



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 1 4 - 0 2 1 9

APR 17 2014

REPORT RE:

DRAFT ORDINANCE RATIFYING THE LADWP-BURBANK TRANSMISSION SERVICE AGREEMENT NO. 10412 BETWEEN THE CITY OF BURBANK AND THE LOS ANGELES DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES (LADWP), AND APPROVING AMENDMENTS NO. 1 TO EACH OF LADWP AGREEMENT NOS. 10006, 10412 AND 10931 BETWEEN LADWP AND THE CITY OF BURBANK; LADWP AGREEMENT NOS. 10007 AND 10932 BETWEEN LADWP AND THE CITY OF GLENDALE; AND LADWP AGREEMENT NOS. 10008 AND 10933 BETWEEN LADWP AND THE CITY OF PASADENA

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

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance provides for the ratification of the LADWP-Burbank Transmission Agreement No. 10412 between the City Burbank and the LADWP, and the approval of Amendments No. 1 to each of LADWP Agreement Nos. 10006, 10412 and 10931 between LADWP and the City of Burbank; LADWP Agreement Nos. 10007 and 10932 between LADWP and the City of Glendale; and LADWP Agreement Nos. 10008 and 10933 between LADWP and the City of Pasadena (collectively, the Amendments).

Background

LADWP entered into a settlement with the cities of Burbank, Glendale and Pasadena adjusting the transmission service rates between LADWP and those cities under certain transmission service agreements (TSAs). As part of the settlement,

LADWP agreed to amend the TSAs to adjust the terms and conditions of the TSAs to fix the transmission service rate at \$0.80 per kilowatt (kW) per month. Setting the transmission rate at a fixed number avoids the uncertainty of the rate calculations that were required under the old TSAs. In addition, the new fixed rate is beneficial to LADWP because the rate cannot be reduced, which would have been possible under the old TSAs. LADWP also agreed in settlement to make technical adjustments in the Intermountain Power Project Direct Current (IPP DC) transmission line capacities, as the capacity of the IPP DC line has been upgraded from 1920 megawatts (MW) to 2400 MW since the original TSAs were entered into.

It appears that one of the underlying TSAs, LADWP Agreement No. 10412, was not previously approved by the City Council, although it was previously approved by the Board of Water and Power Commissioners under Resolution No. 94-215. Thus, the draft ordinance provides for ratification of this TSA.

Summary of Ordinance Provisions

Charter Section 674(a) provides that transmission agreements are approved by the City Council by ordinance. The draft ordinance approves the Amendments to the TSAs and additionally ratifies TSA No. 10412.

CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), the approval of the Amendments is exempt from further CEQA requirements pursuant to the General Exemption described in CEQA Guidelines Section 15061(b)(3). General Exemptions apply in situation where it can be seen with reasonable certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Council Rule 38 Referral

Pursuant to Council Rule 38, a copy of the draft ordinance has been presented to the Board of Water and Power Commissioners.

Recommendation

In accordance with the above, this Office recommends that the Council approve and adopt the draft ordinance approving the Amendments and ratifying TSA No. 10412.

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

Very truly yours,

MICHAEL N. FEUER, City Attorney

A handwritten signature in black ink, appearing to read "D. Michaelson", written in a cursive style.

By

DAVID MICHAELSON
Chief Assistant City Attorney

DM:LJE:as
Transmittal

ORDINANCE NO. _____

An ordinance ratifying the LADWP-Burbank Transmission Service Agreement LADWP No. 10412 between the City of Burbank and the Los Angeles Department of Water and Power of the City of Los Angeles (LADWP), and approving Amendments No. 1 to each of LADWP Agreement Nos. 10006, 10412 and 10931 between LADWP and the City of Burbank; LADWP Agreement Nos. 10007 and 10932 between LADWP and the City of Glendale; and LADWP Agreement Nos. 10008 and 10933 between LADWP and the City of Pasadena.

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

Section 1. The LADWP-Burbank Transmission Service Agreement LADWP No. 10412 between the City of Burbank 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 Resolution No. 94-214 that is on file with the City Clerk, is hereby ratified, and Amendments No. 1 to each of LADWP Agreement Nos. 10006, 10412 and 10931 between LADWP and the City of Burbank; LADWP Agreement Nos. 10007 and 10932 between LADWP and the City of Glendale; and LADWP Agreement Nos. 10008 and 10933 between LADWP and the City of Pasadena, all previously approved by the Board of Water and Power Commissioners and on file with the City Clerk, are hereby approved.

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

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

HOLLY L. WOLCOTT, Interim City Clerk


By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By  _____
LONNIE ELDRIDGE
Deputy City Attorney

Date 4-16-14

File No. _____