



NEWS RELEASE

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Four So-Cal Municipal Utilities Join California ISO
Anaheim, Azusa, Banning and Riverside Soon to Become Participating Transmission Owners

(Folsom, CA) The California Independent System Operator (ISO) is welcoming four more municipal utilities into the fold. The ISO Board of Governors approved applications today, and the ISO signed contracts with the Cities of Anaheim, Azusa, Banning and Riverside. The four will join the City of Vernon as new Participating Transmission Owners (PTOs). If all goes as planned, the ISO will begin operating the municipal utilities' transmission facilities on January 1, 2003.

Joining the ISO should lead to lower transmission costs for the utilities and enhanced grid reliability as well. The ISO will operate a more complete grid in Southern California, which will give ISO operators better system visibility and allow for sharing of resources. Together, the four cities serve approximately 225,000 retail electric customers.

The City of Roseville, Silicon Valley Power, and the Northern California Power Agency also participate with the ISO through the metered subsystem program. The program allows for greater cooperation and coordination between the ISO and those agencies.

One of the ISO's 2002 Corporate Goals is to reach out more effectively to municipal utilities. Adding the four southern municipal utilities bolsters the ISO's position as the transmission provider of choice in California. "We knew we needed to offer more to the municipal utilities in California," said Michael Kahn, Chairman of the Board of the ISO. "The applications we approved today with the four southern cities and the relationships we've already established are proof we are able to offer municipal utilities real consumer benefits at lower costs."

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The ISO is in discussion with other municipal utilities and public power agencies, hoping to demonstrate the benefits of sharing resources and costs with the ISO. The ISO already operates transmission facilities that cover more than 75 percent of the state. Adding participants results in even greater economies of scale, ease of operations and a more fully integrated electric grid.

The California ISO is a not-for-profit public benefit corporation charged with managing the flow of electricity along California's open-market wholesale power grid. The mission of the California ISO is to safeguard the reliable delivery of electricity, and ensure equal access to more than 25,000 circuit miles of "electron highway". As the impartial operator of the wholesale power grid in the state, the California ISO conducts a small portion of the bulk power markets. These markets are used to allocate space on the transmission lines, maintain operating reserves and match supply with demand in real time.

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