

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
NOTICE OF SUBMISSION AND SUMMARY OF STATEMENT OF  
CLAIM PURSUANT TO TARIFF § 13.2.2  
BY SOUTHERN CALIFORNIA EDISON COMPANY**

Please take notice that on January 10, 2001, Southern California Edison Company ("Edison") submitted to the California Independent System Operator Corporation ("ISO"), the ISO Governing Board, the Chair of the ISO Governing Board and the American Arbitration Association ("AAA"), a Statement of Claim pursuant to ISO Tariff § 13.2.2.

The Statement of Claim responds to the Demand for Arbitration made by the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California ("Southern Cities"), alleging that the ISO improperly billed them for charges totaling approximately \$1.5 million. The Southern Cities allege that the ISO should not have characterized the charges as Intra-Zonal Congestion costs and the ISO did not apply the proper mechanism for recovery. The Southern Cities alternatively assert that the charges are improper because transactions under existing transmission contracts are not subject to congestion management.

Edison opposes the relief sought by the Southern Cities. Edison contends that, consistent with the ISO Tariff on file with the Federal Energy Regulatory Commission ("FERC"), the ISO properly characterized the disputed charges as Intra-Zonal Congestion costs and properly allocated them to the Southern Cities. In addition, Edison contends that the Southern Cities' Demand for Arbitration should be denied outright because the claims they are raising are currently pending before the FERC as one of the unresolved issues in Docket No. ER98-3760-000. The Southern Cities are active participants in that proceeding.

Edison requests that the following individual be designated for communications:

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