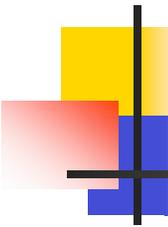




Southwest Transmission Expansion Plan

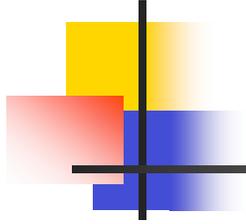
STEP



Southwest Transmission Expansion Plan (STEP)

- Subregional planning group formed in November of 2002
- Coordinates planning interests from a variety of entities:
 - Transmission Owners
 - Permitting Agencies
 - **Generation Developers**
 - Landowners
 - Environmental groups
 - Ratepayers
- Broad involvement leads to better projects with broader support
- 26 alternative transmission plans were studied over the last 2+ years that led to a single phased transmission expansion plan



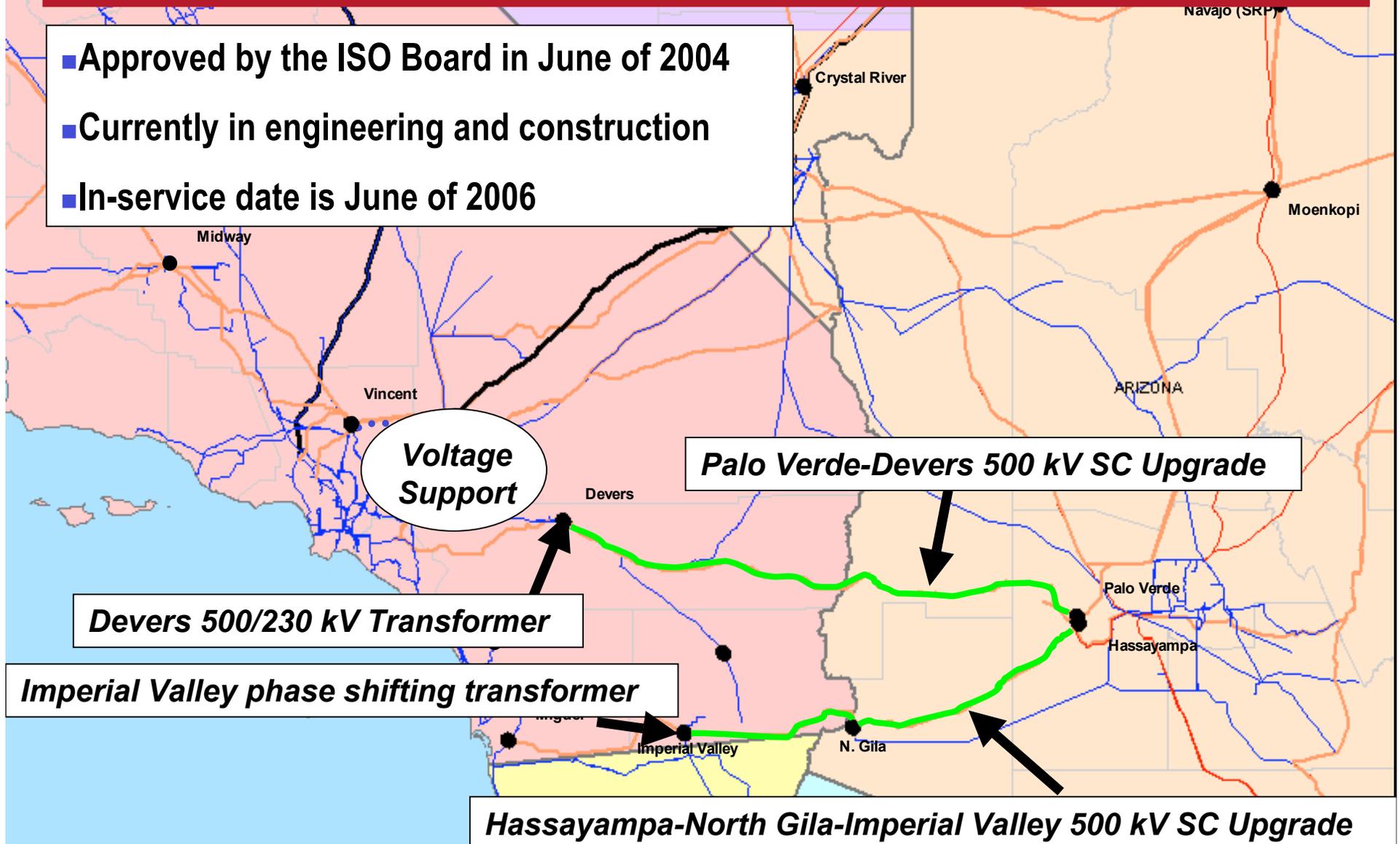


Current STEP Transmission Plan Has Four Phases



Phase 1 – Arizona-California Short-term Upgrades

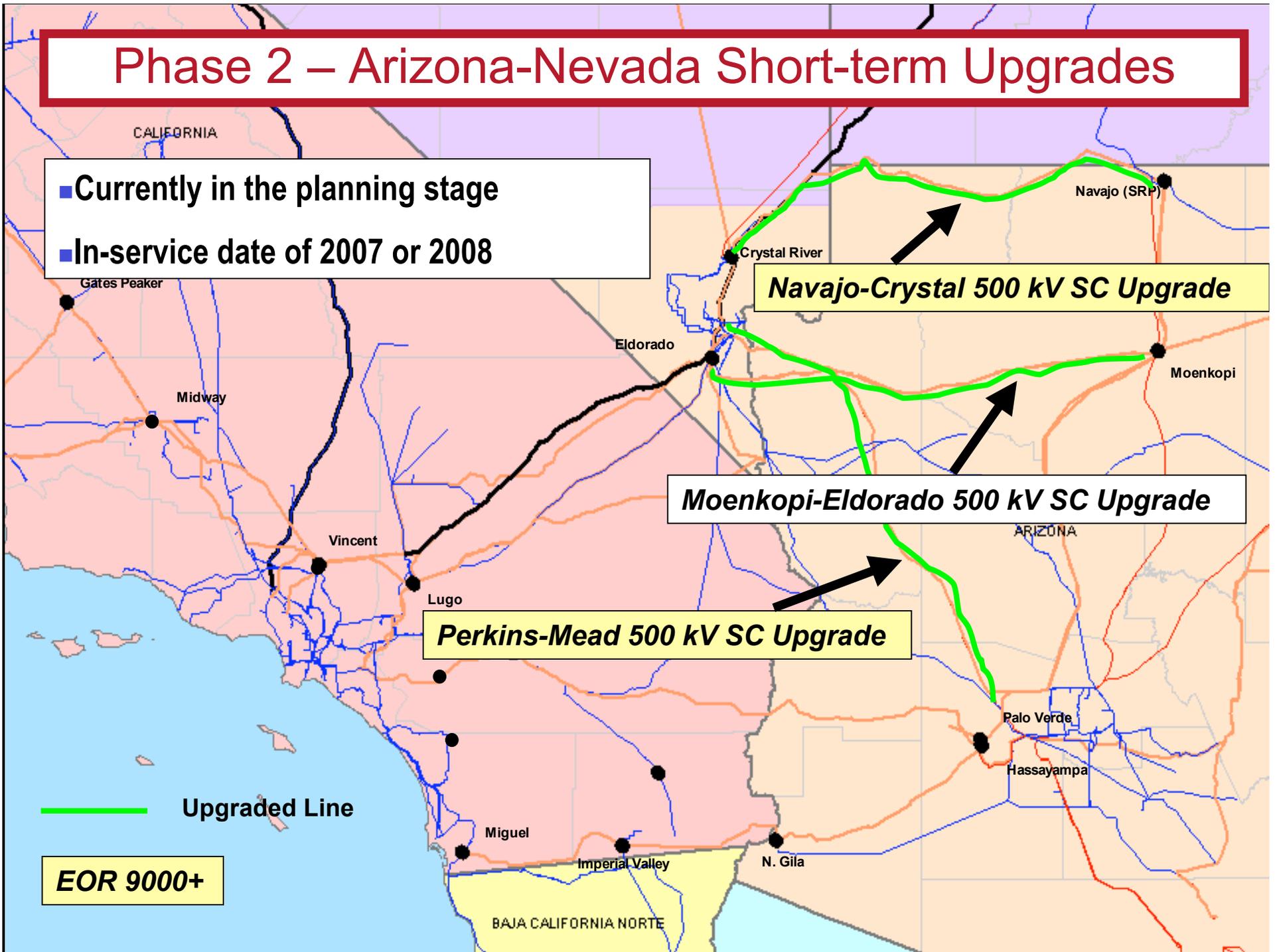
- Approved by the ISO Board in June of 2004
- Currently in engineering and construction
- In-service date is June of 2006



Phase 2 – Arizona-Nevada Short-term Upgrades

■ Currently in the planning stage

■ In-service date of 2007 or 2008



Navajo-Crystal 500 kV SC Upgrade

Moenkopi-Eldorado 500 kV SC Upgrade

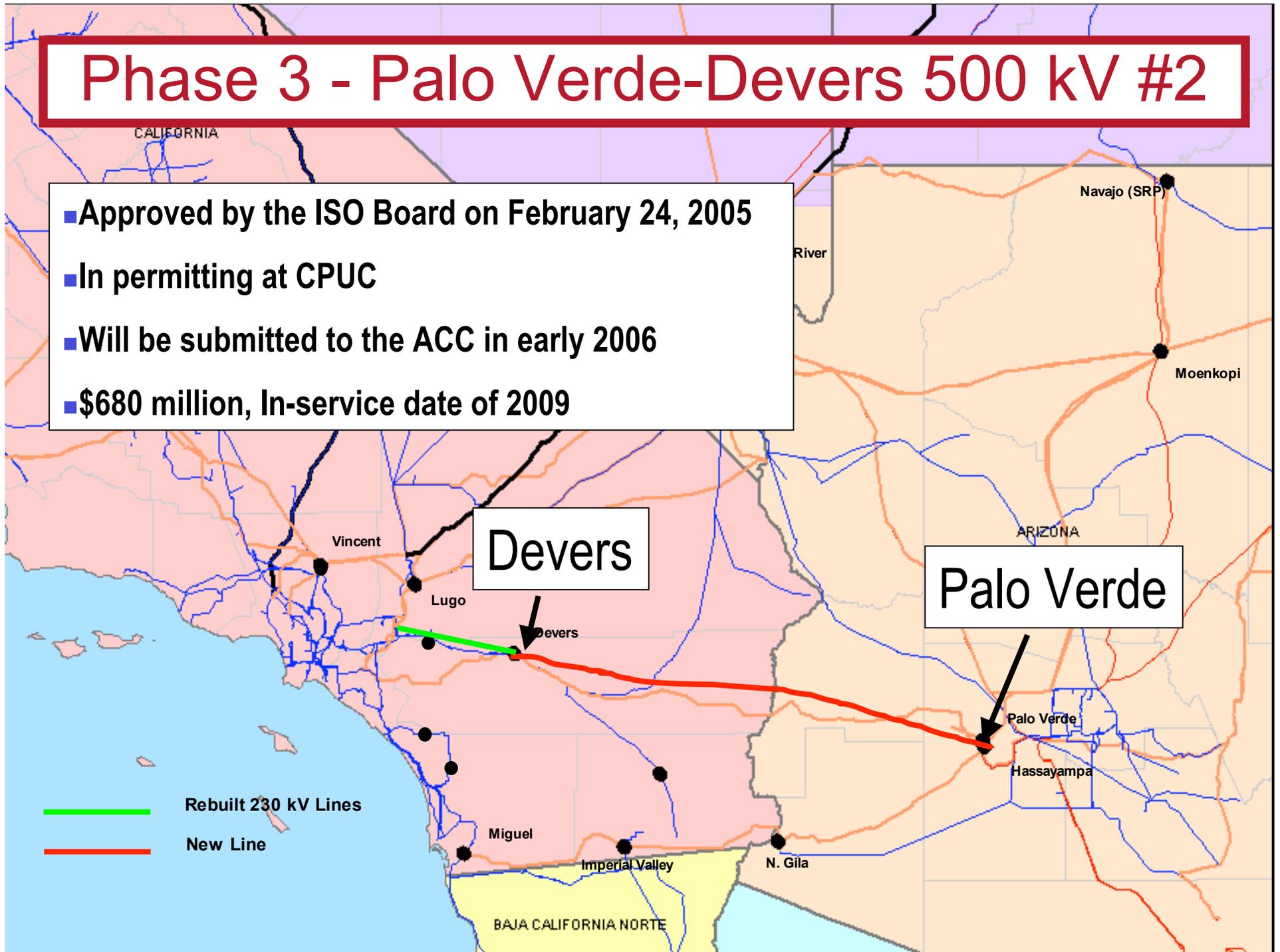
Perkins-Mead 500 kV SC Upgrade

— Upgraded Line

EOR 9000+

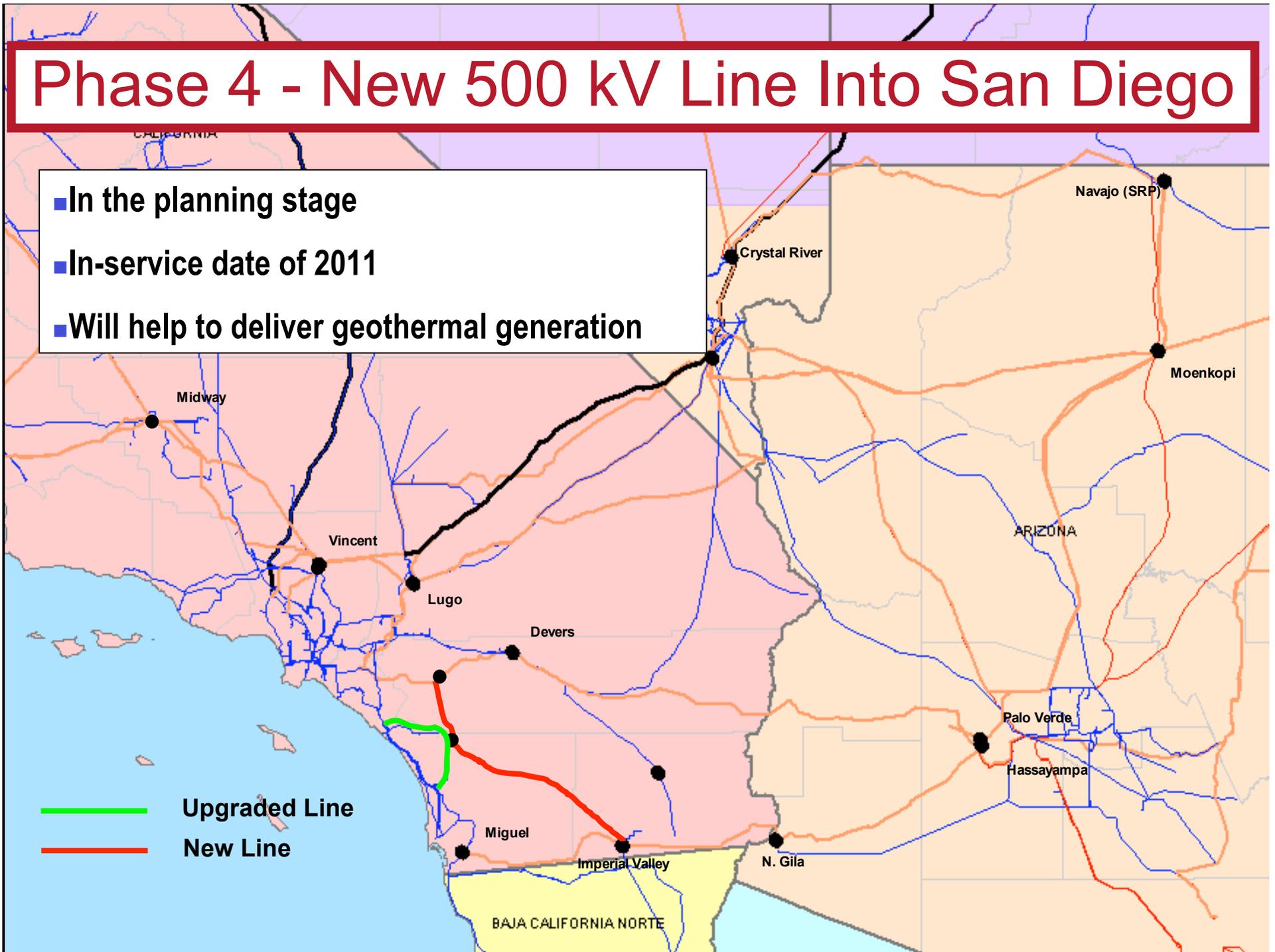
Phase 3 - Palo Verde-Devers 500 kV #2

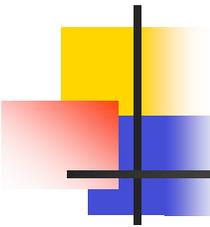
- Approved by the ISO Board on February 24, 2005
- In permitting at CPUC
- Will be submitted to the ACC in early 2006
- \$680 million, In-service date of 2009



Phase 4 - New 500 kV Line Into San Diego

- In the planning stage
- In-service date of 2011
- Will help to deliver geothermal generation





Next STEP Meeting

- June 29th in San Diego
- Contact Linda Wright for meeting information
 - lwright@caiso.com
 - 916-351-2272



A map of the United States with state boundaries outlined in black. The map is set against a light blue background representing the ocean. The word "Questions" is written in a large, bold, orange font with a white drop shadow, centered over the map.

Questions