and local laws; 2) the presence of a cost recovery mechanism with cost responsibility assigned in accordance with the ISO Tariff or applicable FERC precedent; and 3) a signed Interconnection Agreement or a signed Expedited Interconnection Agreement or, by mutual agreement of the parties, FERC acceptance for filing of an unexecuted Interconnection Agreement.
- 8a.1.5 Energization.** The Participating TO shall not be obligated to energize, nor shall the New Facility Operator or wholesale load be entitled to have its interconnection to the ISO Controlled Grid energized, unless and until an Interconnection Agreement has been executed, or filed at FERC pursuant to Section 8a.1.3, and becomes effective and such New Facility Operator or wholesale load has demonstrated to the ISO's reasonable satisfaction that it has complied with all of the requirements of Section 5.7 of the ISO Tariff and the requirements of this TO Tariff.
- 8a.1.6 Coordination with ISO on Interconnection Requests.** The Participating TO shall coordinate with the ISO, pursuant to the provisions of the TCA, in developing Interconnection standards and guidelines for processing Interconnection requests under this TO Tariff.
- 8a.2 Participating TO Obligation to Construct Transmission Expansions or Facility Upgrades.** The Participating TO shall be obligated to: (1) perform System Impact or Facility Studies where the Project Sponsor or the ISO agrees to pay the study cost and specifies the project objectives to be achieved, and (2) build transmission additions and facility upgrades where the Participating TO is obligated to construct or expand facilities in accordance with and subject to the limitations of Section 3.2 of the ISO Tariff and this TO Tariff.
- 8a.2.1 Obligation to Construct.** A Participating TO shall not be obligated to construct or expand Interconnection facilities or system upgrades unless and until the conditions stated in Section 9a.2.1 hereof have been satisfied.
- 8a.2.2 Local Furnishing Participating TO Obligation to Construct.** A Local Furnishing Participating TO shall not be obligated to construct or expand Interconnection facilities or system upgrades unless and until the conditions stated in Section 9a.3.3 hereof have been satisfied.

- 8a.3 Request for FERC Deference Regarding Need Determination.** It is intended that FERC grant substantial deference to the factual determinations of the ISO, (including the ISO's ADR Procedures), the Anaheim City Council, WECC, or RTG coordinated planning processes as to the need for or construction of a facility, the need for full cost recovery, and the allocation of costs.
- 9. Expansion Process for Anaheim's Interests in STS, MPP, MAP, and Marketplace Substation.** The Expansion process for Anaheim's Interests in STS, MPP, MAP, and Marketplace Substation, which it has turned over to ISO operational control, is as stated in Section 8 above. Section 9a and its subparts do not currently apply to those interests or any other Anaheim facilities.
- 9a. Expansion Process.**
- 9a.1 Determination of Facilities.** A Participating TO shall perform a Facilities Study in accordance with this Section where (1) the Participating TO is obligated to construct or expand facilities in accordance with the ISO Tariff and this TO Tariff; (2) a Market Participant agrees to pay the costs of the Facilities Study and specifies the project objectives to be achieved in terms of increased capacity or reduced congestion; or (3) the Participating TO is required to perform a Facilities Study pursuant to the ISO Tariff.
- 9a.1.1 Payment of Facilities Study's Cost.**
- 9a.1.1.1 Market Participant to Pay for Facilities Study.** Where a Market Participant requests a Facilities Study and the need for the transmission addition or upgrade has not yet been established in accordance with the procedures established herein and the ISO Tariff, the Market Participant shall pay the cost of the Facilities Study.
- 9a.1.1.2 Project Sponsor or Project Proponent to Pay for Facilities Study.** Where the facilities to be added or upgraded have been determined to be needed in accordance with the procedures established herein and the ISO Tariff, the Project Sponsor, Project Proponent, or the ISO requesting the study shall pay the reasonable cost of the Facilities Study. When the Participating TO is the Project Sponsor in accordance with the ISO Tariff, the costs of the Facilities Study shall be recovered through the Access Charges and transmission rates.
- 9a.1.1.3 Principal Beneficiaries to Pay for Facilities Study.** Where the facilities to be added or upgraded have been determined to be needed and the principal beneficiaries have been identified by the ISO or ISO ADR Procedures in accordance with the ISO Tariff, the Project Sponsor and the identified principal beneficiaries shall pay the reasonable cost of the Facilities Study, in such proportions as may be agreed, or, failing agreement, as determined in accordance with the ISO ADR Procedures.

9a.1.2 Payment Procedure. Where a Facilities Study is being conducted pursuant to this TO Tariff, the Participating TO shall, as soon as practicable, tender to the Market Participant, Project Sponsor, Project Proponent, ISO, or identified principal beneficiaries, as the case may be, a Facilities Study Agreement that defines the scope, content, assumptions, and terms of reference for such study, the estimated time required to complete it, and such other provisions as the parties may reasonably require and pursuant to which such Market Participant, Project Sponsor, Project Proponent, the ISO, or identified principal beneficiaries agree to reimburse the Participating TO the reasonable cost of performing the required Facilities Study. If the Market Participant, Project Sponsor, Project Proponent, the ISO, or identified principal beneficiaries, as the case may be, agree to the terms of the Facilities Study Agreement, they shall execute the Facilities Study Agreement and return it to the Participating TO within ten Business Days. If such Market Participant, Project Sponsor, Project Proponent, the ISO, or identified principal beneficiary elects not to execute a Facilities Study Agreement, the Participating TO shall have no obligation to complete a Facilities Study.

9a.1.3 Facilities Study Procedures. Upon receipt of an executed Facilities Study Agreement, a copy of which has been provided to the ISO by the party requesting the Facilities Study, the Participating TO will use due diligence to complete the required Facilities Study in accordance with the terms of the Facilities Study Agreement.

9a.2 Obligation to Build.

9a.2.1 Due Diligence to Construct. Subject to Section 9a.3.3 of this TO Tariff, the Participating TO shall use due diligence to construct, within a reasonable time, additions or upgrades to its transmission system that it is obligated to construct pursuant to the ISO Tariff and this TO Tariff. The Participating TO's obligation to build will be subject to: 1) its ability, after making a good faith effort, to obtain the necessary approvals and property rights under applicable federal, state, and local laws; 2) the presence of a cost recovery mechanism with cost responsibility assigned in accordance with the ISO Tariff; and 3) a signed Participation Agreement. The Participating TO will not construct or expand its existing or planned transmission system, if doing so would impair system reliability as determined through systems analysis based on the Applicable Reliability Criteria.

9a.2.2 Delay in Construction or Expansion. If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Participating TO shall promptly notify: (1) the Project Sponsor with regard to facilities determined to be needed; (2) the Parties to the Participation Agreement with regard to facilities determined to be needed pursuant to the ISO Tariff where principal beneficiaries were identified; and (3) the ISO. In such circumstances, the Participating TO shall, within thirty days of notifying such Project Sponsor, Parties to the Participation Agreement, and the ISO of such

delays, convene a technical meeting with such Project Sponsor, Parties to the Participation Agreement, and the ISO to discuss the circumstances which have arisen and evaluate any options available. The Participating TO also shall make available to such Project Sponsor, Parties to the Participation Agreement, and the ISO, as the case may be, studies and work papers related to the cause and extent of the delay and the Participating TO's ability to complete the new facilities, including all information that is in the possession of the Participating TO that is reasonably needed to evaluate the alternatives.

9a.2.2.1 Alternatives to the Original Facility Additions. If the review process of Section 9a.2.2 determines that one or more alternatives exist to the originally planned construction project, the Participating TO shall present such alternatives for consideration to the Project Sponsor, Parties to the Participation Agreement, and the ISO, as the case may be. If upon review of any alternatives, such Project Sponsor, the ISO, or Parties to the Participation Agreement wish to evaluate or to proceed with one of the alternative additions or upgrades, such Project Sponsor, the ISO, or Parties to the Participation Agreement may request that the Participating TO prepare a revised Facility Study pursuant to Sections 9a.1.1, 9a.1.2, and 9a.1.3 of this TO Tariff. In the event the Participating TO concludes that no reasonable alternative exists to the originally planned addition or upgrade and the Project Sponsor or Parties to the Participation Agreement or the ISO disagree, the dispute shall be resolved pursuant to the ISO ADR Procedure

9a.2.2.2 Refund Obligation for Unfinished Facility Additions. If the Participating TO and the Project Sponsor, the ISO, or Parties to the Participation Agreement, as the case may be, mutually agree that no other reasonable alternatives exist, the obligation to construct the requested additions or upgrades shall terminate and any deposit not yet applied toward the expended project costs shall be returned with interest pursuant to FERC Regulation 35.19(a)(2)(iii). However, the Project Sponsor and any identified principal beneficiaries, as the case may be, shall be responsible for all costs prudently incurred by the Participating TO through the time the construction was suspended.

9a.3 Provisions Relating To Transmission Construction On the Systems Of Other TOs.

9a.3.1 Responsibility for Third Party Additions. A Participating TO shall not be responsible for making arrangements for any engineering, permitting, and construction of any necessary facilities additions on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Participating TO will undertake reasonable efforts through the coordinated planning process to assist in making such arrangements, including, without limitation, providing any information

or data required by such other electric system pursuant to Good Utility Practice.

9a.3.2 Coordination of Third-Party System Additions. Where transmission additions or upgrades being built pursuant to the ISO Tariff require additions or upgrades on other systems, to the extent consistent with Section 9a.3.3 of this TO Tariff, the Participating TO shall coordinate construction on its own system with the construction required by others. The Participating TO, after consultation with the ISO, the Project Sponsor, and Parties to the Participation Agreement, as the case may be, may defer construction if the new transmission facilities on another system cannot be completed in a timely manner. The Participating TO shall notify such Project Sponsor, Parties to the Participation Agreement, and the ISO, in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of the new facilities. Within forty Business Days of receiving written notification by the Participating TO of its intent to defer construction pursuant to this section, such Project Sponsor, Parties to the Participation Agreement, or the ISO may challenge the decision in accordance with the ISO ADR Procedure.

9a.3.3 Expansion by “Local Furnishing Participating TOs”. Notwithstanding any other provision of this TO Tariff, prior to requesting that a Local Furnishing Participating TO construct or expand facilities, the ISO or Project Sponsor shall tender (or cause to be tendered) an application under Section 211 of the FPA requesting FERC to issue an order directing the Local Furnishing Participating TO to construct or expand facilities as necessary to provide transmission service as determined pursuant to the ISO Tariff. Such Local Furnishing Participating TO shall thereafter, within ten Business Days of receiving a copy of the Section 211 application, waive its right to a request for service under Section 213(a) of the FPA and to the issuance of a proposed order under Section 212(c) of the FPA. Upon receipt of a final order from FERC under Section 211 of the FPA that is no longer subject to rehearing or appeal, such Local Furnishing Participating TO shall construct or expand facilities to comply with that FERC order and shall transfer to the ISO Operational Control over the Local Furnishing Participating TO’s expanded transmission facilities in accordance with the ISO Tariff.

10. Interconnection Process for Anaheim’s Interests in STS, MPP, MAP, and Marketplace Substation. The interconnection process for Anaheim’s Interests in STS, MPP, MAP, and Marketplace Substation, which it has turned over to ISO operational control, is as stated in Section 8 above. Section 10a, and its subparts, do not currently apply to those interests or any other Anaheim facilities.

10a. Interconnection Process.

10a.1 Applicability. All requests for Interconnection directly to the ISO Controlled Grid from parties eligible to request such Interconnection consistent with Section 210(a) of the FPA shall be processed pursuant to the provisions of this Section

10a which is subject to the applicable interconnection, integration, exchange, operating, joint ownership and joint participation agreements, and the rights and obligations of owners of jointly-owned facilities.

10a.2 Applications. Except as provided in Section 10a.2.1, a party requesting Interconnection shall submit a written Interconnection Application which provides the information required in Section 10.3 to the Participating TO and shall send a copy of the application to the ISO. The Participating TO shall time-stamp the application to establish study priority.

10a.2.1 New Facility Operator. If the party requesting Interconnection to the ISO Controlled Grid is a New Facility Operator, such party shall submit a written Interconnection Application to the ISO pursuant to Section 5.7.3 of the ISO Tariff that shall include the information required in Section 10a.3 of this TO Tariff.

10a.3 Interconnection Application. An Interconnection Application shall provide all of the information listed in 18 CFR § 2.20, including, but not limited to, the following:

- (i) The identity, address, telephone number, and facsimile number of the party requesting Interconnection;
- (ii) The Interconnection point(s) to the ISO Controlled Grid contemplated by the applicant;
- (iii) The resultant (or new) maximum amount of Interconnection capacity;
- (iv) The proposed date for energizing the Interconnection and the term of the Interconnection Service;
- (v) If the applicant is a New Facility Operator, completed generator data sheets pursuant to the requirements of the Participating TO;
- (vi) Such other information as the Participating TO reasonably requires to process the application.

In addition to the information specified above, the following information may also be provided in order to properly evaluate system conditions:

- (vii) If the applicant is a wholesale load, the electrical location of the source of the power (if known) to be transmitted pursuant to the applicant's request for Interconnection. If the source of the power is not known, a system purchase will be assumed;
- (viii) If the applicant is a New Facility Operator, the electrical location of the ultimate load (if known). If the location of the load is not known, a system sale will be assumed.

In addition, if a New Facility Operator proposes to perform or cause a third party to perform any required System Impact Study or any required Facilities Study, it shall so indicate in its Interconnection Application. The results of any study or studies performed by a New Facility Operator must be approved by both the ISO and the Participating TO.

Within ten (10) Business Days after receipt of an Interconnection Application, the Participating TO, and the ISO, if applicable, shall determine whether the application is complete ("Completed Interconnection Application"). Wherever possible, the Participating TO will attempt to remedy deficiencies in the Interconnection Application through informal communications with the applicant. If such efforts are unsuccessful, the Participating TO shall return the Interconnection Application to the applicant or to the ISO if the applicant is a

New Facility Operator. The Participating TO will treat the information provided in the Interconnection Application, including the applicant's identity, as confidential at the request of the applicant except to the extent that disclosure of this information is required by this TO Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG or ISO transmission information sharing agreements. The Participating TO shall treat this information consistent with the standards of conduct contained in Part 37 of FERC's regulations.

10a.3.1 Amendment to Completed Interconnection Application. A New Facility Operator shall only be limited to amending its Completed Interconnection Application once. Such amendment shall occur on or before ten (10) Business Days following the date the Participating TO tenders any Facilities Study Agreement. Specifically, as an alternative to executing and returning a Facilities Study Agreement, a New Facility Operator may submit an amendment to its Completed Interconnection Application to reflect a revised configuration for its New Facility. The amended Completed Interconnection Application shall be treated in accordance with Section 5.7.4.2.1 of the ISO Tariff and Section 10a.5 of this TO Tariff; the New Facility Operator's Completed Interconnection Application shall not be deemed withdrawn; and the New Facility Operator shall maintain its existing queue position, if (a) the amended Completed Interconnection Application is received by the Participating TO within ten (10) Business Days of the Participating TO's tender of a Facilities Study Agreement; and (b) the New Facility Operator has not submitted a previous amendment to the Completed Interconnection Application. In the event a New Facility Operator amends its Completed Interconnection Application, it will be responsible for any additional study costs that result from that amendment, including costs associated with revisions to studies for other applicants holding later queue positions.

10a.4 Review of Completed Interconnection Application. After receiving a Completed Interconnection Application, the Participating TO, and the ISO, if applicable, will determine on a non-discriminatory basis whether a System Impact Study is required. Whenever the Participating TO, and the ISO, if applicable, determines that a System Impact Study is not required and that neither Reliability Upgrades nor changes in existing operating procedures are required, the Participating TO shall notify the applicant within fifteen (15) Business Days of the Completed Application Date. If the Interconnection can be accommodated without any Direct Assignment Facilities, then within thirty (30) Business Days of such notice from the Participating TO, the applicant shall request the Participating TO to tender to the applicant an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provided in Section 8a.1.3. If the Participating TO determines, upon the review of the Completed Interconnection Application, that Direct Assignment Facilities are required, the Participating TO shall tender to the applicant a Facilities Study Agreement within twenty (20) Business Days of the Completed Application Date and continue the interconnection process pursuant to Section 10a.8.

10a.5 Notice of Need for System Impact Study. If the Participating TO, and the ISO, if applicable, determines that a System Impact Study is necessary to accommodate the requested Interconnection, the Participating TO shall so inform the applicant, as soon as practicable. In such cases, the Participating TO shall within twenty (20) Business Days of receipt of a Completed Interconnection Application, tender a System Impact Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be completed by the Participating TO; the estimated time required to complete it; and such other provisions as the parties may reasonably require, and pursuant to which the applicant shall agree to reimburse the Participating TO for the reasonable actual costs of performing the required System Impact Study. A description of the Participating TO's transmission assessment practices for completing a System Impact Study is provided in the Participating TO's FERC Form 715. Alternatively, if the New Facility Operator will perform the System Impact Study, the Participating TO shall within twenty (20) Business Days of receipt of a Completed Interconnection Application, tender a System Impact Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be reviewed by the Participating TO; the estimated time required to complete it; and such other provisions as the parties may reasonably require, and pursuant to which the applicant shall agree to reimburse the Participating TO for the reasonable actual costs of reviewing the required System Impact Study. For an Interconnection request to remain a Completed Interconnection Application, the applicant shall execute the System Impact Study Agreement and return it to the Participating TO within ten (10) Business Days together with payment for the reasonable estimated cost of performing the System Impact Study or reviewing the New Facility Operator's System Impact Study. Alternatively, if the applicant requests the Participating TO to proceed with the System Impact Study or review thereof and commits to abide by the terms, conditions, and cost assignments ultimately determined under the ISO ADR Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the System Impact Study provided that such request is accompanied by payment for the reasonable estimated cost of the System Impact Study, and the parties shall submit the disputed terms for resolution under the ISO's ADR Procedures. If the applicant elects not to execute a System Impact Study Agreement, and does not request that the Participating TO proceed with the System Impact Study or review thereof, its application shall be deemed withdrawn, and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application.

10a.6 System Impact Study Cost Reimbursement and Agreement.

10a.6.1 Cost Reimbursement. The System Impact Study Agreement shall clearly specify the maximum charge, based on the Participating TO's estimate of the cost and time for completion of the System Impact Study. The charge shall not exceed the reasonable cost of the study. In performing the System Impact Study, the Participating TO shall rely, to the extent reasonably practicable, on existing transmission planning studies. The applicant will not be assessed a charge for such existing studies; however, the applicant will be responsible for the reasonable charges associated with any modifications to existing

planning studies that are reasonably necessary to evaluate the impact of the applicant's request.

10a.6.2 Multiple Parties. If multiple parties request Interconnection at the same location, the Participating TO may conduct a single System Impact Study. The costs of that study shall be pro-rated among the parties requesting Interconnection.

10a.7 System Impact Study Procedures. Upon receipt of an executed System Impact Study Agreement or initiation of the ISO ADR Procedures and receipt of payment for estimated study costs, the Participating TO will use due diligence to either (a) complete the required System Impact Study within a sixty (60) calendar day period or (b) complete its review of a New Facility Operator's System Impact Study within thirty (30) calendar days of its receipt of the completed study. The System Impact Study will identify whether any Direct Assignment Facilities or Reliability Upgrades are necessary, as well as whether any Delivery Upgrades are necessary to deliver a New Facility's full output over the ISO Controlled Grid or whether any transmission additions or upgrades are necessary to serve a wholesale load. The System Impact Study will also identify any adverse impact on Encumbrances existing as of the applicant's Completed Application Date. In the event that the Participating TO is unable to complete the required System Impact Study within such time period, it shall so notify the applicant, in writing, and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the applicant and the ISO. The Participating TO will use the same due diligence in completing the System Impact Study for others as it uses when completing studies for its affiliated UDC. The Participating TO shall notify the applicant and the ISO immediately upon completion of the System Impact Study.

10a.7.1 Procedures Upon Completion of System Impact Study. Within fifteen (15) Business Days of completion of the System Impact Study or review and approval of a New Facility Operator's System Impact Study, the Participating TO shall notify the applicant whether the transmission system will be adequate to accommodate all of a request for Interconnection. If no costs are likely to be incurred for any Direct Assignment Facilities, any Reliability Upgrades, or implementing any operating procedures, then within thirty (30) Business Days of receipt of the completed System Impact Study performed by the Participating TO or receipt of written approval of the New Facility Operator's System Impact Study from the Participating TO and the ISO, the applicant shall request the Participating TO to tender an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to the applicant an Interconnection Agreement as provided in Section 8a.1.3. If costs are likely to be incurred to accommodate a request for Interconnection, the Participating TO shall tender to the applicant a Facilities Study Agreement pursuant to Section 10a.8.

10a.8 Notice of Need for Facilities Study. If a System Impact Study indicates that additions or upgrades to the ISO Controlled Grid are needed to satisfy an

applicant's request for Interconnection, the Participating TO shall, within fifteen (15) Business Days of the completion date of the System Impact Study or the completion of review and approval of the New Facility Operator's System Impact Study by the Participating TO and the ISO, tender to the applicant a Facilities Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be completed by the Participating TO; the estimated time required to complete the required study; and such other provisions as the parties may reasonably require, and pursuant to which the applicant agrees to reimburse the Participating TO for the reasonable actual costs of performing the required Facilities Study. Alternatively, if the New Facility Operator will perform the Facilities Study, the Participating TO shall within fifteen (15) Business Days of the completion date of the System Impact Study or the completion of review and approval of the New Facility Operator's System Impact Study, tender a Facilities Study Agreement that defines the scope, content, assumptions and terms of reference for such study to be reviewed by the Participating TO; the estimated time required to complete the required review; and such other provisions as the parties may reasonably require, and pursuant to which the applicant agrees to reimburse the Participating TO for the reasonable actual costs of reviewing the required Facilities Study. For an Interconnection request to remain a Completed Interconnection Application, the applicant shall execute the Facilities Study Agreement and return it to the Participating TO within ten (10) Business Days together with payment for the reasonable estimated cost of performing the Facilities Study or reviewing the New Facility Operator's Facilities Study. Alternatively, if the applicant requests the Participating TO to proceed with the Facilities Study or review thereof and commits to abide by the terms, conditions, and cost assignments ultimately determined under the ISO ADR Procedures, including any determination by FERC or appeal of a FERC determination in accordance with that process, the Participating TO shall promptly proceed with the Facilities Study provided that such request is accompanied by payment for the reasonable estimated cost of the Facilities Study, and the parties shall submit the disputed terms for resolution under the ISO ADR Procedures. If the applicant elects not to execute a Facilities Study Agreement and does not request that the Participating TO proceed with the Facilities Study or review thereof, its application shall be deemed withdrawn and the applicant shall reimburse to the Participating TO all costs reasonably incurred in processing the application not covered by the System Impact Study Agreement.

10a.9 Facilities Study Procedures. Upon receipt of an executed Facilities Study Agreement or initiation of the ISO ADR Procedures and receipt of payment for the estimated study costs, the Participating TO will use due diligence to either (a) complete the required Facilities Study within a sixty (60) calendar day period or (b) complete its review of a New Facility Operator's Facilities Study within thirty (30) calendar days of its receipt of the completed study. In the event that the Participating TO is unable to complete the required Facilities Study within such time period, it shall so notify the applicant, in writing, and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed Facilities Study shall be made available to the applicant.

10a.9.1 Execution of Interconnection Agreement. Within thirty (30) Business Days of receipt of the completed Facilities Study performed by the Participating TO or receipt of written approval of the New Facility Operator's Facilities Study from the Participating TO, the applicant shall request the Participating TO to tender an Interconnection Agreement within thirty (30) Business Days of such request. The Participating TO shall tender to applicant an Interconnection Agreement as provided in Section 8a.1.3.

10a.10 Partial Interim Service. If the Participating TO determines that there will not be adequate transmission capability to satisfy the full amount requested in a Completed Interconnection Application, the Participating TO nonetheless shall be obligated to offer and provide the portion of the requested Interconnection that can be accommodated without any additional Direct Assignment Facilities or Reliability Upgrades. However, the Participating TO shall not be obligated to provide the incremental amount of requested Interconnection that requires such additional facilities or upgrades until such facilities or upgrades have been placed in service.

10a.11 Expedited Procedures for New Facilities. In lieu of the procedures set forth above, the applicant shall have the option to expedite the processing of its Completed Interconnection Application. In order to exercise this option, the applicant shall submit in writing a Request for Expedited Interconnection Procedures to the Participating TO, and to the ISO if the applicant is a New Facility Operator, within ten (10) Business Days after receiving a copy of the System Impact Study for the proposed Interconnection. Within ten (10) Business Days after receiving a Request for Expedited Procedures, the Participating TO shall tender an Expedited Interconnection Agreement that requires the applicant to compensate the Participating TO for all costs reasonably incurred pursuant to the terms of this TO Tariff for processing the Completed Interconnection Application and providing the requested Interconnection. While the Participating TO agrees to provide the applicant with its best estimate of the costs of any needed Direct Assignment Facilities and, if applicable, Reliability Upgrades and other charges that may be incurred, unless otherwise agreed by the parties, such estimate shall not be binding and the applicant must agree in writing to compensate the Participating TO for all actual Interconnection costs reasonably incurred pursuant to the provisions of this TO Tariff. The applicant shall execute and return such Expedited Interconnection Agreement within ten (10) Business Days of its receipt or the applicant's request for Interconnection will cease to be a Completed Interconnection Application and will be deemed terminated and withdrawn. In that event, the applicant shall reimburse the Participating TO for all costs reasonably incurred in processing the application not covered by the terms of the System Impact Study Agreement.

11. Uncontrollable Forces and Indemnification.

11.1 Procedures to Follow if Uncontrollable Force Occurs. In the event of the occurrence of an Uncontrollable Force which prevents a Party from performing any of its obligations under this TO Tariff, such Party shall (i) immediately notify the other Parties in writing of the occurrence of such Uncontrollable Force, (ii) not be entitled to suspend performance in any greater scope or longer duration

than is required by the Uncontrollable Force, (iii) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance hereunder, (iv) keep the other Parties apprised of such efforts on a continual basis and (v) provide written notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the Party to this TO Tariff involved in such strike, lockout, or labor dispute and the requirement that a Party must use its best efforts to remedy the cause of the Uncontrollable Force and mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes. No Party will be considered in default as to any obligation under this TO Tariff if prevented from fulfilling the obligation due to the occurrence of an Uncontrollable Force.

11.2 Indemnification. A Market Participant shall at all times indemnify, defend, and save the Participating TO harmless from any and all damages, losses, claims, (including claims and actions relating to injury or to death of any person or damage to property), demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Participating TO's performance of its obligations under this TO Tariff on behalf of a Market Participant, except in cases of negligence or intentional wrongdoing by the Participating TO.

12. Regulatory Filings. Nothing contained herein shall be construed as affecting, in any way, the right of Anaheim to unilaterally make application to FERC as it deems necessary and appropriate to recover its Transmission Revenue Requirements, or for a change in its terms and conditions, including changes in rate methodology, or for a change in designation of transmission and Entitlements to be placed under the ISO's control, pursuant to the applicable FERC rules, regulations, policies, and governing statutes.

13. Miscellaneous.

13.1 Notices. Any notices, demand, or request in accordance with this TO Tariff, unless otherwise provided in this TO Tariff, shall be in writing and shall be deemed properly served, given, or made: (i) upon delivery if delivered in person, (ii) five days after deposit in the mail if sent by first class United States mail, postage prepaid, (iii) upon receipt of confirmation by return electronic facsimile if sent by facsimile, or (iv) upon delivery if delivered by prepaid commercial courier service, in each case addressed to a Party at the address set forth in Appendix II. Any Party may at any time, by notice to the other Parties, change the designation or address of the person specified in Appendix II to receive notice on its behalf. Any notice of a routine character in connection with service under this TO Tariff shall be given in such a manner as the Parties may determine from time to time, unless otherwise provided in this TO Tariff.

13.2 Waiver. Any waiver at any time by any Party of its rights with respect to any default under this TO Tariff, or with respect to any other matter arising in connection with this TO Tariff, shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this

TO Tariff. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.

13.3 Confidentiality.

13.3.1 Maintaining Confidentiality if Not for Public Disclosure. The Participating TO shall maintain the confidentiality of all of the documents, data, and information provided to it by any other Party that such Party may designate as confidential, provided, however, that the information will not be held confidential by the receiving Party if (1) the designating Party is required to provide such information for public disclosure pursuant to this TO Tariff or applicable regulatory requirements, or (2) the information becomes available to the Public on a non-confidential basis (other than from the receiving Party).

13.3.2 Disclosure of Confidential Information. Notwithstanding anything in this Section 11.3.2 to the contrary, if any Party is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence pursuant to this Section 11.3.2, the Party may disclose such information; provided, however, that as soon as such Party learns of the disclosure requirement and prior to making such disclosure, such Party shall notify the affected Party or Parties of the requirement and the terms thereof. The affected Party or Parties may, at their sole discretion and own costs, direct any challenge to or defense against the disclosure requirement and the disclosing Party shall cooperate with such affected Party or Parties to the maximum extent practicable to minimize the disclosure of the information consistent with applicable law. The disclosing Party shall cooperate with the affected Parties to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

13.4 Titles. The captions and headings in this TO Tariff are inserted solely to facilitate reference and shall have no bearing upon the interpretation of any of the rates, terms, and conditions of this TO Tariff.

13.5 Severability. If any term, covenant, or condition of this TO Tariff or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest, by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this TO Tariff and their application shall not be affected thereby but shall remain in force and effect. The Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination, unless a court or governmental agency of competent jurisdiction holds that such provisions are not severable from all other provisions of this TO Tariff.

- 13.6 Preservation of Obligations.** Upon termination of this TO Tariff, all unsatisfied obligations of each Party shall be preserved until satisfied.
- 13.7 Governing Law.** This TO Tariff shall be interpreted, governed by, and construed under the laws of the State of California, without regard to the principles of conflict of laws thereof, or the laws of the United States, as applicable, as if executed and to be performed wholly within the State of California.
- 13.8 Appendices Incorporated.** The appendices to this TO Tariff are attached to this TO Tariff and are incorporated by reference as if fully set forth herein.
- 13.9 Consistency with ISO Tariff.** This TO Tariff is intended to be consistent with the ISO Tariff, and, if necessary, shall be amended to conform with any changes authorized or required in any final order in FERC Docket No. ER00-2019.
- 13.10 Disputes.** Except as limited by law, the ISO ADR Procedures shall apply to all disputes between parties which arise under this TO Tariff or under or in respect of the proposed terms and conditions of a Facilities Study Agreement, System Impact Study Agreement or Expedited Service Agreement. The ISO ADR Procedures set forth in Section 13 of the ISO Tariff shall not apply to disputes as to whether rates and charges set forth in this TO Tariff (other than charges for studies) are just and reasonable under the FPA.

APPENDIX I

Transmission Revenue Requirement and TRBAA

The Anaheim HV Base TRR is **\$25,300,000**.

The HVTRBAA is estimated to be a **negative \$1,029,784.37** for calendar year 2006 and has been computed in accordance with ISO Tariff.

The Standby Transmission Revenue Credit is **\$0** for calendar year 2006.

Anaheim's HVTRR is **\$24,270,215.63**.

Anaheim's Gross Load, consistent with its TRR(s), used by the ISO to develop the transmission Access Charge is 2,766,313 MWH.

All of Anaheim's transmission facilities and Entitlements placed under the ISO's Operational Control are High Voltage Facilities as defined by the ISO Tariff.

The TRBAA will be recalculated annually consistent with the ISO Tariff, approved by the Anaheim City Council, and provided to the ISO.

APPENDIX II

NOTICES

Designated Representative:

Ms. Sheryll A. Schroeder
City Clerk
City of Anaheim
200 S. Anaheim Blvd.
Anaheim, California 92805

Tel. No. (714) 765-5645
Fax No. (714) 765-4105

Alternate Representative:

Ms. Marcie L. Edwards
Public Utilities General Manager
201 S. Anaheim Blvd., Suite 1101
Anaheim, California 92805

Tel. No. (714) 765-5173
Fax No. (714) 765-4138