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of Mission Indians' tribal government about the portion of the project proposed to be built on the Morongo Reservation. SCE continues to have on going contact with state, federal, tribal, and local officials regarding the status of the project.

### NEXT STEPS

Beginning in late summer and extending into fall 2004, SCE will host a series of open houses. These informal gatherings will provide the public an opportunity to learn more about DPV2 and to talk to SCE project team members. The open houses will be held in communities located near the proposed DPV2 transmission line route. SCE will mail open house invitations to everyone on the DPV2 mailing list, will inform local governments, and will publish announcements in local newspapers.

### PROPOSED PROJECT TIMELINE

**Late Summer and Fall 2004** – DPV2 open houses

**Late Fall 2004** – SCE submits applications to the CPUC and BLM

**2005** – SCE submits application to the ACC

**2006** – CPUC, BLM and ACC conclude permitting activities

**2006** – Start construction of DPV2 upon receipt of all required approvals

**2009** – Complete construction of DPV2

**If you have any questions or comments about the project, would like to be added to the project mailing list, or have suggestions about future communications, please contact the SCE representative listed below for the area located closest to you.**

Coachella, Indian Wells, Indio, La Quinta, Palm Desert, Rancho Mirage  
**Kathleen DeRosa**  
**(760) 202-4211**  
SCE Palm Springs Service Center  
36100 Cathedral Canyon Drive  
Cathedral City, CA 92234

Banning, Beaumont, Cathedral City, Desert Hot Springs, Palm Springs  
**Lin Juniper**  
**(760) 202-4231**  
SCE Palm Springs Service Center  
36100 Cathedral Canyon Drive  
Cathedral City, CA 92234

City of San Bernardino, San Bernardino County, Colton  
**Ray Gonzalez**  
**(909) 307-6726**  
SCE Redlands Service Center  
287 Tennessee Street  
Redlands, CA 92373

Quartzsite, La Paz County, Maricopa County  
**Robert Jensen**  
**(602) 499-9888**  
DPV2 Arizona Office  
4350 East Camelback Road, Suite G200  
Phoenix, AZ 85018

Riverside County, Blythe  
**Robert Lopez**  
**(909) 928-8208**  
SCE San Jacinto Valley Service Center  
26100 Menifee Road  
Romoland, CA 92380

Grand Terrace, Calimesa, Loma Linda, Redlands, Yucaipa  
**Beverly Powell**  
**(909) 307-6742**  
SCE Redlands Service Center  
287 Tennessee Street  
Redlands, CA 92373

**For further information about the DPV2 project, visit SCE's Web site at [www.sce.com](http://www.sce.com), click on "About SCE", and select "Strengthening SCE's Electric Network."**



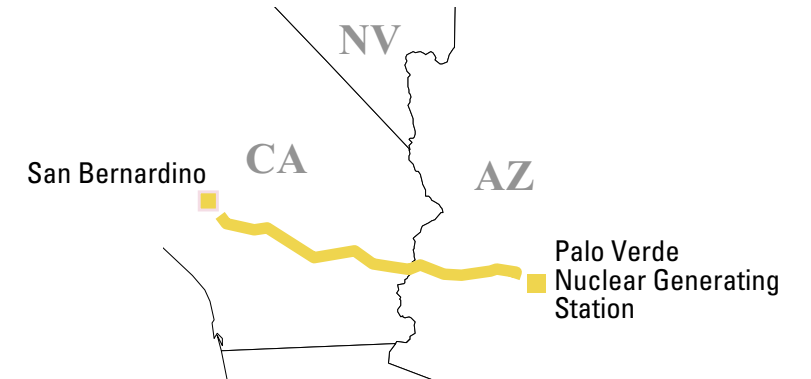
## Devers – Palo Verde No. 2

## Project Update August 2004

Important community information concerning a proposed Southern California Edison construction project in your area

### PROJECT OVERVIEW

*Southern California Edison Company (SCE) is proposing to construct a new 230-mile, high-voltage electric transmission line between California and Arizona, within SCE's existing transmission corridor, parallel to an existing transmission line. The new line would also require upgrades to some of SCE's existing electrical transmission facilities in California. The project is known as Devers-Palo Verde No. 2 (DPV2).*



### PURPOSE OF THIS PROJECT UPDATE

This *Project Update* has been developed by SCE, the DPV2 project sponsor. It is intended to provide current project information to owners of property located near the proposed project, local governments along the proposed route, to other parties, and respond to several questions raised by members of the community. This *Project Update* provides an overview of the planning process and SCE's regulatory compliance activities for DPV2.

Please refer to the end of this *Project Update* for information on how to be added to the DPV2 project mailing list.

### SCE'S APPROACH TO TRANSMISSION PLANNING

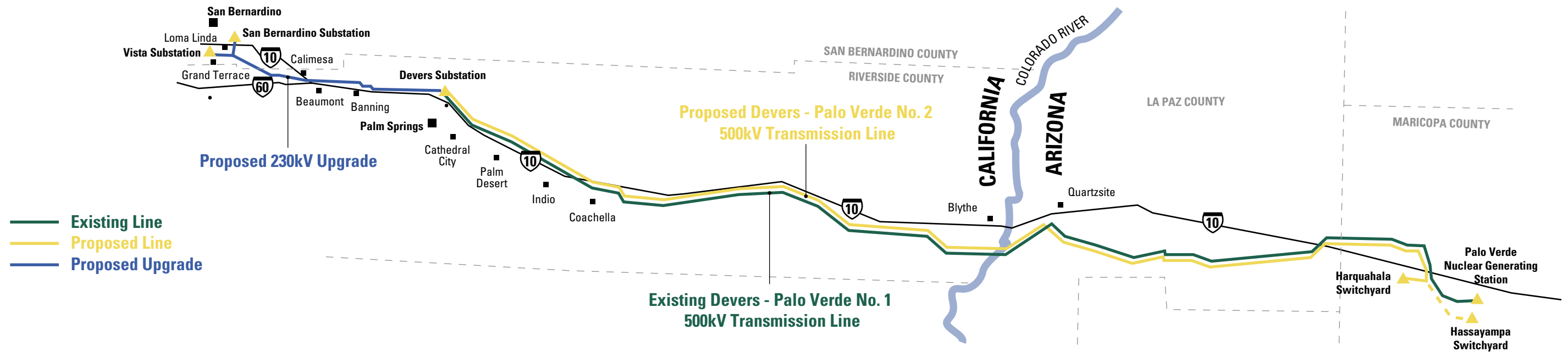
SCE's integrated approach to meeting the future electrical energy needs of its customers includes the following elements:

- Encouraging energy-efficient use of electricity, which reduces the need for new electrical facilities;
- Increasing SCE's procurement of renewable energy, for example, solar and wind;
- Accessing cost-effective sources of electricity, including power sources located inside and outside of California; and
- Building and maintaining reliable electrical transmission and distribution systems to deliver power to customers.

The proposed DPV2 project is one element of this integrated approach and would provide increased access to lower-cost electricity from the southwestern states.



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## PROJECT NEED

Construction of DPV2 would add transmission facilities needed to import additional lower-cost electricity into California.

DPV2 is expected to lower the cost of electricity purchased to serve California customers. This project would also increase energy producers' access to the California energy market and would provide an incentive for new generation development. The project is also expected to increase competition among energy suppliers, which should lower California's electricity costs. In addition, DPV2 would help offset price increases that could result from events such as droughts that reduce supplies of low-cost hydroelectricity and heat waves that create high peak demand for electricity.

## PROJECT APPROVAL PROCESS

SCE must collect and evaluate environmental, technical, and financial data required by the state and federal regulatory agencies that must approve the project before it can be built. This information is analyzed and presented in SCE's applications requesting authorization from each of the regulatory agencies to construct the project.

The lead state and federal agencies with approval authority for DPV2 are listed below. These agencies will review SCE's application and will either approve the project as filed, deny the project, or approve it with modifications.

- California Public Utilities Commission (CPUC) – Reviews project for compliance with California environmental laws, analyzes project purpose and need, and determines cost effectiveness.
- Bureau of Land Management (BLM) Reviews project for compliance with federal environmental laws.

- Arizona Corporation Commission (ACC) – Reviews project for compliance with Arizona environmental laws and analyzes project purpose and need.

In addition, the following organizations must review and/or approve the project:

- California Independent System Operator (CAISO) – Reviews and approves technical and economic aspects of the project as part of its responsibility for managing the California electric power grid.
- Western Electricity Coordinating Council (WECC) – Reviews project reliability and other technical issues as part of its electric power grid oversight function for the western United States, Canada, and Mexico.
- Western Arizona Transmission System (WATS) – Reviews project reliability and other technical issues as part of its electric power grid oversight function for western Arizona.

## CURRENT PROJECT STATUS

**Environmental** – SCE has completed environmental studies for the preferred and alternate project routes. The preferred route is technically feasible and is expected to provide the greatest level of environmental protection in a cost-effective manner. Alternate routes may also be technically feasible but have greater environmental impacts and are potentially more costly.

Current activities include the preparation of environmental documents in compliance with environmental laws such as the California Environmental Quality Act. The environmental documents will be included in SCE's applications to the CPUC, BLM and the ACC and will be thoroughly and independently reviewed by these agencies as part of their overall review of the project as described in the "PROJECT APPROVAL PROCESS" section of this Project Update. The environmental review process will

also include a review of the project by applicable resource agencies such as the U.S. Fish and Wildlife Service, the California Department of Fish and Game, and the Arizona Game and Fish Department.

**Technical and Economic** – SCE has submitted a DPV2 technical report to the WECC and WATS. The report demonstrates how the DPV2 project complies with the regional guidelines for operation of transmission projects and that it meets electricity reliability standards. The report also contains detailed studies demonstrating that the project is compatible with existing and planned transmission facilities. WECC and WATS reviews are expected to be completed by summer 2005.

The project's technical feasibility and economic benefits are being reviewed by the CAISO, which is expected to approve the project in September 2004.

## PUBLIC OUTREACH AND COMMUNICATIONS

Public outreach and communications are critical elements of SCE's planning process for DPV2. In the fall of 2003, SCE conducted interviews with residents, local officials, area business owners, and others who potentially could be affected by the DPV2 project. These interviews were conducted in communities along the proposed project route in order to learn more about the issues and concerns that area residents and others might have regarding this project. SCE is focusing its public outreach and communication activities on the issues identified in the interviews and based upon the experience it has gained from similar past projects.

SCE has notified city, county, and state agencies, as well as the federal government of its intent to file applications with the CPUC, ACC, and BLM for authority to construct DPV2. SCE has also notified the planning staff of the Morongo Band