

ATTACHMENT A
SOUTHERN CALIFORNIA EDISON COMPANY
REPRESENTATIVES AND CONTACTS

A. Parties Representatives:

Utility Representative:

Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770

Attn: ~~[To be determined] Doug Campbell, Contract Manager~~
~~7300 Fenwick Lane, Westminster, CA 92683~~
~~Telephone: (714) 895-0275~~
~~Facsimile: (714) 895-0243~~
~~Email: campbeda@sce.com~~

DWR Representative:

State of California
The Resources Agency
Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821

Attn: Viju Patel
Energy Advisor
Telephone: (916) 574-0339
Facsimile: (916) 574-2512
Email: vpatel@water.ca.gov

B. Contact Persons:

The Parties shall make the following contact person(s) available with respect to the operational matters described below:

1. Billing Services:

Utility Contact (Primary):

Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770

Attn: Doug Campbell, Contract Manager
7300 Fenwick Lane, Westminster, CA 92683
Telephone: (714) 895-0275
Facsimile: (714) 895-0243
Email: campbeda@sce.com

Utility Contact (Secondary):

Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770

Attn: Gail Higashi, Tariff Compliance & Implementation
P.O. Box 6109, Covina, CA 91722
Telephone: (626) 967-8261
Facsimile: (626)967-8327
Email: higashgm@sce.com

DWR Contact:

State of California
The Resources Agency
Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821

Attn: Jim Olson, Deputy Comptroller
Chief of Financial Management and Reporting
Telephone: (916) 574-1297
Facsimile: (916) 574-0301
Email: jolson@water.ca.gov

2. Scheduling, delivery and transmission:

Utility Contact (Primary):

Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770

Attn: Doug Campbell, Contract Manager
7300 Fenwick Lane, Westminster CA 92683
Telephone: (714) 895-0275
Facsimile: (714) 895-0243
Email: campbeda@sce.com

Utility Contact (Secondary):

Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770

Attn: Mark Reardon, Energy Supply and Marketing
2244 Walnut Grove Ave, G.O. 1 Quad 1C,
Rosemead CA 91770
Telephone: (626) 302-3288
Facsimile: (626) 302-3276
Email: reardomb@sce.com

DWR Contact:

State of California
The Resources Agency
Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821

Attn: Susan Lee, Principal HEP Utility Engineer
Chief of Energy Scheduling and Trading
Telephone: (916) 574-1304
Facsimile: (916) 574-0301
Email: slee@water.ca.gov

3. Surplus Energy Power Sales Remittances:

Utility Contact (Primary):

Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770

[Attn: Doug Campbell, Contract Manager
7300 Fenwick Lane, Westminster, CA 92683
Telephone: (714) 895-0275
Facsimile: (714) 895-0243
Email: campbeda@sce.com]

Utility Contact (Secondary):

Southern California Edison Company
2244 Walnut Grove Ave.
Rosemead, CA 91770

[Attn: Gail Higashi, Tariff Compliance & Implementation
P.O. Box 6109, Covina, CA 91722
Telephone: (626) 967-8261
Facsimile: (626) 967-8327
Email: higashgm@sce.com]

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[Attn: Jim Olson, Deputy Comptroller
Chief of Financial Management and Reporting
Telephone: (916) 574-1297
Facsimile: (916) 574-0301
Email: jolson@water.ca.gov]

ATTACHMENT B
SOUTHERN CALIFORNIA EDISON COMPANY
REMITTANCE METHODOLOGY

Daily Remittances

Payments for DWR Power will be collected by Utility as an agent for DWR. Payments will be allocated and applied using Utility's payment posting priority process (described below). All partial payments to Utility will be prorated based on the payment posting priority. During Utility's nightly Accounts Receivable System processing, payments collected on behalf of DWR will be identified and applied against DWR Charges. On the next day, SCE will identify and process payment to DWR for amounts collected. DWR will receive wire payment directly from SCE on the 2nd Business Day after payment is received. If DWR prefers, DWR may request the Utility to remit payments via Automated Clearing House (ACH).

DWR Outbound Payment: Proposed Process Wire Transfer and Sample Timeline:

1. Customer statements are sent out.
2. Day 0 - SCE receives payment and payment is allocated per SCE's payment posting priority.
3. Day 0 - SCE Accounts Receivable System identifies payments and applies DWR portion to pre-established AR reporting categories (after hours).
4. Day 1 - Daily report of payments applied to DWR Charges from previous nights payment processing is generated by approximately 9:00 A.M.
5. Day 1 - Cash voucher for DWR payment generated by approximately 11:00 A.M.
6. Day 1 - Cash voucher approved and DWR payment entered into Accounts Payable system for processing by approximately 1:00 P.M.
7. Day 2 - SCE Cash Management receives DWR Accounts Payable instructions by 10:00 A.M. Note: All SCE payables (cash vouchers) for the day must be received by 10:00 A.M. to be processed and analyzed to ensure funds are available. Due to SCE's current financial status, the bank will not authorize payments without available funds.
8. Day 2 - Wire Payment is sent to DWR no later than 2:30 P.M.

Adjustments for misapplied payments, returned checks, payment transfers, miscellaneous adjustments, excess 20/20 credits greater than DWR Charges, and any routine billing or payment corrections will be reflected in the daily DWR remittance as those adjustments are made in Utility's billing system.

Transition

The Parties recognize that prior to the Effective Date of this ~~Servicing Agreement~~ Order, Utility has been remitting DWR Charges to DWR based upon the Interim Remittance Methodologies. As described in Section 4.2(e), ~~the~~ Utility will reconcile the amounts remitted pursuant to the Interim Remittance Methodologies with the Remittances to be made pursuant to this ~~Agreement~~ Servicing Order as follows:

(a) ~~Utility shall~~ continue ~~continued~~ to make remittances to DWR pursuant to the Interim Remittance Methodologies for usage through June 2, 2001, with the final remittance pursuant to the Interim Remittance Methodologies to ~~occur~~ have occurred on July 17, 2001. ~~Utility shall also make Remittances to DWR for usage beginning~~ Beginning on June 3, 2001, Utility has also made remittances utilizing the method set forth in Section ~~2.2, Attachment~~ 2.2 and Attachments B and H of the Servicing Agreement approved by the Commission pursuant to Decision 01-09-014, as amended from time to time ("More Precise Billing Methodology").

(b) ~~The Parties recognize that prior to the Operating Agreement~~ Operating Order Effective Date, Utility has been remitting DWR Charges to DWR based upon the More Precise Billing Methodology. As described in Section 4.2(e), Utility shall remit amounts pursuant to the More Precise Billing Methodology for usage through the Operating Agreement Operating Order Effective Date, with the final remittance pursuant to the More Precise Billing Methodology to occur 180 days after the Operating Agreement Operating Order Effective Date.

(c) ~~On and after the Operating Agreement~~ Operating Order Effective Date, Utility shall transition from using the More Precise Billing Methodology to using the Post-Transition Remittance Methodology as provided in Attachment H hereto, consistent with the Contract Allocation Order and the Settlement Principles for Remittances and Surplus Revenues set forth in Exhibit C of the Operating Agreement Operating Order, this Agreement and Attachments B and H hereto.

Collection of DWR Charges

SCE will follow its existing collection policies and practices consistent with Applicable Law and Applicable Tariffs and apply them to both SCE and DWR Charges. As permitted by Applicable Law and Applicable Tariffs, Utility will disconnect Customers' electric service for unpaid DWR Charges, in the same manner as SCE disconnects for its own charges.

For accounting purposes, ~~uncollectable~~ uncollectible balances are written off 180 days after the final statement is issued. At this time, DWR will be provided a report reflecting uncollected DWR Charges. SCE will continue to collect and remit DWR payments as received until any one of the following occur:

- Three years after the final statement is issued

- Notification of a customer's death
- Notification of a customer's filing for bankruptcy protection
 - DWR is responsible for filing claim on DWR Charges included in a bankruptcy filing.
 - SCE will continue to bill and pursue post petition DWR charges.
- Total balance due is \$15.00 or less

Responsibility for collection of any DWR Charges that remain unpaid after one of the above conditions occurs will revert to DWR.

Deposits Securing DWR Charges

SCE will collect security deposits from Customers and return those security deposits to Customers both in accordance with applicable tariffs. Such security deposits will be applied based on SCE's payment posting priority in the event a security deposit is no longer required.

Other Operating Revenue Collected by Utility

DWR shall have no rights to charges associated with Utility's collection or payment activities, including but not limited to, returned check charge, reconnection of service charge, field assignment charge, and QuickCheck charge. However, in accordance with Section 6 of Service Attachment 1, late payment interest charges assessed on DWR Charges will be remitted to DWR when collected.

Payment Posting Priority Process

Utility payment posting rules will assign equal priority to DWR Charges, SCE Energy, UUT, and Edison OnCall charges (together, "Priority Charges") by statement. Payments will be prorated among all categories of unpaid Priority Charges based on the amount owing in each statement. Priority Charges are paid first statement by statement. Any other non-priority charges will be paid with any remaining credit balance.

Payment Posting Rules:

1. Payments will be applied to the oldest statements and payment arrangements, first.
2. Within each statement or Payment Arrangement installment, the payment/credit will be prorated among all unpaid Priority Charges based on the amount owing in each category.

Sample:	SCE	DWR	UUT	EOC	Total
Bill due 6/10/01	\$30.00	\$60.00	\$5.00	\$5.00	\$100.00
% Of Total	30%	60%	5%	5%	100%
Payment 6/25/01	\$15.00	\$30.00	\$2.50	\$2.50	\$50.00
% Of Total	30%	60%	5%	5%	100%

Monthly Summary Report

A monthly report will be provided showing total amount billed, adjusted, and collected at the summary level. The report will include total of DWR Charges billed, adjusted, returned (written off at day 180). See Sample.

Sample Report: Monthly

DPBXXXXX	DWR RECEIVABLES - OUTSTANDING AND COLLECTED
XX-XX-XXXX	MONTH, 2001
ID: XXXXXXXX2	NAME: DWR
MONTH : XX-XX-XXXX TO XX-XX-XXXX	
DWR AMOUNT BILLED:	
NET AMOUNT BILLED	\$XXX,XXX.XX
AMOUNT CHARGED OFF:	\$XXX,XXX.XX
AMOUNT ADJUSTED - CR:	\$XXX,XXX.XX
AMOUNT ADJUSTED - DB:	\$XXX,XXX.XX
TOTAL AMOUNT BILLED:	\$XXX,XXX.XX
DWR AMOUNT COLLECTED:	
AMOUNT COLLECTED:	\$XXX,XXX.XX
AMOUNT OTHER CREDITS:	\$XXX,XXX.XX
TOTAL AMOUNT COLLECTED:	\$XXX,XXX.XX
DWR AMOUNT PREVIOUSLY REMITTED ADJUSTMENT:	\$XXX,XXX.XX
TOTAL AMOUNT TO BE REMITTED:	\$XXX,XXX.XX
DWR Outstanding day 180 (Inactive Accounts)	\$XXX,XXX.XX

YEAR-TO-DATE: XX-XX-XXXX TO XX-XX-XXXX

DWR AMOUNT BILLED:

NET AMOUNT BILLED:	\$XXX,XXX.XX
AMOUNT CHARGED OFF:	\$XXX,XXX.XX
AMOUNT ADJUSTED - CR:	\$XXX,XXX.XX
AMOUNT ADJUSTED - DB:	\$XXX,XXX.XX
<hr/>	
TOTAL AMOUNT BILLED:	\$XXX,XXX.XX

DWR AMOUNT COLLECTED:

AMOUNT COLLECTED:	\$XXX,XXX.XX
AMOUNT OTHER CREDITS:	\$XXX,XXX.XX
<hr/>	
TOTAL AMOUNT COLLECTED:	\$XXX,XXX.XX

DWR AMOUNT PREVIOUSLY REMITTED ADJUSTMENT:

	\$XXX,XXX.XX
<hr/>	
TOTAL AMOUNT REMITTED:	\$XXX,XXX.XX

ATTACHMENT D
SOUTHERN CALIFORNIA EDISON COMPANY
GENERAL TERMS AND CONDITIONS

For purposes of this Attachment D, Utility shall be deemed to be the "Contractor" hereunder. To the extent that Contractor's compliance with any of the terms of this Attachment D results in additional costs and expenses for Contractor (except to the extent the terms of this Attachment D merely require compliance with laws or regulations which apply to the Contractor irrespective of the existence of this ~~Agreement~~Service Order), Contractor will invoice DWR for such additional costs and expenses, and DWR shall pay such invoices as Additional Charges, in the manner contemplated by Section 7 of the ~~Agreement~~Service Order.

1. **RECYCLING CERTIFICATION:** The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this ~~Agreement~~Service Order, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

2. **NON-DISCRIMINATION CLAUSE:** During the performance of this ~~Agreement~~Service Order, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this ~~Agreement~~Service Order by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all contracts with subcontractors to perform work under the ~~Agreement~~Service Order.

3. **CERTIFICATION CLAUSES:** The CONTRACTOR CERTIFICATION CLAUSES attached hereto are hereby incorporated by reference and made a part of this ~~Agreement~~Service Order.

4. CHILD SUPPORT COMPLIANCE ACT: "For any Agreement in excess of \$100,000, the contractor acknowledges that:

a. the contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b. the contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."

5. UNION ORGANIZING: Contractor by signing this ~~Agreement~~Serviceing Order hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this ~~Agreement~~Serviceing Order.

a. Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.

b. No state funds received under this agreement will be used to assist, promote or deter union organizing.

c. Contractor will not, for any business conducted under this agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.

d. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.

CERTIFICATION

I, the official named below, **CERTIFY UNDER PENALTY OF PERJURY, or EXECUTE THIS CERTIFICATION**, in the manner required by Applicable Law, certifying thereby that I am duly authorized to legally bind the entity identified below to the clause(s) listed in the following numbered paragraphs 1-5. This certification is made under the laws of the State of California.

Southern California Edison Company

By: _____

Name: _____

Title: _____

Date: _____

Federal ID Number _____

Executed in the County of _____

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) .

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment.

Failure to comply with these requirements may result in suspension of payments under the Agreement Servicing Order or termination of the Agreement Servicing Order or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders

Contractor to comply with an order of the National Labor Relations Board. (PCC 10296)

4. RECYCLED MATERIALS: Contractor hereby certifies under penalty of perjury that at least 0% of the materials, goods and supplies offered or products used in the performance of this ~~Agreement~~Service Order meet or exceed the minimum percentage of recycled materials as defined in Sections 12161 and 12200 of the Public Contract Code.

5. UNION ACTIVITIES: In compliance with California Government Code Sections 16645 – 16649, Contractor hereby certifies that no request for reimbursement, or payment under this ~~agreement~~Service Order, will be made for costs incurred to assist, promote or deter union organizing.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST:** Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement/Service Order, the awarding agency must be contacted immediately for clarification.

Current State Employees (PCC 10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (PCC 10411):

- 1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement/Service Order void. (PCC 10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e))

2. **LABOR CODE/WORKERS' COMPENSATION:** Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement/Service Order. (Labor Code Section 3700)

3. **AMERICANS WITH DISABILITIES ACT:** Contractor assures the State that it

complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. **CONTRACTOR NAME CHANGE:** An amendment is required to change the Contractor's name as listed on this ~~Agreement~~ Service Order. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. **AIR OR WATER POLLUTION VIOLATION:** Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

6. **PAYEE DATA RECORD FORM STD. 204:** All contractors that are not another state agency or other government entity must complete this form.



ATTACHMENT E
SOUTHERN CALIFORNIA EDISON COMPANY
ADDITIONAL PROVISIONS

Section 1. Memorandum of Understanding

Memorandum of Understanding, entered as of April 9, 2001, by and among the California Department of Water Resources and Southern California Edison Company, a California corporation, and, as to Sections 5, 8, and 12, Edison International, a California corporation ("MOU"). The MOU sets forth the understandings of the parties about a plan to provide affordable and reliable electricity to customers of SCE. In the event the MOU is not approved as required by its own terms, the reference to the MOU in this Attachment E provides no independent basis for enforcement of the MOU.

Section 2. Letter Agreement

Letter Agreement dated June 25, 2001, between California Department of Water Resources and Southern California Edison Company, regarding payment by DWR of SCE invoices for implementation and recurring fees and ability of SCE to reduce Remittances by amount of customer credits under the 20/20 program and other interruptible programs prior to the Effective Date of the Service Agreement Order.

Section 3. Reservation of Rights

Notwithstanding (i) the terms, execution or operation of the Agreement Service Order, (ii) the approval of, any modification to, or any other action taken with respect to or having an effect on the Agreement Service Order by the Commission or any other Governmental Authority, or (iii) any other action taken by a Governmental Authority, Utility hereby reserves all rights (if any) in any forum to contest, oppose, appeal, comment on, or otherwise seek to revisit, alter, modify or set aside any present or future decisions, orders, opinions, rulings, or actions or omissions to act by the Commission or any other Governmental Authority, whether in draft, interim or final form, arising out of, relating to, or connected with (x) the calculation of DWR Charges or DWR Revenues and the allocation of costs and amounts of electric capacity and output among the customers of electrical corporations, (y) the interpretation and/or legality of Applicable Law or Applicable Commission Orders, or (z) remittance of such calculated amounts by Utility to DWR or its Assign(s) under Applicable Law or Applicable Commission Orders in a manner inconsistent with this Agreement Service Order or Utility's ability to perform its utility functions.

Section 4. Orders of the Federal Energy Regulatory Commission

Nothing in the Agreement shall operate to modify any of the requirements of any order of the Federal Energy Regulatory Commission. Without limiting the generality of the foregoing, nothing in the Agreement Service Order shall obligate Utility to pay for costs that would be

inconsistent with any order of the Federal Energy Regulatory Commission or the ISO tariff.

ATTACHMENT F

SOUTHERN CALIFORNIA EDISON COMPANY
CALCULATION METHODOLOGY FOR REDUCED REMITTANCES
PURSUANT TO 20/20 PROGRAM FOR
2001 AND 2002

Reimbursement of 20/20 Rebate Costs for 2001 and 2002 Programs

DWR agrees that Utility will utilize the method set forth in Attachment B to remit DWR Revenues to ~~DWR~~ DWR. Payments to DWR (less the 20/20 rebate deduction) for DWR Charges will be remitted as the bills are paid by the customer. The 20/20 rebate will credit (reduce) the current DWR Charges on the Customer's bill. If the current DWR Charges on the Customer's bill are less than the 20/20 rebate, the remaining rebate will be applied to older DWR Charges. If there is still a remaining credit after all DWR Charges are offset, the remaining rebate will be applied as a credit pursuant to Utility payment posting priority rules and will offset other charges. Because DWR is funding the rebate program, Utility will recover any excess rebate amount by deducting it from the Daily Remittance(s) made to DWR. This will be reflected in the Utility's monthly summary report as "amount previously remitted." If, upon or after termination of this Agreement Servicing Order, excess rebates are owed, Utility will invoice DWR for such rebates as Additional Charges pursuant to Section 7 of the Agreement Servicing Order.

Reimbursement of 20/20 Implementation Costs for 2001 and 2002 Programs

DWR will agree to pay to Utility an implementation fee and recurring fees in order to cover Utility's reasonable development and on-going costs for the procedures, systems and mechanisms that are necessary to implement the 20/20 Program. Utility shall invoice DWR for payment of the implementation fee and recurring fees with reasonable supporting documentation in accordance with Section 7.2 of the Servicing Agreement Order.

20/20 Fee Schedule for 2001 Program

The intent is to reimburse the actual, incremental costs incurred by Southern California Edison (SCE). SCE will exercise its best efforts in managing their operations to minimize costs and keep within the budgeted costs shown below:

Estimated 20/20 Governor's Executive Order (March 13, 2001)

Incremental Costs

Estimated 20/20 Governor's Executive Order (March 13, 2001)

Incremental Costs

O&M Expense Items

			Start	Ongoing			
			UpStart				
			up				
	O&M Expense Items	Quantity or Unit Cost	2001	2001	2002	2003	2004
1	Billing Infrastructure Maintenance	Annual Cost	-	---	182,801	181,199	172,068
2	Billing Application System Maintenance	Annual Cost	-	12,171	33,378	34,720	36,039
3	Bundled Svc/C&I Letters, postage, Internet Access	Annual Cost	-	188,766 288,766	---	---	---
4	Rebills	Annual Cost	-	84,698	---	---	---
45	Field Visit	Annual Cost	-	108,844	---	---	---
56	Call Center Billing Inquiry	Annual Cost	-	315,742	---	---	---
67	Call Center Training Development, Delivery and Materials	One Time Fee	98,049	---	---	---	---
Total O&M Expenses			98,049	710,220	216,179	215,919	208,108
Capital Items							
1	Billing System Infrastructure Upgrade	One Time Purchase	898,825				
2	Billing Application System Development	One Time Fee	514,500				
Total Capital			1,413,325				
Total O&M Expenses and Capital			98,049 1,511,374	710,220	216,179	215,919	208,108

Capital Items							
1	Billing System Infrastructure Upgrade	One Time Purchase	898,825				
2	Billing Application System Development	One Time Fee	514,500				
Total Capital			1,413,325				
Total O&M Expenses and Capital			1,511,374	710,220	216,179	215,919	208,108

Key Cost Assumptions for 2001 Program:

- : ⇒ 20/20 Rebate Program effective date June 1, 2001; termination date Oct. 31, 2001.
- : ⇒ Billing Infrastructure includes CSS and CRISS systems upgrade.
- : ⇒ Programming costs include changes to SCE billing system for residential and non-residential customers to establish and display rebate information, including prior usage, baseline allowance, credit, etc.
- : ⇒ Survival of Payment Obligation Clause: System infrastructure and application will be maintained up to 2004 with the anticipation of continued rebill and collection activities.
CCO (Customer Communication Org.) anticipates average 30% increase of handle time from
~~⇒ CCO (Customer Communication Org.) anticipates average 30% increase of handle time from~~
- : TURN ON/OFF calls; average 20% increase in billing inquiries from July to October; average 30% of Billing Inquiries (BI) will be escalated to BI cases demanding higher level involvement for resolution.
- : ⇒ Average 10% of BI cases will result in field visits.
- : ⇒ Anticipate an average of additional 3,000 monthly rebills. Rebills will be continued up to 2004, as part of our continued ongoing operation.
- : ⇒ Costs are estimated; SCE reserves the right to adjust costs as needed.

20/20 Fee Schedule for 2002 Program

Estimated 20/20 Governor's Executive Order (May 23, 2002)

Incremental Costs

O&M	Expense Items		Start Up	Ongoing			
			2002	2002	2003	2004	2005
<u>1</u>	<u>Billing Infrastructure Maintenance</u>	<u>One time fee & Annual Cost</u>	<u>2,000</u>	<u>102,400</u>	<u>221,100</u>	<u>238,800</u>	<u>257,900</u>
<u>2</u>	<u>Billing Application System Development and Maintenance</u>	<u>One time fee & Annual Cost</u>	<u>201,100</u>		<u>5,700</u>	<u>5,900</u>	<u>6,200</u>
<u>3</u>	<u>Program Management</u>	<u>Annual Cost</u>		<u>16,640</u>			
<u>4</u>	<u>Refills</u>	<u>Annual Cost</u>		<u>54,700</u>			
<u>5</u>	<u>Field Visit</u>	<u>Annual Cost</u>		<u>103,100</u>			
<u>6</u>	<u>Call Center Billing Inquiry</u>	<u>Annual Cost</u>		<u>162,000</u>			
<u>7</u>	<u>Bill Inserts</u>	<u>Annual Cost</u>		<u>31,163</u>			
<u>8*</u>	<u>Medial Campaign -SCE's Respective share of the \$3 million Media Fund</u>						
	<u>Total O&M Expenses</u>		<u>203,100</u>	<u>470,003</u>	<u>226,800</u>	<u>244,700</u>	<u>264,100</u>

(*) SCE will receive a percentage of the presently estimated \$3 million cost to implement a statewide advertising campaign, which is contemplated by the CPUC and the Governor. This cost will be proportionally allocated among the three utilities.

Capital Items							
1	Billing Infrastructure Maintenance	One-time Purchase					
2	Billing Application System Development	One-time fee					
	Total Capital						
Total O&M Expenses and Capital			208,100	470,003	226,800	244,700	264,100

Key Cost Assumptions for 2002 Program:

- : 20/20 Rebate Program applies to residential customers only and is effective on July 1, 2002 and terminates on October 31, 2002.
- : 20/20 Rebate Program is applicable only to residential customers served under both time-of-use and non-time-of-use rate schedules except for direct access, self-generation (E-Net), and unmetered customers.
- : 20/20 Rebate Program applies to customers who reduce their consumption over the comparable period in 2000 by 20 percent. If the customer has no comparable usage in 2000, its usage each month will be compared with the baseline allowance for its baseline zone.
- : Programming costs include changes to SCE billing system for residential customers to establish and display rebate information, including prior usage, baseline allowance, credit, etc.
- : Survival of Payment Obligation Clause: System infrastructure and application will be maintained up to 2005 with the anticipation of continued rebill and collection activities.
- : CCO (Customer Communication Org.) anticipates average -15% increase of handle time from TURN ON/OFF calls; average 10% increase in billing inquiries from July to November; average 15% of Billing Inquiries (BI) will be escalated to BI cases demanding higher level involvement for resolution.
- : Average 10% of BI cases will result in field visits, 2.5% of BI cases will result in meter tests.
- : Anticipate an average of additional 1,800 monthly rebills. Rebills will be continued up to 2005, as part of our continued ongoing operation to support customer inquiries.
- : Costs are estimated. SCE reserves the right to adjust costs as needed.

Expense Tracking and Costs Assumptions for 2041 and 2042 Programs.

~~If SCE~~If SCE's monthly expense tracking systems or mechanisms ~~show~~shows that costs are running greater than 15% higher or lower than estimated, SCE shall notify DWR of the reasons for the variance. SCE will invoice as ~~"additional fees"~~"additional fees" or refund to DWR on a quarterly basis for any over or under collection of fees if greater than 15% or as agreed upon by the parties. Requests for additional services, not provided for in the Agreement or Attachment G, will be mutually agreed upon by the parties prior to rendering service to determine labor and systems constraints. Cost for additional services shall be negotiated in good faith by the parties prior to rendering _____ service.

Approved costs will be reimbursed in accordance with Section 7.2 of the Servicing Agreement Order. Each invoice for additional costs must include:

- Appropriate documentation for fixed amounts where tracking these costs is burdensome. — ~~For example: CCO (Customer Communication Organization) assumes increase in billing related inquiries from July to October will be approximately 20% or 17,800 additional calls. The CCO cost per call in 2001 is approximately \$4.02 per call. 2001 annual total of \$71,556 to be paid monthly by DWR.~~
- Hourly labor rates and total hours to complete a task acceptable, such as programming the billing systems (Estimates should always cover maximum effort expected with any contingencies. This will avoid having to come back and amend service agreement if total authorized amounts are exceeded).
- Provide invoices or vendor receipts for equipment purchases.

20/20 Program Reporting for 2001 and 2002 Programs

- ~~1.~~ 1. Bi Monthly — To the extent reasonably possible, SCE shall provide DWR with a report showing the aggregated dollar amount and number of ~~20/20~~20120 credits applied to Customer accounts at least twice monthly.
- ~~2.~~ 2. Monthly — To the extent reasonably possible, SCE shall provide DWR with monthly reports showing the monthly total number of Customer accounts by customer class, average percent amount and average credit amount of 20/20 credits. In addition, SCE will provide prior year and current years system wide monthly kWh average. Monthly reports will be completed within 10 Business Days after the first of each month.
- ~~3.~~ 3. Program Summary — To the extent that SCE completes any additional analysis of the results of the 20/20 Program, such as by qualification type, SCE will provide to DWR such analysis. Any additional findings, including "lessons learned" and recommendations for future similar programs, will also be provided to DWR.

ATTACHMENT G
SOUTHERN CALIFORNIA EDISON COMPANY
FEE SCHEDULE

The intent is to reimburse the actual, incremental costs incurred by Southern California Edison Company (SCE). SCE- will exercise its best efforts in managing their operations to minimize costs and keep within the budgeted costs shown below:

Estimated DWR / ABX 1 Incremental Costs

O&M Expense Items		Quantity or Unit Cost	Start Up	Ongoing			
			2001	2001	2002	2003	2004
1	Billing Infrastructure Maintenance	Annual Cost	-	-	96,380	86,433	78,084
2	Billing Application System Maintenance	Annual Cost	-	32,124	57,207	59,507	61,768
3	Bank Charges - Wire Transfer	Annual Cost	-	1,285	2,227	1,140	771
4	Remittance Processes	Annual Cost	-	948	1,642	841	569
5	Call Center DWR Line Item Billing Inquiry	Annual Cost	-	94,530	67,673	-	-
6	Call Center Training Development, Delivery and Materials	One Time Fee	30,003	-	-	-	-
Total O&M Expenses			30,003	128,887	225,129	147,921	141,192
Capital Items							
1	Billing System Infrastructure Upgrade	One Time Purchase	564,846	-	-	-	-
2	Billing Application System Development	One Time Fee	1,236,400	-	-	-	-
Total Capital			1,801,246	-	-	-	-
Total O&M Expenses and Capital			1,831,248	128,887	225,129	147,921	141,192

Key Cost Assumptions:

- ⇒ Service Agreement effective date June 3, 2001; DWR purchase of power agreement terminates 1/2/2003; Remittance for DWR funds can occur for up to 3 years after final bill presentation.
- ⇒ Billing Infrastructure includes CSS (Customer Service System) and CRRIS (Revenue Reporting System) systems upgrade.
- ⇒ Programming costs include changes to SCE billing system for residential and non-residential customers and presentation of a DWR line item on the bill.
- ⇒ Remittances will be on a daily basis via wire transfer using the “precise billing method” described in the March 27, 2001 decision (D.01-03-081) and further defined in SCE Attachment B.
- ⇒ CCO (Customer Communication Organization) anticipates an average 12% increase in Billing Inquiries (BI) the first 7 months, with diminishing inquiries down to 6% the 2nd year.
- ⇒ Excludes 20/20 Rebate programming and service costs.
- ⇒ Costs are estimated, SCE reserve the right to adjust costs as needed.

If SCE’s monthly expense tracking systems or mechanisms show that costs are running greater than 15% higher or lower than estimated, SCE shall notify DWR of the reasons for the variance. SCE will invoice as “additional fees” or refund to DWR on a quarterly basis for any over or under collection of fees if greater than 15% or as agreed upon by the parties. Requests for additional services, not provided for in the Agreement Servicing Order or Attachment G, will be mutually agreed upon by the parties prior to rendering service to determine labor and systems constraints. Cost for additional services will be negotiated in good faith by the parties prior to rendering service.

Approved costs will be reimbursed in accordance with Section 7.2 of the Agreement Servicing Order. Each invoice for additional costs must include:

- Appropriate documentation for fixed amounts where tracking these costs is burdensome. For example: CCO (Customer Communication Organization) assumes increase in billing related inquiries from June 3, 2001 to December 31, 2001 will be approximately 12.21% or 23,544 additional calls. The CCO cost per call in 2001 is approximately \$4.02 per call. 2001 annual total of \$94,530 to be paid monthly by DWR.
- Hourly labor rates and total hours to complete a task acceptable, such as programming the billing systems (Estimates should always cover maximum effort expected with any contingencies. This will avoid having to come back and amend service agreement Servicing Order if total authorized amounts are exceeded).
- Provide invoices or vendor receipts for equipment purchases.

ATTACHMENT H

ADJUSTMENTS TO DWR CHARGES FOR VARIANCES IN DWR POWER DELIVERED

SCE REMITTANCE PERCENTAGE CALCULATION AND TRUE-UP

SCE REMITTANCE PERCENTAGE CALCULATION AND TRUE-UP

SCE's Energy Supply and Management Department (ES&M) will provide to SCE's billing department the daily DWR Percentage (as defined below). This DWR Percentage will be used by SCE's billing department to determine the amount of DWR Power provided by DWR to Bundled Customers for each day and the corresponding Power Charges to be remitted to DWR for such energy deliveries. Capitalized terms used in this Attachment H shall have the meanings ascribed to them in the ~~First Amended And Restated 2003 Servicing Agreement~~ Order, unless otherwise defined herein.

Detailed Process

Part I. More Precise Billing Methodology

The methodology in this Part I shall be applied for remittance of DWR Power Charges before the Operating Agreement/Operating Order Effective Date.

The daily DWR Percentage calculation is performed on $t+1$ (the day after the energy is used) by ES&M as indicated below. All references in this Attachment H to the addition or summation process shall mean addition or summation taking into account whether the quantities being added or summed carry a positive or negative sign. Imbalance Energy shall be a positive quantity if CERS provided additional energy to Bundled Customers than was scheduled by CERS to SCE and a negative quantity if CERS provided less energy to Bundled Customers than was scheduled by CERS to SCE.

1. Estimated Energy Deliveries On Day t

- a. For each hour of each day t , SCE will determine from the ISO-published CERS Final Hour-Ahead Schedule the quantity of energy that is scheduled from CERS to SCE ("Estimated Hourly Scheduled Energy"). This energy is scheduled from CERS to SCE in the form of a Scheduling Coordinator-to-Scheduling Coordinator trade. The summation of Estimated Hourly Scheduled Energy for all hours of day t shall be defined as the "Estimated Daily Scheduled Energy" for day t .
- b. For each hour of each day t , SCE will estimate the Imbalance Energy provided by CERS to Bundled Customers ("Estimated Hourly Imbalance Energy"). The summation of Estimated Hourly Imbalance Energy for all hours of day t shall be defined as the "Estimated Daily Imbalance Energy" for day t .
- c. For each hour of each day t , SCE will estimate Bundled Customer energy usage ("Estimated Hourly Bundled Customer Usage"). The summation of Estimated Hourly Bundled Customer Usage for all hours of day t shall be defined as the "Estimated Daily Bundled Customer Usage" for day t .

2. True-Up Energy For Day **t-90**

- a. Since the DWR Percentage calculated for a particular day reflects an estimate of Imbalance Energy and Bundled Customer energy usage delivered on that day, rather than actual values, an adjustment or true-up shall be performed as provided herein. This adjustment or true-up will be made, as provided herein, by modifying the DWR Percentage for the 90th day after the energy usage date.
- b. Final Settlement Statements from the ISO should have been received and validated 90 days after CERS energy is delivered to Bundled Customers. These validated ISO Final Settlement Statements shall be used as the source for determining actual energy quantities for the purposes of this Attachment H.
- c. The True-Up Energy for day **t-90** shall be calculated on day **t+1** as follows:
 - i. The "Energy Upon Which DWR Power Charge Remittances Were Based" for day **t-90** is the DWR Percentage for day **t-90** multiplied by the actual Bundled Customer metered usage for **t-90**.
 - ii. The "Energy For Which DWR Should Receive Power Charge Remittances" for day **t-90** is the CERS Final Hour-Ahead Schedule from CERS to SCE for day **t-90** plus the actual Imbalance Energy provided by CERS to Bundled Customers on day **t-90** plus the True-Up Energy, defined below, for day **t-180**. The actual Imbalance Energy provided by CERS to Bundled Customers for all days prior to the Effective Date of the First Amended And Restated Servicing Agreement shall be deemed to be zero for the purposes of this Attachment H. SCE's remittances to DWR for Imbalance Energy provided to Bundled Customers prior to such Effective Date are addressed in the Letter Agreement, as amended, which is attached to the First Amended And Restated Servicing Agreement as Attachment I. Including the True-Up Energy component for day **t-180** in the calculation of Energy For Which DWR Should Receive Power Charge Remittances for day **t-90** is required because this Attachment H procedure operates to modify the DWR Percentage ninety days after the day of energy deliveries ("Day Of Energy Deliveries") to account for the difference between the energy for which DWR was actually paid for the Day Of Energy Deliveries and the energy for which DWR should be paid for the Day Of Energy Deliveries.
 - iii. "True-Up Energy" for day **t-90** is the Energy For Which DWR Should Receive Power Charge Remittances for day **t-90** minus the Energy Upon Which DWR Power Charge Remittances Were Based. True-Up Energy may carry a positive or negative sign.

3. Daily DWR Percentage For Day t

- a. The "DWR Percentage" for day t shall be calculated on day $t+1$ and shall be obtained by summing the Estimated Scheduled Energy for day t , the Estimated Imbalance Energy for day t , and the True-Up Energy for day $t-90$ and dividing the result by the Estimated Daily Bundled Customer Usage for day t .

Part II. Post-Transition Remittance Methodology

The methodology in this Part II shall be applied for remittance of DWR Power Charges on and after the the Operating Agreement/Operating Order Effective Date.

The daily DWR Percentage calculation is performed on $t+1$ (the day after the energy is used) by ES&M as indicated below. All references in this Attachment H to the addition or summation process shall mean addition or summation taking into account whether the quantities being added or summed carry a positive or negative sign.

1. Estimated Energy Deliveries On Day t

- a. For each hour of each day t , SCE will estimate from the ISO-published Final Hour-Ahead Final Schedules and other information reasonably available to SCE on day t the dispatched quantities of SCE's integrated portfolio, consisting of URG and Contracts, and calculate the "Estimated Hourly DWR Power" applying the principles set forth in Exhibit C of the Operating Agreement/Operating Order. The summation of Estimated Hourly DWR Power for all hours of day t shall be defined as the "Estimated Daily DWR Power" for day t .
- b. For each hour of each day t , SCE will estimate Bundled Customer energy usage ("Estimated Hourly Bundled Customer Usage"). The summation of Estimated Hourly Bundled Customer Usage for all hours of day t shall be defined as the "Estimated Daily Bundled Customer Usage" for day t .

2. True-Up Energy For Day $t-90$

- a. Since the DWR Percentage calculated for a particular day reflects an estimate of Bundled Customer energy usage delivered on that day, rather than actual values, an adjustment or true-up shall be performed as provided herein. This adjustment or true-up will be made, as provided herein, by modifying the DWR Percentage for the

90th day after the energy usage date.

b. Final Settlement Statements from the ISO should have been received and validated 90 days after Power is delivered to Bundled Customers. These validated ISO Final Settlement Statements shall be used as the source for determining actual dispatched quantities for the purposes of this Attachment H.

c. The True-Up Energy for day t-90 shall be calculated on day t+1 as follows:

i. The "Energy Upon Which DWR Power Charge Remittances Were Based" for day t-90 is the trued up DWR Percentage for day t-90 multiplied by the actual Bundled Customer metered usage for t-90.

ii. The "Energy For Which DWR Should Receive Power Charge Remittances" for day t-90 is the Energy Upon Which DWR Power Charge Remittances Were Based for day t-90 plus the True-Up Energy, defined below, for day t-180. Including the True-Up Energy component for day t-180 in the calculation of Energy For Which DWR Should Receive Power Charge Remittances for day t-90 is required because this Attachment H procedure operates to modify the DWR Percentage ninety days after the day of energy deliveries ("Day Of Energy Deliveries") to account for the difference between the energy for which DWR was actually paid for the Day Of Energy Deliveries and the energy for which DWR should be paid for the Day Of Energy Deliveries.

iii. "True-Up Energy" for day t-90 is the Energy For Which DWR Should Receive Power Charge Remittances for day t-90 minus the Energy Upon Which DWR Power Charge Remittances Were Based. True-Up Energy may carry a positive or negative sign.

3. Daily DWR Percentage For Day t

a. The "DWR Percentage" for day t shall be calculated on day t+1 and shall be obtained by summing the Estimated Energy Delivery on Day t, and the True-Up Energy for day t-90 and dividing the result by the Estimated Daily Bundled Customer Usage for day t.

ES&M shall transmit the DWR Percentage to SCE's Billing Department on day t+1 for purposes of determining remittances of Power Charges from Bundled Customers to DWR.

APPROACH TO ESTIMATING BUNDLED CUSTOMER USAGE AND IMBALANCE ENERGY

ES&M relies on data from SCE's energy management system to estimate Bundled Customer usage and Imbalance Energy on day $t+1$. SCE agrees to monitor the accuracy of its $t+1$ estimates and report the results to DWR. If True-up Energy amounts become significant or indicate consistent over-estimates or under-estimates, SCE agrees to review its methodologies for estimating quantities to determine if improvements in such methodologies may be made to yield better quality estimates at no cost. Notwithstanding the foregoing review, SCE shall not be obligated to expend funds to improve its estimation methodologies.

ATTACHMENT I

SOUTHERN CALIFORNIA EDISON

**LETTER AGREEMENT DATED FEBRUARY 28, 2002,
AND AMENDED AS OF MARCH 18, 2002**

Document comparison done by DeltaView on Thursday, October 03, 2002 17:24:22

Input:	
Document 1	file://C:\AnMay\SCE\First Amended and Restated SCE Attachments (Execution).doc
Document 2	file://C:\AnMay\SCE\2003 SCE Servicing Agt Attachments (10-3-2).doc
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	264
Deletions	107
Moved from	2
Moved to	2
Format changed	0
Total changes	375

ATTACHMENT J

SURPLUS ENERGY SALES REVENUES REMITTANCE

1. Calculation of DWR Monthly Surplus Energy Sales Revenues Remittance (“Monthly Surplus Energy Sales Revenue Remittance”). DWR Surplus Energy Sales Revenues shall be allocated consistent with the Contract Allocation Order and the principles set forth in Exhibit C of the ~~Operating Agreement~~ Operating Order and as further provided in this Attachment J. As provided in Exhibit C to the ~~Operating Agreement~~ Operating Order, Utility is required to calculate the DWR Surplus Percentage on an hourly basis and to apply such percentage to the total surplus energy sales revenues received by the Utility to determine the hourly DWR Surplus Energy Sales Revenues to be remitted to DWR. Pursuant to this Attachment J, Utility shall remit DWR Surplus Energy Sales Revenues each month to DWR.

2. Preliminary Monthly Surplus Energy Sales Revenues Remittance. By the first Business Day after the 20th day of the month following each delivery month (the “Monthly Settlement Date”), Utility shall calculate and shall remit to DWR the “Preliminary Monthly Surplus Energy Sales Revenues Remittance Amount,” consisting of the aggregate of DWR Surplus Energy Sales Revenues for each hour of the month using the price and volume information available to Utility and in accordance with the principles set forth in Exhibit C of the ~~Operating Agreement~~ Operating Order. The Preliminary Monthly Surplus Energy Sales Revenues Remittance Amount shall be accompanied by a detailed written report (the “Preliminary Monthly Surplus Energy Sales Report”) in a form to be developed by the Parties.

3. Actual Monthly Surplus Energy Sales Revenues Remittance. On or prior to the first Business Day following the due date of the ISO Monthly Final Market Invoice for the delivery month (the “Final Monthly Settlement Date”) Utility will calculate the Actual Monthly Surplus Energy Sales Revenues Remittance Amount (the “Actual Monthly Surplus Energy Sales Revenues Remittance Amount”), based upon actual dispatched Power quantities as reflected in the ISO Final Settlement Statements for the delivery month to determine the DWR Surplus Energy Sales Revenues all in accordance with the principles set forth in Exhibit C of the ~~Operating Agreement~~ Operating Order.

Utility will subtract the Preliminary Monthly Surplus Energy Sales Revenues Remittance Amount previously remitted to DWR for the appropriate delivery month from the Actual Monthly Surplus Energy Sales Revenues Remittance Amount as determined under this Section 3 (“Delivery Month True-up Amount”) and either remit such Delivery Month True-up Amount to DWR if the result is positive, or invoice DWR for the net amount if the result is negative. Any remittances or invoices to be prepared under this Section 3 shall be accompanied by a detailed written report in a form to be developed by the Parties (the “Actual Monthly Surplus Energy Sales Report”).

4. Adjustments and True-ups. (a) If the Utility determines that it has remitted amounts to DWR in error, Utility may provide notice of such event to DWR (accompanied by an explanation of the facts surrounding such erroneous deposit), and

DWR ~~shall agree~~ to review such notice and information as soon as practicable and promptly repay such funds if and to the extent DWR agrees with Utility, such agreement not to be unreasonably withheld or delayed.

If DWR becomes aware of a material discrepancy in the remitted Preliminary Monthly Surplus Energy Sales Revenues Remittance Amount, DWR may provide notice of such event to Utility (accompanied by an explanation of the facts surrounding such erroneous deposit) and Utility shall review such notice and information as soon as practicable and promptly remit such funds if and to the extent that Utility agrees with DWR, such agreement not be unreasonably withheld or delayed.

(b) If for any period of three consecutive months, the absolute value of the Delivery Month True-up Amount is greater than 10% of the Preliminary Monthly Surplus Energy Sales Revenues Remittance Amount for such period, the Parties shall negotiate changes to the methodology provided in this Attachment J so as to reasonably reduce the Delivery Month True-up Amount as much as possible for future months. Either Party may, in addition to any other remedies available to the Party, submit the matter to the Commission or other appropriate forum for resolution in the event that the Parties cannot mutually agree to a revised methodology.

5. Additional Adjustments. The Actual Monthly Surplus Energy Sales Revenues Remittance Amount will also reflect any Additional Adjustments that occur after the Final Monthly Settlement Date for any delivery month. Additional Adjustments shall consist of those adjustments mutually agreed to by the Parties, adjustments as a result of settled disputes between the Utility and the third-party purchaser of surplus Power or adjustments expressly permitted under the Contract Allocation Order or by Applicable Law or the ~~Operating Agreement~~ Operating Order, as may be amended from time to time.

Each Additional Adjustment shall be accompanied by a detailed written report in a form to be mutually developed by the Parties. As reasonably requested by DWR, Utility shall provide supporting documentation of any Additional Adjustments.

6. DWR Right to Verify DWR Surplus Energy Sales Revenues. DWR ~~shall agree that it shall~~ have the right but not the obligation following the receipt of the Actual Monthly Surplus Energy Sales Report for each delivery month to conduct such verification procedures as determined reasonably necessary. In the event that DWR does not agree with the remittance of DWR Surplus Energy Sales Revenues following its verification, DWR agrees that it will notify Utility in writing of a dispute with respect to the remittances of DWR Surplus Energy Sales Revenues. If the Parties are unable to resolve any disputes relating to such DWR Surplus Sales Energy Revenues, either Party, may, upon giving five Business Days' notice to the other Party pursue such appropriate remedies including the submission of the dispute to the Commission or other appropriate forum for proposed resolution.