

SANTA ANA RIVER WATER RIGHTS APPLICATION HEARING

MAY 2, 2007

STATE WATER RESOURCES
CONTROL BOARD

POLICY STATEMENT

OF

SOUTHERN CALIFORNIA EDISON COMPANY

07 MAY -3 AM 7: 43

DIV. OF WATER RIGHTS
SACRAMENTO

My name is Nino Mascolo, in-house counsel for Southern California Edison Company. SCE appreciates this opportunity to make a policy statement regarding the San Bernardino Valley Municipal Water District and the Western Municipal Water District of Riverside County application numbers 031165 and 031370 to appropriate and store water upstream of Seven Oaks Dam on the Santa Ana River. SCE is an investor-owned public utility providing electric service to over 12 million customers throughout a 50,000 square mile service territory over central and southern California.

For over the past 100 years, SCE and its predecessors have owned and operated the Santa Ana River Hydroelectric Project. While not large, these two hydropower plants provide about 7 megawatts of clean, renewable electric power to our customers. In addition to their non-polluting character, the plants are based in the Los Angeles basin, enhancing the reliability of our electric grid because most new power plants are being developed outside the basin and require the construction of lengthy transmission lines to import that power into the basin. In fact, at the California Public Utilities Commission's direction, SCE is in the process of developing five new gas-fired peaker plants within the basin to help ensure that our system's reliability is enhanced by additional generation within the basin.

Prior to discussing the water rights applications with Muni/Western, SCE was concerned that their applications would impact our ability to continue to operate the Santa Ana River hydro plants because the water rights applications sought to divert water from the same streams diverted by SCE for power generation.