Department of Water and Power



# the City of Los Angeles

RONALD O. NICHOLS

General Manager

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

May 29, 2013

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

Honorable Members:

Subject: Agreement No. BP 12-032 with the City of Anaheim

Pursuant to Charter Sections 373 and 674, enclosed for approval by your Honorable Body is Resolution No. 013 279, adopted by the Board of Water and Power Commissioners (Board) on May 24, 2013, approved as to form and legality by the City Attorney, which authorizes execution of Replacement Transmission Service Agreement No. BP 12-032 with the City of Anaheim for 91 Megawatts of Long-Term FirmPoint to Point Transmission Service. As directed by the Board, transmitted to you are supporting documents.

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

Sincerely,

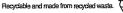
WSU U. Koduk

Barbara E. Moschos Board Secretary

BEM:oja Enclosures: LADWP Resolution Board Letter CAO Report Ordinance Agreement No. BP 12-032

## Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700 Telephone: (213) 367-4211 Cable address: DEWAPOLA



c/enc: Mayor Antonio Villaraigosa

Councilmember Jose Huizar, 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

# RESOLUTION NO. 013 279

WHEREAS, Ordinance No. 174479 which provides for the terms and conditions upon which unused transmission may be sold by the Department of Water and Power of the City of Los Angeles (LADWP) in accordance with LADWP Open Access Transmission Tariff (OATT) No. BP 01-017; and

WHEREAS, LADWP and the City of Anaheim (Anaheim) entered into Service Agreement No. BP 07-002 for LADWP to provide Anaheim with 118 Megawatts (MW) of firm point-to-point transmission service within LADWP's control area, from Receiving Station E (RS-E) to the mid-point of the Victorville-Lugo 500-kilovolt (kV) line from March 1, 2008, through March 1, 2013, pursuant to the terms and conditions of the OATT with a 20 percent discount to the Tariff rate; and

WHEREAS, Anaheim now requests to renew such transmission service, at a lower capacity of 91 MW, with same discounted rate for another 5 years; and

WHEREAS, such renewal request is permissible under OATT No. BP 01-017, Section 2.2.

NOW, THEREFORE, BE IT RESOLVED that the Transmission Service Agreement No. BP 12-032, a copy is on file with the Secretary of the Board, approved as to form and legality by the City Attorney is hereby approved in substantial form.

BE IT FURTHER RESOLVED that the Board requests that, pursuant to Los Angeles City Charter Section 674, the City Council approve by ordinance Transmission Service Agreement No. BP 12-032.

BE IT FURTHER RESOLVED that the President or Vice President of the Board of Water and Power Commissioners, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary or Acting Secretary of the Board, be and they are hereby authorized and directed to execute said Transmission Service Agreements No. BP 12-032 for and on behalf of LADWP subject to final review and approval by the City Attorney as to form and legality.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP is hereby authorized and directed to deposit revenue, in accordance with the terms of the Transmission Service Agreements No. BP 12-032, into the Power Revenue Fund.

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 MAY 2 4 2013

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

BY MAY, 2 1 2013 SYNDI DRISCOLL DEPUTY CITY ATTORNEY

| LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTE | LOS ANGELES D | EPARTMENT | OF WATER AN | ID POWER (LADWP) | ) BOARD APPROVAL LET | TER |
|--|---------------|-----------|-------------|------------------|----------------------|-----|
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| TO: BOARD OF WATER AND POWER COMMISSIONERS   | DATE: May 10, 2013   |
|--|--|
| ARAM BENYAMIN<br>Senior Assistant<br>General Manager –<br>Power System                 | SUBJECT:<br>Replacement Transmission Service<br>Agreement No. BP 12-032 Between LADWP<br>and the City of Anaheim (Anaheim) for<br>91 Megawatts of Long-Term Firm Point-to-<br>Point Transmission Service<br>FOR COMMISSION OFFICE USE:<br>RESOLUTION NO. |
| CITY COUNCIL APPROVALIF YES, BY WHICH CITYREQUIRED: Yes IN NOCHARTER SECTION: 373, 674 |  |

Replacement Contract

#### PURPOSE

Transmitted for approval by your Honorable Board is a Resolution, approved as to form and legality by the City Attorney, recommending to the Los Angeles City Council approval to enter into replacement Transmission Service Agreement No. BP 12-032 (Agreement) between the Los Angeles Department of Water and Anaheim (Parties), which allows LADWP to provide Anaheim with 91 MW of long-term firm point-to-point transmission service within LADWP's control area from the Receiving Station E (RS-E) to the approximate mid-point of the Victorville-Lugo 500-kilovolt (kV) transmission line at 20 percent discount to the current tariff rate for a 5-year term starting approximately on June 1, 2013, or when the Agreement is fully executed, pursuant to LADWP's Open Access Transmission Tariff (OATT) No. BP 01-017.

#### COST AND DURATION

The revenue generated, to the benefit of the Power Revenue Fund from the sale of the subject transmission service is estimated to be about \$3,393,000 per year or \$16,965,000 total over the 5-year term ending approximately on June 1, 2018.

Agreement No. BP 12-032 will remain in full force until the earlier of: (1) termination by mutual agreement of the Parties, (2) termination by LADWP upon giving Anaheim one-year advance written notice, (3) 5 years from the start date, or (4) one-year advance

Board of Water and Power Commissioners Page 2 May 10, 2013

written notice by Anaheim due to the sale of its entire Magnolia energy or when Magnolia Power Plant ceases operation.

#### BACKGROUND

Los Angeles City Ordinance No. 174479 provides for the terms and conditions upon which unused transmission may be sold by LADWP in accordance with OATT No. BP 01-017.

In 2007, Anaheim requested that LADWP provide it with 118 MW transmission service, within LADWP's control area from RS-E to the mid-point of the Victorville-Lugo 500-kV transmission line, to delivery its share of power from the local Magnolia Power Plant at 20 percent discount to the current LADWP's OATT rate. This transmission service was for a period of five years, from March 1, 2008, through March 1, 2013.

LADWP had determined that there was sufficient transmission capacity which was excess to LADWP's native-load requirement to be sold to Anaheim pursuant to the terms and conditions of OATT No. BP 01-017. Furthermore, since the requested transmission service path is outward and counter to LADWP's normal power flow direction, it would reduce LADWP transmission loss and thus deemed justifiable to provide Anaheim a 20 percent discount to the current tariff rate.

Anaheim is requesting to renew transmission service, albeit at a lower capacity of 91 MW, with same discounted rate for another 5 years. Such renewal request is permissible OATT No. BP 01-017, Section 2.2.

Anaheim has executed the Agreement which will become effective when approved by the Board of Water and Power and executed by the General Manager of the LADWP.

Per City Charter Sections 373,674, and Ordinance No. 174479 City Council approval is required for transmission service agreements with term longer than 2 years. Accordingly, attached is the City Administrative Officer report dated March 27, 2013.

#### **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.

Board of Water and Power Commissioners Page 3 May 10, 2013

#### RECOMMENDATION

It is requested that your Honorable Board adopt the attached Resolution, approved as to form and legality by the City Attorney, recommending the Los Angeles City Council's approval of the Agreement, and that the Agreement be executed as authorized in the Resolution.

#### HPN:ps

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

| TRANSMITTAL  |                 | 0150-09948-0000  |
|--|-----------------|------------------|
|  | DATE            | COUNCIL FILE NO. |
| Ronald O. Nichols, General Manager<br>Department of Water and Power  | APR 04 2013     |                  |
| <sub>FROM</sub><br>The Mayor   |                 | COUNCIL DISTRICT |
| BETWEEN THE LOS ANGELES DWP AND THE<br>Approved and transmitted for further processing includin<br>See the City Administrative Officer report<br>Multiple<br>Gaye Williams | g Council consi |                  |

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# OFFICE OF THE CITY ADMINISTRATIVE OFFICER

| March 27, 2013   |   | 0150-09948-0000  |
|--|---|--|
|  |   | N/A  |
| The Mayor  | C(I)  |  |
| Miguel A. Santana, City Administrative Officer Myu   | lud-1-  |  |
| Transmittal from the Department of Water and Power referred by the Mayor for report on March 6, 2013 | dated Januar  | y 29, 2013;  |
|  |   | Ю. ВР 12-032<br>IM   |
|  | The Mayor<br>Miguel A. Santana, City Administrative Officer <i>Wyw</i><br>Transmittal from the Department of Water and Power<br>referred by the Mayor for report on March 6, 2013<br><b>REPLACEMENT TRANSMISSION SERVICE AG</b> | Council File No.<br>Council District:<br>Miguel A. Santana, City Administrative Officer Wy U U U<br>Transmittal from the Department of Water and Power dated Januar<br>referred by the Mayor for report on March 6, 2013 |

#### SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution, and ordinance provided by the City Attorney, to execute a replacement Transmission Service Agreement No. BP 12-032 (Agreement) between the DWP and the City of Anaheim (Anaheim). Approval of this request will continue the current service provided under the existing agreement (BP 07-002). Specifically, DWP will provide Anaheim with 91 MW of capacity for point-to-point transmission service within DWP's control area for five years from March 2013 through March 2018 and pursuant to the terms and conditions of the Open Access Transmission Tariff No. BP 01-017 (OATT) including a 20 percent discount to the tariff rate provided in the existing agreement. The estimated revenue to the Power Revenue Fund is approximately \$3,393,000 per year or \$16,965,000 total over the five-year term.

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.

In 2007, Anaheim requested that DWP provide 118 MW of transmission service within the DWP control area from Receiving Station E (RSE) to the approximate mid-point of the Victorville-Lugo 500kV line, in order to deliver its share of power from the Magnolia Power Plant, a Southern California Power Purchase Authority (SCPPA) project located in the City of Burbank. In addition, Anaheim requested a 20 percent discount to the current OATT rate. A Department evaluation determined that excess transmission capacity was available to be sold to Anaheim; furthermore, as the requested transmission service path is outward and counter to the normal DWP power flow direction, DWP stated it would reduce its transmission loss and thus it justified providing the requested discount. Based on these findings, the Department executed the existing five year Agreement in 2008 with 118 MW of capacity and the requested discount terms.

| CAO File No.    |
|-----------------|
| 0150-09948-0000 |

PAGE 2

Approval of this proposed Agreement will continue to provide transmission services to Anaheim, although with a lower capacity of 91 MW instead of 118 MW, with the same terms, conditions, and discounts as the existing agreement over a five year term from March 2013 through March 2018. The estimated revenue to the Power Revenue Fund is approximately \$3,393,000 per year or \$16,965,000 total over the five-year term.

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:

- 1. Approve the proposed resolution, and ordinance provided by the City Attorney, authorizing the execution of Transmission Service Agreement No. BP12-032 with the City of Anaheim for five year term from March 2013 through March 2018.
- 2. Return the request to the Department for further processing, including Council consideration.

#### FISCAL IMPACT STATEMENT

Approval of the proposed resolution will result in total revenue of approximately \$16,965,000 to the Power Revenue Fund. The proposed Agreement complies with the Department's adopted Financial Policies. Approval of the proposed resolution will not impact 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:10130116

#### ORDINANCE NO.\_\_\_\_\_

An ordinance approving Los Angeles Department of Water and Power Transmission Service Agreement No. BP 12-032 between the City of Anaheim and the City of Los Angeles, acting by and through the Department of Water and Power.

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

Section 1. The Transmission Service Agreement No. 12-032, approved by the Board of Water and Power Commissioners, Resolution No.\_\_\_\_\_, that is on file with the City Clerk is hereby approved.

Section 2. Pursuant to Los Angeles City Charter Sections 373 and 674, the Board of Water and Power Commissioners is authorized to enter into a transmission service agreement with the City of Anaheim.

Section 3. The City Clerk shall certify to the passage of this ordinance and have it published with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Street entrance to the Temple Street entrance to the 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

Ву \_\_\_

SYNDI DRISCOLL Deputy City Attorney

Date \_\_\_\_\_

File No.

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

### JAN 02 2013

8Y

#### SYNDI DRISCOLL DEPUTY CITY ATTORNEY

[163115v1]

Open Access Transmission Tariff Original Sheet No. 1

Department of Water and Power of the City of Los Angeles

#### Form of Service Agreement For Long-term Firm Point-To-Point Transmission Service

- 1.0 <u>PARTIES:</u> The Parties to this Service Agreement for Long-term Firm Point-to-Point Transmission Service, DWP No. BP 12-032 ("Service Agreement"), are the City of Anaheim, a municipal corporation organized and existing under the laws of the State of California ("Transmission Customer"), and The City of Los Angeles by and through the Department of Water and Power ("Transmission Provider"), 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".
- 2.0 <u>AGREEMENT:</u> In consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:
- 3.0 <u>EFFECTIVE DATE and TERM:</u>
  - 3.1 Effective Date: This Service Agreement shall become effective when duly executed by the Parties.
  - 3.2 Termination Date: This Service Agreement shall continue in full force and effect until the earlier of: (i) termination by mutual agreement of the Parties; (ii) termination by Transmission Provider under Section 13.1 of the Tariff; or (iii) 23:59 hours (Pacific Prevailing Time) on the Termination Date shown in Section 1.0 of the Specifications, which is attached herewith and made a part hereof.
- 4.0 <u>TARIFF</u>: The Transmission Provider's Open Access Transmission Tariff ("Tariff") is incorporated herein as located at <u>http://www.oatioasis.com/LDWP/LDWPdocs/OATT\_October\_2001\_REV\_2.doc</u> and made a part hereof.

#### 5.0 TRANSMISSION SERVICE:

- 5.1 The Transmission Customer has been determined by the Transmission Provider to have a Completed Renewal Application for Firm Point-To-Point Transmission Service under the Tariff.
- 5.2 The Transmission Customer has provided to the Transmission Provider an Application processing fee in accordance with the provisions of Section 17.3 of the Tariff.

Department of Water and Power of the City of Los Angeles

- 5.3 Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment facilities and/or Network Upgrades are completed. Service under this Service Agreement shall terminate pursuant to Section 3.2 of this Service Agreement.
- 5.4 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 <u>EFFECT OF SECTION HEADINGS</u>: Section headings appearing in this Service Agreement are inserted for convenience only and shall not be construed as interpretations of text.
- 7.0 <u>NO DEDICATION OF FACILITIES:</u> Any undertaking by one Party to the other Party under any provisions of this Service Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public or to the other Party or any other person or entity, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Service Agreement.
- 8.0 <u>WAIVERS:</u> Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 9.0 <u>RELATIONSHIP OF PARTIES</u>: The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Agreement shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability, on or with regard to either Party. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided in this Service Agreement. Neither Party shall be under the control of or shall deem to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's written consent.
- 10.0 <u>NO THIRD-PARTY RIGHTS:</u> The Parties do not intend to create rights in, or to grant remedies to, any Third Party as a beneficiary of this Service Agreement or of any duty, covenant, obligation, or undertaking established herein.

Department of Water and Power of the City of Los Angeles

Open Access Transmission Tariff Original Sheet No. 3

- 11.0 <u>GOVERNING LAW:</u> This Service Agreement shall be interpreted, governed by, and construed under the laws of the State of California with venue in the City of Los Angeles.
- ENTIRE AGREEMENT: This Service Agreement contains the entire agreement and 12.0 understanding between the Parties, their agents, and employees as to the subject matter of this Service Agreement. This Service Agreement may be amended only by a written document signed by the Parties. It is understood by the Parties that the terms and conditions of this Service Agreement are unique to the transactions described herein and shall not, therefore, be considered as precedent for any future transactions between the Parties or between any of the Parties and a Third Party. Each Party acknowledges that each Party was represented by counsel in the negotiation and that it has been authorized to execute this Service Agreement. The Transmission Customer represents and warrants that it is free to enter into this Service Agreement and to perform each of the terms and covenants of it. The Transmission Customer represents and warrants that it is not restricted or prohibited, contractually or otherwise, from entering into and performing this Service Agreement, and that the execution and performance of this Service. Agreement by the Transmission Customer will not constitute a violation or breach of any other Agreement between it and any other person or entity.
- 13.0 <u>ATTORNEY FEES AND COSTS</u>: Both Parties agree that in any action to enforce the terms of this Service Agreement that each Party shall be responsible for its own attorney fees and costs.
- 14.0 <u>SEVERABILITY</u>: If any part, term or provision of this Service Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Service Agreement, the validity of the remaining portions or provisions shall not be affected thereby.

#### 15.0 <u>AUTHORIZED REPRESENTATIVE:</u>

- 15.1 Each Party, within thirty (30) calendar days after the effective date of this Service Agreement, shall appoint and designate a person to be its Authorized Representative. Such appointment and designation shall be in writing and shall be forwarded by each Party to the other.
- 15.2 Each Authorized Representative shall be authorized and empowered by the appointing Party to carry out the provisions of this Service Agreement on behalf of and for the benefit of such Party, and to provide liaison between the Parties.
- 15.3 The Authorized Representatives shall have no authority to alter, modify, or delete any of the provisions of this Service Agreement.

Open Access Transmission Tariff Original Sheet No. 4

Department of Water and Power of the City of Los Angeles

16.0 <u>NOTICES</u>: Notifications under this Service Agreement, except written notices required or authorized herein, shall be made by telephone or such other means as mutually agreed to between the Parties' Dispatchers or Schedulers. Any written notices required or authorized under this Agreement shall be delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to Los Angeles, the notice shall be sent to:

City of Los Angeles by and through The Department of Water and Power c/o Director of Power System Planning and Projects, (or any successor thereto) P.O. Box 51111, Room 1255 John Ferraro Building Los Angeles, California 90051-0100

If to the Transmission Customer:

City of Anaheim Attention: City Clerk 200 South Anaheim Blvd., Second Floor Anaheim, CA 92805

With copy to: City of Anaheim Attention: Public Utilities General Manager 201 South Anaheim Blvd., Suite 1101 Anaheim, CA 92805

Either Party may, from time to time, by written notice to the other Party, change the designation or address of the person so specified as to the one to receive notices pursuant to this Service Agreement.

17.0 The Transmission Customer declares under penalty of perjury that the terms and conditions contained in this executed Service Agreement are exactly the same as the terms and conditions contained in the standard form service agreement attached as Attachment A ("Form of Service Agreement For Long-term Firm Point-To-Point Transmission Service") to the Transmission Provider's Tariff, which is located at <a href="http://www.oatioasis.com/LDWP/LDWPdocs/OATT\_October\_2001\_REV\_2.doc">http://www.oatioasis.com/LDWP/LDWPdocs/OATT\_October\_2001\_REV\_2.doc</a>

Department of Water and Power of the City of Los Angeles

**Open Access Transmission Tariff** Original Sheet No. 5

SIGNATURE CLAUSE: The signatories hereto represent that they have been 18.0 appropriately authorized to enter in this Service Agreement for Long-term Firm Point-to-Point Transmission Service DWP No. BP 12-032 on behalf of the Party for whom each signs. This Service Agreement is hereby executed as of the day of \_\_\_\_\_, 2013.

#### DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

RONALD O. NICHOLS, General Manager

.....

Date:

By:

And:

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

DEPUTY CITY ATTORNEY

Date:

CITY OF ANAHEIM, "Transmission Customer" By:

BARBARA E. MOSCHOS, Secretary

Marcie L. Edwards Title: Public Utilities General Manager

APPROVED AS TO FORM: Cristina L. Talley, City Attorney

LOTT 2-25-13 By: Alison M. Kott, Assistant City Attorney

#### ATTEST:

Date:

By:

Linda N. Andal, City Clerk

Department of Water and Power of the City of Los Angeles

#### Specifications For Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: In accordance with Section 3 of the Service Agreement

Termination Date: (i) Five years after the Start Date or (ii) Upon 1 year advance written notice by the Transmission Customer if the Service is no longer needed due to the sale of the Transmission Customer's entire Magnolia energy or when Magnolia Power Plant ceases operation.

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

Ninety One (91) MW within the Transmission Provider control area

3.0 Point(s) of Receipt: <u>Receiving Station E (RS-E) within the Transmission Provider</u> Control Area

Delivering Party: City of Anaheim

4.0 Point(s) of Delivery: <u>The approximate midpoint of Victorville and Lugo</u> <u>Substations</u>

Receiving Party: City of Anaheim

- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): Ninety One (91) MW\_\_\_\_\_\_
- 6.0 Designation of Party(ies) subject to reciprocal service obligation: None

7.0 Name(s) of any Intervening Systems providing transmission service: None

Department of Water and Power of the City of Los Angeles

- 8.0 Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)
  - 8.1 Transmission Charge: <u>\$37,344 per MW-year. This transmission charge is</u> 20% off of the current tariff rate of \$46680 per MW-year. The 20% discount applies to future transmission charge when a new tariff is in effect.
  - 8.2 System Impact and/or Facilities Study Charge(s): None required
  - 8.3 Direct Assignment Facilities Charge: None
  - 8.4 Scheduling, System Control and Dispatch Services Charges: <u>As applicable</u> per Schedule 1 of the Tariff

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8.4 Ancillary Services Charges: <u>As applicable per Schedules 2 through 6 of</u> the Tariff

8.5 Transmission Loss: Loss factor of 2.0 % of the transmitted energy. Other requirements are as applicable per Section 15.6 of the Tariff