



ANTONIO R. VILLARAIGOSA
Mayor

Commission
THOMAS S. SAYLES, *President*
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RICHARD F. MOSS
CHRISTINA E. NOONAN
JONATHAN PARFREY
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS
General Manager

October 17, 2012

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

Honorable Members:

Subject: Recommends the Approval of the Facility Transfer and Release Agreement with Southern California Edison Company for the Sylmar Converter

Pursuant to Charter Section 674(a)(1), and enclosed for approval by your Honorable Body is Resolution No. 013 083, adopted by the Board of Water and Power Commissioners (Board) on October 16, 2012, approved as to form and legality by the City Attorney, which recommends the approval of the Facility Transfer and Release Agreement with Southern California Edison Company for the Sylmar Converter Station – West Building (LADWP No. BP12-002). As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Director of Local Government and Community Relations, at (213) 367-0025.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: LADWP Resolution
Board Letter
Facility Transfer and Release Agreement
CAO Report

(Ordinance to be sent under separate cover)

Water and Power Conservation ... a way of life



c/enc: Mayor Antonio Villaraigosa
Councilmember Jan C. Perry, Chair, Energy and the Environment Committee
Gerry F. Miller, Chief Legislative Analyst
Miguel A. Santana, City Administrative Officer
Rafael Prieto, Legislative Analyst, CLA
William R. Koenig, Chief Administrative Analyst
Winifred Yancy

WHEREAS, the Department of Water and Power of the City of Los Angeles (LADWP) jointly owns the southern portion of the Pacific Direct Current Intertie along with Southern California Edison, City of Glendale, City of Burbank, and City of Pasadena (DC Facilities Participants), and is the operating agent on behalf of itself and the DC Facilities Participants; and

WHEREAS, the Board of Water and Power Commissioner approved Amendment No. 1 to the City – Edison Pacific Intertie DC Transmission Facilities Agreement (DWP Agreement No. 10078) between LADWP and SCE, referred to as DWP Agreement No. BP02-007, under Resolution No. 002-266 on May 7, 2002, which among other things, authorized LADWP to make capital improvements at Sylmar Converter Station under the Sylmar Converter Station Replacement Project (SCS Replacement Project) and stated SCE's financial responsibilities for these improvements; and

WHEREAS, as part of the scope of the SCS Replacement Project, the existing SCS West Building was to be demolished, but LADWP decided to use the building for office space instead and the building was left intact. In September 2005, the building was appraised for \$4.5 million. LADWP offered SCE \$2.25 million as a credit towards SCE's remaining financial responsibility of the SCS Replacement Project in exchange for SCE's fifty percent ownership share of the building and associated facilities. SCE accepted the offer.

WHEREAS, LADWP and SCE desire a facility transfer and release agreement to state the terms and conditions of the transfer.

NOW, THEREFORE, BE IT RESOLVED that the Facility Transfer and Release Agreement between LADWP and SCE, DWP Agreement No. BP12-002, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, is hereby approved subject to the City Council's approval of said agreement, by ordinance, in accordance with Charter Section 674(a)(1).

BE IT FURTHER RESOLVED that the General Manager is authorized, empowered, and directed to execute the Facility Transfer and Release Agreement, DWP Agreement No. BP12-002, for and on behalf of LADWP, subject to City Council approval by ordinance.

BE IT FURTHER RESOLVED that the Chief Accounting Employee is hereby authorized and directed to draw demands upon the Power Revenue Fund for payment of all obligations arising from or related to DWP Agreement No. BP 12-002; and

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held

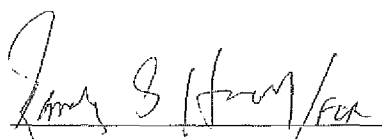
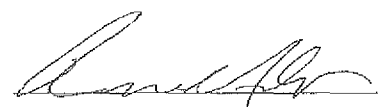
OCT 16 2012

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

MAY 16 2012
BY Eduardo A. Angeles
EDUARDO A. ANGELES
SENIOR ASSISTANT CITY ATTORNEY

Barbara E. Moschos
Secretary

LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS	DATE: October 5, 2012
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  ARAM BENYAMIN Senior Assistant General Manager – Power System </div> <div style="text-align: center;">  RONALD O. NICHOLS General Manager </div> </div>	SUBJECT: Facility Transfer and Release Agreement Between LADWP and Southern California Edison Company (SCE) for the Sylmar Converter Station – West Building (LADWP No. BP12-002)
	FOR COMMISSION OFFICE USE: RESOLUTION NO. _____
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 674(a)(1)

- New Contract
- Replacement Contract
- Amendment to Existing Contract

PURPOSE

To obtain approval to enter into the Facility Transfer and Release Agreement between LADWP and SCE for the transfer and release of SCE's fifty percent ownership share of the Sylmar Converter Station (SCS) - West Building and associated facilities (LADWP No. BP 12-002).

The attached Resolution recommends to the Los Angeles City Council approval of the Facility Transfer and Release Agreement, LADWP No. BP 12-002 between LADWP and SCE for the SCS - West Building.

COST AND DURATION

Cost: No fiscal impact to LADWP. LADWP shall credit SCE \$2,250,000 towards SCE's remaining financial responsibility of the SCS Replacement Project's final costs.

Duration: This agreement will terminate when 1) LADWP has prepared and delivered a final accounting to SCE to show that the application of the transfer and release fee was made consistent with the terms of the agreement; and 2) SCE has provided to LADWP a bill of sale or conveyance document completing SCE's transfer of ownership.

BACKGROUND

On March 31, 1966, LADWP and SCE entered into the City -- Edison Pacific Intertie D-C Transmission Facilities Agreement, Agreement No. 10078. The d-c transmission facilities include the 500 kilo Volt d-c transmission line extending from the Nevada -- Oregon border to the terminal facilities at Sylmar Converter Station in Sylmar, California. LADWP and SCE jointly own the d-c transmission facilities along with the Cities of Burbank, Glendale, and Pasadena (DC Participants). The ownership percentages are: LADWP -- 40 percent, SCE -- 50 percent, Burbank -- 3.85 percent, Glendale -- 3.85 percent and Pasadena -- 2.30 percent. LADWP, as operating agent, operates and maintains the facilities on behalf of the DC Participants.

On July 26, 2002, LADWP and SCE entered into Amendment No. 1 (BP 02-007, Resolution No. 002-266) to Agreement 10078 which among other things authorized LADWP to make capital improvements at Sylmar Converter Station under the "SCS Replacement Project". As part of scope of the SCS Replacement Project, the existing SCS West Building was to be demolished, but LADWP decided to use the building for office space instead and the building was left intact. In September 2005, the building was appraised at \$4.5 million. LADWP offered SCE \$2.25 million as a credit towards SCE's remaining financial responsibility of the SCS Replacement Project in exchange for SCE's fifty percent ownership share of the building and associated facilities. SCE accepted the offer. This agreement states the terms and conditions of the transfer.

Los Angeles City Council Approval

Per Charter Section 674(a)(1), Los Angeles City Council approval is required.

Accordingly, attached is the signed City Administrative Officer report dated September 13, 2012.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that this action is exempt from further requirements under the Los Angeles City CEQA Guidelines, Article II, Section 1, General Rule and General Exemption, and Section 15061(b)(3) of the CEQA Guidelines which state that, "Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

Board of Water and Power Commissioners
Page 3
October 5, 2012

RECOMMENDATION

It is requested that your Honorable Board adopt the attached Resolution recommending the Los Angeles City Council's approval of the Facility Transfer and Release Agreement by ordinance.

MTL:nsh

Attachments

e-c/att: Ronald O. Nichols
Richard M. Brown
Aram Benyamin
James B. McDaniel
Philip Leiber
Gary Wong
Randy S. Howard
Mark T. Lieberman

FACILITY TRANSFER AND RELEASE AGREEMENT

(Sylmar Converter Station – West Building)

This Facility Transfer and Release Agreement (“**Agreement**”) is made and entered into by and between THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California (“**LADWP**”), and SOUTHERN CALIFORNIA EDISON COMPANY, a corporation organized and existing under the laws of the State of California (“**SCE**”). LADWP and SCE are sometimes collectively referred to herein as the “**Parties**” and each as a “**Party**.”

RECITALS

A. On March 31, 1966, SCE and LADWP entered into that agreement entitled “City-Edison Pacific Intertie D-C Transmission Facilities Agreement [LADWP Contract No. 10078]” (the “**D-C Facilities Agreement**”). The D-C Facilities Agreement establishes the terms and conditions underlying the construction, ownership, operation and maintenance of certain transmission lines and related appurtenances identified and defined as the “D-C Transmission Facilities.”

B. Effective June 15, 2002, SCE and LADWP entered into an amendment to the D-C Facilities Agreement (the “**First Amendment**”).

C. Pursuant to the D-C Facilities Agreement (as amended), SCE has an undivided fifty percent (50%) interest in the D-C Transmission Facilities and LADWP has an undivided forty percent (40%) interest in the D-C Transmission Facilities. The remaining ten percent (10%) interest is held by the following municipal entities:

- The City of Glendale (“**Glendale**”) has an undivided three and eighty-five one-hundredths percent (3.85%) interest in the D-C Transmission Facilities;
- The City of Burbank (“**Burbank**”) has an undivided three and eighty-five one-hundredths percent (3.85%) interest in the D-C Transmission Facilities; and
- The City of Pasadena (“**Pasadena**”) has an undivided two and three-tenths percent (2.30%) interest in the D-C Transmission Facilities.

Glendale, Burbank and Pasadena are hereafter referred to collectively as the “**Municipal Participants**.” Glendale, Burbank, Pasadena, LADWP and SCE are hereafter referred to collectively as the “**DC Facilities Participants**.”

D. In relevant part, the First Amendment modified the scope and definition of the D-C Transmission Facilities to include certain replacements, improvements and changes to select

portions of the D-C Transmission Facilities, said modifications collectively referred to as the "Sylmar Converter Station Replacement Project" (the "**SCS Replacement Project**"). As part of the SCS Replacement Project, the First Amendment specifically contemplated and provided for the demolition of that portion of the D-C Transmission Facilities commonly identified as the "Sylmar Converter Station – West Building" (the "**West Building**").

E. Pursuant to the First Amendment, LADWP was responsible for implementing the SCS Replacement Project, including construction of the identified improvements and demolition of the West Building. In turn, the First Amendment obligated SCE and the Municipal Participants to contribute funds toward the cost of implementing the SCS Replacement Project.

F. LADWP commenced work on the operational elements of the SCS Replacement Project on July 1, 2002 and placed the improvements in-service effective December 23, 2004.

G. Notwithstanding the scope of activity authorized by the First Amendment, the West Building was not demolished during the implementation period for the SCS Replacement Project. Although certain improvements and fixtures were removed from the West Building in accordance with the SCS Replacement Project and the First Amendment, the primary structure of the West Building was left intact.

H. LADWP owns the real property on which the West Building structure is currently located (the "**Property**"); the Property is more particularly described in the attached Exhibit A.

I. LADWP is desirous of acquiring the West Building structure and all other improvements currently located on the Property (collectively, the "**West Building Improvements**").

J. Subject to the terms and conditions hereof, SCE is willing to release and transfer its interest in the West Building Improvements to LADWP.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Compensation to SCE.

a. Transfer and Release Fee. LADWP shall pay to SCE the sum of Two Million Two Hundred Fifty Thousand and No/100 Dollars (\$2,250,000.00) (the "**Transfer and Release Fee**").

b. Terms of Payment; Application of Proceeds. The Transfer and Release Fee shall not be paid in cash or other immediately available funds. Rather, LADWP, as Operating Agent under the D-C Facilities Agreement, shall credit and apply the Transfer and

Release Fee against SCE's remaining financial responsibility for the implementation of the capital/in-service elements of the SCS Replacement Project. In no event shall LADWP use or otherwise apply any portion of the Transfer and Release Fee against the costs and expenses associated with LADWP's use, operation, maintenance and/or modification of the West Building Improvements.

c. Final Accounting. LADWP shall prepare and deliver to SCE a final written accounting which identifies, describes and reconciles LADWP's use and application of the Transfer and Release Fee consistent with the provisions of this Agreement. The final accounting shall be prepared and provided by LADWP within thirty (30) days following the Effective Date.

2. Transfer of West Building Improvements. SCE hereby transfers, releases and conveys to LADWP all of SCE's right, title to and interest in the West Building Improvements. As may be reasonably requested by LADWP, SCE shall provide a Bill of Sale or other conveyance document to LADWP describing the West Building Improvements and manifesting SCE's complete transfer, release and conveyance of its entire right, title to and interest in the West Building Improvements to LADWP.

a. No Warranties or Representations; "AS IS" Conveyance and Transfer. LADWP acknowledges and agrees that SCE's interests in the West Building Improvements are being transferred, released and conveyed to LADWP on an "AS-IS" basis without representations, warranties or guarantees made by SCE. LADWP hereby expressly disclaims (i) any implied warranty of habitability, merchantability and suitability for a particular purpose, and (ii) any warranties implied or arising from a course of dealing or usage of trade. LADWP has conducted all due diligence that it deems necessary or desirable in connection with the transactions contemplated by this Agreement, and LADWP is relying solely and exclusively upon its own investigations and judgments (and not any statement, information or investigation provided by SCE, its representatives or agents) in determining whether to proceed with the transactions contemplated herein.

b. Express Acknowledgment Concerning Environmental Issues. LADWP acknowledges that the West Building was originally constructed upon the Property in order to facilitate the transmission and conversion of electric current. Moreover, LADWP recognizes and understands that (i) the West Building and all other portions of the West Building Improvements were used for approximately forty (40) years to accommodate and accomplish the transfer and conversion of electric current and (ii) certain hazardous chemicals and other toxic substances were previously stored and used upon and within the West Building in order to facilitate said electric transfer and conversion activities (e.g., mercury). As a supplement to the express disclaimers set forth in Section 2.a., above, SCE makes no representation, warranty or guarantee as to the environmental safety or condition of the West Building Improvements, nor does SCE

offer any statement, expression or opinion as to whether the West Building Improvements (and/or the underlying Property) may be contaminated, compromised or otherwise non-compliant with the rules, laws, ordinances and statutes that govern the storage, use, release, generation, treatment or disposal of hazardous or toxic wastes, wastewater discharges and similar environmental matters. Except as otherwise expressly provided in this Agreement, LADWP assumes all risk, liability and responsibility for the environmental condition of the West Building Improvements and agrees to hold harmless, indemnify and protect SCE (including its representatives, staff, attorneys, employees, agents, heirs, officers, directors, successors and assigns, affiliates, partners, joint venturers, subsidiaries, parents, receivers, trustees and shareholders) from and against all costs, expenses, liabilities, claims and damages arising out of or otherwise associated with the environmental condition of the West Building Improvements and the Property.

3. Responsibility for Transaction Costs and Approvals; Cooperation. Except as otherwise expressly provided herein, each Party, at its sole cost and expense, shall be responsible for obtaining all permits, authorizations and other approvals which are necessary in order to allow the Party to accomplish and fulfill its individual obligations under this Agreement. Each Party hereto shall cooperate in good faith with the other Party in order to facilitate the other Party's timely performance of its obligations under this Agreement. Said cooperation may include, but is not limited to, the execution and delivery of supplemental documentation reasonably requested by the other Party, participation in meetings, and the review, consideration and approval of documentation supplied by the requesting Party concerning the transactions contemplated by this Agreement.

a. Insurance. LADWP may, in its sole discretion, seek issuance of a title policy or other form(s) of insurance to secure the rights and interests acquired by LADWP pursuant to this Agreement. Any such insurance acquired by LADWP shall be at LADWP's sole cost and expense; neither the premium charges nor any other costs associated with the polic(y/ies) shall be charged against the Transfer and Release Fee or otherwise assessed against SCE.

b. Environmental Review and Permitting. In the instance that the transactions contemplated in this Agreement are subject to any environmental review and permitting requirements (e.g., compliance with the mandates of the California Environmental Quality Act), LADWP, at its sole costs and expense, shall be responsible for complying with and satisfying such requirements. Upon the reasonable request of LADWP, SCE shall assist LADWP in complying with and satisfying the applicable environmental review and permitting requirements; notwithstanding, SCE shall not be obligated to incur any costs or to pay any amounts associated with requests for assistance thus tendered by LADWP.

4. Obligations for Ownership, Maintenance and Operation. LADWP hereby accepts full and complete responsibility for all costs, expenses and liabilities associated with the ownership, operation and maintenance of the West Building Improvements and the Property. In no event shall LADWP charge, invoice or otherwise assess SCE for any expenses or costs associated with the West Building Improvements or the Property; nor shall LADWP levy, assess or charge any amount(s) against the Transfer and Release Fee for any costs or expenses incurred by LADWP in relation to the West Building Improvements and/or the Property.

5. Release of Claims.

a. Mutual Release and Waiver.

i. LADWP. Except for the obligations provided in this Agreement, LADWP (on behalf of itself, the City of Los Angeles, and their respective representatives, elected and appointed officials, staff, attorneys, employees, agents, directors, governing boards, committees, successors, assigns and transferees) hereby unconditionally releases, remises, acquits and forever discharges SCE and its representatives, staff, attorneys, employees, agents, heirs, officers, directors, successors and assigns, affiliates, partners, joint venturers, subsidiaries, parents, receivers, trustees and shareholders, from any and all claims or causes of action, including any and all administrative or judicial hearings or appeals, or any other litigation in a court of law, either at law or in equity, of any kind, nature and description, presently known or unknown and whether presently existing or arising in the future, relating to the West Building Improvements and/or the Property, which LADWP currently holds, may hereafter hold or may have held in the past.

(a) Limited Exception – Environmental Contamination.

Notwithstanding the provisions of Section 5.a.i., above, this Agreement shall not be deemed, applied or otherwise construed as a release or waiver by LADWP of any claims for environmental liability or contribution held by LADWP and/or the City of Los Angeles relative to contamination of (or damage to) the Property as a result of SCE's storage, use, release, generation, treatment or disposal of hazardous or toxic wastes or wastewater discharges on properties located adjacent to (but outside of) the Property.

(b) Limited Exception – Voluntary Cleanup Agreement. SCE

(as one of the DC Facilities Participants) acknowledges that LADWP entered into a Voluntary Cleanup Agreement ("VCA") with the California Department of Toxic Substances Control in 2000 to provide oversight of the investigation and remediation of soil contamination at the site designated in the VCA as "13201 Sepulveda Boulevard, Sylmar, Los Angeles, California 91342". The VCA was and continues to be for the benefit of all of the DC Facilities Participants. Remediation under the VCA has yet to occur but it is anticipated that such remediation will occur north of the administrative building and two Faraday cages and related equipment as well as in locations located outside of the Sepulveda Boulevard address. Subject to the requirements

and limitations of the D-C Facilities Agreement (as heretofore amended, and as may be hereafter amended from time to time), the DC Facilities Participants shall fund the costs of the VCA oversight and subsequent site remediation as part of their group obligations. SCE (as one of the DC Facilities Participants) acknowledges that the instant Agreement does not affect in any way each of the DC Facilities Participant's obligations to continue to fund the costs of the VCA pursuant to the requirements and limitations of the D-C Facilities Agreement. Notwithstanding the waivers, indemnities and releases provided for herein, insofar as such remediation under the VCA may in the future identify and locate further contamination subject to the VCA and involve clean-up activities on portions of the Property located beyond the bounds of the West Building Improvements, the DC Facilities Participants shall fund the cost of clean-up pursuant to the VCA subject to the requirements and limitations of the D-C Facilities Agreement.

ii. SCE. Except for the obligations provided in this Agreement, SCE (on behalf of itself and its representatives, staff, attorneys, employees, agents, heirs, officers, directors, successors and assigns, affiliates, partners, joint venturers, subsidiaries, parents, receivers, trustees and shareholders) hereby unconditionally releases, remises, acquits and forever discharges LADWP, the City of Los Angeles, and their respective representatives, elected and appointed officials, staff, attorneys, employees, agents, directors, governing boards, committees, successors, assigns and transferees, from any and all claims or causes of action, including any and all administrative or judicial hearings or appeals, or any other litigation in a court of law, either at law or in equity, of any kind, nature and description, presently known or unknown and whether presently existing or arising in the future, relating to the West Building Improvements, which SCE currently holds, may hereafter hold or may have held in the past.

b. Waiver of California Civil Code Section 1542. LADWP and SCE agree that the releases contained in Section 5.a., above, extend to all claims of any kind or nature, whether known or unknown, suspected or unsuspected, and in that regard the Parties acknowledge that each has read, been advised by counsel concerning, and has considered and understands the full nature, extent and import of the provisions of Section 1542 of the Civil Code of California, which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

The Parties further declare that they knowingly and willingly enter into this Agreement notwithstanding the provisions of Section 1542 of the Civil Code of California. Upon the advice of counsel, not including those exceptions set forth in 5.a. herein, the Parties waive and relinquish, now and forever, any and all rights that they now have or may have in the future under Section 1542 to the fullest extent allowed by law.

6. Indemnification. LADWP, on behalf of itself and the City of Los Angeles, hereby agrees to indemnify, protect, hold harmless and defend SCE and its representatives, staff, attorneys, employees, agents, heirs, officers, directors, successors and assigns, affiliates, partners, joint venturers, subsidiaries, parents, receivers, trustees and shareholders, from and against any claim of any kind or character to any person or property caused by or relating to, with or without fault, and arising from the West Building Improvements, the Property and/or the use thereof including, without limitation, (a) the condition of the West Building Improvements and/or the Property (whether the condition arose prior to or after the Effective Date), (b) any act or omission of LADWP, the City of Los Angeles, the Municipal Participants or any of their respective contractors, subcontractors, agents, employees, licensees, invitees, elected and appointed officials, directors, officers, joint venturers or representatives, (c) any accident or casualty arising from LADWP's inspection and investigation of the West Building Improvements and/or the Property, (d) any breach or failure of any representation by LADWP the City of Los Angeles, (e) any violation or alleged violation by LADWP or the City of Los Angeles of any applicable law, rule or regulation, (f) the occupation, use, improvement and/or modification of the West Building Improvements and/or the Property or (g) any claims, demands or challenges alleged or asserted by the Municipal Participants (or any of them) concerning or otherwise relating to the West Building Improvements, the Property and/or the use thereof.

7. Effective Date. This Agreement shall become effective on the date that it is executed by each of the Parties (the "**Effective Date**").

8. No Other Effects on D-C Facilities Agreement. Except as otherwise expressly provided herein, this Agreement shall have no impact or effect on the Parties' rights and obligations under the D-C Facilities Agreement. Moreover, this Agreement shall not be deemed, interpreted or construed as an amendment to the D-C Facilities Agreement.

9. Authority. Each Party to this Agreement hereby warrants and represents that the representative and signatory to this Agreement is duly authorized to sign this Agreement and by such signature has the power and authority to bind and does bind the respective entity on whose behalf they execute this Agreement.

10. Miscellaneous.

a. Notices. All notices under this Agreement shall be in writing and shall be effective upon actual receipt whether delivered by personal delivery, legible facsimile or reputable overnight courier or sent by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Parties as follows:

If to LADWP: Mohammed J. Beshir
Manager of Power System Planning and Development
111 N. Hope Street, Room 1250
Los Angeles, California 90012
Telephone: (213) 367-0237
Facsimile: (213) 367-4762

If to SCE: Southern California Edison Company
Manager of Grid Contracts
P.O. Box 800
Rosemead, California 91770
Attention: William Law
Telephone: (626) 302-9640
Facsimile: (626) 302-1152

b. Amendments. This Agreement may be amended only by written agreement signed by each of the Parties hereto.

c. Time of the Essence. Time and each of the terms and conditions of this Agreement are hereby expressly made of the essence.

d. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

e. Governing Law and Venue. This Agreement shall be governed by the laws of the State of California, without reference to its choice of law provisions. The Parties hereby agree that any legal action or proceeding arising out of this Agreement shall be brought in a state court of competent jurisdiction in Los Angeles County, California. By execution and delivery of this Agreement, each Party hereby irrevocably and unconditionally accepts and submits to the personal jurisdiction of said courts.

f. Attorneys' Fees and Costs. In any action between the Parties seeking the enforcement of any of the terms or conditions of this Agreement, the prevailing Party in such action shall be awarded, in addition to any damages or equitable relief, its reasonable attorneys' fees and costs.

g. Prior Agreements. This Agreement supersedes any and all oral or written agreements between the Parties regarding the transactions contemplated herein which are prior in time to this Agreement. No Party shall be bound by any prior understanding, agreement, promise, representation or stipulation, express or implied, not specified herein.

h. Further Assurances. The Parties agree to execute all documents and instruments reasonably required in order to consummate the transactions contemplated in this Agreement.

i. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

j. Severability. If any portion of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

k. No Third Party Beneficiaries. Nothing in this Agreement shall be construed to confer any third party benefit on any other person not a party hereto with respect to this Agreement.

l. Construction of Agreement. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against either of the Parties. The language of this Agreement and all documents and instruments referred to in this Agreement have been prepared, examined, negotiated and revised by each Party and its legal counsel, and no implication shall be drawn and no provision shall be construed against any Party by virtue of the purported identity of the drafter of this Agreement. The section headings of this Agreement are for purposes of reference only and shall not be used for limiting or interpreting the meaning of any section of this Agreement. When required by the context, whenever the singular is used in this Agreement, the same shall include the plural, and the plural shall include the singular, the masculine gender shall include the feminine and neuter genders, and vice versa.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, each Party hereby executes this Agreement as of the date(s) ascribed below.

"LADWP"

CITY OF LOS ANGELES acting by and through its
DEPARTMENT OF WATER AND POWER

Date: _____

By

RONALD O. NICHOLS, General Manager

And

BARBARA E. MOSCHOS, Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

MAY 10 2012
BY Eduardo A. Angeles
EDUARDO A. ANGELES
SENIOR ASSISTANT CITY ATTORNEY

"SCE"

SOUTHERN CALIFORNIA EDISON COMPANY,
a corporation organized and existing under
the laws of the State of California

Date: 2-21-2012

By:

Kevin Payne
Name: Kevin Payne

Title: Vice President

EXHIBIT A


DESCRIPTION OF THE PROPERTY

All that part of the portion of the Rancho Ex-Mission de San Fernando recorded in Book 1. Pages 605 and 606 of Patents, Records of Los Angeles County, described in that portion of the said Rancho recorded in Book 3275, Page 212 of Deeds of said County lying within the following described boundary lines:

Commencing at the point of intersection of the centerline of San Fernando Road, 85 Feet in width, and the centerline of Sepulveda Boulevard, 100 feet in width as said centerlines are shown in Los Angeles City Engineer's Field Book 16015, Pages 20 and 21L; thence from said point of commencement S. $59^{\circ}06'34''$ W., 50.40 feet to a point on the southwesterly line of said Sepulveda Boulevard as described in deed recorded in Book 17363, Page 137 of Official Records of said County, said last mentioned point being the true point of beginning; thence from said true point of beginning along the said southwesterly sideline of Sepulveda Boulevard S., $38^{\circ}08'21''$ E., 292.58 feet to the beginning of a nontangent curve concave southwesterly and having a radius of 462 feet, a radial to said last mentioned point bears N. $62^{\circ}32'07''$ E., thence southeasterly along said curve 31.12 feet to the beginning of a reverse curve concave northeasterly and having a radius of 1038 feet; a radial to said point of reverse curvature bears N., $66^{\circ}23'40''$ E.; thence southeasterly along said reverse curve 263.30 feet to its point of tangency with a line which is parallel with and distant southwesterly 90 feet, measured at right angles, from the said centerline of Sepulveda Boulevard; thence along said parallel line S. $38^{\circ}08'21''$ E., 2066.58 feet; thence leaving said parallel line S. $51^{\circ}51'39''$ W., 875.00 feet; thence N. $38^{\circ}08'21''$ W., 1550.00 feet parallel to the said centerline of Sepulveda Boulevard; thence N. $0^{\circ}27'19''$ W., 441.35 feet; thence N. $22^{\circ}49'24''$ W., 375.70 feet; thence N. $16^{\circ}26'08''$ E., 670.00 feet to that said true point of beginning.

POWER SYSTEM
SEP 18 2012
EXECUTIVE OFFICE

RANDY S. HOWARD
SEP 18 2012

TRANSMITTAL		0150-09784-0000
TO Ronald O. Nichols, General Manager Department of Water and Power	DATE SEP 17 2012	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	
<p>FACILITY TRANSFER AND RELEASE AGREEMENT WITH SOUTHERN CALIFORNIA EDISON COMPANY.</p> <p>Transmitted for further processing. See the City Administrative Officer report attached.</p>  <p>MAYOR</p>		
MAS:RPR:10130012T		

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 13, 2012

CAO File No. 0150-09784-0000

Council File No.

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Department of Water and Power dated June 7, 2012

Subject: **FACILITY TRANSFER AND RELEASE AGREEMENT WITH SOUTHERN CALIFORNIA EDISON COMPANY**

SUMMARY

The Department of Water and Power (DWP) requests approval of a proposed Resolution that authorizes execution of a Facility Transfer and Release Agreement BP No. 12-002 with Southern California Edison Company (SCE) for the Sylmar Converter Station (SCS) – West Building. City Council approval by ordinance is required pursuant to Charter Section 674(a)(1). The City Attorney has approved the proposed resolution as to form and legality.

In 1966, DWP and SCE entered into the City-Edison Pacific Intertie D-C Transmission Facilities Agreement 10078 which includes the 500 kilovolt direct-current transmission line extending from the Nevada-Oregon border to the terminal facilities at Sylmar Converter Station in Sylmar. DWP and SCE jointly own the southern portion of the direct-current transmission facilities along with the City of Glendale, City of Burbank, and City of Pasadena (DC Participants). Ownership percentages in the Pacific Intertie D-C transmission facilities consist of: SCE (50 percent), DWP (40 percent), Burbank (3.85 percent), Glendale (3.85 percent), and Pasadena (2.30 percent). DWP is also the operating agent of the facilities on behalf of the DC Participants.

A first amendment to the agreement was approved on July 26, 2002 which authorized the DWP to make capital improvements at SCS under the SCS Replacement Project. The original scope of the project included the demolition of the West Building; however, the DWP subsequently decided to utilize the West Building for office space. An appraisal was performed by the Department in September 2005 that determined the building value was \$4.5 million. In line with SCE's 50 percent ownership, DWP offered a \$2,250,000 credit towards SCE's remaining financial responsibility of the SCS Replacement Project final cost in exchange for SCE's ownership interest in the West Building facility. SCE accepted the offer and this proposed Agreement states the terms and conditions of the transfer.

DWP states that it commenced its exclusive occupation and control of the West Building facility in approximately late 2005; however, administrative delays both at SCE and internally have resulted

in a substantial delay in completing and processing this proposed Agreement. Without execution of the proposed Agreement, DWP anticipates that the DC Participants could request an undetermined amount of rent payments for the Department's use of the facility since 2005.

SCE's total share of the SCS Replacement Project cost was approximately \$59 million and has already been paid. DWP states that there is no change in the DC Participants ownership percentages as a result of this Agreement.

It is noted by the Department that the other DC Participants will receive credit based on their ownership share of the facility and in accordance with the existing ownership agreement. DWP states that while generally the existing ownership agreement is sufficient to facilitate these types of transactions, SCE requested a specific agreement to document this particular transaction. If requested in the future by any other DC Participant, DWP will provide a separate agreement which will require Council approval by ordinance at a later date.

Upon review of the attached DWP request, it is the opinion of this Office that the item can be approved, as the requested action appears to be reasonable and in accordance with City policies and procedures.

RECOMMENDATION

That the Mayor approve the proposed resolution authorizing the execution of the Facility Transfer and Release Agreement BP No. 12-002, by ordinance pursuant to Charter Section 674(a)(1), provided by the City Attorney and return the request to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

DWP Power Revenue Fund shall credit SCE \$2,250,000 towards SCE's remaining financial responsibility of the SCS Replacement Project final cost. The proposed action will have no impact on the City's General Fund.

TIME LIMIT FOR COUNCIL ACTION

The City Attorney advises that there is no time limitation on items approved by ordinance.