

OPTION FOR LINE EXTENSION

LETTER OF UNDERSTANDING

TO SOUTHERN CALIFORNIA EDISON COMPANY

Attn: William Korn

287 Tennessee Street

Redlands, CA 92373

Applicant understands that for facilities designed in accordance with SCE's Rules 13, 15, and/or 16, the Applicant can elect:

- (1) SCE to design the distribution and/or service extension; or
- (2) A Competitive Bidding Procedure for the distribution and/or service extension design.

Under **Option (1)** above, SCE completes the project design. SCE's design costs are included in the total project cost to serve subject to refund / allowance. Under **Option (2)** above, Competitive Bidding, Applicant shall receive a bid amount from SCE and secure Competitive Bids from Qualified Designers for the *design* of the distribution and/or service extension. The SCE bid amount provided will be used as the job-specific cost estimate for design services. Either SCE or a Qualified Designer can design the distribution line and/or service extension under Option (2). The Applicant should have a thorough understanding of the Applicant Design Terms and Conditions prior to choosing Option (2) - Competitive Bid. Copies are available upon request.

If Applicant elects SCE to design the distribution and/or service extension and then later secures a third-party Qualified Designer under Option (2) Competitive Bidding, Applicant shall pay to SCE any and all costs incurred by SCE for design work already performed as a result of Applicant originally requesting SCE's design.

Regardless of the design option chosen, all speculative projects are subject to the advance collection of engineering fees.

Applicant understands the above Options and hereby elects the following by initialing the Option selected:

WH Option (1) Design by SCE

 Option (2) Competitive Bidding for Applicant Design

The elected Option is for the distribution line and/or service extension to be located at and/or described as follows:

Commercial Service

Charter Pedestal, 1701 N Wabash Avenue, Redlands

Applicant understands that by signing below, additional charges may apply if SCE incurs interim design costs as a result of Applicant first electing Option (1) and subsequently securing a third-party Qualified Designer and electing Option (2).

KARL N. HAWS

Applicant (Print or Type)

City Mayor

Title (Print or Type)

Attest:

Lorrie Poyzer, City Clerk

[Signature]

Signature

June 17, 2003

Date

OPTION FOR LINE EXTENSION

LETTER OF UNDERSTANDING

TO SOUTHERN CALIFORNIA EDISON COMPANY

Attn: William Korn

287 Tennessee Street

Redlands, CA 92373

Applicant understands that under Edison's Rule No. 15, Section B.3 and Section F, Applicant can elect:

- (1) Edison to install a line extension; or
- (2) A Competitive Bidding Procedure for the line extension installation.

If Edison installs the line extension under Option (1) above, Applicant shall pay Edison, prior to construction, Edison's total estimated installed cost as set forth in such Rule. Under Option (2) above, the Competitive Bidding Procedure, Applicant shall secure Competitive Bids from Qualified Contractors/Subcontractors and Edison for the installation of the line extension. Edison shall be one of the Competitive Bidders and shall provide Applicant with a job-specific cost estimate. Either Edison or a Qualified Contractor/Subcontractor can install the line extension under Option (2).

Applicant understands the above Options and hereby elects the following by initialing the Option selected:

WH

Option (1) Installation by Edison

_____ Option (2) Competitive Bidding

The elected Option is for a line extension to be located at and/or described as follows:

Commercial Service

Charter Pedestal, 1701 N Wabash Avenue, Redlands

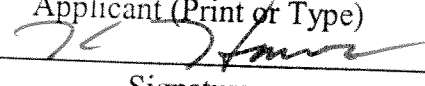
Applicant understands that by his signature below, the election of the above Option is final pursuant to Edison's Rule No. 15, Section F.1.a.

Attest:


Lorrie Poyzer, City Clerk

Karl N. Haws

Applicant (Print or Type)


Signature

City Mayor

Title (Print or Type)

June 17, 2003

Date

G950320.01