

CITY OF AZUSA
APPLICATION FOR
BECOMING A
PARTICIPATING TRANSMISSION OWNER

June 03, 2002

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DESCRIPTION OF TRANSMISSION LINES AND FACILITIES

I. A description of the transmission lines and associated facilities that the applicant intends to place under the ISO's Operational Control and a one-line diagram of the facilities.

1. MEAD-ADELANTO PROJECT (MAP)

1.1 Transmission Line

The Mead-Adelanto Project (MAP) is an alternating current transmission line with an accepted rating of 1,200 MW. The MAP is a 202-mile, 500 kV alternating current transmission line constructed from Marketplace Switching Station in Southern Nevada to the 500 kV Adelanto Switching Station in Southern California with series capacitor line compensation of 45 percent at Marketplace. It is utilized to deliver electrical energy between Southern Nevada and Southern California.

1.2 Marketplace Substation

Marketplace Substation is the common terminal for the Mead-Phoenix and Mead-Adelanto Projects (jointly owned by the Mead-Adelanto Project and Mead-Phoenix Project owners) and includes the Marketplace-McCullough tie line as common facilities.

Marketplace consists of a 500kV switchyard configured as a four-breaker, four-position ring bus with series capacitors, and shunt compensation for the Marketplace-Adelanto transmission line.

1.3 Statis Var Compensators

The MAP facilities include two Static Var Compensators (SVC) approximately 388 megavar each (one located at Marketplace and the other at Adelanto for network stability synchronization).

1.4 Marketplace-McCullough Tie Line

The Marketplace McCullough Tie Lien is approximately a one (1) mile transmission line between Marketplace and McCullough. A 500 kV position is installed at the McCullough switching station for terminating the Marketplace-McCullough tie line.

1.5 Telecommunications

The MAP includes two communication paths between Marketplace, Adelanto, McCullough, and Mead for line protection, telemetry and voice channel.

1.6 Entitlement

The City of Azusa is entitled to 1.5 percent, or currently 18 MW, of the Project transfer capacity in either direction.

2. MEAD-PHOENIX PROJECT (MPP)

2.1 Transmission Line

The Mead-Phoenix (MPP) is an alternating current transmission line with an accepted rating of 1,300 MW. The MPP is a 256-mile, 500 kV alternating current transmission line constructed from the Perkins Switchyard near Sun City, Arizona to Marketplace Switching Station in Southern Nevada. The Project is utilized to transmit electrical energy between Central Arizona and Southern Nevada.

2.2 Transmission capacity in the Mead-Phoenix Project varies between the facilities and there are three components.

2.2.1 Component A: Westwing-Mead

Includes the Perkins to Mead 500 kV transmission line, Perkins Switchyard, Westwing Interconnection, Westwing Tie Line, Communications System from Westwing to Mead, Perkins line compensation at Mead and undivided one-third interest in the Mead 500 KV Common Facilities. Mead 500 kV Common Facilities are all common facilities and equipment (excluding any interconnection facilities) at the Mead 500 kV substation, including, but not limited to: communication equipment, protective systems, control house space, relaying equipment, control cabling, buswork, bus structures, fencing and metering equipment. Perkins Switchyard contains series capacitor bank, shunt reactors, circuit breakers and phase shifting transformers.

2.2.2 Component B: Mead Substation

Includes the Mead 500/230 kV transformer, 230 kV interconnection and undivided one-third interest in the Mead 500 kV Common Facilities (as defined in section 3.2.1. above).

2.2.3 Component C: Mead-Marketplace

Includes the Mead to Marketplace 500 kV transmission line, undivided one-third interest in the Mead 500 kV Common Facilities (as defined in section 3.2.1 above), Communications Systems Mead to Marketplace, Mead line termination at Marketplace. It also includes 50 percent ownership of the Marketplace Common Facilities, Marketplace SVC, Marketplace to McCullough Tie Line, McCullough Interconnection, Adelanto SVC and the Adelanto SVC termination.

2.3 Entitlement

The City of Azusa has the following transmission capability entitlements in either direction.

- | | | |
|-------|--|------------------------------------|
| 2.3.1 | Westwing-Mead (Component A): | 0.2308 percent, or currently 3 MW |
| 2.3.2 | Mead Substation (Component B):
between the 500 kV and 230 kV bus. | 0.0000 percent, or currently 0 MW |
| 2.3.3 | Mead-Marketplace (Component C): | 0.1620 percent, or currently 3 MW. |

See Attachment I for diagram of facilities

II. In relation to any such transmission lines and associated facilities that the applicant does not own, a copy of each document setting out the applicant's Entitlements to such lines and facilities and a summary matrix in the format provided in Attachment A.

APPENDIX A

POINT OF RECEIPT-DELIVERY	PARTIES	DIRECTION	CONTRACT-TITLE	FERC	CONTRACT TERMINATION	CONTRACT AMOUNT
1. Mead - Rio Hondo	Azusa, Edison	Uni-Directional	Edison-Azusa Hoover FTS	247.4	(1) See Notes	4 MW
2. Victorville-Lugo - Rio Hondo	Azusa, Edison	Uni-Directional	Edison-Azusa Palo Verde Nuclear Generating Station FTS	247.6	(2) See Notes	4 MW
3. Victorville-Lugo - Rio Hondo	Azusa, Edison	Uni-Directional	Edison-Azusa Pasadena FTS	247.8	(3) See Notes	14 MW
4. Sylmar - Rio Hondo	Azusa, Edison	Uni-Directional	Edison-Azusa San Juan Unit 3 FTS	247.29	(4) See Notes	10 MW
5. Mead - Rio Hondo	Azusa, Edison	Bi-Directional	Edison-Azusa Sylmar FTS	247.24	(5) See Notes	8 MW
6. Sylmar - NOB	Azusa, Pasadena, Burbank	Bi-Directional	Pacific Intertie Direct Current FTS		(6) See Notes	3MW
7. ANPP (Devers) - Sylmar	Azusa, Los Angeles	Bi-Directional	Los Angeles - Azusa ANPP/Sylmar FTS	DWP No. 10021	(7) See Notes	10 MW
8. Victorville-Lugo - Adelanto	Azusa, Los Angeles	Bi-Directional	Los Angeles - Azusa Adelanto-Victorville/Lugo FTS	DWP No. 10345	(8) See Notes	18 MW

Summary- details are in each agreement.

Notes:

- (1) Contract Termination: Upon written agreement between the Parties to terminate the FTS Agreement or termination of Electric Service Contract, provided that the termination of FTS Agreement shall not occur prior to January 1, 2003.
- (2) Contract Termination: Upon written agreement between the Parties to terminate the FTS Agreement, termination of Azusa's entitlement to PVNGS, or termination of the Arizona Nuclear Power Project Participation, provided that the termination of the FTS Agreement shall not occur prior to January 1, 2003.
- (3) Contract Termination: Upon written agreement between the Parties to terminate the FTS Agreement or termination of City's ownership in San Juan Unit 3, provided that termination of this Transmission Service Agreement shall not occur prior to January 1, 2003.
- (4) Contract Termination: Same as (3)
- (5) Contract Termination: Same as (3)
- (6) Contract Termination: This agreement will be terminated effective September 30, 2009.
- (7) Contract Termination: This agreement shall be terminated upon the earlier of: (i) 2400 hours on December 31, 2023; (ii) by mutual agreement of the Parties; (iii) thirty-six months after Los Angeles has provided written notice that the Agreement is to terminate, provided, however, such notice of termination shall not be given prior to December 31, 2000; or (iv) Azusa may elect to discontinue service under this Agreement by written notice to Los Angeles within sixty days of the mailing date of any subsequent rate for transmission service established under Section 10.3 of the Agreement. If Azusa so elect, this Agreement shall terminate on the last day of the second full month following the mailing date of Azusa's notice.
- (8) Contract Termination: This agreement shall be terminated upon the earlier of: (i) four years prior written notice by either Party, which notice shall not be given before one year after the Date of Firm Operation; (ii) the date of retirement of the Mead-Adelanto Project; (iii) the date the point of interconnection on the Victorville-Lugo transmission line is permanently removed from service; (iv) the in-service date of the Adelanto-Lugo transmission line, as such date is defined pursuant to the agreements relating thereto; (v) a date determined pursuant to Section 4.3 of the Agreement; or (vi) a date mutually agreed upon by the Parties.

See Attachment II for copies of contracts

**TRANSMISSION LINES AND FACILITIES TO BE PLACED
UNDER ISO'S OPERATIONAL CONTROL**

- III. A statement that the applicant intends to place under the ISO's Operational Control all of the transmission lines and associated facilities that it owns or, subject to the treatment of Existing Contracts under Sections 2.4.3 and 2.4.4 of the ISO Tariff, to which it has Entitlements and if such transmission lines and associated facilities do not include all of the lines and associated facilities owned by the Applicant or to which it has Entitlements, the Applicant's reason for believing that certain lines and facilities do not form part of the Applicant's transmission network.**

Azusa intends to place under the ISO's Operational Control all of the transmission lines and facilities that it owns and its Entitlements identified in sections I & II of this application as provided for in the TCA.

Azusa's transmission services from Edison between Rio Hondo 230 kV and Azusa City limits will not be transferred to the ISO. These facilities serve the import and distribution function of Azusa. These facilities meet the FERC's 7-point test for local distribution facilities.

RELIABILITY CRITERIA

IV. A statement of any local Reliability Criteria to be included as part of the Applicable Reliability Criteria.

Azusa does not have any specific Local Reliability Criteria that are applied to the facilities identified in section I & II. It is our understanding that the operating agent of our facilities meets the WSCC standards.

MAINTENANCE PRACTICE

V. A description of the applicant's current maintenance practice.

The MAP and MPP are participation projects owned by a number of entities. A designated project manager performs operation and maintenance work. The Operation and Maintenance Agreement for each project provides for and details the work and responsibilities of the operating manager. Under these Agreements, the operation managers are obligated to conduct operating and maintenance work according to Prudent Utility Practice, the respective agreements and applicable guidelines.

TEMPORARY WAIVERS

- VI. A list of any temporary waivers that the Applicant wishes the ISO to grant because the Applicant does not meet the Applicable Reliability Criteria and the period for which it requires them.**

Not applicable.

PROPOSED TRANSMISSION OWNER (TO) TARIFF

VII. A copy of the Applicant's proposed Transmission Owner (TO) Tariff, if any.

A proposed Transmission Owner (TO) Tariff is attached in Attachment III.

TRR DATA REQUEST

- VIII. A completed TRR Data Request form outlining the costs for the transmission lines and associated facilities Applicant is proposing to turn over to the ISO (additional information is provided in Attachment c), or notice that the Applicant will file at FERC.**

Azusa will file a non-jurisdictional filing at FERC.

ADDRESS AND CONTACT NAMES

IX. Addresses and contact names to which notices may be sent.

Joe Hsu
Director of Utilities

Bob Tang
Assistant Director of Resource Management

City of Azusa
Utilities Department
729 N. Azusa
Azusa, California 91702

Azusa
Utilities Department
729 N. Azusa
Azusa, California 91702

Telephone: (626)812-5171
Fax: (626) 334-3163

Telephone: (626) 812-5214
Fax: (626) 334-3163

ADDITIONAL INFORMATION

- X. Any other information that the ISO may reasonably require in order to evaluate the Applicant's ability to comply with its obligation as a Participating TO.**

None.

SETTLEMENT ACCOUNT

XI. Details of the Applicant's Settlement Account.

Same as current Settlement Account that Azusa has as a Scheduling Coordinator.

MWh DEMAND

XII. MWh demand per month for the test period (1 year).

MWh Demand Per Month
Calendar Year 2001
(as measured at the Rio Hondo 230 kV bus)

<u>MONTH</u>	<u>MWh</u>
January	19,783
February	17,572
March	18,464
April	17,925
May	19,742
June	20,906
July	21,919
August	23,325
September	21,629
October	20,857
November	18,687
December	<u>18,766</u>
Total:	<u>239,575</u>

INSTRUCTIONS FOR ENCUMBRANCES AND ENTITLEMENTS

XIII. Instructions on how to implement Encumbrances and Entitlements.

1. Encumbrances:

Los Angeles – Azusa ANNP/Sylmar FTS:

Pursuant to Section 6.2 of the Los Angeles – Azusa ANNP/Sylmar FTS, the Los Angeles Department of Water and Power is entitled to schedule energy on a nonfirm basis over the 10 MW of bidirectional transmission service between Palo Verde and Sylmar to the extent Azusa does not use the transmission service. The operating procedures implementing the Los Angeles-Azusa ANPP/Sylmar FTS are attached herein as Attachment IV.

2. Entitlements for the transmission services from Edison – Not applicable.
3. Instructions for MAP, MPP and LADWP transmission service will need to be worked-out with the ISO and the operating agent.