

July 30, 2004

Ms. Magalie R. Salas, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: Southern California Edison Company, Docket Nos. ER04-383-000, ER04-384-000, ER04-384-001, ER04-385-000, and ER04-386-000

Dear Ms. Salas:

In compliance with the Federal Energy Regulatory Commission's ("Commission" or "FERC") Order Approving Uncontested Settlement, 108 FERC ¶ 61,034, dated July 9, 2004, in the aforementioned dockets, Southern California Edison Company ("SCE") respectfully submits for filing corrected tariff sheets for the Service Agreements for Wholesale Distribution Service ("Corrected Sheets") between SCE and the City of Moreno Valley, California ("Moreno Valley") reflecting the proper issuance date in the lower left-hand corner of the footer on each rate sheet. In addition, SCE also submits for filing corrected Interconnection Facilities Agreements ("Corrected Interconnection Agreements") between SCE and the Moreno Valley reflecting the proper tariff designation for SCE's Wholesale Distribution Access Tariff, FERC Electric Tariff, First Revised Volume No. 5, in the upper left-hand corner of the header on each rate sheet. No changes have been made to the substance of any of the Service Agreements or Interconnection Facilities Agreements which have already been accepted for filing by the Commission in these dockets.

The documents submitted with this filing consist of this letter of transmittal and all attachments hereto; the Corrected Sheets; the Corrected Interconnection Agreements; a Notice of Filing suitable for publication in the Federal Register; and an electronic copy of the Notice of Filing on a 3-1/2 inch diskette.


No expenses or costs included in the rates tendered herein have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative or unnecessary costs that are demonstrably the product of discriminatory employment practices.

SCE believes that the data contained in this letter provide sufficient information upon which to accept this filing; however, to the extent necessary, SCE requests that the Commission waive its filing requirements contained in Sections 35.5 and 35.13 of the Commission's regulations.

SCE believes this filing conforms to any rule of general applicability and to any Commission order specifically applicable to SCE, and has made copies of this letter and all enclosures available for public inspection in SCE's principal office located in Rosemead, California. A copy of this filing has been served on those persons whose names appear on the Service List already established for these dockets.

An additional copy of this filing letter is also enclosed. Please stamp the additional copy with the date and time filed and return it to me in the self-addressed stamped envelope provided.

Very truly yours,



JAMES A. CUILIER

Enclosures

Service List for ER04-383-000 - Southern California Edison Company

Principal/Party Name/Address	Representative Name/Address
City of Moreno Valley	Carolyn Susie Berlin , Attorney City of Moreno Valley 2005 Hamilton Avenue Suite 140 San Jose, CA 95125 UNITED STATES
JEFFIE J MASSEY ADMINISTRATIVE LAW JUDGE Federal Energy Regulatory Commission 888 First Street, N.E. Washington, DC 20426 UNITED STATES	
Anja M Clark FERC 888 1st St NE Rm 7F-03 Washington, DC 20426-0001 UNITED STATES	
Janice L Radel FERC 888 1st St NE Rm 71-36 Washington, DC 20426-0001 UNITED STATES	
Maira Notargiacomo FERC RM 71-06 Washington, DC 20426-0001 UNITED STATES	
Ellen A Berman Southern California Edison Company 2244 Walnut Grove Avenue P.O. Box 800 Rosemead, CA 91770 UNITED STATES	James A Cuillier , Manager Southern California Edison Company 2244 Walnut Grove Ave PO Box Rosemead, CA 91770-0800 UNITED STATES

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company)

Docket No. ER04-383-000
ER04-384-000
ER04-384-001
ER04-385-000
ER04-386-000



NOTICE OF COMPLIANCE FILING

(_____, 2004)

Take notice that, on _____, Southern California Edison ("SCE") submitted a compliance filing pursuant to the Commission's Order Approving Uncontested Settlement, 108 FERC ¶ 61,034, dated July 9, 2004, in the aforementioned dockets.

SCE states that copies of the filing were served on parties on the official service list in the above-captioned proceeding.

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the "eFiling" link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and 14 copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the "eLibrary" link and is available for review in the Commission's Public Reference Room in Washington, D.C. There is an "eSubscription" link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on _____.

Magalie R. Salas
Secretary

**CORRECTED SHEETS
TO THE
SERVICE AGREEMENTS
FOR WHOLESALE DISTRIBUTION ACCESS SERVICE**

6. For Resources, the maximum amount of capacity and energy to be transmitted. For Wholesale Distribution Load, the estimated peak load for informational purposes only: 600 kW for 2004, 1,200 kW for 2005, 1,600 kW for 2006, 2,000 kW for 2007, and 2,400 kW for 2008.

The contract demand is 600 kW and is subject to increase based on increases to Distribution Customer's Wholesale Distribution Load.

7. Direct Assignment Facilities: The Interconnection Facilities described in the Cactus Avenue Wholesale Distribution Load Interconnection Facilities Agreement between Distribution Provider and Distribution Customer executed concurrently herewith.

8. Distribution System Upgrades required prior to the commencement of service: None

9. Real Power Loss Factors: 2.14 %

10. Power Factor: The Distribution Customer is required to maintain its power factor within a range of 0.95 lagging to 0.95 leading (or, if so specified in the Service Agreement, a greater range), pursuant to Good Utility Practice. This provision recognizes that a Distribution Customer may provide reactive power support in accordance with Section 12.10 (Self Provision of Ancillary Services), of this Tariff.

11. Distribution Service under this Agreement will be subject to the charges detailed below.

11.1 Customer Charge: \$7.22/month.

11.2 Demand Charge: The Demand Charge is the product of the Demand Rate expressed as \$/kW-mo and the monthly Billing Demand expressed in kW.

11.2.1 The Demand Rate is \$4.45/kW per month

11.2.2 Billing Demand is the higher of the metered demand or the contract demand. The metered demand is the hourly demand averaged over 15 or 5-minute intervals, summed for a month and expressed in kilowatts. The

CORRECTED
INTERCONNECTION FACILITIES AGREEMENTS

**CACTUS AVENUE WHOLESALE DISTRIBUTION LOAD
INTERCONNECTION FACILITIES AGREEMENT**

BETWEEN

CITY OF MORENO VALLEY

AND

SOUTHERN CALIFORNIA EDISON COMPANY

**CACTUS AVENUE WHOLESALE DISTRIBUTION LOAD
INTERCONNECTION FACILITIES AGREEMENT BETWEEN
CITY OF MORENO VALLEY
AND
SOUTHERN CALIFORNIA EDISON COMPANY**

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**CACTUS AVENUE WHOLESALE DISTRIBUTION LOAD
INTERCONNECTION FACILITIES AGREEMENT BETWEEN
CITY OF MORENO VALLEY
AND
SOUTHERN CALIFORNIA EDISON COMPANY**

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**CACTUS AVENUE WHOLESALE DISTRIBUTION LOAD
INTERCONNECTION FACILITIES AGREEMENT BETWEEN
CITY OF MORENO VALLEY
AND
SOUTHERN CALIFORNIA EDISON COMPANY**

1. Parties:

The Parties to this Interconnection Facilities Agreement are the City of Moreno Valley, ("Moreno Valley"), a municipality in the state of California and Southern California Edison Company ("SCE"), a California corporation, hereinafter sometimes referred to individually as "Party" and collectively as "Parties."

2. Recitals:

- 2.1. This Agreement is made with reference to the following facts, among others:
- 2.2. SCE is a California public utility engaged in the business of generating and transmitting electric energy in the States of Arizona, California, Nevada, and New Mexico. SCE is further engaged in the business of distributing such energy in the State of California.
- 2.3. Moreno Valley is a municipality in the state of California.
- 2.4. Moreno Valley intends to serve a proposed Wholesale Distribution Load at a development known as Moreno Valley Cactus Avenue, located along Cactus Avenue near Moreno Beach Drive, in the City of Moreno Valley.
- 2.5. Moreno Valley submitted a request to SCE, in accordance with SCE's WDAT, for interconnection and wholesale Distribution Service from the ISO Grid to a new SCE-Moreno Valley 12 kV interconnection at Moreno Valley owned property located on Cactus Avenue, 700 feet west of Moreno Beach Drive. Moreno Valley intends to construct distribution facilities from the proposed new SCE-Moreno Valley 12 kV interconnection to serve the loads of Moreno Valley's end-use customers in the Moreno Valley Cactus Avenue development. The amount of Distribution Service requested is 600 kW for 2004, 1,200 kW for 2005, 1,600 kW for 2006, 2,000 kW for 2007 and 2,400 kW for 2008.
- 2.6. The Parties desire to enter into this Agreement and the Service Agreement to specify the terms for SCE to provide interconnection; for SCE to engineer, design, construct, install, own, operate and maintain the Interconnection Facilities and for Moreno Valley to pay for such facilities.
- 2.7. Moreno Valley and SCE entered into a letter agreement dated November 20, 2003, which provided for SCE to commence the engineering, design, procurement and construction of the required interconnection facilities and any required system upgrades. The Parties intend that this Agreement supersede such Letter Agreement.

- 2.8. SCE and Moreno Valley intend to execute a WDAT Service Agreement in connection with this Agreement to implement wholesale Distribution Service under SCE's WDAT.

3. Agreement:

In consideration of the premises and the mutual covenants and agreements contained herein, the Parties agree as follows:

4. Definitions:

All terms with initial capitalization not otherwise defined herein shall have the meanings assigned to them in SCE's WDAT as that Tariff may be amended from time to time. The following terms, when used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified:

- 4.1. Accounting Practice: Generally accepted accounting principles and practices applicable to electric utility operations.
- 4.2. Agreement: This Cactus Avenue Wholesale Distribution Load Interconnection Facilities Agreement between the City of Moreno Valley and Southern California Edison Company.
- 4.3. Capital Additions: Any Units of Property which are added to the Interconnection Facilities; the enlargement, modification or betterment of any Units of Property constituting a part of the Interconnection Facilities; or the replacement of any Units of Property constituting a part of the Interconnection Facilities, irrespective of whether such replacement constitutes an enlargement, modification or betterment of that which it replaces; the costs of which additions, enlargements, modifications, betterments or replacements in accordance with Accounting Practice would be capitalized and have not previously been included in the Interconnection Facilities Cost.
- 4.4. Capital Additions Cost: All costs, excluding ITCC and One-Time Cost, determined by SCE to be associated with the design, engineering, procurement, construction and installation of Capital Additions.
- 4.5. Capital Additions Payment: The sum of the Capital Additions Cost, associated ITCC, and associated One-Time Cost.
- 4.6. CPUC: The California Public Utilities Commission, or its regulatory successor.
- 4.7. Credit Provider: Provider of any Credit Support.
- 4.8. Credit Support: Parent guarantee, letter of credit, surety bond, or other security meeting the requirements of Section 7.2.
- 4.9. Customer-Financed Monthly Rate: The rate most recently adopted by the CPUC for application to SCE's retail electric customers for customer-financed added facilities, which does not compensate SCE for replacement of added facilities. Currently, this rate is 0.36%.
- 4.10. FERC: Federal Energy Regulatory Commission, or its regulatory successor.
- 4.11. Interconnection Facilities: Facilities, as specified in Exhibit A, owned by SCE to

interconnect Moreno Valley's distribution system serving the Moreno Valley Cactus Avenue development to the Distribution System, as such facilities may be modified during the term of this Agreement.

- 4.12. Interconnection Facilities Charge: The monthly charge to Moreno Valley to recover the revenue requirements for the Interconnection Facilities, calculated as the product of the Customer-Financed Monthly Rate and the Interconnection Facilities Cost.
- 4.13. Interconnection Facilities Cost: All costs, excluding ITCC and One-Time Cost, determined by SCE to be associated with the design, engineering, procurement, construction and installation of the Interconnection Facilities. An estimate of the Interconnection Facilities Cost is provided in Exhibit B.
- 4.14. Interconnection Facilities In-Service Date: The date upon which the construction of the Interconnection Facilities is complete and such facilities are successfully tested and ready for service.
- 4.15. Interconnection Facilities Payment: The sum of the Interconnection Facilities Cost, associated ITCC and associated One-Time Cost. An estimate of the Interconnection Facilities Payment is provided in Exhibit B.
- 4.16. ITCC: The Income Tax Component of Contribution specified in the Preliminary Statement, Part M of SCE's tariff on file with the CPUC, applicable to the Interconnection Facilities Cost and the Capital Additions Cost. An estimate of the ITCC applicable to the Interconnection Facilities Cost is provided in Exhibit B.
- 4.17. Letter Agreement: The letter agreement referenced in Section 2.7.
- 4.18. Moreno Valley Cactus Avenue: All equipment and facilities comprising Moreno Valley's distribution system serving the end-use customers' loads at the Moreno Valley Cactus Avenue development, as described by Moreno Valley in its WDAT application and as installed by Moreno Valley located on Cactus Avenue, near Moreno Beach Drive in the City of Moreno Valley.
- 4.19. One-Time Cost: All costs determined by SCE to be associated with the installation of Interconnection Facilities or Capital Additions which are not capitalized. An estimate of the Interconnection Facilities One-Time Cost is provided in Exhibit B.
- 4.20. Removal Cost: The actual cost SCE incurs for the removal of the Interconnection Facilities which is calculated as the amount, if positive, of the costs of removal minus the salvage value of the Interconnection Facilities.
- 4.21. Service Agreement: The Service Agreement For Wholesale Distribution Service between the Parties executed concurrently herewith.
- 4.22. Units of Property: As described in FERC's "List of Units of Property for Use in Connection with Uniform System of Accounts Prescribed for Public Utilities and Licensees" in effect as of the date of this Agreement, and as such list may be amended from time to time.
- 4.23. WDAT: SCE's Wholesale Distribution Access Tariff.

5. Effective Date And Term:

- 5.1. This Agreement shall become effective upon the effective date ordered by FERC.

- 5.2. This Agreement shall terminate on the earliest of (i) the termination date of the Service Agreement, (ii) the date specified by Moreno Valley upon one hundred eighty (180) calendar days advance written notice to SCE if the notice of termination is received by SCE on or after the Interconnection Facilities In-Service Date, (iii) the date specified by Moreno Valley upon thirty (30) calendar days written notice to SCE if the notice of termination is received by SCE before the Interconnection Facilities In-Service Date, or (iv) the date specified pursuant to Section 13.4.
- 5.3. Any obligations of one Party to the other, including payment obligations, as a result of this Agreement, which accrued prior to or as a result of termination of this Agreement, shall survive termination.
- 5.4. If Moreno Valley has given notice of termination and a filing with FERC is required to terminate this Agreement, Moreno Valley shall support such filing before the FERC if requested by SCE.
- 5.5. Upon termination of this Agreement, Moreno Valley shall pay SCE any remaining balance owed for SCE's costs incurred or irrevocably committed to be incurred pursuant to this Agreement as of the effective date of termination within sixty (60) calendar days following receipt of a billing from SCE requiring such payment. Such billing shall reflect all payments received by SCE, which shall be credited against the amount of SCE's costs and expenses incurred or irrevocably committed to be incurred in accordance with this Agreement.
- 5.6. This Agreement shall supersede the Letter Agreement upon the date this Agreement becomes effective.

6. Agreement Pursuant To The WDAT:

This Agreement provides terms regarding Interconnection Facilities associated with wholesale Distribution Service pursuant to the WDAT as such Tariff may be amended from time to time. Accordingly, the rights and obligations of the Parties pursuant to this Agreement are subject to applicable provisions of the WDAT, including without limitation its provisions regarding indemnification and Uncontrollable Force, in addition to the provisions of this Agreement. In case of a conflict in the terms contained in this Agreement and the terms in the WDAT, the terms of the WDAT shall apply. Moreno Valley has read and is familiar with the terms of the WDAT.

7. Creditworthiness:

- ~~7.1.~~ Upon the effective date pursuant to Section 5.1 and until all payment obligations of Moreno Valley to SCE under this Agreement and the Service Agreement, including any obligation to pay the Removal Cost in accordance with Section 12.1, have been finally and irrevocably paid after the termination date pursuant to Section 5, Moreno Valley shall either maintain an unsecured long-term debt rating of A2 or higher from Moody's Investor Service, Inc. ("Moody's") or A or higher from Standard and Poor's Corporation ("S&P") or provide and maintain additional

- security as described in Section 7.2 clauses (b) through (d).
- 7.2. Upon the effective date pursuant to Section 5.1, Moreno Valley shall provide to SCE, in a form that is acceptable to SCE in its sole discretion, (a) evidence that Moreno Valley has one of the ratings specified in Section 7.1; (b) an unconditional and irrevocable letter of credit in US dollars from a depository institution organized under the laws of the United States of America or any State (or any domestic branch of a foreign bank), which (i) has either (A) a long-term unsecured debt rating of A or higher by S&P or A2 or higher by Moody's or (B) a certificate of deposit rating of A-1+ by S&P and P-1 by Moody's, and (ii) whose deposits are insured by FDIC, together with evidence of such ratings; (c) an unconditional and irrevocable surety bond in US dollars issued by an insurance company that has and maintains an Insurance Financial Strength rating of A2 or higher from Moody's or A or higher from S&P, and is rated no less than A- (with a minimum size rating of VIII) by Best's Insurance Guide and Key Ratings, together with evidence of such ratings or (d) other security that is acceptable to SCE in its sole discretion.
- 7.3. Until all payment obligations of Moreno Valley to SCE under this Agreement and the Service Agreement, including any obligation to pay the Removal Cost in accordance with Sections 10.2, 12.1 and 13.2, have been finally and irrevocably paid after the termination date pursuant to Section 5, Moreno Valley shall provide to SCE, within ten (10) calendar days after June 30 and December 31 of each year, evidence of the then current applicable ratings of Moreno Valley or the Credit Provider of any Credit Support being maintained for the benefit of SCE hereunder; and if any such applicable rating is reduced at any time, Moreno Valley shall notify SCE in writing within five (5) calendar days after such reduction.
- 7.4. Any Credit Support provided hereunder shall be payable in at least the amount specified in Section 7.5, and shall be issued in favor of or for the benefit of SCE and its successors and assignees, and shall state that it may be drawn upon in whole or in part by SCE or its successors or assignees at any time (i) if a substitute Credit Support meeting the requirements of Section 7.2 is not provided within ten (10) calendar days after any reduction in the applicable rating of the Credit Provider meeting the requirements of Section 7.2 below the level specified herein; (ii) if a substitute Credit Support has not been provided at least thirty (30) calendar days before any expiration of the Credit Support; or (iii) upon any failure by Moreno Valley to make any payment required by this Agreement and the Service Agreement when due and following the expiration of any applicable cure period, pursuant to Section 13.4.
- 7.5. The amount available to be drawn under any Credit Support shall be equal to \$2,614.38. The disposition of any released Credit Support shall be directed by Moreno Valley.
- 7.6. In addition to the provisions described above, any Credit Support provided hereunder shall contain such terms, conditions, waivers, representations, covenants, and other provisions as may be customary for similar instruments delivered in the State of California.

8. Interconnection Facilities:

- 8.1 Moreno Valley shall provide high-voltage primary metering switchgear, rated for use on a 12 kV distribution system, which includes an underground pull section and metering equipment section that complies with Section ESR-7 of SCE's Electrical Service Requirement. Moreno Valley is also responsible for performing, at its costs, the installation of all underground substructures and conduit systems per SCE's design drawings related to the project, and any other facilities indicated on SCE's construction drawings and described in paragraph 2 of Exhibit A.
- 8.2 Moreno Valley shall make all necessary arrangements for easements required in order for SCE to comply with its obligations under this Agreement. SCE shall provide forms of easement agreements for execution by affected property owners. Notwithstanding any other provision of this Agreement, SCE shall have no obligation to install the Interconnection Facilities prior to the effective date of such easement agreements.
- 8.3 SCE shall design, engineer, procure, construct, install and own the Interconnection Facilities pursuant to Good Utility Practice and apply for any regulatory approvals necessary for the construction, operation and maintenance of the Interconnection Facilities.
- 8.4 SCE shall use commercially reasonable efforts to construct, successfully test and declare ready for service the Interconnection Facilities on or before February 18, 2004. Moreno Valley understands and acknowledges that such date is only an estimate and that equipment and material lead times, labor availability, outage coordination, regulatory approvals, or other unforeseen events could delay the actual in-service date beyond that specified. SCE's efforts to complete construction of the Interconnection Facilities is contingent upon Moreno Valley's completion of the work required to be performed by it in accordance with Section 8.1; thus, any delay by Moreno Valley in performing Work To Be Performed By Moreno Valley as described in paragraph 2 of Exhibit A may cause delay in completion of the Interconnection Facilities.
- 8.5 The maximum capacity of the Interconnection Facilities made available by SCE to Moreno Valley for the purpose of interconnecting and delivering energy and other services from the ISO under this Agreement shall be 2,400 KW. Moreno Valley acknowledges that if Moreno Valley wishes to increase the amount of Distribution Service provided pursuant to this Agreement and the Service Agreement, Moreno Valley shall be required to submit a new application for Distribution Service in accordance with the terms and conditions of the WDAT.
- 8.6 This Agreement governs the facilities required to interconnect Moreno Valley's distribution system serving the Moreno Valley Cactus Avenue development to SCE's electrical system pursuant to the WDAT and as described herein. Moreno Valley shall be responsible for making all necessary operational arrangements with the ISO, including, without limitation, arrangements for obtaining transmission service from the ISO, and for scheduling delivery of energy and other services from the ISO Grid.

9. Capital Additions:

- 9.1. SCE shall engineer, design, construct, install, own, operate and maintain all Capital Additions pursuant to Good Utility Practice.
- 9.2. Except as otherwise provided in Section 9.3, whenever Capital Additions are required by SCE pursuant to Good Utility Practice (which may include compliance with system or regulatory requirements), Moreno Valley shall pay all charges associated with such Capital Additions in accordance with Section 13.
- 9.3. In the event that Capital Additions are required in order to benefit SCE, or because of damage caused by negligence or willful misconduct of SCE, Moreno Valley shall not bear cost responsibility for such Capital Additions. No adjustment will be made to the Interconnection Facilities Cost, and no Capital Additions Cost, ITCC, or One-Time Cost will be charged to Moreno Valley for such Capital Additions.

10. Removal Of Interconnection Facilities:

- 10.1. Following termination of this Agreement, SCE will remove the Interconnection Facilities from service to Moreno Valley.
- 10.2. On or before the date one year following termination of this Agreement, SCE shall notify Moreno Valley whether SCE intends to physically remove the Interconnection Facilities or any part thereof. If SCE intends to physically remove the Interconnection Facilities or any part thereof, then SCE shall physically remove such facilities within two years from the date of notification of intent, and Moreno Valley shall pay the Removal Cost in accordance with Sections 12.1 and 13.2. If SCE does not intend to physically remove the Interconnection Facilities or any part thereof, then Moreno Valley shall have no obligation to pay such Removal Cost.

11. Other Taxes:

Moreno Valley shall be solely responsible for any taxes (including, but not limited to, property tax, sales and use tax, excise tax, and document transfer tax) that are asserted against any payments or asset transfers made by Moreno Valley to SCE under this Agreement for Interconnection Facilities and Capital Additions. SCE and Moreno Valley shall cooperate in good faith to appeal, protest, seek abatement of, or otherwise contest other taxes associated against payments or asset transfers made by Moreno Valley to SCE under this Agreement for Interconnection Facilities and Capital Additions.

12. Charges:

- 12.1. Moreno Valley shall pay to SCE the following charges in accordance with this Agreement: (a) Interconnection Facilities Payment; (b) Interconnection Facilities Charge; (c) Capital Additions Payment; (d) any reimbursable FERC fees pursuant to Section 18.3; (e) Removal Cost pursuant to Section 13.2; (f) other taxes pursuant

- to Section 11; and (g) termination charges pursuant to Section 5.5.
- 12.2. The Interconnection Facilities Cost, Capital Additions Cost, One-Time Cost, ITCC and Removal Cost shall be compiled in accordance with Accounting Practice.
- 12.3. If, during the term of this Agreement, SCE executes an agreement to provide service to another entity (other than retail load) which contributes to the need for the Interconnection Facilities, the charges due hereunder may be adjusted to appropriately reflect such service based on SCE's cost allocation principles in effect at such time and shall be subject to FERC approval.

13. Billing And Payment:

13.1. Billing Procedure.

- 13.1.1. Except as otherwise specifically provided herein, commencing on or following the effective date of this Agreement, SCE will render bills to Moreno Valley for charges under this Agreement, and Moreno Valley shall pay such bills, in accordance with the Billing and Payment provisions of the WDAT.
- 13.1.2. Moreno Valley shall make payments to SCE for the Interconnection Facilities Payment, according to the payment schedule shown in Exhibit C. The amount of such Interconnection Facilities Payment is based on SCE's cost estimates and shall be subject to later adjustment pursuant to Sections 13.1.8.1 and 13.1.8.2.
- 13.1.3. Commencing on or following the Interconnection Facilities In-Service Date, each month SCE will render bills to Moreno Valley for the Interconnection Facilities Charge. The Interconnection Facilities Charge payments shall initially be based on SCE's best estimate of the Interconnection Facilities Cost upon the Interconnection Facilities In-Service Date (such cost estimate may differ from the Interconnection Facilities Cost estimate set forth in Exhibit B), and such payments shall be subject to later adjustment pursuant to Sections 13.1.8.3 and 13.1.8.4. The Interconnection Facilities Charge for the first and last month of service hereunder shall be pro-rated based on the number of days in which service was provided during said months.
- 13.1.4. SCE will bill Moreno Valley for the Capital Additions Payment prior to commencing any work on any Capital Additions in accordance with Section 9.2; provided that, at SCE's sole discretion, SCE may bill Moreno Valley for the Capital Additions Payment after commencing such work if SCE determines that Capital Additions are required in accordance with safety or regulatory requirements or to preserve system integrity or reliability. Such billing shall initially be based on SCE's cost estimates and shall be subject to later adjustment pursuant to Sections 13.1.8.1 and 13.1.8.2.
- 13.1.5. Except as otherwise provided in Section 9.3, if certain Interconnection Facilities are removed to accommodate such Capital Additions and such

removal results in a change in the Interconnection Facilities Cost, the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in the Interconnection Facilities Cost.

- 13.1.6. Except as otherwise provided in Section 9.3, if such Capital Additions result in an increase in the Interconnection Facilities Cost, then the Interconnection Facilities Charge shall be adjusted as of the in-service date of such Capital Additions to reflect the change in such costs.
- 13.1.7. Commencing on the effective date of this Agreement, SCE will render bills to Moreno Valley for any reimbursable FERC fees in accordance with Section 18.3. Such billing shall be for any reimbursable FERC fees or costs incurred since the preceding billing.
- 13.1.8. Within twelve (12) months following the Interconnection Facilities In-Service Date or the in-service date of any Capital Additions, as the case may be, SCE shall determine the actual recorded Interconnection Facilities Cost or the Capital Additions Cost, including the associated One-Time Cost and ITCC, and provide Moreno Valley with a final invoice.
- 13.1.8.1. If the amounts paid for the estimated Interconnection Facilities Payment or the Capital Additions Payment are less than the amounts due for the Interconnection Facilities Payment or the Capital Additions Payment as determined from the actual recorded Interconnection Facilities Cost or the Capital Additions Cost, including the associated One-Time Cost and ITCC, SCE will bill Moreno Valley for the difference between the amounts previously paid by Moreno Valley and the actual recorded costs, without interest, within twenty (20) calendar days of the date of such invoice.
- 13.1.8.2. If the amounts paid for the estimated Interconnection Facilities Payment or the Capital Additions Payment are greater than the amounts due for the Interconnection Facilities Payment or the Capital Additions Payment as determined from the actual recorded Interconnection Facilities Cost or the Capital Additions Cost, including the associated One-Time Cost and ITCC, SCE will refund Moreno Valley the difference between the amounts previously paid by Moreno Valley and the actual recorded costs, without interest, within twenty (20) calendar days of the date of such invoice.
- 13.1.8.3. If the amounts paid for the Interconnection Facilities Charge are less than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, SCE will bill Moreno Valley for the difference between the amounts previously paid by Moreno Valley and the amounts which would have been paid based on actual recorded costs, without interest, on the next

- regular billing.
- 13.1.8.4. If the amounts paid for the Interconnection Facilities Charge are greater than the amounts due for the Interconnection Facilities Charge as determined from the actual recorded Interconnection Facilities Cost, SCE will credit Moreno Valley the difference between the amounts previously paid by Moreno Valley and the amounts which would have been paid based on actual recorded costs, without interest, on the next regular billing.

13.1.9. Charges for payments upon termination shall be billed and paid as provided in Section 5.5.

13.2. Removal Cost.

- 13.2.1. If, in accordance with Section 10.2, SCE decides to physically remove the Interconnection Facilities, SCE shall render a bill to Moreno Valley for the Removal Cost. Moreno Valley shall pay the Removal Cost in accordance with Section 12.1. Such billing shall be initially based on SCE's estimate of the Removal Cost. Within 12 months following the removal of the Interconnection Facilities, SCE shall determine the recorded Removal Cost and provide Moreno Valley with a final invoice.
- 13.2.2. If the amount paid for the Removal Cost is less than the amount due for the Removal Cost as determined from the actual recorded Removal Cost, SCE will bill Moreno Valley for the difference between the amount previously paid by Moreno Valley and the amount which would have been paid based on actual recorded costs, without interest, within twenty (20) calendar days of the date of the final invoice.
- 13.2.3. If the amount paid for the Removal Cost is greater than the amount due for the Removal Cost as determined from the actual recorded Removal Cost, SCE will refund Moreno Valley the difference between the amount previously paid by Moreno Valley and the amount which would have been paid based on actual recorded costs, without interest, within twenty (20) calendar days of the date of the final invoice.

13.3. Interest On Unpaid Balances.

Interest on any unpaid amounts shall be calculated in accordance with the methodology specified in the Interest on Unpaid Balances provision of the WDAT.

13.4. Default And Billing Dispute.

Any default or billing dispute shall be handled in accordance with the methodology specified in the Customer Default provision of the WDAT, including, without limitation, the provision for termination upon default, subject to FERC approval.

14. Addresses For Billing And Payment:

14.1. All payments to be made by Moreno Valley to SCE shall be sent to:

Southern California Edison Company
Accounts Receivable
Box 600
Rosemead, California 91770-0600

SCE may, at any time, by written notice to Moreno Valley pursuant to Section 6 of the Service Agreement for Wholesale Distribution Service, change the address to which payments will be sent.

14.2. All billings to be presented by SCE to Moreno Valley shall be sent to:

City of Moreno Valley
City Manager's Office
Attn: City Manager
14177 Frederick Street
Moreno Valley, CA 92552-0805

Moreno Valley may, at any time, by written notice to SCE pursuant to Section 6 of the Service Agreement for Wholesale Distribution Service, change the address to which billings will be sent.

15. Disputes:

With the exception of any billing dispute as provided pursuant to Section 13.4 herein, or as otherwise limited by law, the Dispute Resolution Procedures set forth in the WDAT shall apply to all disputes between Moreno Valley and SCE which arise under this Agreement; provided, however, that the Dispute Resolution Procedures set forth in the WDAT shall not apply as to disputes regarding whether rates and charges set forth in this Agreement are just and reasonable under the Federal Power Act.

16. Audits:

16.1. SCE will maintain records and accounts of all costs incurred in sufficient detail to allow verification of all costs incurred, including, but not limited to, labor and associated labor burden, material and supplies, outside services, and administrative and general expenses.

16.2. Moreno Valley shall have the right, upon reasonable notice, at a reasonable time at SCE's offices and at its own expense, to audit SCE's records and accounts as necessary and as appropriate in order to verify costs incurred by SCE. Any audit

requested by Moreno Valley shall be limited to the costs reflected in the final invoice as set forth in Sections 13.1.8 or 13.2.1, and shall be completed, and written notice of any audit dispute provided to SCE pursuant to Section 6 of the Service Agreement, within one hundred eighty (180) calendar days following receipt by Moreno Valley of such final invoice.

17. Operating Representatives:

The responsibilities assigned to the Operating Representatives appointed pursuant to Section 3 of Attachment B to the Tariff shall extend to the activities required under this Agreement.

18. Regulatory Authority:

- 18.1. No later than thirty (30) calendar days following the execution of this Agreement, SCE shall tender this Agreement for filing with FERC with a request that it be made effective upon acceptance without suspension, and Moreno Valley shall support SCE in obtaining all necessary authorizations and approvals for this Agreement.
- 18.2. Nothing contained herein shall be construed as affecting in any way: (i) the right of SCE to unilaterally make application to the FERC for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 205 of the Federal Power Act and pursuant to the Rules and Regulations promulgated by FERC thereunder; (ii) the right of Moreno Valley to oppose such changes under Section 205 of the Federal Power Act; (iii) the right of Moreno Valley to file a complaint requesting a change in rates, charges, classification, or service, or any rule, regulation or contract relating thereto, or rate methodology or design relating to services provided hereunder, under Section 206 of the Federal Power Act and pursuant to the rules and regulations promulgated by the FERC thereunder; or (iv) the right of SCE to oppose such complaint by Moreno Valley under Section 206 of the Federal Power Act. Any change shall become effective pursuant to Section 205 of the Federal Power Act.
- 18.3. Moreno Valley shall reimburse SCE for all fees and charges imposed on SCE by the FERC attributable to the service provided under this Agreement and the Service Agreement, or any amendments thereto.

19. No Dedication Of Facilities:

Any undertaking by one Party to the other Party under this Agreement shall not constitute the dedication of the electrical system or any portion thereof of the undertaking Party to the public or to the other Party, and it is understood and agreed that any such undertaking by a Party shall cease upon the termination of its obligations hereunder.

20. No Third Party Rights:

Unless otherwise specifically provided in this Agreement, the Parties do not intend to create rights in or grant remedies to any third party as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established hereunder.

21. Relationship Of Parties:

The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Agreement shall ever be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either Party. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided in this Agreement. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's express written consent.

22. Waivers:

Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other or subsequent default or other matter arising in connection therewith. Any delay, short of any statutory period of limitation, in asserting or enforcing any right, shall not be deemed a waiver of such right.

23. Governing Law:

Except as otherwise provided by federal law, this Agreement shall be governed by and construed in accordance with, the laws of the state of California.

24. Notices:

Any notice, demand, or request provided in this Agreement, or served, given, or made in connection with it, shall be made in accordance with Section 6 of the Service Agreement.

25. Severability:

In the event that any term, provision, covenant, or condition of this Agreement or the application of any such term, covenant, or condition shall be held invalid as to any person, entity, or circumstance by any court, arbitration, or regulatory authority having jurisdiction, the invalidity of such term, covenant or condition shall not affect the validity of any other term, provision, condition or covenant and such term, provision, covenant or condition shall remain in force and effect as applied to this Agreement to the maximum

extent permitted by law. The Parties hereto further agree to negotiate in good faith to establish new and valid terms, conditions and covenants to replace any found invalid so as to place each Party as nearly as possible in the position contemplated by this Agreement.

26. Entire Agreement:

This Agreement and the Service Agreement constitute the complete and final expression of the agreement between the Parties and are intended as a complete and exclusive statement of the terms of their agreement which supersedes all prior and contemporaneous offers, promises, representations, negotiations, discussions, communications, and other agreements which may have been made in connection with the subject matter of this Agreement and the Service Agreement.

27. Ambiguities:

Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but will be construed in the manner that most accurately reflects the Parties' intent as of the date they executed this Agreement.

28. Signature Clause:

The signatories hereto represent that they are authorized to enter into this Agreement on behalf of the Party for whom they sign. This Agreement is hereby executed as of the 2nd day of January, 2004.

SOUTHERN CALIFORNIA EDISON COMPANY

By: /s/ Richard M. Rosenblum
Name: Richard M. Rosenblum
Title: Senior Vice President

CITY OF MORENO VALLEY

By: /s/ Gene Rogers
Name: Gene Rogers
Title: City Manager

Exhibit A

Interconnection Facilities Description

Interconnection Facilities that are required to be installed by SCE are as follows:

- Approximately 250 feet of 3/C, 350 kCMIL, 15 kV rated CLP AL conductor, as well as associated conductors, cables, terminations and other miscellaneous material necessary to complete the interconnection.
- One (1) PME padmounted switch.
- One (1) capacitor pad.
- Meters and metering equipment as appropriate.

Work To Be Performed By Moreno Valley

Moreno Valley shall provide high-voltage primary metering switchgear, rated for use on a 12 kV distribution system, which includes an underground pull section and metering equipment section that complies with Section ESR-7 of SCE's Electrical Service Requirement. Moreno Valley is also responsible for performing, at its costs, the installation of all underground substructures and conduit systems per SCE's design drawings related to the project.

Exhibit B

Interconnection Facilities Cost Estimate

Element	Interconnection Facilities Cost	ITCC	One-Time Cost	Total Cost
Interconnection Facilities	\$42,665.00	\$9,386.30	\$0	\$52,051.30

Interconnection Facilities Payment = (Interconnection Facilities Costs + ITCC + One-Time Cost) = \$52,051.30

Interconnection Facilities Charge = \$153.59

((Customer-Financed Monthly Rate) x (Interconnection Facilities Cost)) = [.0036 x \$42,665.00]

Exhibit C

**Interconnection Facilities
Payment Schedule**

Due Date	Payment
	\$52,051.30 (1)
Ten Business days after the date executed Agreement is filed with FERC.	\$ 0.00
Total Due	\$ 0.00

- (1) Payment made by Moreno Valley under the terms of the Letter Agreement.