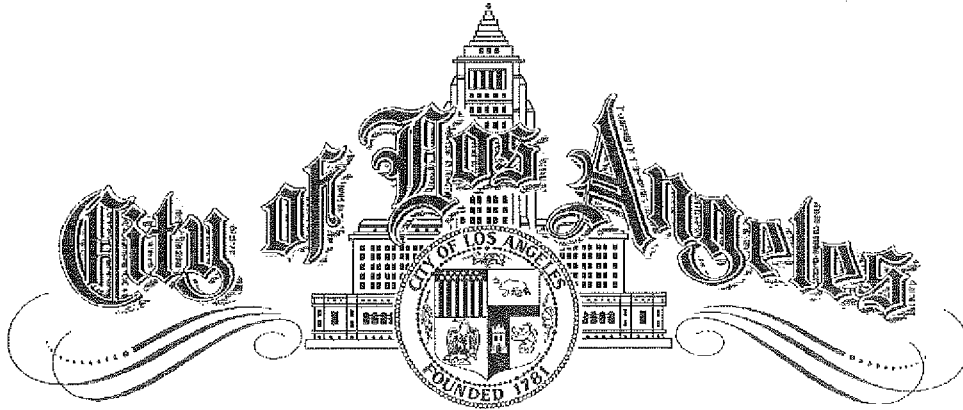


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CARMEN A. TRUTANICH
City Attorney

REPORT NO. R 1 2 - 0 3 9 5
DEC 0 7 2012

REPORT RE:

DRAFT ORDINANCE TO APPROVE AMENDMENT NO. 3 TO THE AIR WAY INTERCONNECTION AGREEMENT, DWP NO. 10323, AND TO RATIFY THE AIR WAY INTERCONNECTION AGREEMENT, AS WELL AS AMENDMENTS NO. 1 AND NO. 2 TO THE AGREEMENT, ALL BY AND BETWEEN THE CITY OF LOS ANGELES, ACTING BY AND THROUGH THE DEPARTMENT OF WATER AND POWER, AND THE CITY OF GLENDALE

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance provides for the approval of Amendment No. 3 to the Air Way Interconnection Agreement (Agreement), DWP No. 10323, and the ratification of the Air Way Interconnection Agreement, as well as Amendments No. 1 and 2 to that Agreement, all by and between the City of Los Angeles, acting by and through the Department of Water and Power, and the City of Glendale.

Background

In 1986, through LADWP Board Resolution No. 86-160, LADWP and Glendale entered into the Agreement to establish an additional point of interconnection between the parties' electric systems and to set up certain responsibilities for ownership, operation and maintenance of the Glendale-owned Air Way Receiving Station (Station).

Amendment No. 1 to the Agreement, entered into in 1990 pursuant to LADWP Board Resolution No. 91-007, modified the Agreement to redefine operation and maintenance responsibilities of the parties so that the Station could provide increased reliability to the LADWP power system.

Amendment No. 2 to the Agreement, entered into in 1999 pursuant to LADWP Board Resolution No. 99-257, modified the Agreement to reflect an additional point of interconnection between the parties' electric systems and the expansion of the Station with the addition of new line terminations and a 230/69-kilovolt(kV) transformer

The proposed Amendment No. 3, approved by the LADWP Board on October 16, 2012, makes LADWP responsible for all additional costs related to ensuring that the 230-kV facilities, which are owned by LADWP, are in compliance with the Federal Energy Regulatory Commission approved North American Electric Reliability Corporation (NERC) Reliability Standards (Reliability Standards), beyond those costs ordinarily incurred in the operation and maintenance of the Station. LADWP will be solely responsible for the payment of any penalties resulting from actual or alleged violations of the Reliability Standards.

Summary of Ordinance Provisions

Charter Section 674(a)(1) provides that the City Council has the power to approve contracts for the construction, ownership, operation and maintenance of facilities for the generation, transformation and transmission of electric energy. Pursuant to this Charter section, the enclosed draft ordinance approves Amendment No. 3 to the Agreement, and ratifies the Agreement itself, as well as Amendments No. 1 and No. 2 to the Agreement, all of which involve the above-listed functions with respect to electric energy. Because the Agreement and Amendments No. 1 and No. 2 were not previously approved by the City Council, the ordinance ratifies these agreements.

Council Rule 38 Referral

This draft ordinance has been presented to the Board of Water and Power Commissioners pursuant to Council Rule 38.

If you have any questions regarding this matter, please contact Deputy City Attorney Lonnie J. Eldridge at (213) 367-4550. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By 

PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:LJE:pj
Transmittal

ORDINANCE NO. _____

An ordinance ratifying the Glendale-LADWP Air Way Interconnection Agreement (Agreement), DWP No. 10323 (1986) and its Amendments No. 1 (1990) and No. 2 (1999), between the City of Glendale and the Los Angeles Department of Water and Power of the City of Los Angeles, and approving Amendment No. 3 to the Agreement between the City of Glendale and the Los Angeles Department of Water and Power of the City of Los Angeles.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The Glendale-LADWP Air Way Interconnection Agreement (Agreement), DWP No. 10323 (1986) and its Amendments No. 1 (1990) and No. 2 (1999), between the City of Glendale and the Los Angeles Department of Water and Power of the City of Los Angeles, previously approved by the Board of Water and Power Commissioners through Resolutions No. 86-160 (1986), No. 91-007 (1990) and No. 99-257 (1999) that are on file with the City Clerk, are hereby ratified, and Amendment No. 3 to the Agreement, previously approved by the Board of Water and Power Commissioners, is hereby approved.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy of the bulletin board at the Main Street entrance to Los Angeles City Hall; one copy on the bulletin board at the Main Street entrance to Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles at its meeting of _____.

JUNE LAGMAY, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By Lonnie Eldridge (PBE)
LONNIE ELDRIDGE
Deputy City Attorney

Date Dec 7, 2012

File No. _____