

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



May 30, 2003

Advice Letter: 1699-E

Akbar Jazayeri
Director of Revenue and Tariffs
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

JUN 05 2003
REVENUE & TARIFFS DEPT.

Reference: Addition of Golden Cheese to the list of contracts and deviations

Dear Mr. Jazayeri:

Advice Letter 1699-E is effective May 22, 2003 by Resolution E-3829. A copy of the advice letter is included herewith for your records.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon".

Paul Clanon, Director
Energy Division

Filed: 4/4/03
Effective: 5/22/03
Resolution E-3829

jjr

April 4, 2003

ADVICE 1699-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Addition of Golden Cheese to the List of Contracts and
Deviations

Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

PURPOSE

This advice filing seeks California Public Utilities Commission (Commission) approval of: (1) a deviation from SCE's Rule 9, Section B, Reading of Separate Meters Not Combined; (2) a deviation from SCE's Rule 16, Section B.2, Number of Meters; (3) an amendment to the Power Purchase Agreement and incorporated Interconnection Facilities Agreement (collectively, the "PPA") between SCE and Corona Energy Partners, Ltd. (Corona Energy), who is the co-generator serving the Golden Cheese Company (Golden), an SCE customer; and (4) the modification of SCE's List of Contracts and Deviations to reflect the rule deviations discussed in (1) and (2) above.

BACKGROUND

Corona Energy operates a cogeneration facility which serves the electrical load of a host facility owned by Golden and located adjacent to the cogeneration facility site. Corona Energy also sells electrical Energy and Capacity to SCE under the PPA from the cogeneration facility output in excess of the output utilized to supply Golden's electrical load. SCE currently supplies "standby" electrical service to Golden pursuant to its retail service tariffs.

In early 2001, SCE received a request from Golden to provide it with a second service extension and meter. Golden made the request because it requires service to certain incremental electrical load due to an expansion of its manufacturing facility. SCE initially denied this request and informed Golden that pursuant to Rule 16, Service Extensions, Golden was eligible for only the one service extension and meter that had already been provided by SCE for Golden's standby service, because Golden is a single enterprise. Corona Energy has been unwilling to provide service for Golden's incremental electrical load from its cogeneration facility if the provision of such service would require it to decrease its sales to SCE under the PPA because it is concerned such service will negatively impact its ability to meet its obligations to SCE under the PPA.

SCE encouraged Golden and Corona Energy to work out the matter contractually and identified options under which Corona Energy could serve the added Golden load within the terms of its PPA. However, Golden and Corona Energy have been unable to come to mutually acceptable terms. In order to serve the added load and avoid operational impacts, Golden installed diesel generators, isolated from the grid, to serve the added load during the summers of 2001 and 2002.

In November 2002, Corona Energy initiated a call to SCE to propose a method by which Golden's problem could be solved. Corona Energy indicated that, while it is not willing to commit to serve Golden's incremental load directly, it is willing to consent to separate accounting of Golden's incremental load, which shall be separately metered, such that SCE may serve the incremental load under SCE's existing retail account with Golden through Corona Energy's interconnection facilities. This arrangement would be acceptable to Corona Energy on condition that SCE is willing to mathematically credit Corona Energy's account under the PPA for Golden's incremental load such that the kWh from Corona Energy's generation, net of all Corona Energy and Golden load other than the Golden's incremental load, will be deemed delivered to SCE by Corona Energy and is purchased by SCE from Corona Energy, under the terms of the PPA.

Subsequent discussions with Golden have indicated that the problem of serving Golden's incremental load has become more critical due to uncertainty as to whether Golden can continue to operate the diesel generators. Aside from the obvious potential detrimental environmental impacts of operating diesel generators, Golden is concerned about whether or not ongoing operation of the diesel generators will be permitted by air quality regulators. Golden's concern has heightened as the summer months approach.

In nearly two years Golden and Corona Energy have been unable to agree to terms upon which Corona Energy could serve the added load. SCE has no reason to believe that they can do so in the future. SCE recognizes that the operation of Golden's diesel generators is undesirable from an environmental perspective and

that such use may not be permitted going forward. This means that it is likely that Golden will have no means to supply electric service to its incremental load during the summer of 2003 which has the potential to result in serious negative consequences to this customer.

SCE does not dispute that the uncertainty over the future feasibility of Golden's use of diesel generation coupled with the constraints of current contractual relationships between Corona Energy and SCE; as well as SCE's need to comply with Rule 16 in providing service to customers in its service territory has created an undue hardship for Golden from an operational standpoint.

To address the undue hardship to Golden which arises out of this situation, SCE agrees that the second meter proposed by Corona Energy appears to be the best available solution, and SCE proposes that it be adopted in the form set forth within this advice filing.

SCE's existing service account metering (Existing Metering or "M1") is used to measure SCE's provision of standby service to the non-incremental load at Golden, which is normally served by Corona Energy. The existing standby service is provided by SCE to Golden under Schedule TOU-8 and Schedule S. SCE proposes that the incremental load which has been served by Golden's diesel generators, as well as any future load growth, be connected to SCE's Existing Metering through use of a sub-meter to be located on Golden's premises.

The Existing Metering, which shall now be designated as M1, is used to measure the standby demand and energy supplied by SCE. Measurements at M1 are used to compute amounts due from Golden for such service. M1 is also used to meter amounts delivered by Corona Energy to SCE under the PPA, in excess of the amounts normally supplied by Corona Energy to serve the non-incremental Golden load.

Under the proposed deviation, an additional billing meter designated as M2 ("Submeter") will be installed downstream from the Existing Metering, and will operate as a Submeter to the Existing Metering. The Submeter will be installed at a location such that it will register all demand and energy consumed exclusively by the incremental load whether it is physically supplied by SCE or Corona Energy.

The purpose of using Meters M1 and M2 to measure the energy and capacity sold to SCE under the PPA is to effectuate the arrangement to be implemented by this Advice Letter and by Amendment 5 to the PPA whereby SCE shall serve the Golden's incremental load (in addition to the standby load of Corona Energy and Golden exclusive of Golden's incremental load), and be deemed to purchase Corona Energy's generation (net of Corona Energy and Golden's load, exclusive of Golden's incremental load), under the terms of the PPA, as amended by the 5th Amendment.

In addition, in isolated circumstances when Corona Energy is in operation but SCE is not accepting deliveries due to system outage, the meter reads of the Submeter will be set to zero. During such an outage, no payment to Corona Energy or billing by SCE for energy shall occur and capacity shall be administered under the PPA as an uncontrollable force pursuant to the terms of the PPA.

The above arrangement will require amending various provisions of the PPA. The Submeter's meter reads will be added to the meter reads of the Existing Metering for the purposes of determining Corona Energy's compliance with its obligations to SCE under the PPA, as well as SCE's payments to Corona Energy under the PPA. Accordingly, the PPA is also being amended to reflect this change. A copy of the proposed Amendment 5 to the PPA is enclosed as Attachment B.

The service and metering configuration being proposed by SCE requires the installation of a second meter for a single enterprise and the combining of the meter reads of two meters for billing purposes. Section B.2 of Rule 16 provides, with limited exceptions not applicable here, that only one meter will be installed for a single enterprise. Further, Section B of Rule 9 provides, with limited exceptions not applicable here, that, for billing purposes, each meter upon a customer's premises will be considered separately, and the readings of two or more meters will not be combined. Therefore, SCE requests by this advice filing that it be allowed to deviate from these provisions of the above rules and provide service to Golden's incremental load in the manner described above. SCE further requests, by this advice filing, Commission approval of the proposed Amendment 5 to the PPA, which is necessary to effectuate the deviations requested herein. Because many of the benefits of the proposed deviations and the proposed PPA Amendment requested herein will be lost if not implemented on or before the beginning of the summer performance period under the PPA, SCE also believes it is reasonable that the Commission grant such approval on an expedited basis.

REQUEST FOR COMMISSION APPROVAL:

SCE believes it is reasonable to seek approval from the Commission of: 1) a deviation from Section B.2 of Rule 16; 2) a deviation from Section B of Rule 9; and 3) the proposed Amendment 5 to the PPA in order to resolve an undue hardship for Golden from an operational standpoint, as well as to avoid any associated environmental harm which may result from Golden's operations in the absence of the deviations and amendments discussed herein. This advice filing also requests Commission authorization to modify SCE's List of Contracts and Deviations to add to it the deviations requested herein. Because many of the benefits of the proposed deviations and the PPA Amendments requested herein will be lost if not implemented on or before the beginning of the summer performance period under the PPA, SCE also believes it is reasonable that the Commission grant such approval on an expedited basis.

Accordingly, SCE requests that the Commission issue a resolution on or before May 22, 2003 which finds that:

1. SCE's proposed deviation in this instance from Section B.2 of Rule 16 is approved and shall be entered in SCE's List of Contracts and Deviations;
2. SCE's proposed deviation in this instance from Section B of Rule 9 is approved and shall be entered in SCE's List of Contracts and Deviations; and
3. SCE's entry into Amendment 5 to the PPA is reasonable and prudent for all purposes, including, but not limited to, recovery of all payments made pursuant to the PPA in rates, subject only to review with respect to the reasonableness of SCE's administration of the PPA;

In order to meet the requested approval date of May 22, 2003, SCE requests that the Commission reduce the period for public review and comment, pursuant to Rule 77.7(f).

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

EFFECTIVE DATE

This advice filing is made pursuant to Section III, Paragraph G, and Section X, Paragraph A of General Order 96-A and will become effective upon issuance by the Commission of a resolution containing each of the findings requested herein.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and SCE no later than 20 days after the date of this advice filing. Protests should be mailed to:

IMC Program Manager
c/o Jerry Royer
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri
Director of Revenue and Tariffs
c/o Emelyn Lawler
Southern California Edison Company
2244 Walnut Grove Avenue, Quad 3D
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: Emelyn.Lawler@sce.com

Bruce Foster
Vice President of Regulatory Operations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 673-1116
E-mail: Karyn.Gansecki@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section III, Paragraph G, and Section X, Paragraph A of General Order 96-A, of General Order No. 96-A, SCE is furnishing copies of this advice filing to the interested parties shown on the attached service list. Address change requests to the attached GO 96-A Service List should be directed to Emelyn Lawler at (626) 302-3985 or by electronic mail at Emelyn.Lawler@sce.com. For

changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at process_office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing open for public inspection at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/adviceletters>.

For questions, please contact Craig Keen at (626) 302-1720 or by electronic mail at Craig.Keen@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:ck
Enclosures

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 33545-E*	List of Contracts & Deviations List of C&D	Revised 24345-E*
Revised 33546-E Revised 33547-E	Table of Contents Table of Contents	Revised 32937-E Revised 33534-E

List of Contracts and Deviations

Sheet 15

(Continued)

LIST OF CONTRACTS AND DEVIATIONS
(Continued)

<u>Name and Location of Customer</u>	<u>Type or Class of Service</u>	<u>Execution</u>	<u>Date of Expiration</u>	<u>Commission Authorization Number</u>	<u>Date</u>	<u>Most Comparable Regular Tariff Schedule No.</u>	<u>Contract Difference</u>
<u>RULES - OTHERS (Continued)</u>							
Dow Chemical, Torrance California	General	10-14-88	60 days notice	D.88-12-099 Advice 816-E	01-04-89	Sched. S & TOU-8	Self Generation deferral
Dow Chemical, Torrance California	General	Jan. 4, 1999		Res. E-3364 Advice 1037-E		Sched. S & TOU-8	Self Generation deferral - Amendment
Claremont Colleges Claremont, California	General	10-23-89	90 days notice	Res. E-3176 Advice 854-E	01-24-90	Rule 12 & Sched. I-	Parallel generation
Eisenhower Medical Center	General	03-21-93	Ten years	Res. E-3370 Advice 1038-E		Sched. TOU-8 Sched. S	Self generation deferral- Conservation Measures
Military Bases Service Adjustment Agreement (Military Base Closures)	Temporary		30 day notice	Res. E-3386 Advice 1064-E		Rule 9.A.1	Flat percentage rate Transformer/Line Losses
Chevron USA Products Company El Segundo	General		Termination of Added Facilities Service	Res. E-3392 Advice 1048-E		Rule 2.H. Form 16-308	Added Facilities Agreement modified
Edison Communication Facility June Mountain, California	General	12-30-93	Termination of Service	Res. E-3415 Advice 1091-E	11-08-95	Rule 9.A.1	Flat percentage rate Transformer/Line Losses
Mountainview Power Co. Riverside Canal Co. AES Huntington Beach AES Alamitos AES Redondo Beach Ocean Vista Power Generation Mountain Vista Power Generation Alta Power Generation Oeste Power Generation El Segundo Power Long Beach Generating	General		Termination of Service	Advice 1291-E Res. E-3526	03-26-98	Sched. S & Rule 9	Parallel Operation and Net Metering
Golden Cheese Company, Corona, California	General		Termination of Service	Advice 1699-E Res. E-3829	05-22-03	Rule 16 & Rule 9	Provide an additional (N) meter - combine meter readings (N)

(Continued)

(To be inserted by utility)

Advice 1699-E
Decision _____

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Apr 4, 2003
Effective May 22, 2003
Resolution _____



TABLE OF CONTENTS

Sheet 1

Cal. P.U.C.
Sheet No.

TITLE PAGE 11431-E

TABLE OF CONTENTS - RATE SCHEDULES 33781-33782-33496-33497-33498-33499-E (T)

TABLE OF CONTENTS - LIST OF CONTRACTS AND DEVIATIONS 33547-E

TABLE OF CONTENTS - RULES 32320-E

TABLE OF CONTENTS - BASELINE REGIONS 31549-E

TABLE OF CONTENTS - SAMPLE FORMS 32044-31856-27787-31900-32765-32137-32138-E
..... 27618-E

PRELIMINARY STATEMENT:

A. Territory Served 22909-E

B. Description of Service 22909-E

C. Procedure to Obtain Service 22909-E

D. Establishment of Credit and Deposits 22909-E

E. General 22909-24193-24194-E

F. Symbols 24194-E

G. Gross Revenue Sharing Mechanism 26584-26585-26586-26587-26588-26589-26590-E
..... 26591-26592-26593-27050-E

H. Baseline Service 11457-31455-11880-11881-31679-E

I. Baseline Balancing Account 31457-31458-E

J. Employee-Related Balancing Account 30246-E

K. Nuclear Decommissioning Adjustment Mechanism 30247-30248-E

L. Performance-Based Ratemaking Exclusions Distribution Adjustment Mechanism
..... 30249-30250-E

M. Income Tax Component of Contributions 16039-24573-E

N. Memorandum Accounts 21344-33411-28740-32335-28276-31526-31499-32674-30253-E
..... 30254-30255-32960-33412-33413-27639-27640-22374-27641-27642-26595-27643-E
..... 27644-27645-27646-27647-27648-27649-27650-27651-27652-27653-27654-27655-E
..... 27656-31327-26596-26005-21960-22046-30256-22546-27658-23703-27465-29774-E
..... 29775-29776-29777-27663-27664-27665-30057-30058-30059-30060-26484-26485-E
..... 23212-28280-24197-29470-26486-29471-24199-29472-23221-23222-23223-24200-E
..... 26487-29473-23227-28281-28282-24244-24477-24812-22380-28283-22621-22622-E
..... 24272-27015-30257-27476-26007-26757-26996-26735-26314-27500-27424-27425-E
..... 27477-29778-28408-29789-29488-28874-29419-32988-31138-31156-31982-31665-31936-E
..... 32936-E

O. California Alternative Rates for Energy (CARE) Adjustment Clause
..... 30258-30259-30260-30261-30262-30263-E

P. Optional Pricing Adjustment Clause (OPAC) 20625-20626-24169-22165-20629-E

(Continued)

(To be inserted by utility)
Advice 1699-E
Decision _____

Issued by
John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)
Date Filed Apr 4, 2003
Effective May 22, 2003
Resolution _____

TABLE OF CONTENTS

Sheet 7

(Continued)
RATE SCHEDULES
(Continued)

<u>Schedule No.</u>	<u>Title of Sheet</u>	<u>Cal. P.U.C. Sheet No.</u>
<u>OTHER</u>		
20/20	California Rebate Program	31633-31634-E
BSC-IMO	Bundled Service Customer-Interval Meter Ownership	25699-25700-25701-E
CC-DSF	Customer Choice - Discretionary Service Fees	26202-25172-26204-26205-E 25174-26207-31849-26209-31850-25179-25180-25181-25182-E
CTCE-IWD	Competition Transition Charge Exemptions Irrigation/Water Districts	24129-24130-E
DA	Direct Access	32743-32744-E
DAC-VA-NDSF	Direct Access Customer Value Added Non-Discretionary Service Fees	25713-E
DA-RCSC	Direct Access Revenue Cycle Services Credits	25153-25154-25155-25156-E 25157-25158-25159-E
DBP	Demand Bidding Program	31710-31711-31712-31713-31714-33383-33384-E 33385-33386-E
DL-NBC	Departing Load - Nonbypassable Charges	29999-24132-E
ESP-DSF	Energy Service Provider - Discretionary Service Fees	26215-26216-26217-E 32532-26219-26220-32533-31852-26223-26224-26225-26226-E
ESP-NDSF	Energy Service Provider - Non Discretionary Service Fees.....	25139-25140-E
ESP-VA-NDSF	Energy Service Provider Value Added Non-Discretionary Service Fees	25714-E
GS-FR	Experimental General Service - Flat Rate	26863-26864-26865-E
GSN	Invest ^{SCE} Equipment Service	17880-17881-17882-17883-E
NEM	Net Energy Metering.....	32976-32535-29185-33387-33388-33389-E
OBMC	Optional Binding Mandatory Curtailment	31484-29799-29800-33390-33391-E 33392-E
PE	Procured Energy	31043-E
PVS	Experimental Photovoltaic Service.....	19770-19771-E
PVS-2	On-Grid Photovoltaic Service	19518-19519-E
PX	Power Exchange.....	26998-26999-28351-28352-27485-27486-E
RF-E	Surcharge to Fund Public Utilities Commission Reimbursement Fee	32837-E
RRB	Rate Reduction Bonds - Bill Credit and FTAC.....	22051-22052-E
S	Standby	26534-24762-26297-24764-32214-E
SE	Service Establishment Charge	19891-E
SLRP	Scheduled Load Reduction Program	31314-29111-29802-29113-29803-E 33393-33394-33395-E
UCLT	Utility-Controlled Load Tests	11737-E
VPRC	Voluntary Power Reduction Credit.....	26738-26739-26740-26741-26742-E
WTR	Experimental Schedule Wireless Technology Rate	31695-31696-29342-33158-E

LIST OF CONTRACTS AND DEVIATIONS

LIST OF CONTRACTS AND DEVIATIONS	31106-31079-19469-27091-28418-28419-24944-E	
.....	17894-17895-17896-17897-17898-27171-18103-33545-19220-26971-E	(T)

(Continued)

(To be inserted by utility)

Advice 1699-E
Decision _____

Issued by

John R. Fielder
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Apr 4, 2003
Effective May 22, 2003
Resolution _____

Advice 1699-E

Attachment B

AMENDMENT NO. 5
TO
SCE STANDARD AGREEMENT
FIRM POWER PURCHASE
POWER PURCHASE AGREEMENT
Between
CORONA ENERGY CORPORATION
And
SOUTHERN CALIFORNIA EDISON COMPANY
QFID 2081

1. PARTIES

The Parties to this Amendment No. 5 (the “Amendment”) to the above-referenced Power Purchase Agreement (the “Contract”) are Corona Energy Partners, Ltd. (“Seller”), a Texas limited partnership, and Southern California Edison Company (“Edison”), a California corporation, individually “Party,” collectively, “Parties.”

2. RECITALS

This Amendment is made with reference to the following facts, among others:

- 2.1** On May 31, 1985, Corona Energy Corporation and Edison executed the Contract to provide for the terms and conditions for the sale of electric power to Edison by Seller.
- 2.2** On or about September 30, 1987, Edison consented to an assignment of the Contract from Corona Energy Corporation to Seller and such assignment was made.
- 2.3** Edison and Seller executed four subsequent amendments to the Contract (henceforth, the “Contract” is deemed to mean, the Contract as amended).
- 2.4** Seller operates a cogeneration facility which serves the electrical load of a host facility (“Host”) owned by Golden Cheese Company, and which also sells electrical Energy and Capacity to Edison under the Contract from the cogeneration facility output. Edison currently supplies “standby” electrical service to Host pursuant to its retail service tariffs, which supplies Seller and Host’s electrical load requirement during those times Seller’s Generating Facility is not available.

2.5 The parties understand that Host now requires service of certain incremental electrical load (defined below as “Host Incremental Load”) due to an expansion of its manufacturing facility. Seller does not wish to provide service for the Host Incremental Load if the provision of such service would result in a decrease in the amount of energy deemed sold, and capacity deemed provided, by Seller to Edison under the Contract. Seller is, however, willing to consent to separate accounting of the Host Incremental Load, which shall be separately metered, such that Edison may serve the Host Incremental Load under Edison’s existing retail account with Host through the Seller’s Interconnection Facilities, on condition that Edison is willing to mathematically credit Seller’s account under the Contract for the Host Incremental Load such that the KWh from Seller’s generation, net of all Seller and Host load other than the Host Incremental Load, will be deemed delivered to Edison by Seller and is purchased by Edison from Seller, under the terms of the Contract.

2.6 Edison believes its provision of the service arrangement described in Recital 2.4, in addition to the standby service currently provided by Edison to the Host, would require a California Public Utilities Commission-approved (“CPUC” or “Commission”) deviation from two provisions of Edison’s retail service tariffs. In addition, the arrangement for Edison to serve the Host Incremental Load requires an amendment to the Contract, to provide for the installation of a second meter to measure the Host Incremental Load, and for appropriate modifications to the Contract’s Energy and Capacity purchase provisions such that the Host Incremental Load shall be deemed delivered by Edison to Host for the purposes of calculating the Energy and Capacity payments to be made by Edison to Seller under the Contract. If Edison and Seller execute a Contract amendment providing for the above terms, Edison will promptly file an Advice Letter with the Commission seeking approval of the tariff deviations, as well as the Contract amendment.

2.7 Accordingly, the Parties agree to amend the Contract as set forth below.

3. AGREEMENT

In consideration of the promises and mutual covenants and agreements hereinafter set forth, and subject to the condition precedent described in Section 5.2, the Parties agree as follows:

3.1 The description of “Option III” in Part I, Section 3.1 of the Contract shall be amended to read as follows:

“X Option III: Dedication to Edison of only the portion of the Generating Facility output in excess of Seller’s electrical requirements. For purposes of this Option III, Seller’s electrical requirements shall exclude the Host Incremental Load.”

3.2 Definitions

3.2.2 The following definitions shall be added to Part I of the Contract:

4.35 “Amendment No. 5: The fifth amendment to the Agreement.”

4.36 “Host: Golden Cheese Company, or any successor commercial facility located on Seller’s site, which is electrically interconnected to Seller.”

4.37 “Host Incremental Load: Additional electrical load required to be served at the Host site, as a result of an expansion of manufacturing facilities at the Host site, as distinct from the Host electrical load typically supplied by Seller as of the date of execution of Amendment No. 5.”

4.38 “Meter M1:” The existing revenue meter located at the Point of Interconnection. M1 measures the total physical exchange between Seller’s and Host’s facilities and SCE. M1 consists of at least two channels. One such channel, designated herein as M1^{Load} measures in kWh the Energy flowing from Edison to Seller and Host’s facilities through the Point of Interconnection. Another such channel, designated herein as M1^{Excess} measures in kWh the Energy flowing from Seller and Host’s facilities to Edison through the Point of Interconnection.

4.39 “Meter M2: New meter(s) installed as part of Amendment No. 5 which shall measure Host Incremental Load. If multiple meters are required to measure the Host Incremental Load due to the physical arrangement of electrical feeders, the measurements of those separate meters shall be mathematically combined and their sum shall collectively be considered to be the measurement at M2.

3.3 Section 10.2 of Part I is deleted in its entirety. Sections 10.2.1 and 10.2.2 shall be added to Part I, Section 10 of the Contract, after Section 10.1 and before Section 10.3, stating as follows:

10.2.1 “There shall be two meters used for metering the Energy and Capacity sold to Edison under this Agreement. One meter (“Meter M1”) is the meter installed at Sellers’ facility as of the date of execution of Amendment No. 5. Meter M1 is located at the Point of Interconnection on Edison’s side of the Interconnection Facilities. A second meter(s) (“Meter M2”) shall be installed promptly upon Commission Approval of Amendment No. 5, as provided in Amendment No. 5, and shall be used to measure the Host Incremental Load . Meter M2 shall be compensated to register as though it was located at the Point of Interconnection on Edison’s side of the Interconnection Facilities. Meters M1 and M2 shall be used to calculate a) sales from Seller to Edison under the Energy and Capacity pricing terms of this Agreement, pursuant to the formulas set forth in Appendices B.1 and B.2; b) sales of standby energy to Host arising from the operation of Seller’s cogeneration facilities and Host’s load (excluding Host Incremental Load); and c) sales of energy by Edison to Host to serve the Host Incremental Load. “

10.2.2 “Seller and Edison acknowledge that the sole purpose for using Meters M1 and M2 to measure the Energy and Capacity sold to Edison under this Agreement is to effectuate the arrangement implemented by Amendment No. 5 whereby Edison shall serve the Host Incremental Load (in addition to the standby load of Seller and Host exclusive of the Host Incremental Load), and be deemed to purchase Seller’s generation, (net of Seller and Host load, exclusive of Host Incremental load) under the terms of the Agreement. Accordingly Seller represents and warrants that the load situated or otherwise measured on the “load side” of the Meter M2 (i.e., the load being measured by the Meter M2) shall only be the Host Incremental Load and shall not be any other load of Seller or Host, including but not limited to the auxiliary load of Seller’s cogeneration facility or the load of Host typically served by Edison prior to the execution of Amendment No. 5. Seller acknowledges that an intentional breach of this representation and warranty is a material breach of this Agreement.”

3.4 Section 1 of Appendix B.1 of the Contract shall be amended to add the following subprovision:

1.1 ““The Period kWh Delivered by Seller and Purchased by Edison” shall be defined as the sum of the time interval kWh values for all time intervals within the period. The time interval kWh shall be computed according to the following formula:

$$\text{Time Interval kWh Purchased by Edison} = (M1^{\text{Excess}} - M1^{\text{Load}}) + (M2^{\text{Load}})$$

Where:

$M1^{\text{Excess}}$ = Energy in kWh flowing from Seller and Host’s facilities to Edison through the Point of Interconnection as measured at M1;

$M1^{\text{Load}}$ = Energy in kWh flowing from Edison to Seller and Host’s facilities through the Point of Interconnection, as measured at M1; and

$M2^{\text{Load}}$ = Host Incremental Load, in kWh, as measured by Meter M2.

However, in the event that the above formula produces a value less than zero, then the “Time Interval kWh Delivered by Seller and Purchased by Edison” shall equal zero.”

3.5 Section 6 of Appendix B.2 of the Contract shall be amended to add the following subprovision:

6.2.1 ““The “Period kWh Purchased by Edison” or the “on-Peak kWh Purchased by Edison” shall be defined as the sum of the time interval kWh values for all time intervals within the period. The interval kWh shall be computed according to the following formula:

$$\text{Time Interval kWh Purchased by Edison} = (M1^{\text{Excess}} - M1^{\text{Load}}) + (M2^{\text{Load}})$$

Where:

$M1^{Excess} =$ Energy in kWh flowing from Seller and Host's facilities to Edison through the Point of Interconnection, as measured at M1,

$M1^{Load} =$ Energy in kWh flowing from Edison to Seller and Host's facilities through the Point of Interconnection, as measured at M1; and

$M2^{Load} =$ Host Incremental Load, in kWh, as measured by Meter M2.

However, in the event that the above formula produces a value less than zero, then the "Interval kWh Delivered by Seller and Purchased by Edison" shall equal zero."

4. **IFA**

This Amendment shall terminate automatically unless, on or before April 20, 2003, Edison and Seller amend Section 5 of the Application and Contract for Interconnection Facilities Plus Operation and Maintenance (the "IFA"), and the diagram appearing on the last page of the IFA, to reflect any necessary changes in equipment, installation and removal cost, amount of added equipment investment, and monthly charge related to the additional meter to be installed at Seller's site as provided in this Amendment.

5. **OTHER TERMS AND CONDITIONS**

5.1 Effective Date. Once fully executed by the Parties, this Amendment shall be effective, except that Sections 3.1 through 3.4 of this Amendment shall not become effective until the occurrence of Final CPUC Approval (as defined in Section 5.2, below).

5.2 CPUC Approval. Sections 3.1 through 3.4 of this Amendment are subject to the condition precedent that the CPUC, in a final decision that is no longer subject to appeal: (i) approves this Amendment and expressly finds that the Amendment is reasonable and prudent, subject only to Edison's prudent administration of such Amendment, and that payments made by Edison in accordance with the Amendment shall be recoverable in

rates to the same extent as other payments to other qualifying facilities; and (ii) approves all necessary tariff deviations to effectuate the Amendment. ((i) and (ii) are referred to as, the “Required Findings”). Edison shall seek a CPUC decision containing the Required Findings by filing an Advice Letter or other appropriate proceeding with the CPUC for approval of the Amendment and the necessary tariff deviations. A CPUC Decision that satisfies all of the conditions described in this paragraph shall be referred to as “Final CPUC Approval.” Edison may waive the condition precedent of Final CPUC Approval in its sole discretion by giving Seller written notice of such waiver.

- 5.3 Termination.** This Amendment shall automatically terminate in its entirety on the earlier of the following dates: 1) one-hundred twenty (120) days from the date on which this Amendment has been executed by the Parties if Final CPUC Approval, as defined in Section 5.2 above, has not been obtained or waived by Edison; or 2) ninety (90) days after any of the Parties to the Amendment shall give notice in writing to the other Party of its intention to terminate this Amendment, which notice may be given for any reason. In the event of termination of this Amendment, the Contract, and the parties’ respective rights and obligations thereunder, shall continue in full force and effect to the same extent as if there had been no Amendment except for rights or obligations that have accrued under the Amendment as of the time the Amendment terminates, which shall be deemed to survive the termination
- 5.4** Except as expressly amended hereby, all terms and conditions of the Contract shall remain in full force and effect.
- 5.5** Capitalized terms used but not defined herein have the meaning set forth in the Contract.
- 5.6** None of the provisions of this Amendment, including this paragraph, shall be considered waived by either Party except when such waiver is given in writing. The failure of either Party to insist in any one or more instances upon strict performance of any of the provisions of this Amendment or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.
- 5.7** This Amendment shall not be amended except by a writing signed by both Parties.
- 5.8** This Amendment shall constitute the entire agreement of the Parties as to the subject matter of the Amendment and shall supersede any and all prior or contemporaneous

negotiations, correspondence, undertakings, and agreements between the Parties concerning the particular subject matter of this Amendment.

5.9 This Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

5.10 This Amendment is the result of negotiation and each Party has participated in the preparation of this Amendment. Accordingly, any rules of construction to the effect that any ambiguity shall be resolved against the drafting Party shall not be employed in the interpretation of this Amendment.

5.11 This Amendment shall be interpreted, governed, and construed under the laws of the State of California as if executed and to be performed wholly within the State of California (without giving effect to choice of laws provisions that might apply the laws of a different jurisdiction).

5.12 Each Party represents and warrants that the person who signs below on behalf of that Party has authority to execute this Amendment on behalf of that Party and that, subject to the condition precedent set forth in Section 5.2, above, all requisite approvals and consents to enter into and bind each Party to the terms of this Amendment have been obtained.

///

///

///

///

///

///

///

///

///

5.13 This Amendment is executed in two duplicate originals, either of which may be treated as an original. The signatories hereby represent that they have been appropriately authorized to enter into this agreement on behalf of the Party for whom they signed.

This Amendment is hereby executed as of the _____th day of April, 2003.

CORONA ENERGY PARTNERS, LTD.,
a Texas limited partnership

By: WCAC CORONA ENERGY, L.L.C,
a Delaware limited liability
corporation, its general partner

By: _____

Name:

Title:

Date: April ____, 2003

**SOUTHERN CALIFORNIA EDISON
COMPANY,**
a California corporation

By: _____

Name: Alan J. Fohrer

Title: Chief Executive Officer

Date: April ____, 2003

June 25, 2003

California Public Utilities Commission
505 Van Ness Avenue, Room 4005
San Francisco, CA 94102

Attn: Juanita Porter
Energy Division

Re: Substitute Sheets for Advice Letter 1699-E

Dear Ms. Porter:

Enclosed are Attachment A and substitute Sheet No. 33545-E which is identified with an asterisk. The enclosed substitute sheet is necessary to revise SCE's List of Contracts and Deviations (Sheet No. 33545-E*) to include the needed reference to Resolution E-3829 and the Resolution's effective date in the body and also in the footer area of the tariff.

Please replace the enclosed sheets in your master Advice Letter 1699-E file. If you have any questions, please contact Ruby Galvan at (626) 302-2010.

Sincerely,

Enclosures
1699ESUB.doc