



ANTONIO R. VILLARAIGOSA
Mayor

Commission
THOMAS S. SAYLES, *President*
ERIC HOLOMAN, *Vice President*
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: Amendment No. 3 to Agreement No. 10323 for Ratification of Glendale – Los Angeles
Department of Water and Power Air Way Interconnection

Pursuant to Charter Section 674(a)(1), and enclosed for approval by your Honorable Body is Resolution No. 013 094, 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 authorizes execution of Amendment No. 3 to Agreement No. 10323 for Ratification of Glendale – Los Angeles Department of Water and Power Air Way Interconnection. 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

Amendment No. 3 to Agreement No. 10323

Amendment No. 2 to Agreement No. 10323

Amendment No. 1 to Agreement No. 10323

Air Way Interconnection Agreement No. 10323

CAO Report

Ordinance

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) and the City of Glendale (Glendale) in 1986 entered into the Glendale-LADWP Air Way Interconnection Agreement (DWP No. 10323) (Agreement) to establish an additional point of interconnection between the parties' electric systems, and the Agreement was further amended in 1990 (Amendment No. 1) and 1999 (Amendment No. 2); and

WHEREAS, LADWP now desires to amend the Agreement to clarify the responsibilities of the parties to comply with the Federal Energy Regulatory Commission (FERC)-approved North American Electric Reliability Corporation (NERC) Reliability Standards through a third Amendment (Amendment No. 3); and

WHEREAS, it does not appear that the Los Angeles City Council originally approved the Agreement or Amendments No. 1 and 2.

NOW, THEREFORE, BE IT RESOLVED, that the Glendale-LADWP Air Way Interconnection Agreement (DWP No. 10323), entered into in 1986 by LADWP and Glendale, as well as Amendment No. 1, executed in 1990, and Amendment No. 2, executed in 1999, each now on file with the Secretary of the Board and previously approved by the Board are hereby transmitted to City Council for ratification.

BE IT FURTHER RESOLVED, that Amendment No. 3 to the Agreement, now on file with the Secretary of the Board and approved as to form and legality by the City Attorney, be and the same is hereby approved.

BE IT FURTHER RESOLVED, that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board be and they are hereby authorized and directed to execute said Amendment No. 3 for and on behalf of LADWP, after City Council approval by ordinance.

BE IT FURTHER RESOLVED, that the Chief Accounting Employee, upon proper certification, is hereby authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under Amendment No. 3, the Agreement and Amendments No. 1 and 2 to the Agreement.


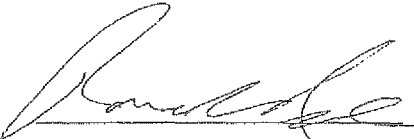
I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held OCT 16 2012

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


Secretary

AUG 09 2012
BY 
LONNIE ELDRIDGE
DEPUTY CITY ATTORNEY

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

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE: September 20, 2012
<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <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: Ratification of Glendale – LADWP Air Way Interconnection Agreement (LADWP No. 10323), Amendment Nos. 1 and 2, and Approval of Amendment No. 3
		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)	

Amendment to Existing Contract

PURPOSE

The attached Resolution recommends to the Los Angeles City Council (City Council) approval of Amendment No. 3 of LADWP Agreement No. 10323 and to obtain ratification of Amendment Nos. 1 and 2 of the Agreement.

The resolutions for the Agreement and Amendment Nos. 1 and 2 were adopted by your Honorable Board on January 23, 1986 (Resolution No. 86 160), July 12, 1990 (Resolution No. 91 007), and May 18, 1999 (Resolution No. 99 257), respectively. However, the Agreement and the Amendments were not approved by the City Council.

COST AND DURATION

Amendment No. 3 requires that LADWP be responsible for all additional costs related to ensuring that the 230-kilovolt (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 ordinarily incurred in the operation and maintenance of the station. In addition, LADWP will be solely responsible for payment of any penalties resulting from actual or alleged violations of the Reliability Standards that may result from LADWP's operation of the station. It is not possible to predict the actual costs of these new obligations.

The City of Glendale (Glendale), as the owner of the station site, agrees to reimburse Los Angeles for improvements that are necessary and desirable to upgrade the physical security for the site in relation to the Reliability Standards. Amendment No. 3 is coterminous with the Agreement.

BACKGROUND

In 1986, Glendale and LADWP 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). LADWP was appointed as the operating agent for the Station and owns the 230-kV equipment at the Station. Glendale would reimburse all costs of operation and maintenance to LADWP.

Amendment No. 1 modifies the Agreement to redefine operation and maintenance responsibilities of the parties for the Station to provide increased reliability to LADWP's power system. No financial impact resulted from this Amendment as Glendale would continue to reimburse all costs of operation and maintenance to LADWP.

Amendment No. 2 modifies the Agreement to reflect additional point of interconnection between the parties' electric systems and the expansion of the Station with the addition of new line terminations and 230/69-kV transformer. This Amendment resulted in no financial impact to LADWP as Glendale paid for all costs incurred under LADWP Agreement No. 98-002, an associated construction agreement.

Amendment No. 3 is necessary to clarify the responsibilities of the parties to comply with the requirements in the Reliability Standards with respect to the Station as LADWP is a registered Transmission Owner and Transmission Operator (as defined under the NERC Reliability Standards) of the 230-kV facilities located in the Station.

Los Angeles City Council Approval

Per Charter Section 674(a)(1), City Council approval is required. Accordingly, attached is the City Administrative Officer report dated May 30, 2012.

Board of Water and Power Commissioners
Page 3
September 20, 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."

RECOMMENDATION

It is requested that your Honorable Board adopt the attached Resolution, approved as to form and legality by the City Attorney, recommending the City Council's approval of Amendment No. 3 and ratification of Amendment Nos. 1 and 2 of the Agreement to be executed as authorized in the Resolution.

HPN:nsh

Attachments

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

AMENDMENT NO. 3

TO THE

AIR WAY INTERCONNECTION AGREEMENT

BETWEEN

THE CITY OF GLENDALE

AND

THE DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

DWP NO. 10323

AMENDMENT NO. 3

TO THE

AIR WAY INTERCONNECTION AGREEMENT
(DWP NO. 10323)

1. PARTIES: The Parties to this Amendment No. 3 to the Air Way Interconnection Agreement, dated January 23, 1986, DWP No. 10323 (Agreement), are THE CITY OF GLENDALE ("Glendale"), a municipal corporation existing under the laws of the State of California, and THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES ("Los Angeles"), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, hereinafter referred to individually as "Party" and collectively as "Parties".

2. RECITALS: This Amendment No. 3 is made with reference to the following facts, among others:
 - 2.1 The Parties entered into the Agreement in 1986 to establish responsibilities, for the ownership, operation, maintenance and cost of the Air Way Receiving Station (Station), among other goals.
 - 2.2 The Parties executed Amendment No. 1 to the Agreement on July 12, 1990, to clarify the operation and maintenance responsibilities for the Station.
 - 2.3 The Parties executed Amendment No. 2 to the Agreement in 1998 in order to memorialize additional interconnections relating to the expansion of the Station.
 - 2.4 In 2007, the Federal Energy Regulatory Commission ("FERC") approved 83 North American Electric Reliability Corporation ("NERC") Reliability Standards, the first set of legally enforceable standards for the U.S. bulk power system. In August of 2007, the NERC Reliability Standards became mandatory and enforceable in the United States. Subsequently, FERC has approved additional Reliability Standards.
 - 2.5 Los Angeles is the registered Transmission Owner and Transmission Operator (as defined under the NERC Reliability Standards) of the 230 kV facilities located in the Station. Glendale is not a registered Transmission Owner and Transmission Operator for the Station.

The Parties now desire to enter into this Amendment No. 3 in order to clarify the responsibilities of the Parties to comply with the requirements in the NERC Reliability Standards with respect to the Station, as those requirements may be amended from time to time.

3. AGREEMENT: In consideration of the mutual covenants herein, the Parties hereby agree as follows:
4. TERM: This Amendment No. 3 shall become effective when duly executed by the Parties and shall continue in full force and effect until the date the Agreement is terminated.
5. ADD NEW SUBSECTION 8.5 (ADDITIONS AND BETTERMENTS):
Notwithstanding any other provisions of the Agreement, Glendale and Los Angeles agree that the Station may require, from time to time, necessary or desirable modifications to comply with the requirements in the NERC Reliability Standards, including without limitation any standards or rules imposed by the Western Electricity Coordinating Council ("WECC"), FERC, or any other appropriate enforcement agencies or bodies, as well as any successor to those reliability standards or rules (collectively, the "Reliability Standards"). Los Angeles, as the Operating Agent for the Station, shall have responsibility for maintaining compliance with the Reliability Standards and will undertake such actions as Los Angeles believes will ensure that the Station is in compliance with the Reliability Standards.

Los Angeles, as the registered Transmission Owner and Transmission Operator of the 230 kV facilities located in the Station, will be responsible for all additional costs related to ensuring that the 230 kV facilities are in compliance with the Reliability Standards beyond those ordinarily incurred in the operation and maintenance of the Station ("Additional Reliability Costs"). Los Angeles will be solely responsible for payment of any penalties resulting from actual or alleged violations of the Reliability Standards that may result from Los Angeles' operation of the Station. Los Angeles may exercise its sole discretion concerning the discussion and settlement of such potential Reliability Standards penalties with appropriate enforcement agencies or bodies, including without limitation WECC, NERC and FERC.

Notwithstanding the foregoing, Glendale, as the owner of the Station site, agrees to reimburse Los Angeles for improvements that are necessary and desirable to upgrade the physical security for the site in relation to the Reliability Standards, including without limitation for the purpose of detecting and deterring unauthorized physical access to the Station.

Los Angeles and Glendale will discuss and coordinate any Reliability Standard-related upgrades to the Station or any part of it prior to implementation, unless in the reasonable judgment of Los Angeles (or either Glendale or Los Angeles, in the case of upgrades to the physical security) such upgrades must be made on an

7. SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter into this Amendment No. 3 to the Air Way Interconnection Agreement (DWP No. 10323) on behalf of the Party for whom they sign. This Amendment No. 3 is hereby executed as of the _____ day of _____, 2011 (date to be entered by last signatory).

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

By


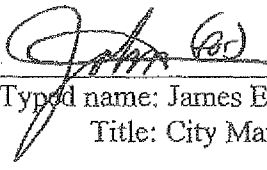
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

Date: _____ By: _____
Ronald O. Nichols, General Manager

APPROVED AS TO FORM AND LEGALITY And: _____
CARMEN A. TRUTANICH, CITY ATTORNEY Secretary

AUG 09 2012
BY 
LONNIE ELDRIDGE
DEPUTY CITY ATTORNEY

CITY OF GLENDALE

 
Typed name: James E. Starbird
Title: City Manager
Date Signed: 6/14/11

Approved As To Form:

By 
Glendale City Attorney

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AMENDMENT NO. 2

TO THE

AIR WAY INTERCONNECTION AGREEMENT

BETWEEN

THE CITY OF GLENDALE

AND

THE DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

AMENDMENT NO. 2

TO THE

AIR WAY INTERCONNECTION AGREEMENT

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
1.	PARTIES.....	1
2.	RECITALS.....	1
3.	AGREEMENT.....	2
4.	TERM.....	2
5.	AMEND SUBSECTION 4.1 (DEFINITIONS).....	2
6.	ADD NEW SUBSECTION 4.3 (Air Way Junction) AND RENUMBER SUBSECTIONS 4.3(Authorized Representative) AND 4.4 (Station)....	2
7.	AMEND SUBSECTION 5.2 (authority to give termination notice).....	3
8.	AMEND SECTION 6 (TITLE TO STATION).....	2
9.	AMEND SUBSECTION 7.1 (OPERATION AND MAINTENANCE).....	3
10.	AMEND SUBSECTIONS 7.3, 7.4, 7.5 AND 7.6 (OPERATION AND MAINTENANCE).....	3
11.	AMEND SUBSECTION 11.2 (BILLING AND PAYMENT).....	3
12.	AMEND SUBSECTIONS 12.1 AND 12.3.2 (ADMINISTRATION)...	4
13.	AMEND SUBSECTION 24.1.1 (NOTICES).....	4
14.	OTHER TERMS REMAINING SAME.....	4
15.	SIGNATURE CLAUSE.....	5
	EXHIBIT A - Air Way Receiving Station, Existing Layout Prior to Expansion	
	EXHIBIT B - Air Way Receiving Station, Layout After Expansion and Toluca-Atwater Line 2 Loop-Through	

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EXHIBIT C1 – Existing System (Loop-through of original
Toluca-Atwater Line 1)

EXHIBIT C2 – Proposed Modifications (Loop-through of
Toluca-Atwater Line 2)

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AMENDMENT NO. 2

TO THE

AIR WAY INTERCONNECTION AGREEMENT
(DWP NO. 10323)

1. PARTIES: The Parties to this Amendment No. 2 to the Air Way Interconnection Agreement, dated January 23, 1986, DWP No. 10323 (Agreement), are THE CITY OF GLENDALE ("Glendale"), a municipal corporation existing under the laws of the State of California, and THE DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES ("Los Angeles"), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, hereinafter referred to individually as "Party" and collectively as "Parties".
2. RECITALS: This Amendment No. 2 is made with reference to the following facts, among others:
 - 2.1 Glendale has determined its need to increase the capacity, security, operational flexibility and reliability of its Air Way Receiving Station (Station), as such is established today and shown on Exhibit A and Exhibit C1 attached hereto and by this reference made a part hereof, in order to effectively participate in the new deregulated environment of the California electric industry and to better serve its customers.
 - 2.2 Pursuant to Section 9 of the Agreement, Glendale has requested Los Angeles to: (i) loop in and loop out of the Station Los Angeles' Toluca-Atwater 230-kV Transmission Line 2, as shown on Exhibit C2 attached hereto and by this reference made a part hereof, (ii) expand the Station in order to facilitate the terminations of the loop-ins and loop-outs and the installation of an additional 230/69 kV transformer, as shown on Exhibit B attached hereto and by this reference made a part hereof, and (iii) make such other additions and betterments as may be deemed appropriate, necessary or desirable.
 - 2.3 Los Angeles is willing to (i) facilitate the partitioning of its Toluca-Atwater Line 2 and its terminations in the Station, and (ii) provide the resources necessary to design, procure, construct and complete the above-referenced modifications and expansions to the Station, as may be deemed necessary or desirable.
 - 2.4 On May 13, 1982 Glendale and Los Angeles entered into the Air Way Receiving Station Construction Agreement (DWP No. 10669) wherein, among other things, Los Angeles agreed to construct the Station and modify its then-existing 230 kV transmission system to establish the Station as an interconnection point between the Parties' two electric Systems. Having

1 completed such construction, the Parties terminated the agreement upon the
2 acceptance date, on or about January 1, 1985.

3
4 2.5 The Parties desire to enter into a similar construction agreement, hereafter
5 referred to as the Air Way Expansion Construction Agreement (Construction
6 Agreement), (DWP No. BP 98-002), for the modification to Los Angeles'
7 transmission lines and the modification and expansion of the Station.

8
9 2.6 Glendale desires and Los Angeles agrees that Los Angeles should operate and
10 maintain all pieces of electrical equipment within the Station, including any
11 and all facilities and equipment added pursuant to the Construction
12 Agreement.

13
14 2.7 The Parties desire to enter into this Amendment No. 2 in order to provide for
15 the changes to the terms and conditions of the Agreement necessitated by the
16 above-referenced modifications and expansion.

17
18 3. AGREEMENT: In consideration of the mutual covenants herein, the Parties
19 hereby agree as follows:

20
21 4. TERM: This Amendment No. 2 shall become effective when duly executed by
22 the Parties and shall continue in full force and effect until the date the Agreement
23 is terminated.

24
25 5. AMEND SUBSECTION 4.1 (DEFINITIONS): Subsection 4.1, Additional Point
26 of Interconnection, is hereby deleted in its entirety and the following substituted
27 therefor:

28
29 "4.1 Additional Point of Interconnection: The points where the circuit breakers
30 in Bay E1 and Bay E2 connect either to Bus 1 and Bus 2, as such are
31 shown in Exhibit B attached to Amendment 2 and by this reference made
32 a part hereof."

33
34 6. ADD NEW SUBSECTION 4.3 (Air Way Junction) AND RENUMBER
35 SUBSECTIONS 4.3 (Authorized Representative) AND 4.4 (Station):

36
37 "4.3 Air Way Junction: That area on Los Angeles' transmission line right-of-
38 way where Los Angeles' existing Toluca-Atwater 230-kV Transmission
39 Lines 1 and 2 are partitioned between Tower Numbers 718 and 719 and
40 new towers/poles are erected in order establish take-off points for the
41 loop-ins and loop-outs of such transmission lines into Glendale's Air Way
42 Receiving Station."

43
44 "4.4 Authorized Representative:" No change in existing text.

45
46 "4.5 Station:" No change in existing text.

1 7. AMEND SUBSECTION 5.2 (authority to give termination notice): The last
2 sentence, making reference to the 'Assistant General Manager - Power' of Los
3 Angeles, is hereby changed to read as follows:
4 "Termination notice by Los Angeles shall be executed by the Director of the Bulk
5 Power Business Unit, or by any other officer of Los Angeles, as such may be
6 designated by its General Manager, or successor thereto."
7

8 8. AMEND SECTION 6 (TITLE TO STATION): Section 6 is hereby deleted in its
9 entirety and the following substituted therefor:

10
11 "6. TITLE TO STATION AND RELATED 230-kV LINES: Glendale shall
12 be the sole owner of the Station except for the 230-kV line terminations,
13 circuit breakers, disconnect switches and related equipment in Bays E1
14 and E2, which shall be solely owned by Los Angeles. Los Angeles shall
15 also own the transmission line segments, as shown on Exhibit C2 attached
16 to this Amendment 2, and by this reference made a part hereof, from the
17 Air Way Junction to the terminal towers in Bays E1 and E2 within the
18 Station and all associated right-of-way, equipment and facilities which are
19 necessary to connect Los Angeles' 230-kV transmission system with the
20 Station."
21

22 9. AMEND SUBSECTION 7.1 (OPERATION AND MAINTENANCE):
23 Subsection 7.1 of the Agreement, prior amended pursuant to Amendment No. 1, is
24 hereby deleted in its entirety and the following substituted therefor:
25

26 "7.1 Los Angeles, as operating agent for Glendale, shall operate and maintain
27 the entire Station from the Air Way Junction up to, but not including the
28 69-kV cable potheads. Such maintenance shall also include all necessary
29 repairs. Glendale shall be responsible for the repair and replacement of
30 the 69-kV cable potheads. Operation and maintenance shall be performed
31 in accordance with Los Angeles' operation and maintenance practices and
32 procedures, as such may be changed from time to time."
33

34 10. AMEND SUBSECTIONS 7.2, 7.3, 7.4 and 7.5 (OPERATION AND
35 MAINTENANCE): Subsections 7.3, 7.4, 7.5 and 7.6 of the Agreement, which
36 were renumbered to Subsections 7.2, 7.3, 7.4 and 7.5, respectively, pursuant to
37 Amendment No. 1, are hereby deleted each in its entirety and the following
38 substituted therefor:
39

40 "7.2 Glendale and Los Angeles agree that Transformer Banks 1, 2 and 3,
41 associated load tap changers and controls, associated disconnect switches,
42 any future transformer banks and associated equipment, and the Air Way-
43 Kellogg Cables 1 and 2 shall be considered joint jurisdiction equipment
44 for switching operations."
45

46 "7.3 Los Angeles shall have the right to connect to and use the current
47 transformers installed in the bushings of Transformer Banks 1, 2 and 3 and
48 any other future transformer banks."

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"7.4 Los Angeles shall have the right to place its locking and grounding devices on the disconnect switches located on the low-voltage side of Transformer Banks 1, 2 and 3, as necessary, when providing the appropriate maintenance and repairs."

"7.5 Glendale shall have the right to place its locking and grounding devices on the disconnect switches located on the high-voltage side of Transformer Banks 1, 2, and 3, as necessary, when providing the appropriate maintenance and repairs."

11. AMEND SUBSECTION 11.2 (BILLING AND PAYMENT): Following the third (3rd) sentence of the subsection, which sentence reads as: "Glendale shall pay such invoices within thirty (30) calendar days after receipt thereof or as mutually agreed to between the Authorized Representatives", a new sentence shall be inserted as follows: "In the event the invoice includes the purchase of equipment or materials from any vendor whose billings are \$50,000 or greater on any one invoice, Glendale shall ensure that its payment is timely to cover the vendor's billings. Los Angeles shall not be required to advance and/or use any of its own funds for the benefit of Glendale"

12. AMEND SUBSECTIONS 12.1 AND 12.3.2 (ADMINISTRATION): Delete any reference in the text to "Los Angeles' Assistant General Manager – Power" and replace with the following: "Los Angeles' Director of the Bulk Power Business Unit, or any other officer of Los Angeles, as such may be designated by its General Manager, or successor thereto."

13. AMEND SUBSECTION 24.1.1 (NOTICES): Delete any reference in the text to "Los Angeles' Assistant General Manager – Power" and replace with the following: "Director of the Bulk Power Business Unit, or any other officer of Los Angeles, as such may be designated by its General Manager, or successor thereto."

14. OTHER TERMS REMAINING SAME: Except as expressly provided herein, all terms, covenants, and conditions contained in the Agreement shall remain in full force and effect. Any subsequent amendments to the Agreement, made from time to time, shall be executed in writing by the Parties.

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15. SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter into this Amendment No. 2 to the Air way Interconnection Agreement (DWP No. 10323) on behalf of the Party for whom they sign. This Amendment No. 2 is hereby executed as of the _____ day of _____, 1998.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

By

BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

Attest:

By *S. J. Freeman*
Typed name: _____
Title: GENERAL MANAGER

and *Joe C. Burmala*
Typed name: _____
Title: SECRETARY

_____ Date Signed: _____

Attest:

CITY OF GLENDALE

By _____
City Clerk

By *Steve Adams*
Typed name: Steve Adams
Title: Deputy City Manager

Date Signed: February 4, 1999

Approved As To Form:

By *Stanton J. Snyder*
Glendale City Attorney

1/20/99

APPROVED AS TO FORM AND LEGALITY
JAMES K. HAHN, CITY ATTORNEY

MAR 24 1999

BY *Stanton J. Snyder*
STANTON J. SNYDER
ASSISTANT CITY ATTORNEY

ADMINISTRATIVE
MAR 8 1999

Exhibit A
Air Way Receiving Station
Existing Layout Prior to Expansion

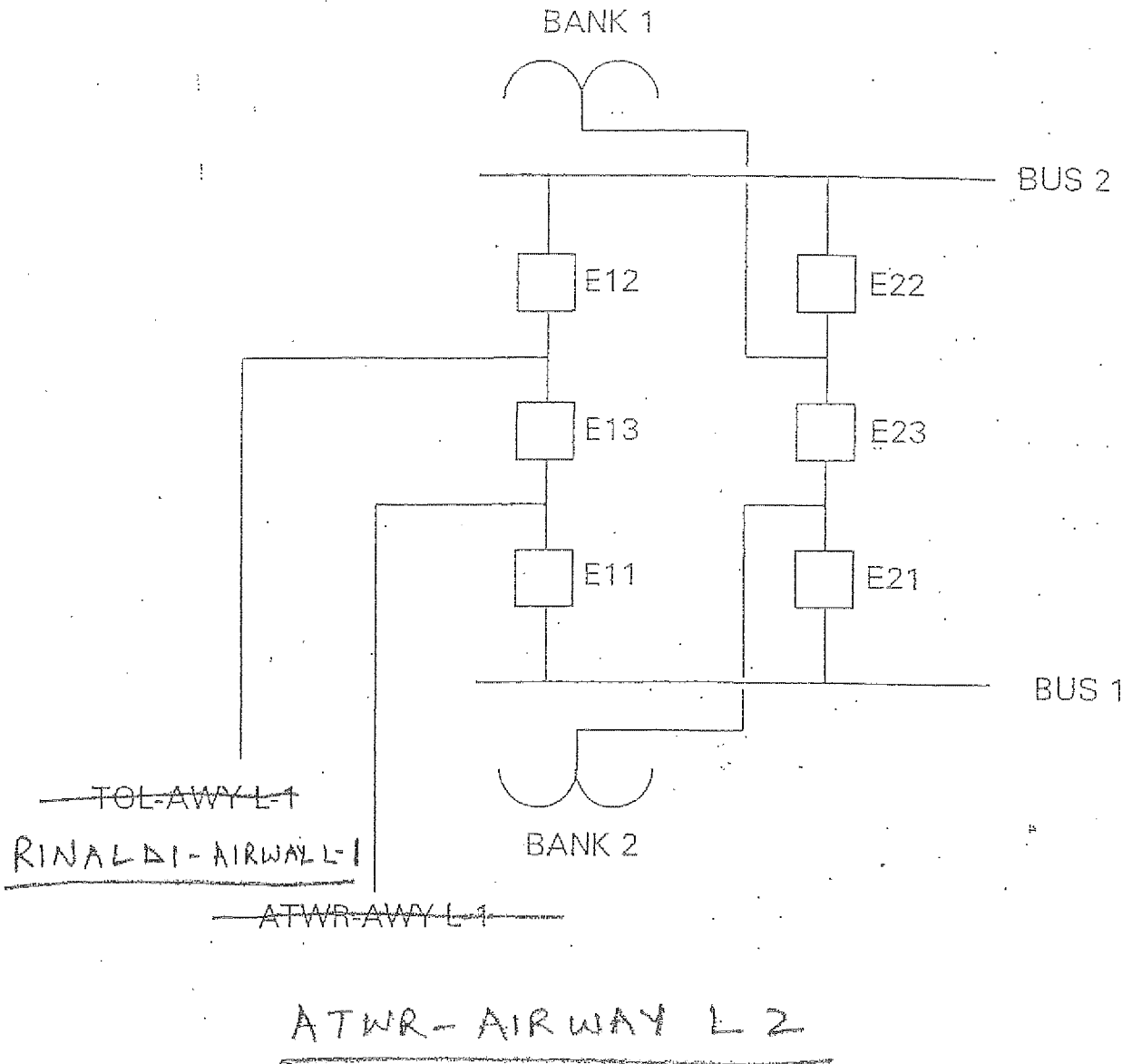
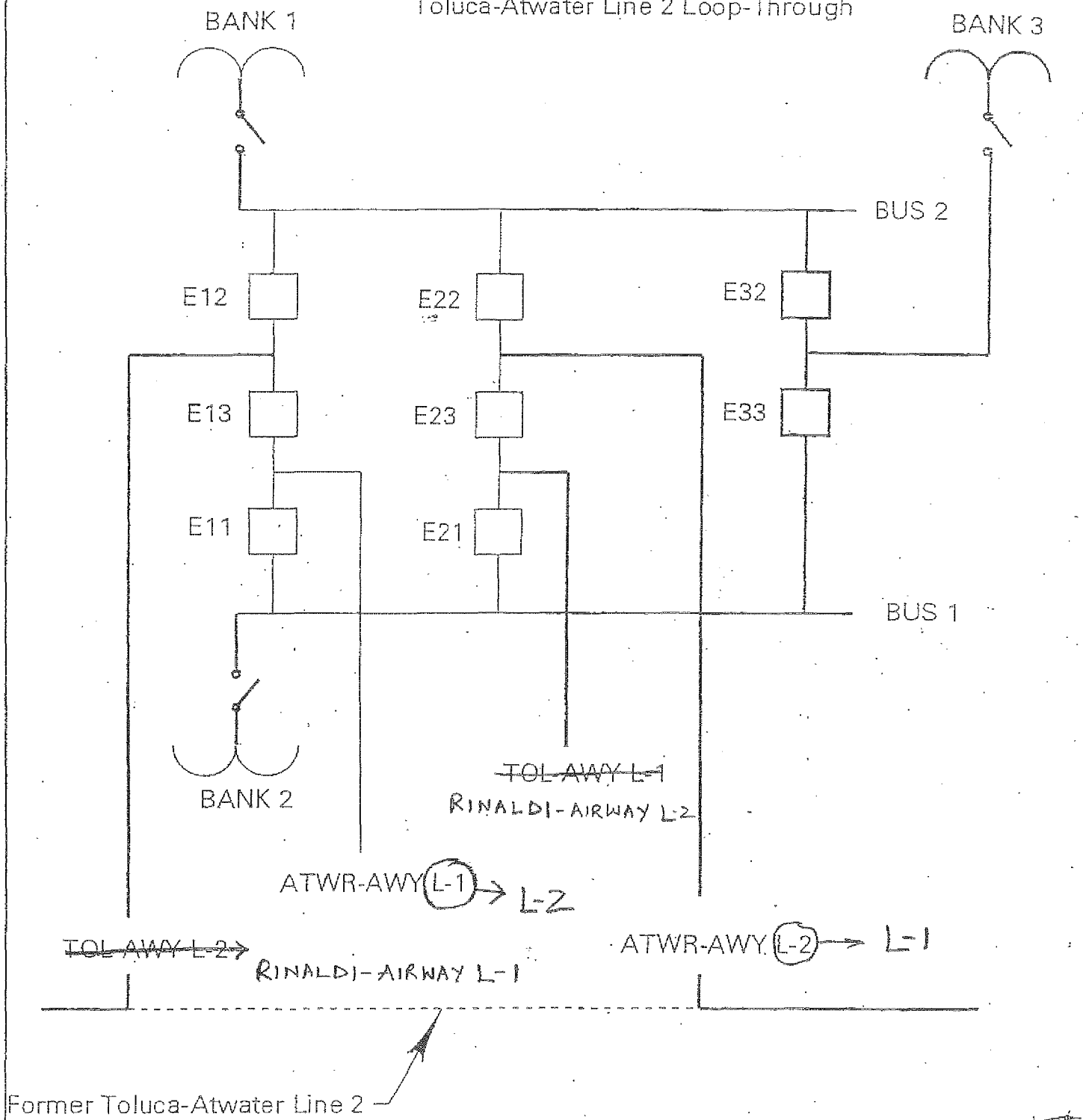


Exhibit B
 Air Way Receiving Station
 Layout After Expansion and
 Toluca-Atwater Line 2 Loop-Through



Former Toluca-Atwater Line 2

CITY OF LOS ANGELES

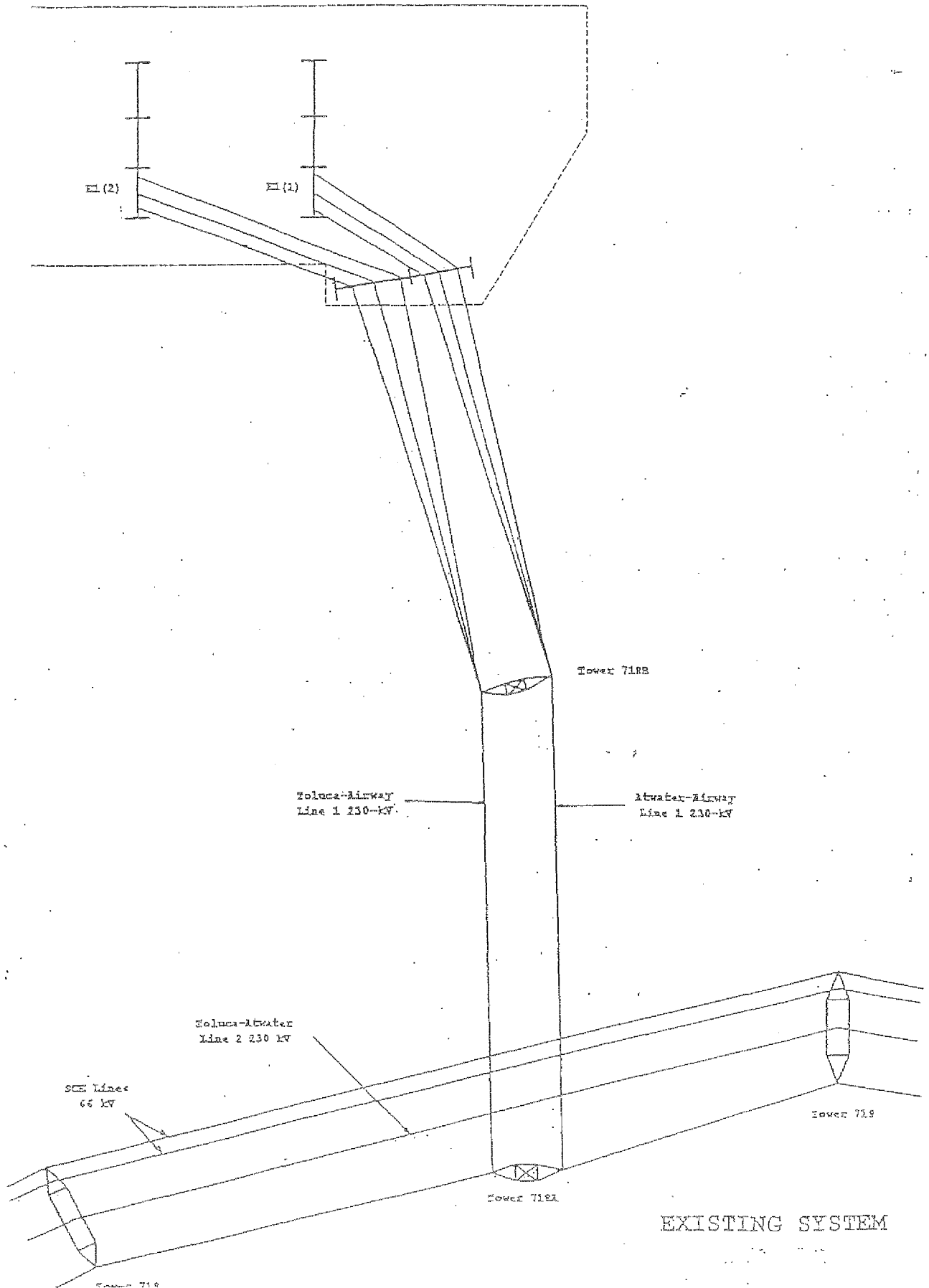
DEPARTMENT OF WATER AND POWER

ELECTRICAL STATION DESIGN



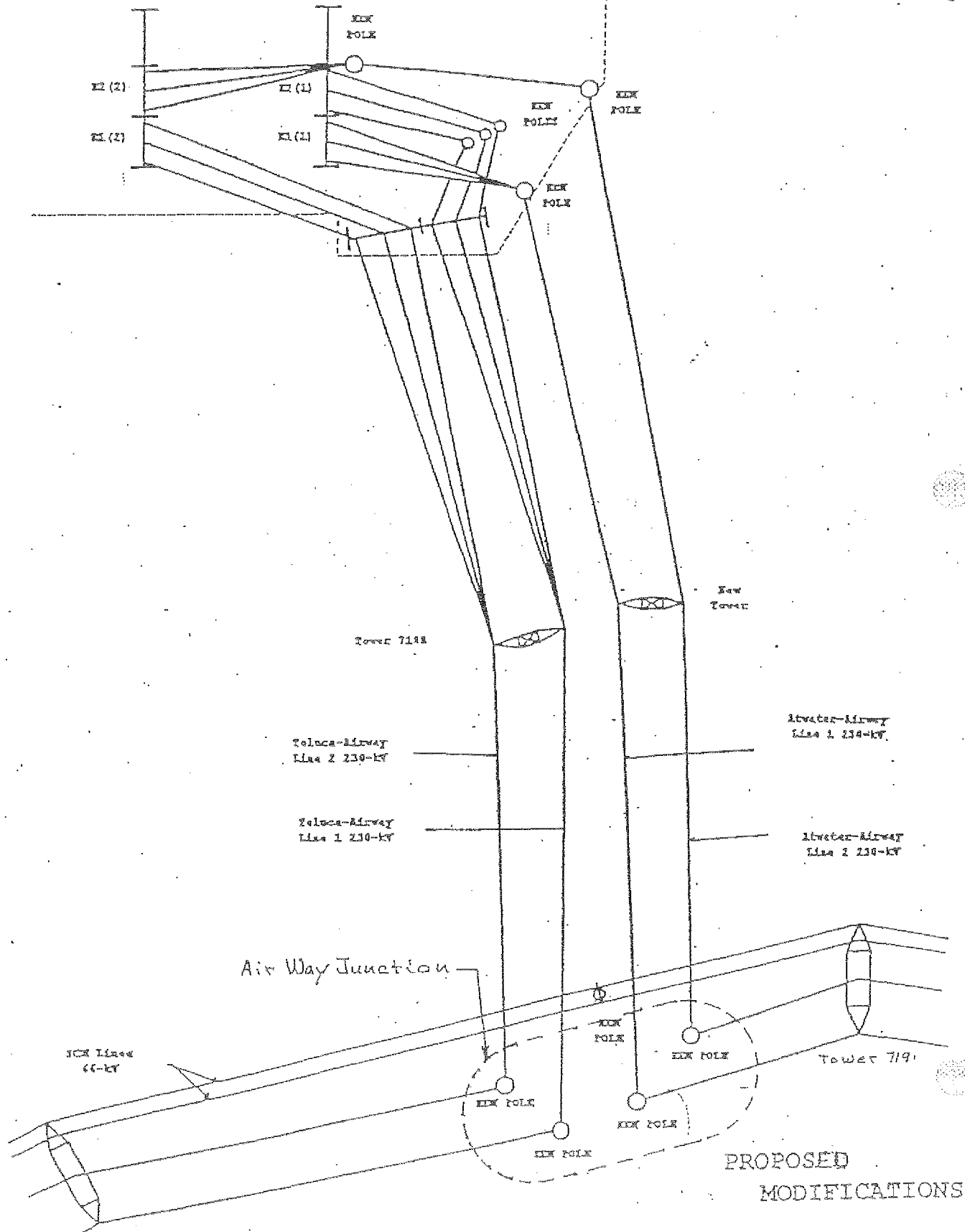
EXHIBIT "C1"

AIR WAY
Receiving Station.



EXISTING SYSTEM

AIR WAY
Receiving Station



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3 AMENDMENT NO. 1
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5 TO THE
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7 AIR WAY INTERCONNECTION AGREEMENT
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19 THE DEPARTMENT OF WATER AND POWER
20 OF THE CITY OF LOS ANGELES
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DWP NO. 10323

AMENDMENT NO. 1
TO THE
AIR WAY INTERCONNECTION AGREEMENT

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
1.	PARTIES	1
2.	RECITALS	1
3.	AGREEMENT	1
4.	TERM	1
5.	AMEND SUBSECTION 7.1	2
6.	DELETE SUBSECTION 7.2	2
7.	ADD A NEW SECTION 27	2
8.	TERMS THE SAME	3
9.	SIGNATURE CLAUSE	3

1 AMENDMENT NO. 1

2 TO THE

3 AIR WAY INTERCONNECTION AGREEMENT

- 4
- 5 1. PARTIES: The Parties to this Amendment No. 1 to the Air Way
6 Interconnection Agreement, dated January 23, 1986,
7 DWP No. 10323 ("Agreement"), are THE CITY OF GLENDALE
8 ("Glendale") and THE DEPARTMENT OF WATER AND POWER OF THE
9 CITY OF LOS ANGELES, a department organized and existing
10 under the Charter of the City of Los Angeles ("Los Angeles"),
11 both municipal corporations of the State of California, and
12 are sometimes hereinafter referred to individually as "Party"
13 and collectively as "Parties".
- 14 2. RECITALS: This Amendment No. 1 to the Agreement is made with
15 references to the following facts, among others:
- 16 2.1 Glendale and Los Angeles entered into the Agreement to
17 establish an additional point of interconnection between
18 the Parties' two electric systems and to establish
19 responsibilities for the ownership, operation and
20 maintenance of the Air Way Receiving Station
21 ("Station").
- 22 2.2 Glendale and Los Angeles desire to amend said Agreement
23 to reassign the operation and maintenance
24 responsibilities for the Station.
- 25 3. AGREEMENT: In consideration of the mutual covenants herein,
26 the Parties agree as follows:
- 27 4. TERM: This Amendment No. 1 to the Agreement shall become
28 effective, retroactive to October 16, 1989, when duly

1 executed by the Parties and shall continue in force and
2 effect until the date when the Agreement terminates.

- 3 5. AMEND SUBSECTION 7.1: Subsection 7.1 of the Agreement is
4 amended by the deletion of said Subsection in its entirety
5 and the substitution in lieu thereof of a new Subsection 7.1
6 which reads as follows:

7 "7.1 Los Angeles, as operating agent for Glendale, shall
8 operate and maintain, including performing any
9 necessary repairs, the entire Station from Los Angeles'
10 Tower No. 718A up to, but not including, the 69 kV
11 cable potheads. Glendale shall be responsible for the
12 repair or replacement of the 69 kV cable potheads.
13 Operation and maintenance shall be performed in
14 accordance with Los Angeles' operation and maintenance
15 practices and procedures."

- 16 6. DELETE SUBSECTION 7.2: Subsection 7.2 of the Agreement is
17 hereby deleted and the remaining subsections in
18 Section 7 are renumbered.

- 19 7. ADD A NEW SECTION 27: Section 27 is hereby renumbered to
20 Section 28 and a new Section 27 is hereby added to the
21 Agreement to read as follows:

22 "27. UNDERSTANDING: This Agreement contains the entire
23 understanding between the Parties with respect to the
24 subject matter hereof; and there are no other promises,
25 terms, conditions, obligations, understandings, or
26 agreements between the Parties with respect thereto.
27 This Agreement supersedes all previous communications,
28 representations, understandings and agreements, either

oral or written, between the Parties with respect to the subject matter hereof."

8. TERMS THE SAME: Except as expressly provided herein, all terms, covenants, and conditions contained in the Agreement shall remain in full force and effect. Any subsequent amendments to the Agreement made from time to time shall be executed in writing by the Parties.

9. SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter into this Amendment No. 1 to the Air Way Interconnection Agreement on behalf of the Party for whom they sign. This Amendment No. 1 is hereby executed as of the 12th day of July, 1990.

ATTEST:

CITY OF GLENDALE

By Aileen B. Boyce
City Clerk

By [Signature]
City Manager

APPROVED AS TO FORM

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES

By [Signature]
CITY ATTORNEY
DATE 5-7-90

By
BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

APPROVED AS TO FORM AND LEGALITY
JAMES K. HANDEL, CITY ATTORNEY

By [Signature]
General Manager and Chief Engineer
and [Signature]
Secretary

BY [Signature]
DIANA M. MURPHY
Deputy City Attorney

AUTHORIZED BY RES. 91 007
JUL 12 1990

91 007

RESOLUTION NO. _____

BE IT RESOLVED that Amendment No. 1 to the Air Way Interconnection Agreement (Amendment No. 1), DWP No. 10323, by and between the City of Glendale (Glendale) and the Department of Water and Power of the City of Los Angeles (Department), now on file with the Secretary of this Board and approved as to form and legality by the City Attorney, wherein, among other things, redefines the operation and maintenance responsibilities for Glendale's Air Way Receiving Station and for other terms and conditions therein set forth, be and the same is hereby approved; and

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager and Chief Engineer or the Assistant General Manager - Power of the Department, and the Secretary, Assistant Secretary or the Acting Secretary of the Board, be and they are hereby authorized and directed to execute Amendment No. 1 for and on behalf of the Department.

I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held JUL 12 1990


Secretary

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AIR WAY INTERCONNECTION AGREEMENT

BETWEEN

THE CITY OF GLENDALE

AND

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

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AIR WAY INTERCONNECTION AGREEMENT

Table of Contents

<u>Section</u>	<u>Title</u>	<u>Page</u>
1.	PARTIES	1
2.	RECITALS	1
3.	AGREEMENT	3
4.	DEFINITIONS	3
5.	EFFECTIVE DATE AND TERM	4
6.	TITLE TO STATION	5
7.	OPERATION AND MAINTENANCE	5
8.	ADDITIONS AND BETTERMENTS	8
9.	EXPANSION OF STATION	9
10.	VOLTAGE CONTROL AND SUPPLY OF REACTIVE POWER	9
11.	BILLING AND PAYMENT	10
12.	ADMINISTRATION	12
13.	INDEMNIFICATION	14
14.	FORCE MAJEURE	14
15.	NONWAIVER	16
16.	NO THIRD-PARTY BENEFICIARIES	16
17.	NONDEDICATION OF FACILITIES	17
18.	AUDITS	17
19.	UNDERSTANDING	17
20.	INSURANCE	17
21.	EFFECT OF SECTION HEADINGS	17
22.	SEVERAL OBLIGATIONS	17
23.	TRANSFER OF INTEREST	18
24.	NOTICES	18
25.	GOVERNING LAW	19
26.	DUPLICATE ORIGINALS	19
27.	EXECUTION	20
Exhibit A	ONE-LINE WIRING DIAGRAM OF THE STATION	
Exhibit B	ESTIMATED ANNUAL OPERATION AND MAINTENANCE EXPENSES	
Exhibit C	LOS ANGELES' INDIRECT COSTS	

AIR WAY INTERCONNECTION AGREEMENT

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1. PARTIES: This Agreement is entered into between THE CITY OF GLENDALE (hereinafter referred to as "Glendale") and 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 (hereinafter referred to as "Los Angeles"), both municipal corporations of the State of California, and are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

2. RECITALS: This Agreement is made with reference to the following facts, among others:

2.1 Glendale has determined that it is necessary to establish an Additional Point of Interconnection between the electric systems of Los Angeles and Glendale in order to be able to receive more capacity and energy from resources external to Glendale's service area and to allow Glendale and Los Angeles to make more effective use of the Power Coordination Agreement (DWP No. 10657) executed on the 29th day of July 1982 among Glendale, Los Angeles and the Cities of Burbank and Pasadena.

2.2 Glendale and Los Angeles entered into the Air Way Receiving Station Construction Agreement (DWP No. 10669) wherein, among other things, Los Angeles agreed to construct the Air Way Receiving Station

1 (Station) and modify Los Angeles' 230-kV
2 transmission system for Glendale in order to
3 establish an Additional Point of Interconnection
4 between the two electric systems. The modification
5 to Los Angeles' 230-kV transmission system
6 included, among other things, the looping of one of
7 the Toluca-Atwater Transmission Lines through the
8 Station. As a result of the modification, the
9 Toluca-Atwater Transmission Line has been renamed
10 Toluca-Air Way Line 1 and Atwater-Air Way Line 1.

11 2.3 Glendale desires and Los Angeles agrees that
12 Los Angeles should operate and maintain those
13 pieces of electrical equipment in the 230-kV
14 portion of the Station up to, but not including,
15 the 230-kV bushings on Transformer Banks 1 and 2
16 and certain other pieces of equipment pursuant to
17 Section 7.1.

18 2.4 Glendale desires and Los Angeles agrees that under
19 certain emergency operating conditions and upon
20 approval of Los Angeles' load dispatchers, Glendale
21 may operate certain pieces of electrical equipment
22 normally operated by Los Angeles.

23 2.5 It is anticipated that with the execution of this
24 Agreement, those agreements between Glendale and
25 Los Angeles, which specify Los Angeles' Receiving
26 Station E as a point of interconnection, shall be
27 amended to also specify the Station to be an
28 Additional Point of Interconnection between the

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Parties' electric systems.

2.6 At sometime in the future, Glendale may relinquish Glendale's share of the electric facilities at Los Angeles' Receiving Station E to a third party. At such time, the Additional Point of Interconnection may become Glendale's only point of interconnection with Los Angeles.

2.7 It is agreed, among the Parties, that future points of interconnection between the Parties' electric systems may be negotiated.

2.8 The Parties desire that the Station be owned, operated and maintained pursuant to the terms of this Agreement.

3. AGREEMENT: In consideration of the mutual covenants herein, the Parties agree as follows:

4. DEFINITIONS: The following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified:

4.1 Additional Point of Interconnection: The points where Circuit Breaker Bay E1 connects to Bus 1 and Bus 2, respectively, are shown in Drawing No. RA1-EA1, Revision 2, a copy of which is attached as Exhibit A.

4.2 Agreement: This Air Way Interconnection Agreement, as the same may be amended and supplemented.

4.3 Authorized Representative: The representative of a Party as designated in accordance with Section 12.

1 4.4 Station: Glendale's Air Way Receiving Station
2 including, but not limited to, land, transformer
3 banks, circuit breakers, disconnect switches, the
4 control building, communication equipment,
5 protection equipment, controls, batteries,
6 auxiliary equipment, grounding grid, lighting and
7 yard improvements. The Station is located at
8 820 Air Way, Glendale, California.

9 5. EFFECTIVE DATE AND TERM:

10 5.1 This Agreement shall become effective when executed
11 by the Parties. This Agreement may be terminated
12 upon not less than five years' advance written
13 notice by one Party to the other except that such
14 termination shall not precede termination of the
15 following Agreements, extensions or replacements
16 thereof, whichever is later, unless prior
17 termination is mutually agreed to between the
18 Parties:

19 5.1.1 Boulder Canyon Project Contract for
20 Generation and Transmission of Power
21 dated September 24, 1931, between
22 Glendale and Los Angeles;

23 5.1.2 City-Glendale Pacific Intertie D-C
24 Transmission Facilities Agreement (DWP
25 No. 10128) dated March 16, 1967, between
26 Glendale and Los Angeles;

27 5.1.3 Amendatory Power Sales Contract dated
28 February 1, 1983, between Intermountain

1 Power Agency and Glendale; and

2 5.1.4 Palo Verde Nuclear Generating Station
3 Power Sales Contract dated July 1, 1981,
4 between Southern California Public Power
5 Authority and Glendale.

6 5.2 If the notice of termination is given by either
7 Party, the Parties shall, upon request by either
8 Party, commence negotiations within ninety (90)
9 calendar days after said notification is given.
10 The Parties shall negotiate, in good faith, a new
11 agreement which shall become effective upon
12 termination of this Agreement. Said new Agreement
13 shall establish another point(s) of interconnection
14 between the Parties' electric systems other than
15 the one established herein. Termination notice by
16 Los Angeles shall be executed by the Assistant
17 General Manager - Power.

18 6. TITLE TO STATION: Glendale shall own the Station with
19 the exception of Circuit Breaker Bay E1, identified in
20 Exhibit A, which shall be owned by Los Angeles.
21 Los Angeles shall also own the transmission line
22 segments from Los Angeles' Tower No. 718A to the Station
23 and associated equipment which are necessary to connect
24 Los Angeles' 230-kV transmission system with the
25 Station.

26 7. OPERATION AND MAINTENANCE:

27 7.1 Los Angeles, as operating agent for Glendale, shall
28 operate and maintain the following:

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- 7.1.1 All of the electrical equipment in the 230-kV portion of the Station up to, but not including, the 230-kV bushings on Transformer Banks 1 and 2.
- 7.1.2 The station battery and battery charger.
- 7.1.3 All protective relays.
- 7.1.4 The station annunciator.
- 7.1.5 The 240/480-volt station service panels for the 230-kV rack.
- 7.1.6 The Air Way remote terminal unit to Los Angeles' Energy Control Center.
- 7.1.7 The 230-kV transmission line segments and associated equipment from Los Angeles' Tower No. 718A to the Station.

Operation and maintenance shall be performed in accordance with Los Angeles' operating and maintenance practices and procedures for equipment at the 230-kV voltage level.

7.2 Glendale shall be responsible for the operation and maintenance of the following:

- 7.2.1 Transformer Banks 1 and 2, associated load tap changers and controls.
- 7.2.2 Any future transformer banks, associated load tap changers and controls.
- 7.2.3 The station service transformers.
- 7.2.4 The Air Way-Kellogg Cables 1 and 2 and associated disconnect switches.

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7.2.5 The supervisory control equipment for
Glendale.

7.2.6 The station service electrical supply up
to the 240/480-volt station service
panels in the 230-kV rack.

7.3 Glendale and Los Angeles agree that Transformer
Banks 1 and 2, associated load tap changers and
controls, associated disconnect switches, any
future transformer banks and associated equipment,
and the Air Way-Kellogg Cables 1 and 2 shall be
considered joint jurisdiction equipment for
switching operations.

7.4 Los Angeles shall have the right to connect to and
use the current transformers installed in the
bushings of Transformer Banks 1 and 2 and any
future transformer banks.

7.5 Los Angeles shall have the right to place its
locking and grounding devices on the disconnect
switches located on the low-voltage side of
Transformer Banks 1 and 2, as necessary, when
providing the appropriate maintenance.

7.6 Glendale shall have the right to place its locking
and grounding devices on the disconnect switches
located on the high-voltage side of Transformer
Banks 1 and 2, as necessary, when providing the
appropriate maintenance.

7.7 Glendale shall have access to the Station control
house for supervisory indication and other

1 functions which shall be mutually determined by the
2 Authorized Representatives.

3 7.8 Under certain emergency operating conditions and
4 upon approval of Los Angeles' load dispatchers,
5 Glendale may operate certain pieces of electrical
6 equipment normally operated by Los Angeles. Such
7 operations by Glendale shall be in accordance with
8 Los Angeles' operating procedures.

9 8. ADDITIONS AND BETTERMENTS:

10 8.1 The Parties recognize that, from time to time,
11 certain improvements, additions, replacements or
12 other changes in the Station or in Los Angeles'
13 interconnected transmission system may be required
14 as a result of establishing this interconnection
15 and for the proper and safe parallel operation of
16 the Station.

17 8.2 Either Party may request such additions and
18 betterments pursuant to Section 8.1. The
19 requesting Party agrees to furnish to the other
20 Party written documentation which justifies the
21 need for such additions and betterments. The other
22 Party shall provide written comments within a
23 reasonable time.

24 8.3 Upon concurrence of the Authorized Representatives,
25 Los Angeles agrees to provide the resources
26 necessary to make the additions and betterments in
27 a timely manner.

28 8.4 Glendale agrees to pay Los Angeles for all costs

1 incurred by Los Angeles as a result of such
2 improvements, additions, replacements or other
3 changes in the Station. Glendale also agrees to
4 pay Los Angeles for Glendale's pro rata share of
5 costs for such improvements, additions,
6 replacements or other changes in Los Angeles'
7 interconnected transmission system as a result of
8 establishing this interconnection and for the
9 proper and safe parallel operation of the Station.
10 Such pro rata share shall be based on the ratio of
11 Glendale's effective load on Los Angeles'
12 interconnected transmission system and the total
13 improved capacity of such system. Billing and
14 payment shall be made in accordance with
15 Section 11.

- 16 9. EXPANSION OF STATION: Upon request by Glendale,
17 Los Angeles shall provide the resources necessary to
18 complete the expansion of the Station as shown in
19 Exhibit A. Glendale agrees to pay Los Angeles for all
20 costs incurred by Los Angeles in performing the
21 construction work necessary for the expansion of the
22 Station. Glendale also agrees to pay Los Angeles for
23 Glendale's pro rata share for improvements, additions,
24 replacements or other changes required in Los Angeles'
25 interconnected transmission system to accommodate the
26 expansion of the Station.
- 27 10. VOLTAGE CONTROL AND SUPPLY OF REACTIVE POWER: The
28 Parties shall use their best efforts to limit variations

1 and fluctuations in voltages and meet reactive power
2 requirements of their respective systems and loads so as
3 to minimize adverse effects upon the operation of the
4 electric facilities or electric system of the other
5 Party.

6 11. BILLING AND PAYMENT:

7 11.1 Los Angeles shall render, as soon as practical, a
8 monthly billing to Glendale for actual operation
9 and maintenance expenses incurred by Los Angeles
10 during the preceding month for such services as
11 specified in Section 7. Exhibit B illustrates the
12 estimated expenses to be incurred by Los Angeles
13 for such operation and maintenance services. Such
14 billings shall consist of Los Angeles' direct costs
15 plus indirect costs. Direct costs shall include,
16 but not be limited to, direct labor, materials and
17 equipment costs used specifically for work
18 performed under this Agreement. Indirect costs
19 shall include, but not be limited to,
20 administrative and general expenses, retirement and
21 death benefits, health care costs, supervision,
22 engineering and tool expenses. Indirect costs
23 shall be charged at Los Angeles' percentage rates
24 as shown in Exhibit C. These rates and method of
25 computation are subject to change and updated
26 periodically by Los Angeles' Accounting Division.
27 Glendale shall pay such billing within thirty (30)
28 calendar days after receipt thereof.

1 11.2 In the event that additions and betterments are
2 made, pursuant to Section 8, in either the Station or
3 in Los Angeles' interconnected transmission system,
4 which are required as a result of establishing this
5 interconnection and for the proper and safe
6 parallel operation of the Station or in the event
7 that the Station is expanded, pursuant to Section 9,
8 Los Angeles shall, by the fifteenth (15th) of each
9 month, render an invoice to Glendale for the
10 estimated construction expenditures to be made
11 during the following month for such additions and
12 betterments. All work performed shall be in
13 accordance with Los Angeles' design standards and
14 procedures. Glendale shall pay such invoices
15 within thirty (30) calendar days after receipt
16 thereof or as mutually agreed to between the
17 Authorized Representatives. If, at any time, it is
18 determined that Glendale has advanced funds which
19 are greater or less than the actual construction
20 costs, appropriate adjustments shall be made in the
21 following monthly invoices.

22 11.3 Bills that are not paid in full when due may bear
23 interest at the rate of one and one-half percent
24 (1-1/2%) per month of the unpaid balance or the
25 maximum rate permitted by law, whichever is less,
26 prorated by the days elapsed from the date payment
27 is due until the day payment is received by
28 Los Angeles. Such charge shall also apply to any

1 unpaid bill, or portion thereof, which is disputed
2 and thereafter determined to be proper. Such
3 interest rate shall be subject to change pursuant
4 to Section 11.4.

5 11.4 Los Angeles reserves the right to change the rate
6 of interest specified in Section 11.3. Any change
7 in the interest rate shall be in accordance with
8 Los Angeles' "Rules Governing Water and Electric
9 Service in the City of Los Angeles" or its
10 successor.

11 12. ADMINISTRATION:

12 12.1 Within thirty (30) calendar days after the
13 effective date of this Agreement, Glendale's
14 Director of Public Service and Los Angeles'
15 Assistant General Manager - Power shall each
16 designate, by written notice to the other, a
17 representative who is authorized to act on each
18 Party's behalf in the implementation and
19 administration of this Agreement. Each Party shall
20 have the right to change the designation of the
21 Party's Authorized Representative and may designate
22 an alternate to act in the absence of the
23 Authorized Representative. The authorized
24 alternate appearing at any meeting shall have
25 authority to act on behalf of the Authorized
26 Representative of the Party represented.

27 12.2 The Authorized Representatives or the authorized
28 alternates shall provide liaison between the

1 Parties, provide a means of securing effective
2 cooperation, provide an interchange of information
3 and provide consultation on a prompt and orderly
4 basis between the Parties on a management level
5 concerning the various matters which may arise from
6 time to time in connection with this Agreement.

7 12.3 The Authorized Representatives shall have the
8 following responsibilities, among others:

9 12.3.1 Perform those functions and duties
10 assigned to them in this Agreement.

11 12.3.2 Review and attempt to resolve any
12 disputes between the Parties under this
13 Agreement. Should the Authorized
14 Representatives be unable to resolve a
15 dispute, the matter shall be referred to
16 Glendale's Director of Public Service and
17 Los Angeles' Assistant General Manager -
18 Power who shall use their best efforts
19 for resolution.

20 12.3.3 Arrange for the development and
21 completion of procedures to implement
22 provisions of this Agreement.

23 12.4 All actions, agreements, resolutions,
24 determinations or reports made by the Authorized
25 Representatives shall be reduced to writing and
26 shall become effective when signed by both
27 Authorized Representatives or an authorized
28 alternate of each Party.

1 12.5 The Authorized Representatives shall have no
2 authority to modify this Agreement.

3 13. INDEMNIFICATION:

4 13.1 Glendale, its governing body, directors, officers,
5 commissioners, employees, representatives, agents,
6 or assigns and successors in interest, or any of
7 them, shall not be liable for, and Los Angeles
8 shall defend, hold harmless and indemnify the same
9 from and against, any claims, demands, causes of
10 action, expenses, liability, damages or injuries of
11 whatsoever kind or nature, arising out of, or
12 resulting from, the performance or nonperformance,
13 negligent or otherwise, by Los Angeles under this
14 Agreement.

15 13.2 Los Angeles, its governing board, commissioners,
16 officers, employees, representatives, agents, or
17 assigns and successors in interest, or any of
18 them, shall not be liable for, and Glendale shall
19 defend, hold harmless and indemnify the same from
20 and against, any claims, demands, causes of action,
21 expenses, liability, damages or injuries of
22 whatsoever kind or nature, arising out of, or
23 resulting from, the performance or nonperformance,
24 negligent or otherwise, by Glendale under this
25 Agreement.

26 14. FORCE MAJEURE:

27 14.1 In the event of either Party being rendered unable,
28 wholly or in part, by force majeure to carry out its

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obligations under this Agreement, other than to make payments due hereunder, it is agreed that on such Party giving notice and reasonably fully particulars of such force majeure, in writing or by telegraph, to the other Party within a reasonable time after the occurrence of the cause relied on, then the obligations of the Party giving such notice, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused, but for no longer period; and such cause shall so far as possible be remedied with all reasonable dispatch.

14.2 The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, failure or refusal of any person or entity to comply with then existing agreements to obtain or ship materials or equipment, or other industrial disturbances, acts of a public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts or other natural disasters, threat of physical harm or damage resulting in the evacuation or shutdown of facilities necessary for the production of electric energy; arrests and restraints of governments and people, civil disturbances, explosions, restraint by court order or public authority, and action or nonaction by or failure to obtain authorizations or approvals from any governmental agency or authority

1 of competent jurisdiction, and any other causes,
2 whether of the kind herein enumerated or otherwise,
3 not within the control of the party claiming force
4 majeure and which, by the exercise of due
5 diligence, such Party is unable to prevent or
6 overcome.

7 14.3 It is understood and agreed that the settlement of
8 strikes or lockouts shall be entirely at the
9 discretion of the Party having the difficulty, and
10 that the above requirement concerning all
11 reasonable dispatch shall not require the
12 settlement of strikes or lockouts.

13 15. NONWAIVER: None of the provisions of this Agreement
14 shall be considered waived by either Party unless
15 expressly waived in writing. Any failures of either
16 Party to demand strict performance of provisions of this
17 Agreement, and any failures of either Party to take
18 advantage of any of its rights under this Agreement,
19 shall not be construed as a waiver of any provisions of
20 this Agreement or the relinquishment of any rights, but
21 all provisions and rights shall continue and remain in
22 full force and effect as if such failure had not
23 occurred.

24 16. NO THIRD-PARTY BENEFICIARIES: This Agreement is for the
25 sole benefit of the Parties hereto and shall not be
26 construed as granting rights to any person other than
27 the Parties or imposing obligations on either Party to
28 any person other than a Party.

- 1 17. NONDEDICATION OF FACILITIES: This Agreement shall not
2 constitute the dedication of any properties or
3 facilities, or any portion thereon, by either Party to
4 the other Party or to the public.
- 5 18. AUDITS: Glendale may audit and examine any costs or
6 payments resulting from any item set forth in this
7 Agreement by its own employees or by representatives of
8 a certified public accounting firm. The right to audit
9 shall be exercised during normal business hours after
10 reasonable notice is given. The audit shall be made
11 within three (3) years after the date of billing.
- 12 19. UNDERSTANDING: This Agreement contains the entire
13 understanding between the Parties with respect to the
14 subject matter hereof, and there are no other promises,
15 terms, conditions, obligations, understandings or
16 agreements between the Parties with respect thereto.
17 This Agreement supersedes all previous communications,
18 representations, understandings and agreements, either
19 oral or written, between the Parties with respect to the
20 subject matter hereof.
- 21 20. INSURANCE: It is understood and agreed to by the
22 Parties that, if any form of insurance for the Station
23 is necessary, such insurance shall be provided by
24 Glendale at no expense to Los Angeles.
- 25 21. EFFECT OF SECTION HEADINGS: Section headings appearing
26 in this Agreement are inserted for convenience only and
27 shall not be construed as interpretations of text.
- 28 22. SEVERAL OBLIGATIONS: Except where specifically stated

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in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership, or joint venture or impose a trust, partnership, or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

23. TRANSFER OF INTEREST: Neither Party shall voluntarily assign or transfer this Agreement, in whole or in part, without the written consent of the other Party. The consent to assign or transfer shall not be unreasonably withheld.

24. NOTICES:

24.1 Any written notice under this Agreement shall be deemed properly given if delivered in person or by registered or certified mail, postage prepaid, to the person specified below unless otherwise provided for in this Agreement:

24.1.1 Department of Water and Power
of the City of Los Angeles
c/o Assistant General Manager - Power
P. O. Box 111
Los Angeles, California 90051

27. EXECUTION: IN WITNESS WHEREOF, the signatories hereto represent that they have been appropriately authorized to enter into this Air Way Interconnection Agreement on behalf of the Party for whom they sign. This Agreement is hereby executed in duplicate as of the 23rd day of January, 1986.

ATTEST:

CITY OF GLENDALE

[Signature]
City Clerk

By [Signature]
City Manager

APPROVED AS TO FORM

[Signature]
City Attorney

DATE 10/29/85

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

By

BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By [Signature]
and [Signature]
Secretary

10-29-85
GLENDALE, CALIF.
I HEREBY CERTIFY THAT ADEQUATE PROVISION HAS BEEN MADE IN THE TAX LEVY OR BY OTHER MEANS TO BE RECEIVED BY THE CITY OF GLENDALE DURING THE FISCAL YEAR 1985-86 ESTIMATED TO BE NECESSARY TO PAY THE ESTIMATED PORTION INCURRED BY THE CITY OF GLENDALE UNDER THE TERMS AND CONDITIONS OF CONTRACT NO. W-17-85-001 OF THE SUM OF \$165,000

[Signature]
Dir. of Finance

APPROVED AS TO FORM AND LEGALITY
JAMES K. HAHN, CITY ATTORNEY

NOV 25 1985
BY [Signature]
RALPH GUY WESSON
Assistant City Attorney

AUTHORIZED BY RES. 101100
JAN 23 1986

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24.1.2 Director of Public Service
City of Glendale
119 North Glendale Avenue
Glendale, California 91206

24.2 Either Party may, by written notice to the other Party, change the name or address of the person to receive notices pursuant to this Agreement.

25. GOVERNING LAW: This Agreement shall be interpreted, governed and construed under the laws of the State of California.

26. DUPLICATE ORIGINALS: This Agreement is executed in two (2) counterparts, each of which shall be deemed an original. Glendale shall execute and deliver two (2) conformed duplicate originals to Los Angeles. Upon execution by Los Angeles, Los Angeles shall insert the effective date of this Agreement in both originals and deliver one (1) fully conformed duplicate original to Glendale.

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EXHIBIT B

Estimated Annual Operation and Maintenance Expenses

The present estimated annual operation and maintenance expenses to be incurred by Los Angeles in performing such services for Glendale at the Station is approximately \$278,000. This estimate is for such things as switching operations, protective relay maintenance, routine inspections, administration, accident prevention tagging, power equipment cleaning and such other functions which may be required by Los Angeles for the proper and safe parallel operation of the two electric systems. These expenses are expected to change from time to time as labor and other variable components of the cost change over time.

EXHIBIT C

Los Angeles' Indirect Costs

Percentage rates used by Los Angeles as of July 1, 1984 and referred to in Section 11.1 are as follows:

SUPERVISION, ENGINEERING AND TOOL EXPENSE

These overhead costs are calculated as a percentage of regular labor and are included in the cost estimates of all work orders which include regular labor.

<u>Organizational Unit</u>	<u>Supv. & Eng.</u>	<u>Tool Exp.</u>
Telecommunications - Construction and Maintenance; Transmission; Electrical Station and Building Maintenance; and System Protection.	30%	3%
Substation Operations; Load Dispatching	30%	

ADDITIONAL ALLOCATIONS (CAPITAL WORK ORDERS)

These overhead costs are calculated for, and are included in, the cost estimates of capital and customer convenience work orders only. The following table is used to determine the appropriate percentages.

<u>Description</u>	<u>Admin & Gen'l Exp</u>	<u>Retirement & Death Benefit</u>	<u>Health Care Cost</u>
Labor - Regular	10.5%	26.5%	5.0%
Supervision & Engrg	8.6%	21.7%	3.6%
Stores Handling	6.0%	16.7%	2.9%
Transportation and/or Construction Equipment	6.6%	16.7%	3.1%
Shop Services	7.6%	19.1%	3.6%

MATERIAL HANDLING CHARGE (ALL WORK ORDERS)

These work orders are calculated as a percentage of materials and are included in the cost estimates of all work orders which include materials purchased through General Stores.

- 22% on the first \$ 1,000
- 20% on the next \$ 4,000
- 17% on the next \$15,000
- 11% on the amounts over \$20,000, with a maximum handling charge of \$5,000

PURCHASE LOADING CHARGES - 2%

These overhead costs are calculated as a percentage of materials, equipment, contracts, professional services, rentals and leases obtained through Purchasing. The maximum charge is \$1,500.

BE IT RESOLVED that the Air Way Interconnection Agreement (DWP No. 10323), by and between the City of Glendale (Glendale) and the Department of Water and Power of the City of Los Angeles (Department), now on file with the Secretary of the Board and approved as to form and legality by the City Attorney, wherein, among other things, the Department will operate and maintain Glendale's Air Way Receiving Station in parallel with the Department's electric system, thereby establishing an additional point of interconnection between the Parties' two electric systems, and for other terms and conditions therein set forth, be and the same is hereby approved; and

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager and Chief Engineer or the Assistant General Manager - Power of the Department, and the Secretary, Assistant Secretary, or Acting Secretary of the Board, be and they are hereby authorized and directed to execute said Agreement for and on behalf of the Department.

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 JAN 23 1986


Secretary

3-14-86

c: N. E. Nichols via KSM & EAC
R. H. Lickson w/o Agrmt. 10323
Raymond C. Burt-2 ✓
V. L. Pruett
Files-2

vog

Principal Provisions:

1. This Agreement will establish an additional point of interconnection between the Parties' two electric systems.
2. The Department will operate and maintain those pieces of electrical equipment at the 230 kv voltage level within the Station and certain pieces relating to the operation and protection of the Station. Glendale will pay the Department for operating and maintaining the Station.
3. Glendale will operate and maintain the Station's 230 kv transformer banks and associated tap changers and related controls.
4. Upon request by Glendale, the Department agrees to provide the expertise necessary to expand the Station. Glendale agrees to pay the Department for all costs incurred in performing the necessary construction work.

Benefits:

The additional point of interconnection will allow Glendale and the Department to make more effective use of the Power Coordination Agreement (DWP No. 10657) executed on the 29th day of July 1982 among Glendale, the Department and the Cities of Burbank and Pasadena.

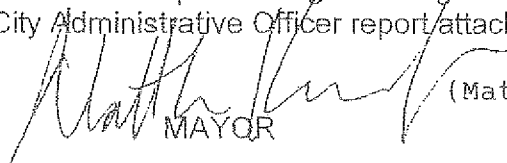
0150-09746-0000

TRANSMITTAL

TO Ronald O. Nichols, General Manager Department of Water and Power	DATE JUN 04 2012	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**GLENDAL-LOS ANGELES DWP AIR WAY INTERCONNECTION AGREEMENT
NO. 10323 AND ITS AMENDMENTS NOS. 1 THROUGH 3**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


(Matt Karatz)
MAYOR

MAS:RPR:101201461

REPORT FROM

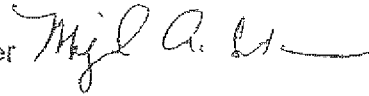
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 30, 2012

CAO File No. 0150-09746-0000
Council File No.
Council District: N/A

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Department of Water and Power dated March 16, 2012;
referred by the Mayor for report on March 28, 2012

Subject: **GLENDALE-LOS ANGELES DWP AIR WAY INTERCONNECTION AGREEMENT
NO. 10323 AND AMENDMENTS NOS. 1 THROUGH 3**

SUMMARY

The Department of Water and Power (DWP) requests approval of a proposed Resolution to execute Amendment No.3 to the Glendale-Los Angeles Department of Water and Power (DWP) Air Way Interconnection Agreement No. 10323 (Agreement) to clarify the responsibilities of DWP and the City of Glendale (Glendale) in complying with the Federal Energy Regulatory Commission (FERC) approved North American Electric Reliability Corporation (NERC) Reliability Standards.

The Board of Water and Power Commissioners (Board) previously approved the original Interconnection Agreement and Amendments No. 1 and 2. However, it has been determined that the Agreement and Amendments Nos. 1 and 2 were not approved by the City Council. As a result, approval of the proposed Resolution will include ratification of the original interconnection agreement executed in 1986; Amendment No. 1, executed in 1990; and Amendment No. 2, executed in 1999. City Council approval by ordinance is required in accordance with Charter Section 674 – Power Contracts. The City Attorney has approved the proposed Resolution and the Ordinance authorizing execution of the Agreement as to form and legality.

DWP and Glendale entered into the original Agreement in 1986 to establish responsibilities for the ownership, operation, maintenance, and cost of the Air Way Receiving Station (Station), a 230kV power transmission facility. DWP is the registered Transmission Owner and Transmission Operator of the facility and Glendale is the owner of the Station site. Amendment No. 1 was executed in 1990 to clarify the operation and maintenance responsibilities of the Station. Amendment No. 2 was later executed in 1999 to identify additional interconnections related to an expansion of the Station.

Amendment No. 3, as proposed, states that DWP is responsible for all additional costs related to ensuring that the facilities, which are owned by DWP, are in compliance with the FERC/NERC reliability standards. Glendale (owner of the site) agrees to reimburse DWP for improvements that

are necessary and desirable to upgrade the physical security of the site in regards to the reliability standards. Amendment No. 3 has an open-term and is co-terminus with the original Agreement.

RECOMMENDATION

That the Mayor approve the proposed resolution authorizing (i) the execution of Amendment No. 3 to the Glendale-Los Angeles Department of Water and Power Air Way Interconnection Agreement No. 10323 and (ii) the ratification of the original agreement, Amendment No. 1, and Amendment No. 2, by ordinance provided by the City Attorney, and return the request to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

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.

MAS:RPR:10120146

[DRAFT]
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.

Section 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 A. LAGMAY, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By _____ [DRAFT—NOT FOR EXECUTION]
LONNIE ELDRIDGE
Deputy City Attorney

Date _____

File No. _____