



James P. Avery  
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April 29, 2004


Mr. Harold Ray  
Southern California Edison  
8631 Rush Street  
Rosemead, CA 91770

Re: Selection of an Arbitrator

Dear Harold:

Our records indicate that you received San Diego Gas & Electric Company's Notice of Arbitration on April 16, 2004. Section 21.3 of the SONGS Operating Agreement provides that within twenty days of receipt of the notice of arbitration, the parties to the dispute "shall meet for the purpose of selecting" an arbitrator. Thus, the Operating Agreement obligates the parties to meet by May 6, 2004, to select an arbitrator. I have asked legal counsel for SDG&E to contact Edison's legal counsel to schedule this meeting.

Sincerely,



James P. Avery

RJB:dbl

cc: Tom Evans  
Steve Sciortino  
James F. Walsh  
Robert J. Borthwick

*Neal Meeting also to comply  
w/ AVE's instructions  
to try to resolve by  
5/18 PM*

*Result was conf. call on 5/4  
(even though see said there  
is "no dispute" to arbitrate)*