

CITY OF VERNON
APPLICATION FOR
BECOMING A
PARTICIPATING TRANSMISSION OWNER

August 1, 2000

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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. CALIFORNIA-OREGON TRANSMISSION PROJECT (COTP)

1.1 General

The California-Oregon Transmission Project is an alternating current transmission line with an existing rating of 1,600 MW North-to-South and 1225 MW South-to-North. The Project consists of approximately three hundred forty (340) miles of 500-kV transmission line extending from Southern Oregon to central California, developed in three segments, plus substations and other facilities. The Project is interconnected with, and operated in parallel with, the Pacific Intertie facilities.

1.2 Transmission Line Segments

1.2.1 The Northern Segment. Approximately one hundred forty-eight and one-half (148.5) miles of single circuit configuration extending from the Captain Jack Substation in Southern Oregon to Olinda Substation in northern California.

1.2.2 The CVP Upgrade Segment. Approximately one hundred ninety (190) miles of single circuit configuration extending from the Olinda Substation to the Tracy Substation.

1.2.3 The Tesla By-Pass Segment. Approximately seven (7) miles of double circuit line extending from the Tracy Substation to a location where it intercepts the Pacific AC Intertie on PG&E's 500-kV transmission line exiting south from Tesla Substation to Los Banos Substation.

1.3 Substations

The Project substation facilities consist of the Olinda Substation, the Maxwell Compensation Station and the Tracy Substation.

1.4 Other Facilities

Other Project facilities include Communication Facilities and metering necessary for the Project's operation. The Communication Facilities include two (2) separate primary microwave paths for protective relaying and communication circuits.

1.5 Entitlement

The City of Vernon is entitled to 7.5497 percent of the Project transfer capability. Current entitlements are as follows:

North to South	121 MW
South to North	92 MW

(Note: This entitlement is currently provided to PG&E in exchange for transmission service from PG&E between NOB and Midway.)

2. MEAD-ADELANTO PROJECT (MAP)

2.1 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.

2.2 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 500 kV switchyard configured as a four-breaker, four-position ring bus with series capacitors, and shunt compensation for the Marketplace-Adelanto transmission line.

2.3 Static 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).

2.4 Marketplace-McCullough Tie Line

The Marketplace McCullough Tie Line 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.

2.5 Telecommunications

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

2.6 Entitlement

The City of Vernon is entitled to 6.25 percent, or currently 75 MW, of the Project transfer capacity in either direction.

3. MEAD-PHOENIX PROJECT (MPP)

3.1 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.

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

3.2.1 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.

3.2.2 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).

3.2.3 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.

3.3 Entitlement

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

3.3.1 Westwing-Mead (Component A): 2.1538 percent, or currently 28 MW

3.3.2 Mead Substation (Component B): 3.7934 percent, or currently 47 MW between the 500 kV and 230 kV bus.

3.3.3 Mead-Marketplace (Component C): 4.0497 percent, or currently 75 MW.

See Attachment I for diagram of facilities

TRANSMISSION ENTITLEMENTS

- 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. Sylmar-Midway (After 12/31/2007).	Vernon, Edison	Bi-Directional	Edison-Vernon PDCI/COTP FTS	272	(1) See Notes	93 MW
2. Sylmar-Laguna Bell Through midnight December 31, 2002. After midnight December 31, 2002.	Vernon, Edison	Bi-Directional	Edison-Vernon PDCI/COTP FTS	272	(1) See Notes	93 MW 60MW
3. Midway-Laguna Bell (After 12/31/2007).	Vernon, Edison	Bi-Directional	Edison-Vernon PDCI/COTP FTS	272	(1) See Notes	60 MW
4. Mead-Laguna Bell	Vernon, Edison	Bi-Directional	Edison-Vernon Mead FTS	207	(2) See Notes	26 MW
5. Victorville-Lugo Midpoint-Laguna Bell Note: Service is reduced to 11 MW on 1/1/2003, unless Vernon elects by 10/1/2002 to increase service up to 75 MW.	Vernon, Edison	Bi-Directional	Edison-Vernon Victorville-Lugo Midpoint FTS	154	(3) See Notes	75 MW
6. Adelanto-Victorville/Lugo Midpoint	Vernon, Los Angeles	Bi-Directional	Los Angeles-Vernon Adelanto-Victorville/Lugo FTS	DWP No. 10396	(4) See Notes	75 MW

7. NOB-Sylmar-Midway Midway-Sylmar-NOB	Vernon, PG&E	North-South South-North	Transmission Service Exchange Agreement Between PG&E and the City of Vernon	(5) See Notes	93 MW 82 MW
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Summary - details are in each agreement.

Notes:

- (1) Contract Termination: Upon termination of Vernon's ownership of its COTP entitlement.
- (2) Contract Termination: Upon termination of Vernon's Hoover Power Sales contract with WAPA; or 12/31/2007 based on proper notice from Vernon to Edison.
- (3) Contract Termination: Upon permanent removal from operation of the Mead-Adelanto 500 kV Transmission Project; or 12/31/2007 based on proper notice from Vernon to Edison.
- (4) Contract Termination: Upon permanent removal from operation of the Mead-Adelanto 500 kV Transmission Project; or four years prior written notice by either party.
- (5) Contract Termination:
 1. This Agreement may be terminated on July 31, 2007:
 - A. 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 entitlement in DC Line at NOB.
 - B. 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.
 - C. If the DC Line or COTP facilities are retired.
 2. In the event City elects to participate in an alternative project that provides City with transmission capability between the Southern Terminus of COTP 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.

See Attachment II for copies of contracts

ENCUMBRANCES

- III. A statement of any Encumbrances and a summary of matrix in the format provided in Attachment B to which any of the transmission lines and associated facilities to be placed under the ISO's Operational Control are subject, together with any documents creating such Encumbrances and any dispatch protocols to give effect to them, as the ISO may require.

APPENDIX B

POINT OF RECEIPT-DELIVERY	PARTIES	DIRECTION	CONTRACT TITLE	FERC NO.	CONTRACT TERMINATION	CONTRACT AMOUNT
1. North to South on COTP South to North on COTP	Vernon, PG&E		Transmission Service Exchange Agreement Between Pacific Gas & Electric Company and the City of Vernon			121 MW 92 MW
<p>Contract Termination:</p> <p>(1) This Agreement may be terminated on July 31, 2007:</p> <ul style="list-style-type: none"> A. 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 entitlement in DC Line at NOB. B. 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. C. If the DC Line or COTP facilities are retired. <p>(2) In the event City elects to participate in an alternative project that provides City with transmission capability between the Southern Terminus of COTP 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.</p> <p>(3) Otherwise, the Agreement remains in effect for fifty years from the effective date.</p>						

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

- IV **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.**

Vernon 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.

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

RELIABILITY CRITERIA

- V **A statement of any Local Reliability Criteria to be included as part of the Applicable Reliability Criteria.**

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

MAINTENANCE PRACTICE

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

The COTP, 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

- VII 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

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

Not applicable. The ISO tariff applies.

TRR DATA REQUEST

- IX 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.**

Vernon will file a non-jurisdictional filing at FERC.

X ADDRESS AND CONTACT NAMES

Address and contact names to which notices may be sent.

Kenneth J. DeDario
Director of Utilities

Jorge C. Somoano
Assistant Director of Resource Management

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Vernon, California 90058

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Telephone: (323) 583-8811
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Fax: (323) 583-1983

Telephone: (323) 583-8811
Extension: 248
Fax: (323) 583-1983

ADDITIONAL INFORMATION

XI 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

XII. Details of the Applicant's Settlement Account.

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

MWh DEMAND

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

MWh Demand Per Month
Calendar Year 1999
(as measured at the Laguna Bell 230 kV bus)

<u>MONTH</u>	<u>MWh</u>
January	99,945
February	92,640
March	104,562
April	97,452
May	103,186
June	104,088
July	105,056
August	106,305
September	101,144
October	103,303
November	97,245
December	<u>95,742</u>
Total:	<u>1,210,668</u>

INSTRUCTIONS FOR ENCUMBRANCES AND ENTITLEMENTS

XIV Instructions on how to implement Encumbrances and Entitlements.

1. Encumbrances - Not Applicable.
2. Entitlements for the transmission services from Edison and PG&E - Not Applicable.
3. Instructions for MAP, MPP and LADWP transmission service will need to be worked-out with the ISO and the operating agent.