

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



June 23, 2010

Advice Letter 2474-E

Akbar Jazayeri
Vice President, Regulatory Operations
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

**Subject: Submittal of Amended Assembly Bill (AB) 80 Agreement
Between the City of Cerritos and SCE Company**

Dear Mr. Jazayeri:

Advice Letter 2474-E is effective June 18, 2010.

Sincerely,

A handwritten signature in blue ink, appearing to read "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division

May 19, 2010

ADVICE 2474-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Submittal of Amended Assembly Bill (AB) 80 Agreement
Between the City of Cerritos and Southern California Edison
Company

In compliance with Decision (D.)10-01-012, Southern California Edison Company (SCE) hereby submits for filing the following Amended and Restated Agreement to Implement Assembly Bill 80 (Amended Agreement), attached hereto as Appendix A.

PURPOSE

Pursuant to Ordering Paragraph 5 of D.10-01-012, SCE submits the attached Amended Agreement between the City of Cerritos (Cerritos) and SCE, amending the original AB 80 Agreement.

BACKGROUND

AB 80 (Stats. 2002, ch. 837), codified as Public Utilities (PU) Code § 366.1, was enacted on September 24, 2002. The bill concerned cities that had rights and obligations to the Magnolia Power Project (MPP) and provided, in pertinent part:

Notwithstanding Section 80110 of the Water Code or Commission Decision 01-09-060, if the Magnolia Power Project has been constructed and is otherwise capable of beginning deliveries of electricity to the existing project participants, an existing project participant may serve as a community aggregator on behalf of all retail end-use customers within its jurisdiction.¹

On January 13, 2005, the California Public Utilities Commission (Commission) issued D.05-01-009, approving an application filed by Cerritos and SCE to implement AB 80

¹ PU Code § 366.1(b).

pursuant to their agreement (AB 80 Agreement). The AB 80 Agreement specified the conditions under which Cerritos could act as a community aggregator on behalf of retail end-use customers within its jurisdiction following construction of MPP. Among other things, the AB 80 Agreement included an Initial Load Limit (ILL) of 13.02 megawatts (MW), which represented Cerritos' generation entitlement share of power from MPP.

On June 12, 2009, Cerritos filed Application 09-06-008 to request that the Commission determine whether AB 80 authorizes Cerritos to serve its customers on an opt-in (direct access) basis or on an opt-out (community choice aggregation) basis. Cerritos also sought to modify the AB 80 Agreement to remove the ILL.

D.10-01-012, issued January 25, 2010, determines that AB 80 authorizes Cerritos to serve its customers on an opt-in basis. It further determines that the ILL in the AB 80 Agreement should be restated to reflect Cerritos' share of output from MPP on a total annual energy (kWh) basis and increased, if necessary, to reflect Cerritos' procurement obligations under the renewables portfolio standard program. Cerritos' request to eliminate the ILL was denied.

Amended Agreement

Ordering Paragraph 4 of D.10-01-012 requires that:

“The City of Cerritos and Southern California Edison Company shall amend the Assembly Bill 80 Agreement to: (1) modify the Initial Load Limit to reflect Cerritos' share of output from Magnolia Power Project on an energy basis, and (2) if necessary, increase the Initial Load Limit to include Cerritos' obligations under the renewables portfolio standard program. This amendment shall be made within 90 days of this decision.”

Ordering Paragraph 5 directs SCE to file an advice letter within 30 days after the Amended Agreement is signed and include a copy of the Amended Agreement.

Following the issuance of D.10-01-012 on January 25, 2010, representatives for Cerritos and SCE met to amend the original AB 80 Agreement in compliance with the requirements of D.10-01-012. Specifically, the original AB 80 Agreement is amended to:

1. Modify the ILL to reflect Cerritos' share of output from the MPP on an energy basis. Section 2.b of the Amended Agreement limits the Opt-In Load to no more than 137,500 megawatt-hours (MWh) annually, comprised of Cerritos' generation entitlement share of MPP (110,000 MWh) plus 27,500 MWh to reflect Cerritos' obligations under the renewables portfolio standard program.
2. Establish a method for determining compliance with the revised ILL, including the determination as to whether sufficient room exists under the ILL before Cerritos

may begin serving an additional customer. Load growth by customer accounts served by Cerritos is not limited by the ILL.

3. Provide that Cerritos shall serve customers within its jurisdiction under the Amended Agreement up to the ILL before it otherwise provides generation service to customers as an Electric Service Provider under PU Code § 365.1.
4. Establish a method for determining the “vintage” of individual customers served by Cerritos for purposes of applying the Community Choice Aggregation Cost Responsibility Surcharge (CCA CRS).

The Amended Agreement was finalized and signed by the City of Cerritos on April 27, 2010 and by SCE on May 6, 2010.

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.

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.1(4), this advice letter is submitted with a Tier 1 designation.

EFFECTIVE DATE

This advice filing will become effective on June 18, 2010, the 30th calendar day after the date filed.

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 no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: ijnj@cpuc.ca.gov and mas@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
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 929-5540
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 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and A.09-06-008 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-2930. 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 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/AboutSCE/Regulatory/adviceletters>.

For questions, please contact James Schichtl at (626) 302-1707 or by electronic mail at James.Schichtl@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:js:sq
Enclosures

Appendix A

**AMENDED AND RESTATED
AGREEMENT TO IMPLEMENT ASSEMBLY BILL 80**

This **AMENDED AND RESTATED AGREEMENT TO IMPLEMENT ASSEMBLY BILL 80** ("*Restated Agreement*") is entered into by and between **SOUTHERN CALIFORNIA EDISON COMPANY**, a California corporation ("*SCE*"), and **CITY OF CERRITOS**, a California municipal corporation ("*Cerritos*"). This Restated Agreement shall become effective on the date it is approved or allowed to take effect by the California Public Utilities Commission ("*CPUC*") ("*Effective Date*"). SCE and Cerritos may be referred to herein individually as a "*Party*" and collectively as the "*Parties*."

- RECITALS -

- A. Cerritos is a project participant in the Magnolia Power Project, a natural gas-fired electric generating facility currently operating in Burbank, California under conditions approved by the California Energy Commission in Order No. 02-0305-03.
- B. Assembly Bill ("*AB*") 80 (Stats. 2002, Ch. 837) was approved by the Governor of California, and chaptered by the Secretary of State, on September 24, 2002. AB 80 provides that, notwithstanding specified existing law, a city with rights and obligations to the Magnolia Power Project may serve as a community aggregator on behalf of all retail end-use customers within its jurisdiction, if the Magnolia Power Project has been constructed and is otherwise capable of beginning deliveries of electricity to the cities with rights and obligations to the Magnolia Power Project under the Magnolia Power Project Planning Agreement, dated May 1, 2001 ("*Magnolia Project Participants*"). The Magnolia Power Project first began deliveries of electricity to the Magnolia Project Participants on or about May 1, 2005.
- C. SCE and Cerritos met and conferred in 2004 with the intent of addressing and resolving their differing interpretations of AB 80. As result, the parties entered into that certain *Agreement to Implement Assembly Bill 80*, effective as of January 15, 2005 ("*Original Agreement*"), and approved by the CPUC in Decision ("*D.*")05-01-009. The Original Agreement reflected the Parties' resolution of certain issues in a manner that was intended to allow Cerritos to implement AB 80 on the date that the Magnolia Power Project began deliveries of electricity to the Magnolia Project Participants.
- D. In response to an application filed by Cerritos on June 12, 2009 (A.09-06-008), the CPUC issued D.10-01-012, which directed SCE and Cerritos to amend the Original Agreement to (1) modify the Initial Load Limit under the Original Agreement to reflect Cerritos' share of output from Magnolia Power Project on an energy basis, and (2) if necessary, increase the Initial Load Limit under the Original Agreement to include Cerritos' obligations under the renewables portfolio standard ("*RPS*") program. This Restated Agreement reflects the Parties' amendments to the Original Agreement to comply with D.10-01-012.

- AGREEMENT -

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SCE and Cerritos agree as follows:

1. Statutory Basis: AB 80 is a unique, self-limiting bill that provides the statutory basis for allowing Cerritos to provide electric service to retail end-use customers within its jurisdiction (*i.e.*, its city boundaries). Other cities do not have comparable rights, and this Agreement is not intended to establish, and should not be used as, a precedent for allowing other cities to provide comparable service.
2. Opt-in Service; Load Limit:
 - a. Subject to the Load Limit (defined in Section 2.b.), Cerritos may serve each selected retail end-use electric customer account located within its jurisdiction that agrees to receive such service by positive written declaration (*i.e.*, on an opt-in basis). The aggregate load served by Cerritos pursuant to this section shall be referred to herein as the "**Opt-In Load**." Subject to the provisions of Section 6 below, the Opt-in Load shall not include the aggregate load, if any, served by Cerritos pursuant to Section 365.1 of the California Public Utilities Code ("**P.U. Code**").
 - b. As further described in Section 3, Cerritos shall limit the Opt-In Load to no more than 137,500 megawatt-hours annually (the "**Load Limit**"), which is comprised of the following: (i) 110,000 megawatt-hours, reflecting Cerritos' current generation entitlement share of the Magnolia Power Project on an annual-energy basis, as determined by multiplying (A) Cerritos' percentage share (4.2000 percent), (B) the nominally rated net peaking capacity of the Magnolia Power Project (310 megawatts), as described in Appendices B and C to the March 1, 2003 Magnolia Power Project Power Sales Agreement (Project B), which are incorporated herein by this reference, (C) 8,760 hours per year and (D) an assumed availability factor of 97 percent; and (ii) 27,500 megawatt-hours, reflecting an additional amount of load associated with Cerritos' obligations under the renewables portfolio standard ("**RPS**") program.
 - c. Cerritos may serve the Opt-In Load from the Magnolia Power Project and from other generation resources, including renewable and distributed generation resources; provided, however, Cerritos hereby expresses its intent to serve at least a majority of the Opt-In Load from the Magnolia Power Project.

3. Compliance with the Load Limit; Enforceability:

- a. The “reference period annual load profile” shall be used to determine Cerritos’ compliance with the Load Limit. The “reference period annual load profile” is the average 12-month historical energy usage of a customer account(s), with such average measured over the prior 36 months of usage; provided however, that the average 12-month historical usage of any customer account with less than 36 months of historical usage data will be measured over the prior 12 months of usage. The average 12-month historical energy usage of a customer account with less than 12 months of historical usage data will be estimated for the 12-month reference period. SCE shall not be responsible for Cerritos’ compliance with the Load Limit. Cerritos shall be solely responsible for compliance with the Load Limit.
- b. Enforcement of the Load Limit. As further described below in Section 3.c., if the reference period annual load profile of a prospective new customer account, measured in the same manner as described in Section 3.a above, together with the aggregate reference period annual load profile of Opt-In Load exceeds the Load Limit, Cerritos shall not be allowed to serve the prospective new customer account under this Restated Agreement. Enforcement of the Load Limit in this prospective, “gate-keeper,” manner means that customer accounts will not be returned to bundled service, as previously allowed under the Original Agreement, for the purpose of ensuring Cerritos’ compliance with the Load Limit.
- c. When Cerritos submits a Direct Access Service Request (“*DASR*”) to serve a customer account under this Restated Agreement, SCE will promptly measure the reference period annual load profile of the Opt-In Load and the reference period annual load profile of the prospective customer account to determine if that usage, taken together with the reference period annual load profile of the Opt-In Load, exceeds the Load Limit. If SCE determines through its measurement of the reference period annual load profile that the Load Limit will not be exceeded with the addition of the prospective new customer account, the *DASR* for that customer account will be accepted, provided that it is otherwise in compliance with Rule 22. If SCE determines through its measurement of the reference period annual load profile that the Load Limit will be exceeded with the addition of the prospective new customer account, the *DASR* for that customer account will be rejected. Cerritos may resubmit a new *DASR* to serve that customer account under this Restated Agreement upon changed conditions, including but not limited to the reduction of the reference period annual load profile of the Opt-In Load.
- d. No remedial action shall be required by Cerritos due to load growth that causes the reference period annual load profile of the Opt-In Load to exceed the Load Limit; provided, however, the occurrence of such load growth will mean that Cerritos may not serve any additional customer accounts under this

Restated Agreement. As further described in Section 6, the fact that the reference period annual load profile of the Opt-In Load exceeds the Load Limit shall not limit Cerritos from serving additional customer accounts as a Energy Service Provider (“*ESP*”) under the process established by the Commission in D.10-03-022 and any subsequent decisions for the re-opening of direct access under SB 695 to the extent Cerritos is eligible to do so.

4. Increase in the Load Limit – RPS Requirements:

The Commission in D.10-01-012 (Finding of Fact 5) found that Cerritos is subject to the RPS requirements and is required to participate in the RPS program. In accordance with D.10-01-012, the Load Limit has been increased by 27,500 megawatt-hours, which is the amount of renewable generation qualified under Section 1078 of the P.U. Code that Cerritos is obligated to acquire under the RPS program to serve the Opt-In Load. As specified in Section 11 below, Cerritos will promptly seek a CPUC determination of its obligations under the RPS program.

5. Service Initiation Date: The Parties acknowledge that Cerritos began serving customers under AB 80 pursuant to the Original Agreement on or about July 1, 2005.

6. Service Under Section 365.1: The Parties acknowledge that Section 365.1 of the P.U. Code affords a statutory basis separate from AB 80 by which Cerritos may offer direct access service to customers, provided Cerritos registers with the CPUC as an ESP and operates under a valid ESP Agreement with SCE. Notwithstanding the foregoing, any customer account located within Cerritos’ jurisdiction shall be served under AB 80 pursuant to this Restated Agreement provided there is sufficient room under the Load Limit to serve such customer account.

7. Future Legislation: The implementation of AB 80 under this Agreement will be subject to any future legislation that modifies either Party’s rights and/or obligations under AB 80.

8. Cost Recovery Mechanism:

- a. Under various decisions and resolutions of the CPUC (e.g., D.05-01-009, D.07-04-007, and Resolution E-3990), the CPUC has implemented a cost recovery mechanism applicable to customers served by Cerritos under AB 80 consistent with Section 366.1(c)(1) and 366.1(d) of the P.U. Code (the “*Cost Recovery Mechanism*”), and submitted a report to the Senate Energy, Utilities and Communications Committee and the Assembly Committee on Utilities and Commerce consistent with Section 366.1(c)(2) of the P.U. Code. The CPUC refers to this Cost Recovery Mechanism as the Community Choice Aggregation (“*CCA*”) Cost Responsibility Surcharge (“*CRS*”). Unless otherwise applicable to a customer account because of its status as a direct access customer prior to receiving service from Cerritos, the recovery of

undercollected costs assigned to direct access customers shall not be applicable to customer accounts served by Cerritos under this Restated Agreement.

- b. Customer accounts served by Cerritos as of the Effective Date of this Restated Agreement are classified for purposes of establishing the applicable CRS as 2004 vintage. Any customer account that initiates service from Cerritos subsequent to the Effective Date of this Restated Agreement will be classified for purposes of establishing the applicable CRS vintage in accordance with SCE's Schedule CCA-CRS; provided however, that SCE will continue to classify for purposes of establishing the applicable CRS as 2004 vintage customer accounts initiating service from Cerritos under this Restated Agreement until the first time the aggregate reference period annual load profile of the Opt-In Load reaches or exceeds 110,000 megawatt-hours. Once the aggregate reference period annual load profile of the Opt-In Load reaches or exceeds 110,000 megawatt-hours for the first time, any customer account that subsequently initiates service from Cerritos under this Restated Agreement will be classified for purposes of establishing the applicable CRS vintage in accordance with SCE's Schedule CCA-CRS.

9. Cooperation: The Parties shall work cooperatively and expeditiously to effectuate this Restated Agreement by requesting regulatory approval, as needed, from the CPUC.

10. Transaction Costs and Operating Rules:

- a. Transaction cost issues relating to the implementation of AB 80 under this Agreement shall be addressed in a reasonable and mutually agreeable manner. The Parties agree that, under this Restated Agreement, the transaction costs and operating rules applicable to ESPs and direct access customers under Schedules ESP-NDSF and ESP-DSF, Rules 22 and 22.1, and related SCE tariff provisions, as regularly or otherwise updated, shall apply to Cerritos and its customers, and are incorporated herein by this reference.
- b. A service agreement in a form substantially similar to the CPUC-approved SCE Energy Service Provider Service Agreement has been entered into by the Parties for service under AB 80 pursuant to this Restated Agreement.

11. Procurement Requirements: Unless exempted therefrom, Cerritos is subject to procurement rules and requirements as determined by the CPUC for load serving entities, including, but not limited to, reserve and resource adequacy requirements and RPS requirements ("**Procurement Requirements**"). Cerritos shall cooperate with the CPUC in providing information about Cerritos' Procurement Requirements, including seeking a determination from the CPUC on the manner in which Cerritos should satisfy the Procurement Requirements. Consistent with the September 2, 2009 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge in A.09-06-008, Cerritos shall, by no later than thirty (30) calendar days of the Effective Date of this

Restated Agreement, seek a determination in the CPUC's RPS proceeding on the RPS requirements applicable to Cerritos.

12. Future Customer Rights and Obligations: With respect to any core/non-core model enacted by the legislature and/or adopted by the CPUC that applies to customers within SCE's service territory, customers served by Cerritos as a community aggregator under AB 80 pursuant to this Agreement will have the same rights and obligations under such core/non-core legislation or CPUC decision as do customers of Energy Service Providers under AB 1890 and SB 695 and CCAs under AB 117, unless and to the extent customers served by Cerritos as a community aggregator under AB 80 are otherwise expressly provided for in such core/non-core legislation or CPUC decision.

13. Notice:

- a. All notices required or permitted under this Agreement shall be in writing, and shall be delivered in person or sent by certified mail or overnight delivery, postage prepaid, and properly addressed as follows:

SCE:

Southern California Edison Company
Attn: Michael B. Williams
Manager, Customer Energy Centers &
Customer Choice
6050 N. Irwindale Ave..
Irwindale, California 91702

CERRITOS:

City of Cerritos
City Manager
18125 Bloomfield Avenue
Cerritos, California 90703-3130

With a copy to its counsel:

Scott Blaising
Braun Blaising McLaughlin P.C.
915 L Street
Suite 1270
Sacramento, California 95814

- b. Changed Representatives and Addresses. A Party may change its representative or address upon written notice to the other Party.
- c. Effective Date of Notices. All notices required or permitted under this Agreement shall be effective upon delivery if delivered personally or by overnight delivery; if delivered by certified mail, such notice shall be effective three calendar days following deposit in the United States mail, postage prepaid.

14. Term and Termination:

- a. Term. This Restated Agreement shall commence as of the Restated Effective Date, and shall continue in full force and effect until terminated pursuant to the termination provisions below.
- b. Termination. This Restated Agreement may be terminated (i) by either Party upon the repeal of AB 80 or the termination of the rights granted to Cerritos thereunder; (ii) by the non-breaching Party in the event of a material breach by the other Party of any provision of this Agreement, including those provisions incorporated by reference herein, provided such breach is not remedied within thirty (30) calendar days notice thereof from a non-breaching Party; or (iii) by Cerritos upon thirty (30) calendar days notice.

15. Representations and Warranties:

- a. Each Party represents and warrants that it is and shall remain in compliance with all applicable laws and tariffs, including applicable CPUC requirements.
- b. Each Party represents and warrants that (i) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (ii) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (iii) this Agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.
- c. Each Party shall exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement, and carry out its duties in accordance with applicable recognized professional standards in accordance with the requirements of this Agreement.

16. Limitation of Liability:

- a. Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys' fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred, except as provided for in this paragraph. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever, whether in contract, tort or strict liability, except in the event of an action covered by the indemnification provisions of Section 17 of this Agreement, in which case this Section 16 shall not be applicable.
- b. The Parties acknowledge and agree that (i) SCE is not responsible for ensuring that the Magnolia Power Project is capable of beginning deliveries of electricity to the Magnolia Power Project Participants on or about May 1, 2005

or otherwise; and (ii) SCE has no duty to initiate any action with respect to the operability or inoperability of the Magnolia Power Project.

17. Indemnification:

- a. To the fullest extent permitted by law, and subject to the limitations set forth in Section 16 of this Agreement, each Party (the "*Indemnifying Party*") shall indemnify and hold harmless the other Party, and its current and future direct and indirect parent companies, affiliates and their shareholders, officers, directors, employees, agents, servants and assigns (collectively the "*Indemnified Party*") and at the Indemnified Party's option, the Indemnifying Party shall defend the Indemnified Party, from and against any and all claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person, including, but not limited to, the Indemnified Party's employees and its affiliates' employees, subcontractors and subcontractors' employees, or any other liability incurred by the Indemnified Party, including reasonable expenses, legal or otherwise, which shall include reasonable attorneys' fees, to the extent arising from (i) the Indemnifying Party's negligence or willful misconduct in the Indemnifying Party's performance of its obligations hereunder, or (ii) the Indemnifying Party's breach of this Agreement.
- b. The Indemnifying Party's obligation to indemnify under this Section 17 shall survive termination of this Restated Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Indemnifying Party under any statutory scheme.

18. Conflicts:

- a. Should a conflict exist or develop between the provisions of this Restated Agreement and the relevant direct access tariff, as approved by the CPUC and regularly or otherwise updated, then the provisions of this Restated Agreement shall prevail.
- b. Should a conflict exist or develop between the provisions of this Restated Agreement and a CPUC decision, then the CPUC decision shall prevail.

19. Dispute Resolution:

- a. Except as otherwise provided in this Agreement, any dispute arising between the Parties relating to interpretation of the provisions of this Restated Agreement or to the performance of either Party of its obligations hereunder shall be reduced to writing and referred to the Parties' duly appointed representatives for resolution. Should such a dispute arise, the Parties shall be required to meet and confer in an effort to resolve their dispute. Pending resolution, the Parties shall proceed diligently with the performance of their respective obligations under this Agreement. If the Parties fail to reach an

agreement within a reasonable period of time, the matter shall, upon demand of either Party, be submitted to resolution before the CPUC in accordance with the CPUC's rules, regulations and procedures applicable to resolution of such disputes; provided, however, the foregoing shall not be construed as limiting either Parties' ability to pursue available legal remedies from a court of competent jurisdiction concerning either Parties' rights or obligations under AB 80.

- b. Notwithstanding the foregoing, (i) all disputes between the Parties relating to the payment by Cerritos of any SCE fees or charges shall be subject to the provisions of SCE's applicable tariffs governing disputes over customer bills; and (ii) SCE may pursue available remedies for unauthorized electrical use by Cerritos' customers in a court of competent jurisdiction.
- c. If the dispute involves a request for damages, the Parties are hereby notified that the CPUC has no authority to award damages. To resolve such issues, the Parties may mutually agree to pursue mediation or arbitration to resolve such issues, or the Parties may pursue other available legal remedies.

20. Amendments or Modifications:

- a. Except as provided in Section 20.b. below, no amendment or modification shall be made to this Restated Agreement, in whole or in part, except by an instrument in writing signed by both Parties.
- b. This Restated Agreement may be subject to such changes or modifications as the CPUC may from time to time direct or necessitate in the exercise of its jurisdiction, and the Parties may amend this Restated Agreement by an instrument in writing signed by both Parties to conform to changes directed or necessitated by the CPUC.

21. Miscellaneous:

- a. This Restated Agreement constitutes the entire agreement between the Parties, and all prior and contemporaneous negotiations and oral agreements relating to the matters addressed herein are included herein.
- b. Each Party shall perform its obligations under this Restated Agreement as an independent contractor. Nothing contained in this Restated Agreement shall be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be liable individually and severally for its own obligations under this Restated Agreement.
- c. This Restated Agreement may not be assigned, in whole or in part, by either Party without the prior written consent of the other Party.

- d. The provisions of this Restated Agreement are for the benefit of the Parties and not for any other person or third party beneficiary. This Restated Agreement shall not impart right enforceable by any person, firm or organization other than a Party or a successor or assignee of a Party to this Restated Agreement.
- e. The headings in this Restated Agreement are used for convenience only and shall not affect the construction or interpretation of this Restated Agreement.
- f. This Restated Agreement shall be governed by and construed under the laws of the State of California without regard for its conflict of laws principles. Except for matters and disputes with respect to which the CPUC is the proper venue for dispute resolution pursuant to applicable law or this Restated Agreement, then except as otherwise provided for in this Restated Agreement, the federal and state courts located in Los Angeles County, California shall constitute the sole proper venue for resolution of any matter or dispute hereunder, and the Parties submit to the exclusive jurisdiction of such courts with respect to such matters and disputes.
- g. In the event that any one or more provisions contained in this Restated Agreement should for any reason be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Restated Agreement, and this Restated Agreement shall be construed as if such unenforceable provision(s) had not been contained herein.
- h. Any waiver at any time by either Party of its rights with respect to a default under this Restated Agreement, or with respect to any other matter arising in connection with this Restated Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter and no waiver shall be considered effective unless in writing signed by the waiving Party.
- i. For the convenience of the Parties, this Restated Agreement may be executed in several original counterparts, each of which shall be deemed an original for all purposes and all of such counterparts shall constitute but one and the same agreement.

* * *

IN WITNESS WHEREOF, the Parties have caused this Restated Agreement to be signed by their duly authorized representatives.

SOUTHERN CALIFORNIA EDISON
COMPANY

CITY OF CERRITOS

By: AKBAR JAZAYERI

By: Art Gallucci

Name: AKBAR JAZAYERI

Name: Art Gallucci

Title: VICE PRESIDENT

Title: City Manager

Date: May 6, 2010

Date: April 27, 2010

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2474-E Tier Designation: 1

Subject of AL: Submittal of Amended Assembly Bill 80 Agreement Between the City of Cerritos and Southern California Edison Company

Keywords (choose from CPUC listing): Compliance, Agreements

AL filing type: Monthly Quarterly Annual One-Time Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

D.10-01-012

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 6/18/10 No. of tariff sheets: -0-

Estimated system annual revenue effect (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
inj@cpuc.ca.gov and mas@cpuc.ca.gov

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