

CITY OF COLTON
APPLICATION FOR
PARTICIPATING TRANSMISSION OWNER STATUS

June 22, 2012

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**CITY OF COLTON APPLICATION FOR
PARTICIPATING TRANSMISSION OWNER STATUS**

1. Description of Colton’s Transmission Lines and Facilities

The City of Colton does not have legal title to any transmission lines or facilities. The City of Colton receives access to the ISO Controlled Grid by virtue of a Wholesale Distribution Access Tariff (“WDAT”) with the Southern California Edison Company (“SCE”). The WDAT governs SCE’s provision of wholesale distribution service between Colton’s system and the ISO Controlled Grid. Such service is provided from the point where the 69 kV conductors of SCE and Colton connect at the Colton Substation, to the point at SCE’s 230/115/69 kV Vista Substation where SCE’s 230 kV facilities interconnect with the ISO Controlled Grid.

2. Description of Colton’s Transmission Entitlements

The City of Colton has the following entitlements to transmission service on High Voltage Transmission Facilities (*see also* Appendix A and Figure 1 attached thereto):

2.1 Mead-Adelanto Project

The Mead-Adelanto Transmission Project is comprised of a 500 kV alternating current transmission line extending between the Marketplace and Adelanto Switching Stations.

The City of Colton is entitled to firm bidirectional service equaling 1.75% of the facility’s 1,291 MW rated capability, or 23 MW.

2.2 Mead-Phoenix Project

The Mead-Phoenix Transmission Project is comprised of:

- A 500 kV alternating current transmission line extending between Westwing and Perkins Substations. With regard to this component, the City of Colton is entitled to firm bidirectional service equaling 0.2308% of the facility’s 1,923 MW rated capability, or 4 MW.
- A 500 kV alternating current transmission line extending between Perkins and Mead Substations. With regard to this component, the City of Colton is entitled to firm bidirectional service equaling 0.2308% of the facility’s 1,923 MW rated capability, or 4 MW.
- A 500 kV alternating current transmission line extending between Mead Substation and Marketplace Switching Station. The City of Colton is entitled to firm bidirectional service equaling 0.1620% of the facility’s 2,600 MW rated capability, or 4 MW.
- 500/230 kV transformation between the Mead Substation 500 kV bus and the Mead Substation 230 kV bus. The City of Colton holds no entitlement to these transformation facilities.

- 2.3 Marketplace-McCullough Transmission Line
The Marketplace-McCullough transmission line is a 500 kV alternating current transmission line extending between the Marketplace and McCullough Switching Stations. This facility's rated capability is 3,475 MW.
- As part of both the Mead-Adelanto and Mead-Phoenix Transmission Projects, the City of Colton is entitled to firm bidirectional service equaling 33 MW.
- 2.4 Adelanto-Lugo/Victorville
The Adelanto-Lugo/Victorville path is comprised of 500 kV alternating current transmission facilities extending between the Adelanto Switching Station, the Victorville Switching Station, and the midpoint of the Lugo-Victorville 500 kV line.
- The City of Colton is entitled to firm bidirectional service over this path in an amount up to its transmission service entitlement in the Mead-Adelanto Project (*i.e.*, 23 MW).
- 2.5 Lugo/Victorville 500 kV to Vista 230 kV
Colton's 21 MW entitlement to firm unidirectional network service from the midpoint of the Lugo/Victorville 500 kV line to the Vista Substation 230 kV Substation is derived from two separate agreements with the Southern California Edison Company:
- One agreement providing for 3 MW of service.
 - One agreement providing for 18 MW of service.
- 2.6 Mead 230 kV to Vista 230 kV
Colton's 3 MW entitlement to firm unidirectional network service from the Mead Substation 230 kV bus to the Vista Substation 230 kV bus is derived from a firm transmission service agreement with the Southern California Edison Company.
- 2.7 Devers Substation to Vista 230 kV
Colton's 14.043 MW entitlement to firm unidirectional network service from the Devers Substation to the Vista Substation 230 kV bus is derived from a firm transmission service agreement with the Southern California Edison Company.

The entitlements described in Sections 2.1, 2.2, and 2.3 above are derived from contractual agreements among the Southern California Public Power Authority ("SCPPA"), a California joint powers authority of which Colton is a member, certain SCPPA members (including Colton), and other joint project owners.

The City of Colton does not have entitlements to transmission service over any Low Voltage Transmission Facilities.

3. Encumbrances

There will be no encumbrances on the City of Colton’s transmission service entitlements at the time Colton places its entitlements under the ISO's Operational Control.

4. Transmission Lines and Facilities to be placed under ISO’s Operational Control

The City of Colton intends to place under the ISO’s Operational Control all of its transmission entitlements listed in Section 2 above.

5. Reliability Criteria

The City of Colton does not have any specific Local Reliability Criteria that are applied to the entitlements identified in Section 2 above. The transmission providers or the operating agents for the transmission projects to which Colton has transmission service entitlements are responsible for compliance with applicable Reliability Standards developed and enforced by the North American Electric Reliability Corporation and the Western Electricity Coordinating Council and generally adhering to good utility practice in conducting their operational activities.

6. Maintenance Practices

The City of Colton does not operate or maintain any of the transmission facilities related to its transmission service entitlements. The operating agreements for the SCPPA transmission projects (described in Sections 2.1, 2.2, and 2.3 above) require that the operating managers perform operating and maintenance work according to Prudent Utility Practice, the respective agreements and applicable guidelines.

7. Temporary Waivers

Not applicable.

8. Proposed Transmission Owner (TO) Tariff

A draft of Colton’s Transmission Owner Tariff (“TO Tariff”) is attached. The City of Colton will file the final version of its TO Tariff, including its proposed Transmission Revenue Requirement (“TRR”), with the Federal Energy Regulatory Commission (“FERC”) under applicable FERC rules and procedures.

9. Colton’s TRR

The City of Colton will file its TRR as part of the filing noted in Section 8 above.

10. Address and Contact Names

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11. Settlement Account

[To be provided under separate cover]

12. Colton's Monthly MWh Demands

**MWh Demand Per Month
Calendar Year 2011**

<u>Month</u>	<u>MWh</u>
January	26,984
February	26,903
March	25,645
April	26,205
May	26,262
June	26,347
July	26,454
August	39,921
September	34,779
October	29,386
November	26,172
<u>December</u>	<u>24,408</u>
Total	339,466

13. Instructions for Encumbrances and Entitlements

Because no encumbrances exist with respect to Colton's transmission service entitlements, the development of instructions related to encumbrances is unnecessary. Instructions related to Colton's transmission service entitlements, if necessary, will be developed jointly with the ISO and the operating agents/transmission providers. The City of Colton anticipates that any such instructions will be identical to the existing instructions applicable to similar entitlements placed under the ISO's Operational Control by the Cities of Anaheim, Riverside, Azusa, Banning and Pasadena.

14. List of Supporting Agreements Attached

- Mead-Adelanto Project Agreements
 - Operation Agreement
 - Transmission Service Contract
 - Joint Ownership Agreement
- Marketplace Substation
 - Participation Agreement
- Mead-Phoenix Project Agreements
 - Operation Agreement
 - Transmission Service Contract
 - Joint Ownership Agreement
- SCE Agreements
 - Restructuring Agreement
 - Hoover Firm Transmission Service Agreement
 - Pasadena Firm Transmission Service Agreement
 - 1995 San Juan Unit 3 Firm Transmission Service Agreement
 - Palo Verde Nuclear Generating Station Firm Transmission Service Agreement
- Los Angeles Department of Water and Power Agreement
 - Adelanto-Lugo/Victorville Firm Transmission Service Agreement

APPENDIX A

CITY OF COLTON TRANSMISSION SERVICE ENTITLEMENTS

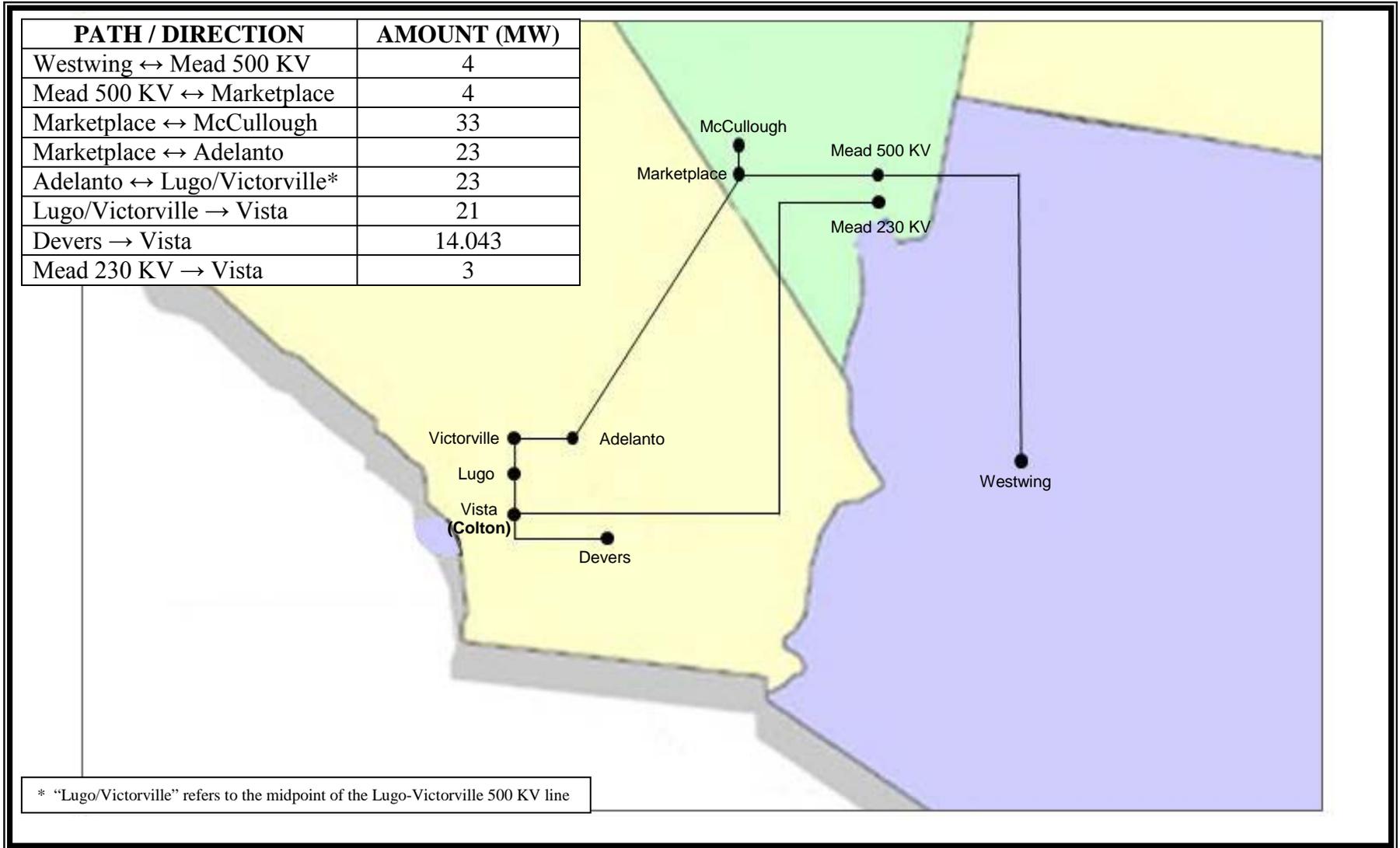
Point of Receipt-Delivery	Parties	Direction	Contract Title	FERC No.	Contract Termination	Contract Amount
1. Marketplace-Adelanto	Colton-SCPPA	Bi-directional	Mead-Adelanto Project Transmission Service Contract	None	See note 1	23 MW
2. Westwing-Mead-Marketplace	Colton-SCPPA	Bi-directional	Mead-Phoenix Project Transmission Service Contract	None	See note 2	4 MW
3. Marketplace-McCullough	Colton-SCPPA	Bi-directional	Mead-Adelanto Project Transmission Service Contract Mead-Phoenix Project Transmission Service Contract	None	See note 3	33 MW
4. Adelanto-Lugo/Victorville	Colton-LADWP	Bi-directional	Adelanto-Lugo/Victorville Firm Transmission Service Agreement	None	See Note 4	23 MW
5. Devers-Vista	Colton-SCE	To Vista	1995 San Juan Unit 3 Firm Transmission Service Agreement	365	See Note 5	14.043 MW
6. Mead-Vista	Colton-SCE	To Vista	Hoover Firm Transmission Service Agreement	361	See Note 6	3 MW
7. Lugo/Victorville-Vista	Colton-SCE	To Vista	Pasadena Firm Transmission Service Agreement	363	See Note 7	18 MW
8. Lugo/Victorville-Vista	Colton-SCE	To Vista	Palo Verde Nuclear Generating Station Firm Transmission Service Agreement	362	See Note 8	3 MW

Notes:

1. Agreement terminates on: (i) October 31, 2030; or (ii) such later date as all bonds used to finance the project have been paid or provisions for their payment have been made.
2. Agreement terminates on: (i) October 31, 2030; or (ii) such later date as all bonds used to finance the project have been paid or provisions for such payment has been made.
3. Agreement terminates concurrent with termination of the agreements referred to in notes 1 and 2 above.
4. Agreement terminates on: (i) four year notice by either party; (ii) the date of retirement of the Mead-Adelanto Project; (iii) the date the Lugo-Victorville point of interconnection is permanently removed from service; (iv) the in-service date of a new transmission line interconnecting LADWP's Adelanto Switching Station and SCE's Lugo Substation; or (v) upon 30 days notice if Colton elects to terminate the agreement following a change in the rate for transmission service charged by LADWP.
5. Agreement terminates on: (i) one year notice by Colton; (ii) termination of Colton's interest in San Juan Generating Station Unit 3; or (iii) unacceptable FERC modification.
6. Agreement terminates on: (i) one year notice by Colton; (ii) termination of Electric Service Contract providing for Colton's interest in the Boulder Canyon Project (Hoover); or (iii) unacceptable FERC modification.
7. Agreement terminates on: (i) one year notice by Colton; (ii) termination of Colton's interest in San Juan Generating Station Unit 3; or (iii) unacceptable FERC modification.
8. Agreement terminates on: (i) one year notice by Colton; (ii) termination of Colton's interest in the Palo Verde Nuclear Generating Station; (iii) termination of the Arizona Nuclear Power Project Participation Agreement; or (iv) unacceptable FERC modification.

APPENDIX A – FIGURE 1

CITY OF COLTON
TRANSMISSION SERVICE ENTITLEMENTS



APPENDIX B

**CITY OF COLTON
TRANSMISSION ENTITLEMENT ENCUMBRANCES**

Point of Receipt-Delivery	Parties	Direction	Contract Title	FERC No.	Contract Start Date	Contract Termination	Contract Amount
None							