

SOUTHERN CALIFORNIA EDISON COMPANY
ADDED FACILITIES AGREEMENT
APPLICANT FINANCED

Orange County Sanitation District

("Applicant") and Southern California Edison Company ("SCE"), referred to collectively as "Parties" and individually as "Party", agree, as an accommodation to the Applicant, that SCE shall install the electric facilities described in Exhibit A, and hereinafter referred to as "Added Facilities", the cost of which shall be borne by the Applicant and which will be located at the service address as shown in Exhibit A. Added Facilities are defined in SCE's Rule 2.H as those which are in addition to, or in substitution for the standard facilities SCE would normally install to provide electric service. The Parties agree as follows:

1. Applicant shall pay to SCE in advance of construction by SCE for the Applicant-Financed Added Facilities, the estimated Total Installed Cost of said Added Facilities, as set forth in Exhibit A. If applicable, said cost shall include the estimated Income Tax Component of Contributions (ITCC), pursuant to SCE's Preliminary Statement as filed with the California Public Utilities Commission ("Commission") and the one-time cost to rearrange existing facilities and/or to provide facilities normally installed by the Applicant.
2. In addition to the payment required under Paragraph 1, the Applicant shall also pay a charge based on the Added Facilities investment in Applicant-Financed Added Facilities, pursuant to SCE's Rule 2.H as filed with the Commission and as changed from time to time by the Commission. The charge for Applicant-Financed Added Facilities is based upon the Added Facilities investment and the replacement coverage option selected by the Applicant, as follows:



(a) Replacement Coverage. The Added Facilities investment amount used as the basis for determining the charge Applicant pays SCE shall not be adjusted whenever Added Facilities are replaced as set forth in Paragraph 12(a). Under this option, Applicant shall pay to SCE, at SCE's sole option, either (SCE to select one):



(1) A Monthly Charge based upon .39% times the Added Facilities investment as set forth in Exhibit A.



(2) A One-Time Payment representing the present worth of the Monthly Charge (_____ per month) for the Added Facilities in perpetuity as set forth in Exhibit A.



(b) Replacement Coverage with 20 year Term. The Added Facilities investment amount used as the basis for determining the charge Applicant pays SCE shall not be adjusted for a term of 20 years whenever Added Facilities are replaced as set forth in Paragraph 12(a). Under this option, Applicant shall pay to SCE a Monthly Charge based upon _____ times the Added Facilities investment as set forth in Exhibit A. At the end of the 20 year term, this Agreement terminates in accordance with the provisions of Paragraph 16. If Applicant wants to continue being served from the Added Facilities, Applicant must sign a new Added Facilities Agreement pursuant to the provision in Rule 2 Section H.2.f.(2). (T)



(c) Without Replacement Coverage. The Added Facilities investment amount used in determining the charge Applicant pays SCE shall be adjusted whenever Added Facilities are replaced as set forth in Paragraph 12(b) and . Under this option, Applicant shall pay SCE a Monthly Charge based on _____ times the Added Facilities investment as set forth in Exhibit A. (T)

3. The costs and charges paid by Applicant pursuant to Paragraphs 1 and 2 will normally be based upon estimated costs. When the recorded book costs have been determined by SCE, the charges may be based upon such recorded costs and adjusted retroactively to the date when service was first rendered by means of such Added Facilities. Additional charges resulting from such adjustments will, unless other terms are mutually agreed upon, be payable within thirty (30) days from the date of presentation of a bill therefore. Any credits resulting from such adjustments will, unless other terms are mutually agreed upon, be refunded to Applicant.
4. When SCE elects to provide Added Facilities hereunder on a recorded book cost basis, SCE has the right to revise its estimated costs and bill Applicant using such revised estimated costs during the period preceding determination of the recorded book costs. SCE shall indicate such revisions on Exhibit A or a superseding Exhibit A and provide a copy to Applicant. SCE shall commence billing the charge paid by Applicant pursuant to Paragraph 2 above using such revised estimate not earlier than thirty (30) days from the date the revised estimate is provided to Applicant.

5. The Monthly Charge to be paid by Applicant pursuant to Paragraph 2 above, as determined in Exhibit A, shall automatically increase or decrease without formal amendment to this Agreement if the Commission subsequently authorizes a higher or lower percentage rate in the calculation of the costs of ownership for Added Facilities as stated in Rule 2.H, effective with the date of such authorization. Further, the revised costs of ownership shall also be used to determine the unamortized balance of the One-Time Payment due to termination of service, termination of this Agreement, or otherwise, as provided in Paragraph 16 (a).
6. Where it is necessary to install Added Facilities on Applicant's property, Applicant hereby grants to SCE (a) the right to make such installation on Applicant's property including installation of a line extension along the shortest practical route thereon and (b) the right of ingress to and egress from Applicant's property as determined by SCE in its sole discretion for any purpose connected with the operation and maintenance of the Added Facilities. Applicant shall provide rights-of-way or easements of sufficient space to provide legal clearance from all structures now or hereafter erected on Applicant's property for any facilities of SCE.
7. Where formal rights-of-way or easements are required in, on, under, or over Applicant's property or the property of others for the installation of the Added Facilities, SCE shall not be obligated to install the Added Facilities unless and until any necessary permanent rights-of-way or easements, satisfactory to SCE, are granted without cost to SCE. Upon termination of this Agreement in accordance with Paragraph 16, SCE will quitclaim all easements and rights of way in, on, under, and over Applicant's property which are, as determined by SCE in its sole discretion, no longer required by SCE due to the removal of its Added Facilities.
8. SCE shall not be responsible for any delay in completion of the installation of the Added Facilities resulting from shortage of labor or materials, strike, labor disturbances, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or commission, delay in obtaining necessary rights-of-way and easements, act of God, or any other cause or condition beyond control of SCE. SCE shall have the right in the event it is unable to obtain materials or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers, and any delay in construction hereunder resulting from such allocation shall be deemed to be a cause beyond SCE's control.
9. Added Facilities provided hereunder shall at all times remain the property of SCE.
10. This Agreement supplements the appropriate application and contract(s) for electric service presently in effect between the Parties.
11. If it becomes necessary for SCE to alter or rearrange the Added Facilities including, but not limited to, the conversion of overhead facilities to underground, Applicant shall be notified of such necessity and shall be given the option to either terminate this Agreement in accordance with Paragraphs 13 and 16, or to pay to SCE additional charges consisting of:
 - (a) The cost to remove any portion of the Added Facilities which is no longer necessary because of alteration or rearrangement, such charge to be determined in the same manner as described in Paragraph 16; plus
 - (b) An additional payment, ITCC, and/or one-time cost, if any, for any new Added Facilities requested which shall be determined in the same manner as described in Paragraphs 1 and 2; plus
 - (c) A revised Paragraph 2 charge based on the total net additional installed cost of all new and remaining Added Facilities. Such revised charge shall be determined in the same manner as described in Paragraphs 1 and 2. (T)
12.
 - (a) Whenever Added Facilities are replaced due to damage (caused by other than the Applicant's intentional or negligent conduct) or equipment failure and Applicant has selected replacement coverage pursuant to Paragraph 2 (a) or Paragraph 2 (b), such replacement will be at SCE's expense with no change in the Added Facilities investment amount.
 - (b) Whenever Added Facilities are replaced due to damage or equipment failure and Applicant has selected no replacement coverage pursuant to Paragraph 2, such replacement will be made by SCE at the Applicant's expense, including any applicable ITCC. Charges will be payable by the Applicant to SCE within thirty (30) days from the date of presentation of a bill. If such replacement results in a change in the Added Facilities investment, the Monthly Charge will be adjusted based on the revised added investment effective with the date the replaced Added Facilities are first available. Except that, where a replacement of Added Facilities is required for SCE's operating convenience or necessity or because of damage caused by the sole negligence or willful act of SCE, no increase will be made in the Added Facilities investment amount or the Monthly Charge.
 - (c) Whenever Added Facilities are replaced due to Applicant's increased load or damage caused by the Applicant's intentional or negligent conduct, such replacement will be made by SCE at the Applicant's expense including any applicable ITCC. Charges will be payable by the Applicant to SCE within thirty (30) days from the date of presentation of a bill. Additionally, the Applicant's Monthly Charge pursuant to Paragraph 2 will be adjusted based on the revised added investment resulting from such replacement and will be effective with the date the replaced Added Facilities are first available.

13. This Agreement shall remain in effect until terminated by either party on at least thirty (30) days' advance written notice. Applicant shall pay all costs incurred to the date of termination pursuant to Paragraph 16 including charges for any engineering, surveying, right-of-way and easement acquisition expenses and other associated expenses incurred by SCE for that portion of the Added Facilities not installed.
14. SCE has the right to charge Applicant under the terms and conditions of this Agreement commencing with the date SCE, in its sole opinion, is ready to serve or commencing with the ready to serve date requested by Applicant, whichever is later.
15. Construction of the Added Facilities shall not commence prior to receipt by SCE of appropriate rights of way and/or easements, and applicant's payment of all monies due as described in Paragraphs 1 and 2(a)(2).
16. Upon discontinuance of the use of any Added Facilities due to termination of service, termination of this Agreement, or otherwise:
 - (a) Applicant shall pay to SCE on demand (in addition to all other monies to which SCE may be legally entitled by virtue of such termination) a facility termination charge defined as the removal cost, less the salvage value for the Added Facilities to be removed. Commencing in the sixteenth (16) year after the date service is first rendered by means of Added Facilities, 20 percent of the termination charge shall be subtracted from that charge each year until the total charge is zero.
 - (b) SCE shall be entitled to remove and shall have a reasonable time in which to remove any portion of the Added Facilities located on the Applicant's property.
 - (c) SCE may, at its option, alter, rearrange, convey, or retain in place any portion of the Added Facilities located off Applicant's property. Where all or any portion of the Added Facilities located off Applicant's property are retained in place and used by SCE to provide permanent service to other customers, the facility termination charge described in Paragraph 16(a) shall be reduced by the installed cost of the retained facilities.
17. Applicant may assign this Agreement only with SCE's written consent. Such consent will not unreasonably be withheld. Furthermore, such assignment shall be deemed to include, unless otherwise specified therein, all of Applicant's rights to any refunds which might become due upon discontinuance of the use of any Added Facilities.
18. This Agreement shall, at all times be subject to changes or modifications as the Commission may, from time to time, direct in the exercise of its jurisdiction.
19. In witness whereof, the parties hereto have caused this Agreement to be signed by their duly authorized representatives/agents. This Agreement is effective as of the last date set forth below.

Orange County Sanitation District

APPLICANT

SOUTHERN CALIFORNIA EDISON COMPANY

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE SIGNED: _____

DATE SIGNED: _____

SOUTHERN CALIFORNIA EDISON COMPANY
EXHIBIT "A"
APPLICANT FINANCED ADDED FACILITIES

APPLICANT Orange County Sanitation District

SERVICE ADDRESS 10844 Ellis Avenue, Fountain Valley, CA 92708

APPLICANT REQUESTED READY TO SERVE DATE _____

All Estimated Costs Shown in this Exhibit "A" (SCE to Select One):



are not binding estimates (final billing based on recorded costs), or



are binding estimates valid for Added Facilities completed on or before _____

DESCRIPTION OF ADDED FACILITIES

This Agreement supersedes the AFA that was executed on 4/20/2006

In accordance with Rule 2 Tariff, Section H.2.f.3(c), customer has elected to renew its AF service with Replacement Coverage in perpetuity. A one-time make whole payment of \$1,633,223 is due and payable within 30 days after contract execution

Engineered and constructed a 56MVA, 66/12kV customer dedicated looped Substation (Orcosan Substation)

Original Estimated Demand _____ kVA

W.O. No(s) _____

DESCRIPTION OF ONE-TIME COSTS (Paragraph 1)

W.O. No(s) _____

EXHIBIT "A"
APPLICANT FINANCED ADDED FACILITIES

SCE's Actual Ready to Serve Date _____

APPLICANT INITIALS & DATE _____
(Original Estimate Only)

ORIGINAL ESTIMATE
DATE 1/23/2006

AMENDMENT
DATE _____

A) TOTAL INSTALLED ADDED FACILITIES COST
(Paragraph 1)

\$4,370,000

B) ITCC (Paragraph 1) (A X 35 %)

\$1,382,000

C) ONE-TIME PAYMENT OPTION
OWNERSHIP COST ONLY [Paragraph 2(a)(2)]

D) ONE TIME COSTS INCLUDING ITCC
(Paragraph 1)

\$300,000

E) TOTAL CUSTOMER ADVANCE (A + B + C + D)

\$6,052,000

F) MONTHLY ADDED FACILITIES CHARGE
(Paragraph 2) (A X _____%)

AMENDMENT
DATE _____

FINAL RECORDED COSTS
DATE _____

A) TOTAL INSTALLED ADDED FACILITIES COST
(Paragraph 1)

\$5,028,424.02

B) ITCC (Paragraph 1) (A X _____%)

C) ONE-TIME PAYMENT OPTION OWNERSHIP
ONLY [Paragraph 2(a)(2)]

D) ONE TIME COSTS INCLUDING ITCC
(Paragraph 1)

E) TO TAL CUSTOMER ADVANCE (A + B + C + D)

\$5,028,424.02

F) MONTHLY ADDED FACILITIES CHARGE
(Paragraph 2) (A X .39 %)

\$19,610.85