

Los Angeles



Department of Water & Power

ERIC GARCETTI  
Mayor

Commission  
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BARBARA E. MOSCHOS, *Secretary*

MARCIE L. EDWARDS  
*General Manager*

June 5, 2014

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

Honorable Members:

Subject: Los Angeles Department of Water and Power Amendment No. 1 to Open Access  
Transmission Tariff, Agreement No. BP 01-017

Pursuant to Charter Section 674, enclosed for approval by your Honorable Body is Resolution  
No. 014 226, adopted by the Board of Water and Power Commissioners on June 3, 2014,  
approved as to form and legality by the City Attorney, which authorizes execution of  
Los Angeles Department of Water and Power Amendment No. 1 to Open Access  
Transmission Tariff, Agreement No. BP 01-017 to update the rates, terms, conditions, and  
procedures.

If additional information is required, please contact Ms. Winifred Yancy, Director of  
Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

A handwritten signature in cursive script that reads "Barbara E. Moschos".

Barbara E. Moschos  
Board Secretary

BEM:oja

Enclosures: LADWP Resolution  
Board Letter  
CAO Report  
Ordinance  
Supplemental Information for Amendment No. 1 to Open Access  
Transmission Tariff DWP No. BP 01-017  
Large Generator Interconnection Agreement (LGIA)  
Large Generator Interconnection Procedure (LGIP) includes (LGIA)  
Open Access Transmission Tariff, Agreement DWP No. BP 01-017  
including LGIP & LGIA

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

c/enc: Mayor Eric Garcetti

Councilmember Felipe Fuentes, 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 Los Angeles Department Water and Power's (LADWP) Open Access Transmission Tariff (OATT) was approved by the Board of Water and Power Commissioners (Board) on October 2, 2001, and by the Los Angeles City Council on March 12, 2002 so that LADWP can offer open access transmission service to all eligible transmission customers on the transmission grid owned, controlled, and operated by LADWP (LADWP Transmission System) on an open access and not unduly discriminatory basis; and

WHEREAS, the amended Open Access Transmission Tariff updates the rates, terms and conditions for open access transmission service to comply with the Los Angeles City Charter and LADWP's operational requirements, as well as obligations pursuant to the North American Reliability Corporation and Western Electric Coordinating Council; and

WHEREAS, LADWP has revised the rates for transmission and ancillary services based on a current cost of service study, and includes Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection Agreement (LGIA) and appendices thereto for the interconnection of large electric generating facilities having a capacity greater than 20 megawatts (MW) to the LADWP Transmission System (as so amended, the OATT); and

WHEREAS, the OATT provides the rates, terms and conditions and procedures for open access transmission and ancillary service to LADWP transmission customers and non-discriminatory interconnection service to large generators above 20 MW seeking to interconnect to the LADWP Transmission System; and

WHEREAS, the Board has the authority to establish and set all tariffs, terms, conditions, and charges, subject to approval by a majority vote of the City Council pursuant to Los Angeles Administrative Code Section 23.134.

NOW, THEREFORE, BE IT RESOLVED, that the Open Access Transmission Tariff, DWP No. BP 01-017, as amended to update the rates, terms, conditions, and procedures for open access transmission and ancillary services and including standard LGIP and LGIA, and appendices thereto, for the interconnection of large electric generating facilities having a capacity greater than 20 MW to the LADWP Transmission System, now on file with the Secretary of the Board, be and the same is hereby approved.

BE IT FURTHER RESOLVED, that the City Council is hereby requested to approve the OATT by ordinance.

BE IT FURTHER RESOLVED, that the General Manager of LADWP (General Manager) is authorized to execute any transmission service agreement that is

for a term of three years or less as set forth in the OATT, upon the effective date of an ordinance authorizing such delegation.

BE IT FURTHER RESOLVED, that the City Council is hereby requested to approve an amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager the authority to enter into such transmission service agreements pursuant to the OATT.

BE IT FURTHER RESOLVED, that the City Council is hereby requested to adopt an ordinance providing the Board with independent authority to enter into Large Generator Interconnection Agreements governing interconnections of electric generating facilities having a capacity greater than 20 MW to the LADWP Transmission System substantially in the form of the standard LGIA that is included in the OATT, provided that each such Large Generator Interconnection Agreement shall have a minimum term of ten (10) years and automatically renew for successive one-year periods unless it is terminated earlier pursuant to the terms of the LGIA or the generating facility permanently ceases commercial operation, subject to applicable tariffs, terms, conditions, and charges of the Tariff.

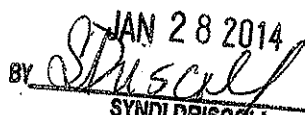
BE IT FURTHER RESOLVED, that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, in payment of the obligations arising under this resolution.

BE IT FURTHER RESOLVED, that this matter is forwarded to the City Council for approval.

I HEREBY CERTIFY that the foregoing is the 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 on JUN 03 2014

  
Secretary

APPROVED AS TO FORM AND LEGALITY  
MICHAEL N. FEUER, CITY ATTORNEY

JAN 28 2014  
BY   
SYNDI DRISCOLL  
DEPUTY CITY ATTORNEY





Los Angeles  
Department of  
Water & Power

RESOLUTION NO. \_\_\_\_\_

**BOARD LETTER APPROVAL**

Handwritten signature of Randy S. Howard.

**RANDY S. HOWARD**  
Senior Assistant General Manager  
Power System

Handwritten signature of Philip R. Leiber.

**PHILIP R. LEIBER**  
Chief Financial Officer

Handwritten signature of Marcie L. Edwards.

**MARCIE L. EDWARDS**  
General Manager

**DATE:** May 15, 2014

**SUBJECT:** Los Angeles Department of Water and Power (LADWP) Amendment No. 1 to Open Access Transmission Tariff, Agreement No. BP 01-017 (Amendment)

**SUMMARY**

The purpose of this proposed Amendment is to update the LADWP existing Open Access Transmission Tariff, Agreement No. BP 01-017, (OATT) dated October 2001.

The Amendment updates the standard rates, terms and conditions for open access transmission service to comply with the Los Angeles City Charter and LADWP's operational requirements, as well as obligations pursuant to the North American Reliability Corporation and Western Electric Coordinating Council. LADWP has revised the rates for transmission and ancillary services based on a current cost of service study, and the Amendment also includes standard large generator interconnection procedures (LGIP) and large generation interconnection agreement (LGIA) for interconnecting new electric generating facilities with capacity greater than 20 megawatt (MW) to the transmission grid owned, controlled, and operated by LADWP (LADWP Transmission System). The amended OATT provides the rates, terms and conditions for open access transmission service customers of the City of Los Angeles (City) by and through the LADWP. The amended standard LGIP and LGIA provide the procedures, fees, terms and conditions for non-discriminatory interconnection service of large generators above 20 MW that seek to interconnect with transmission facilities owned, controlled and operated by the City of Los Angeles (City) by and through the LADWP.

Pursuant to Los Angeles City Charter Section 674, City Council approval is required.

## **RECOMMENDATION**

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of the following:

- Amendment No. 1 to the OATT, Agreement No. BP 01-017, dated January 2014;
- An amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager of LADWP the authority to enter into any transmission service agreements which does not exceed three years in duration where the terms, conditions, and charges are pursuant to the OATT; and
- An ordinance providing the Board with independent authority to enter into LGIA governing interconnections of electric generating facilities having a capacity greater than 20 MW to the LADWP Transmission System where such LGIA are substantially in the form of the standard LGIA that is included in the OATT, provided that each such LGIA shall have a minimum term of ten (10) years and shall automatically renew for successive one-year periods, unless it is terminated earlier pursuant to the terms of the LGIA, or the generating facility permanently ceases commercial operation, subject to applicable tariffs, terms, conditions and charges of the OATT.

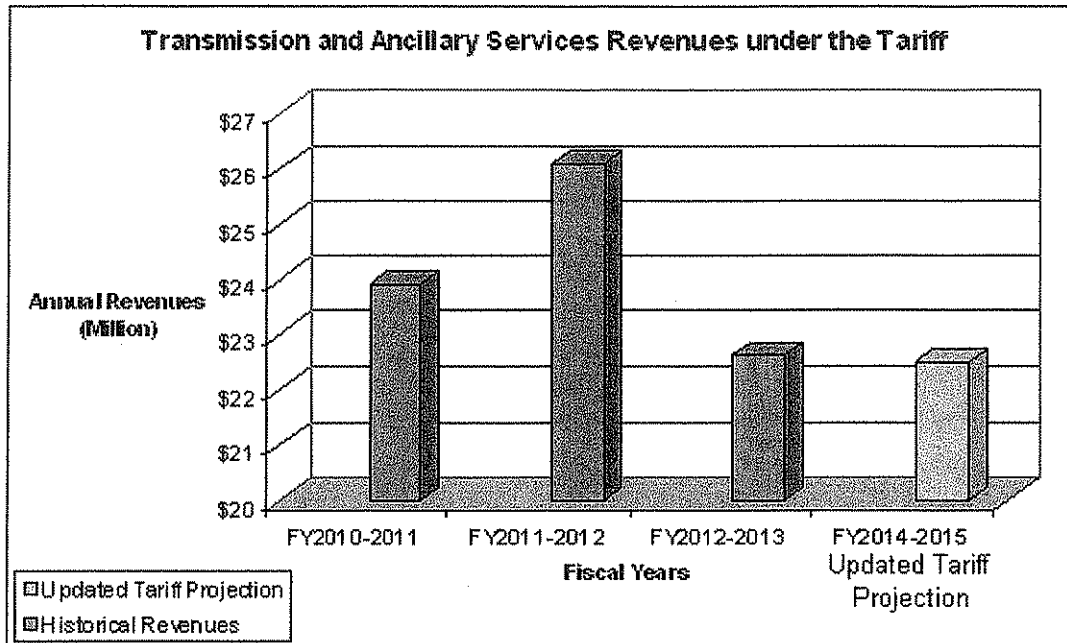
## **ALTERNATIVES CONSIDERED**

Alternatives are not applicable. Although LADWP is a municipal utility that is not generally subject to Federal Energy Regulatory Commission (FERC) jurisdiction over LADWP rates for wholesale sales, or over rates for transmission service in interstate commerce, LADWP voluntarily provides open access transmission and interconnection services on a comparable and non-discriminatory basis to all qualified transmission and interconnection service customers. LADWP established the rates for open access interconnection and transmission service through a stakeholder process, and LADWP adopted other terms and conditions for transmission and interconnection service to third parties that are comparable to the terms and conditions that LADWP applies to itself. The amended OATT and LGIP and LGIA will enable LADWP to provide non-discriminatory open access transmission and interconnection service on LADWP's transmission system, and allow LADWP to generate revenue from the use of available transmission capacity on its system.

## **FINANCIAL INFORMATION**

LADWP uses an Open Access Same-time Information System (OASIS), through an internet site available to all open access customers to enable transmission customers to communicate requests and responses to buy and sell available transmission capacity offered under the OATT by LADWP. Revenue from transmission sales made to transmission customers utilizing LADWP's OASIS for the last three Fiscal Years, from 2010/11 through 2012/13, represented about \$72.6 million, with a yearly average of

\$24.2 million. Annual revenue from the updated OATT is estimated to be approximately \$22.5 million as shown in the chart below.



Under the OATT, transmission customers are responsible for the following costs associated with the requested service: base transmission service costs, ancillary service costs, direct facilities charges, and costs associated with any necessary Transmission Service System Impact and Facilities Studies. The interconnection customer is responsible for the following costs associated with an interconnection request: interconnection request administrative costs, direct facilities charges including interconnection facilities and any network upgrades resulting from the interconnection request, and costs associated with the Interconnection Feasibility, System Impact, and Facilities Studies. No funding consideration is being requested. This OATT, as amended, will remain effective until it is rescinded or a new amendment is approved by the City Council.

**BACKGROUND**

On October 2, 2001, your Honorable Board, followed by the Los Angeles City Council on March 13, 2002 approved the OATT pursuant to Los Angeles Administrative Code (LACC) §23.134.

The Amendment to the OATT will update the existing transmission and ancillary service rates, and include standard LGIP and LGIA for interconnecting electric generating facilities with capacities greater than 20 MW (Large Generator).

LADWP is a Load Serving Entity (LSE) that owns and operates its transmission system, dispatches its generation resources, and makes long-term power supply arrangements to meet its native load service obligations. However, to the extent there is transmission capacity available in excess of native load needs, the finite amount of available capacity on a given transmission line in any single hour, day, week, month, and year, may be made available to all eligible transmission customers through its OATT, and eligible transmission customers may purchase such available transmission capacity in accordance with the terms and conditions of the amended OATT.

LADWP accounts for the following types of transmission service:

- Firm Point-To-Point Transmission Service – transmission service that is reserved and/or scheduled between specified Points of Receipt(s) and Point(s) of Delivery at voltage level greater than 100 kilovolts (kV). The minimum term is one hour and the maximum term is specified in the Service Agreement (**Schedule 7**).
- Non-Firm Point-To-Point Transmission Service – transmission service at voltage level greater than 100 kV that is reserved and/or scheduled on an as-available basis and is subject to curtailment and interruption. Non-Firm Point-To-Point Transmission Service is available as a stand-alone basis for periods ranging from one hour to one month (**Schedule 8**).

LADWP also offers additional services termed Ancillary Services to eligible transmission customers through the OATT. These Ancillary Services include, but are not limited to, control and resolution for differences in supply and demand, voltage and frequency fluctuations, and overall maintenance costs associated with transmission service. Some Ancillary Services must be purchased from LADWP as the transmission provider. These services include the following Ancillary Services, which LADWP provides and OATT customers are required to purchase only from LADWP pursuant to its OATT:

- **Schedule 1** – Scheduling, System Control and Dispatch: scheduling and administering the movement of power through, out of, or within LADWP Balancing Authority Area.
- **Schedule 2** – Reactive Supply and Voltage Control from Generation Sources: operating generating facilities to produce reactive power, the portion of power due to stored energy, which returns to the source in each cycle, to maintain transmission voltages within acceptable limits.

In addition to services listed above, eligible transmission customers may procure certain other ancillary services from third parties or may self-supply. LADWP offers to provide to OATT customers that serve load within LADWP Balancing Authority Area the following Ancillary Services. However, OATT customers can procure such services from third parties or the services can be self-supplied.

- **Schedule 3** – Regulation and Frequency Response: committing on-line generation whose output is raised or lowered as necessary to follow the moment-to-moment changes in load.



- **Schedule 4** – Energy Imbalance: provided when a difference occurs between the scheduled and the actual delivery of energy to load.
- **Schedule 5** – Operating Reserve, Spinning Reserve Service: needed to serve load immediately in the event of system contingency.
- **Schedule 6** – Operating Reserve, Supplemental Reserve Service: needed to serve load within 10 minutes of observed system contingency.

Table 1 below summarizes all current OATT service schedules and the addition of Schedule 9 and Schedule 10 as described below:

- **Schedule 9** – Generator Imbalance Service: provided when a difference occurs between the output of a generator located in the transmission provider’s Balancing Authority Area and a delivery schedule from that generator to:
  1. Another Balancing Authority Area or;
  2. Load within the transmission provider’s Balancing Authority Area over a single hour.
- **Schedule 10** – Generator Regulation and Frequency Response Service: needed to provide continuous balancing of resources (generation and interchange) with load and for maintaining scheduled frequency at 60 Hertz (Hz).

**Table.1 Summary of OATT Schedules**

| Schedule    | Description                               | Service Type | Current OATT | Updated OATT |
|-------------|---|--------------|--------------|--------------|
| Schedule 1  | Scheduling, System Control and Dispatch   | Ancillary    | Yes          | Yes          |
| Schedule 2  | Reactive Supply and Voltage Control       | Ancillary    | Yes          | Yes          |
| Schedule 3  | Regulation and Frequency Response         | Ancillary    | Yes          | Yes          |
| Schedule 4  | Operating Reserve-Spinning Reserve        | Ancillary    | Yes          | Yes          |
| Schedule 5  | Operating Reserve-Supplemental Reserve    | Ancillary    | Yes          | Yes          |
| Schedule 6  | Operating Reserve-Supplemental Reserve    | Ancillary    | Yes          | Yes          |
| Schedule 7  | Firm Point-To-Point Transmission          | Transmission | Yes          | Yes          |
| Schedule 8  | Non- Firm Point-To-Point Transmission     | Transmission | Yes          | Yes          |
| Schedule 9  | Generator Imbalance                       | Ancillary    | No           | Yes          |
| Schedule 10 | Generator Regulation & Frequency Response | Ancillary    | No           | Yes          |

Although LADWP is not subject to FERC rate jurisdiction and is not a “public utility” under the Federal Power Act, LADWP as a transmission provider voluntarily provides open access transmission and interconnection service and maintains an OATT. In this regard, given the time that has elapsed since the existing OATT was enacted by City Council, LADWP has contracted with Integrated Engineers and Contractors Corporation, Inc., and SAIC its subcontractor (Consultant) to assist LADWP in updating the rates for transmission and ancillary services provided under the OATT. The contractors performed a Transmission and Ancillary Services Cost of Service Study (COSS) based on Fiscal Year 2008-09 with *pro forma* adjustments to reflect changes for Fiscal Year 2010-11, and developed cost recovery schedules for transmission and ancillary services, and trained LADWP personnel so that LADWP can perform future COSS on its own on a regular basis.

On November 15, 2013, LADWP conducted a stakeholder meeting as part of the OATT approval process (Stakeholders Meeting), to provide the opportunity for public comments on the updated OATT. At the Stakeholders Meeting, LADWP:

- (i) Presented and discussed the updated OATT;
- (ii) Reviewed and discussed stakeholder questions and comments received prior to the Stakeholder Meeting; and
- (iii) Answered follow-up and additional questions from stakeholders.

The OATT Stakeholder process was established in advance in preparation for the Stakeholder Meeting as follows:

- On August 26, 2013, LADWP issued the OATT stakeholder notice along with the updated OATT on LADWP OASIS website to provide opportunity for public comments.
- On October 7, 2013, the questions and comments submission pertaining to the updated OATT was closed to allow LADWP enough time to formulate a response to questions and comments from stakeholders in preparation for the Stakeholder Meeting.
- On November 15, 2013, LADWP conducted a Stakeholder Meeting at the John Ferraro Building for existing and potential customers that could attend in person and provided Webinar access to the meeting for long distance customers.
- On December 2, 2013, LADWP posted all questions and comments received from stakeholders indicating their names with the associated questions and comments along with LADWP responses to questions and comments received from stakeholders before and during the meeting.

A detailed OATT Stakeholder Process Schedule is attached as part of the supplemental information.

The updated OATT includes:

- The cost schedules for ancillary services and transmission service charges.
- The terms, conditions, requirements, and application instructions for firm- and non-firm point-to-point transmission service requests.
- Interconnection Procedures for interconnecting Large Generators into LADWP's Transmission System.
- The standard service agreements that are entered into by the transmission customer and LADWP for transmission service under the OATT.
- The standard Interconnection Agreements that are entered into by the interconnection customer and LADWP for interconnecting Large Generators into LADWP's transmission system.

- The standard Interconnection Feasibility, System Impact, and Facilities Study Agreements that are entered into by the interconnection customer and LADWP for interconnecting Large Generators into LADWP's transmission system. The standard Transmission Service System Impact and Facilities Study Agreements that are entered into by the transmission customer and LADWP for transmission service under the OATT.

Existing firm service customers have the right to continue to take transmission service from LADWP when their contract expires, rolls over, or is renewed; provided, however, that the total term for any Service Agreement, including all renewal options, is limited to three years.

Notwithstanding any other provisions in the OATT or in a Service Agreement, LADWP reserves the right to unilaterally amend or withdraw the OATT at any time, consistent with LADWP's procedures. Such withdrawal shall not affect existing Service Agreements for Firm Point-to-Point Transmission Service.

The benefits to Los Angeles of the updated OATT are:

- The OATT makes LADWP's surplus transmission capacity available to eligible open access Transmission Customers without undue discrimination between or among Transmission Customers.
- The OATT allows for more efficient use of LADWP's transmission system and produces significant revenues on transmission that is deemed in excess of LADWP's native load requirements. These revenues are available to help offset costs that are otherwise borne by LADWP's retail customers.

Per Charter Section 674, Los Angeles City Council approval is required. Accordingly, attached is the City Administrative Officer report dated March 8, 2014.

Upon approval by the Los Angeles City Council, the updated OATT and related transmission and ancillary service rates and interconnection procedures and all related agreements will be posted on LADWP's OASIS homepage.

### **ENVIRONMENTAL DETERMINATION**

In accordance with the California Environmental Quality Act (CEQA), it has been determined that LADWP Amendment No. 1 to OATT Agreement No. BP 01-017 is exempt from further requirements under the Los Angeles City CEQA Guidelines, Article III, Section 1. General Exemptions apply in situations 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.

## CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Agreement and Resolution as to form and legality.

## ATTACHMENTS

- Resolution
- Amendment
- Ordinance
- Supplemental Information

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

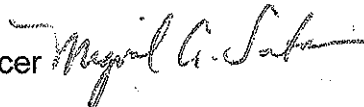
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Date: May 8, 2014

CAO File No. 0150-03656-0074  
Council File No.  
Council District: outside City limits

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated February 3, 2014; referred by the Mayor for report on February 7, 2014

Subject: **OPEN ACCESS TRANSMISSION TARIFF (OATT) AGREEMENT NO. BP 01-017 AMENDMENT NO. 1**

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**SUMMARY**

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution that authorizes the DWP Board of Commissioners (Board) to execute several agreements relating to Amendment No. 1 to the Open Access Transmission Tariff (OATT) Agreement No. BP 01-017 (Agreement; Amendment). The proposed Amendment updates the standard rates, terms, and conditions to comply with the City Charter, DWP operational requirements as well as in accordance with industry standards. The Amendment also includes standard large generator interconnection procedures (LGIP) and large generation interconnection agreement (LGIA) for non-discriminatory interconnection of new electric generating facilities to the DWP transmission grid.

Pursuant to City Charter Section 674, by ordinance, approval of the proposed resolution specifically provides authority to the DWP Board to execute the following agreements:

- i. Amendment No. to the OATT Agreement No. BP 01-017, dated January 2014;
- ii. Amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager of DWP the authority to enter into any transmission service agreements which do not exceed three years in duration pursuant to the OATT; and
- iii. An Ordinance providing the Board with independent authority to enter into LGIA governing interconnections of electric generating facilities having a capacity greater than 20 MW to the DWP transmission system in the form of a standard LGIA included in the OATT, with a minimum term of 10 years and automatic annual-renewals until cancelled pursuant to the terms of the LGIA.

As proposed, the amended OATT will remain effective until it is rescinded or a new amendment is approved by the City Council. The proposed resolution has been reviewed by the City Attorney and approved as to form and legality.

## BACKGROUND

As a Load Serving Entity (LSE) that owns and operates its transmission system, DWP generates and acquires sufficient levels of energy to meet the demands of its customers. To the extent there is surplus capacity on a transmission line at any time, eligible transmission customers may purchase the available capacity in accordance with the terms and conditions of the OATT. The existing OATT was approved by the Board in October 2001 and by the City Council in March 2002 to enable the Department to offer open access transmission service in a non-discriminatory manner to all eligible transmission customers on the DWP transmission grid.

DWP is a municipal utility that is not generally subject to Federal Energy Regulatory Commission (FERC) jurisdiction over rates for wholesale sales or transmission service in interstate commerce; however, DWP voluntarily provides open access transmission and interconnection services on a comparable and non-discriminatory basis to all qualified transmission and interconnection service customers. Revenue from transmission sales during the three fiscal years 2011 through 2013 total approximately \$72.6 million with an annual average of \$24.2 million.

### AMENDMENT No. 1 to the OATT

The proposed amendment updates the rates, terms, and conditions for open access transmission service and ancillary services including standard LGIP and LGIA for interconnection of large electric generating facilities having a capacity greater than 20 MW. Details regarding the proposed schedules, services, and rates are provided on Exhibit A and Exhibit B. According to DWP, approval of the proposed Amendment results in benefits to the ratepayers consisting of additional revenues on transmission service capacity that is in excess of DWP load requirements. This additional revenue helps offset costs that are otherwise paid through DWP retail customers. The proposed updated OATT also benefits the Department's transmission and interconnection customers by providing availability of excess DWP transmission capacity to eligible transmission customers in a non-discriminatory manner. The proposed OATT is comprised of the following:

- Cost schedules for ancillary services and transmission service charges;
- Terms, conditions, requirements, and application instructions for firm and non-firm point to point transmission service requests;
- Procedures for interconnecting large generators into the DWP transmission system;
- Standard service agreements for transmission service under the OATT;
- Standard interconnection agreements for interconnecting large generators into the DWP transmission system.

Revenue from the amended OATT is forecasted to initially be \$22.5 million annually, which is based on a Transmission and Ancillary Services Cost of Service Study (COSS). The COSS utilized test year data from Fiscal Year (FY) 2008-09 and adjusted the figures to FY 2010-11 in order to incorporate the impact of certain changes in the COSS that were known and measurable, referred to as proforma adjustments.

The revenue forecast under the proposed OATT is noted as \$1.7 million (7 percent) less than the recent three-year average (\$24.2 million). DWP states that this reduction is due to (1) a decrease

in Firm and Non-Firm transmission service rates, (2) a decline in the number of short-term transmission service requests, and (3) the absence of major capital improvement expenditures that impact the COSS. OATT rates will be subject to periodic revisions based on a biennial COSS and a proforma adjustment set to occur every other year. In fact, upon approval of this proposed OATT and completion of the DWP FY 2013-14 audited financial statements, it is anticipated that a new COSS will be performed by the Department, as part of the regular periodic process, to update the rates pertaining only to the OATT in order to reflect the actual cost of providing services.

The above-mentioned aspects of the proposed updated OATT, and this report, are based upon information received from the Department subsequent to the initial request submittal.

## **RECOMMENDATION**

That the Mayor:

1. Approve the proposed resolution authorizing approval of the following:
  - i. Amendment No. 1 to the Open Access Transmission Tariff Agreement No. BP 01-017, dated January 2014;
  - ii. Amendment to Section 23.133(a) of the Los Angeles Administrative Code authorizing the Board to delegate to the General Manager of DWP the authority to enter into any transmission service agreements which do not exceed three years in duration pursuant to the OATT;
  - iii. An Ordinance providing the Board with independent authority to enter into LGIA governing interconnections of electric generating facilities having a capacity greater than 20 MW to the DWP transmission system in the form of a standard LGIA included in the OATT, with a minimum term of 10 years and automatic annual-renewals until cancelled pursuant to the terms of the LGIA.
2. Return the proposed resolution to the Department for further processing, including Council consideration.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed resolution is anticipated to impact the Power Revenue Fund with a \$1.7 million reduction in annual revenue for transmission services and related ancillary services. There is no impact to the City's General Fund. The proposed Agreement complies with the Department's adopted Financial Policies.

## **TIME LIMIT FOR COUNCIL ACTION**

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

**EXHIBIT A**

**SUMMARY OF OATT SCHEDULES**

| Schedule    | Description                                 | Service Type | Included in Current OATT | Included in Proposed OATT |
|-------------|---|--------------|--------------------------|---------------------------|
| Schedule 1  | Scheduling, System Control and Dispatch     | Ancillary    | Yes                      | Yes                       |
| Schedule 2  | Reactive Supply and Voltage Control         | Ancillary    | Yes                      | Yes                       |
| Schedule 3  | Regulation and Frequency Response           | Ancillary    | Yes                      | Yes                       |
| Schedule 4  | Operating Reserve-Spinning Reserve          | Ancillary    | Yes                      | Yes                       |
| Schedule 5  | Operating Reserve-Supplemental Reserve      | Ancillary    | Yes                      | Yes                       |
| Schedule 6  | Operating Reserve-Supplemental Reserve      | Ancillary    | Yes                      | Yes                       |
| Schedule 7  | Firm Point-To-Point Transmission            | Transmission | Yes                      | Yes                       |
| Schedule 8  | Non-Firm Point-To-Point Transmission        | Transmission | Yes                      | Yes                       |
| Schedule 9  | Generator Imbalance                         | Ancillary    | No                       | Yes                       |
| Schedule 10 | Generator Regulation and Frequency Response | Ancillary    | No                       | Yes                       |



**EXHIBIT B**

**Adjusted LADWP Proposed Transmission Service Rates Summary**

**Transmission Services**

**FIRM POINT-TO-POINT TRANSMISSION SERVICE (SCHEDULE 7)  
NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE (SCHEDULE 8)**

| Period | Service          | Existing Schedule 7 Rates (\$/MW) | Existing Schedule 8 Rates (\$/MW) | Period  | Service          | Proposed Schedule 7 Rates (\$/MW) | Proposed Schedule 8 Rates (\$/MW) |
|--------|------------------|-----------------------------------|-----------------------------------|---------|------------------|-----------------------------------|-----------------------------------|
| Full   | Hourly Firm      | \$9.00                            |                                   | Offpeak | Hourly Firm      | \$5.14                            | \$5.14                            |
|        |                  |                                   |                                   | Onpeak  | Hourly Firm      | \$10.81                           | \$10.81                           |
| Full   | Hourly Non-Firm  |                                   | \$9.00                            | Offpeak | Hourly Non-Firm  | \$5.14                            | \$5.14                            |
|        |                  |                                   |                                   | Onpeak  | Hourly Non-Firm  | \$10.81                           | \$10.81                           |
| Full   | Daily Firm       | \$150.00                          |                                   | Full    | Daily            | \$124.00                          | \$124.00                          |
| Full   | Daily Non-Firm   |                                   | \$150.00                          | Full    | Daily Non-Firm   | \$124.00                          | \$124.00                          |
| Full   | Weekly Firm      | \$900.00                          |                                   | Full    | Weekly Firm      | \$865.00                          | \$865.00                          |
| Full   | Weekly Non-Firm  |                                   | \$900.00                          | Full    | Weekly Non-Firm  | \$865.00                          | \$865.00                          |
| Full   | Monthly Firm     | \$3,890.00                        |                                   | Full    | Monthly Firm     | \$3,750.00                        | \$3,750.00                        |
| Full   | Monthly Non-Firm |                                   | \$3,890.00                        | Full    | Monthly Non-Firm | \$3,750.00                        | \$3,750.00                        |
| Full   | Yearly           | \$46,680.00                       | N/A                               | Full    | Yearly           | \$44,990.00                       | N/A                               |

**Mandatory Ancillary Services**

**SCHEDULING, SYSTEM CONTROL AND DISPATCHING SERVICE (SCHEDULE 1)  
REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE (SCHEDULE 2)**

| Period | Service          | Existing Schedule 1 Rates | Existing Schedule 2 Rates | Period  | Service          | Proposed Schedule 1 Rates (\$/MW) | Proposed Schedule 2 Rates (\$/MW) |
|--------|------------------|---------------------------|---------------------------|---------|------------------|-----------------------------------|-----------------------------------|
| Full   | Hourly Firm      |                           | \$0.33/MW                 | Offpeak | Hourly Firm      | \$0.15                            | \$0.57                            |
| N/A    | N/A              | \$134.00/                 | N/A                       | Onpeak  | Hourly Firm      | \$0.31                            | \$1.20                            |
| Full   | Hourly Non-Firm  |                           | N/A                       | Offpeak | Hourly Non-Firm  | \$0.15                            | \$0.57                            |
|        |                  |                           |                           | Onpeak  | Hourly Non-Firm  | \$0.31                            | \$1.20                            |
| Full   | Daily            | N/A                       | N/A                       | Full    | Daily            | \$4.00                            | \$14.00                           |
| Full   | Daily Non-Firm   | N/A                       | N/A                       | Full    | Daily Non-Firm   | \$4.00                            | \$14.00                           |
| Full   | Weekly Firm      | N/A                       | N/A                       | Full    | Weekly Firm      | \$25.00                           | \$96.00                           |
| Full   | Weekly Non-Firm  | N/A                       | N/A                       | Full    | Weekly Non-Firm  | \$25.00                           | \$96.00                           |
| Full   | Monthly Firm     | N/A                       | N/A                       | Full    | Monthly Firm     | \$110.00                          | \$420.00                          |
| Full   | Monthly Non-Firm | N/A                       | N/A                       | Full    | Monthly Non-Firm | \$110.00                          | \$420.00                          |
| Full   | Yearly           | N/A                       | N/A                       | Full    | Yearly           | \$1,310.00                        | \$4,990.00                        |

**LADWP PROPOSED TRANSMISSION AND ANCILLARY SERVICE RATES SUMMARY**

| Description   | Existing Rates (\$/MW) |       |         |         |          |                       | Proposed Rates |                 |       |         |         |           |                       |
|---|------------------------|-------|---------|---------|----------|-----------------------|----------------|-----------------|-------|---------|---------|-----------|-----------------------|
|   | Hourly                 | Daily | Weekly  | Monthly | Yearly   | Purchase Requirements | Hourly On-Peak | Hourly Off-Peak | Daily | Weekly  | Monthly | Yearly    | Purchase Requirements |
| Regulation and Frequency Response (Schedule 3)                    | \$2.40                 | \$57  | \$400   | \$1,730 | \$20,820 | None                  | \$27.89        | \$13.24         | \$319 | \$2,231 | \$9,670 | \$116,020 | 1.10%                 |
| Operating Reserve-Spinning Reserve (Schedule 5)                   | \$6.90                 | \$165 | \$1,150 | \$4,990 | \$59,930 | 3.50%                 | \$22.62        | \$10.74         | \$258 | \$1,809 | \$7,840 | \$94,080  | 6.40%                 |
| Operating Reserve-Supplemental Reserve (Schedule 6)               | \$8.00                 | \$182 | \$1,280 | \$5,530 | \$66,330 | 3.50%                 | \$2.49         | \$1.18          | \$29  | \$200   | \$860   | \$10,380  | 5.30%                 |
| Generator Regulation and Frequency Response Service (Schedule 10) | None                   | None  | None    | None    | None     | None                  | \$27.89        | \$13.24         | \$319 | \$2,231 | \$9,670 | \$116,020 | 6.50%                 |



**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Section 23.133 of Article 3 of Chapter 7 of Division 23 of the Los Angeles Administrative Code, approving the Los Angeles Department of Water and Power's Open Access Transmission Tariff and providing the Board of Water and Power Commissioners the authority to enter into agreements for interconnecting large electric generating facilities to the Los Angeles Department of Water and Power's Transmission System

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

Section 1. Subsection (a) of Section 23.133 of Article 3 of Chapter 7 of Division 23 of the Los Angeles Administrative Code is amended to read:

(a) Notwithstanding any other ordinance, rule or law of the City of Los Angeles to the contrary, the Board of Water and Power Commissioners (Board) under the authority of Charter Section 604(c) is authorized to delegate to the General Manager, the authority to enter into any transmission service agreement which does not exceed three years in duration where the terms, conditions, and charges are pursuant to a transmission service tariff approved by the City Council.

Sec. 2. Notwithstanding any other ordinance, rule, law or procedure and pursuant to Section 23.134 of the Los Angeles Administrative Code, the Open Access Transmission Tariff, DWP No. BP 01-017, as amended to update the tariffs, terms, conditions, and charges for transmission and ancillary services and include the standard Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection Agreement (LGIA) and appendices thereto for the interconnection of large electric generating facilities having a capacity greater than twenty megawatts (20 MW) to the transmission grid owned, controlled and operated by the Los Angeles Department of Water and Power (OATT), approved by the Board of Water and Power Commissioners (Board), a copy of which is on file with the City Clerk, is hereby approved, and the execution of any agreement pursuant to such OATT is authorized subject to the limitations set forth in Section 23.133 of the Los Angeles Administrative Code and this ordinance.

Sec. 3. Notwithstanding any other ordinance, rule, law or procedure to the contrary, the Board shall have independent authority to enter into Large Generator Interconnection Agreements for the interconnection of large electric generating facilities having a capacity greater than 20 MW to the transmission grid owned, controlled and operated by the Los Angeles Department of Water and Power substantially in the form of the standard LGIA that is included in the OATT, without further City Council approval. Each such Large Generator

Interconnection Agreement shall have a minimum term of ten years and automatically renew for successive one-year periods unless it is terminated earlier pursuant to the terms of the LGIA, or the generating facility permanently ceases commercial operation, subject to the applicable procedures, terms, conditions, and charges of the OATT.

Sec. 4. If any section, subsection, sentence, clause, phrase or portion of this ordinance or the OATT is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance and the OATT. The City Council hereby declares that it would have adopted this ordinance and the OATT and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Sec. 5. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with City 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 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 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 \_\_\_\_\_.

HOLLY L. WOLCOTT, Interim City Clerk

By \_\_\_\_\_ Deputy

Approved \_\_\_\_\_

\_\_\_\_\_  
Mayor

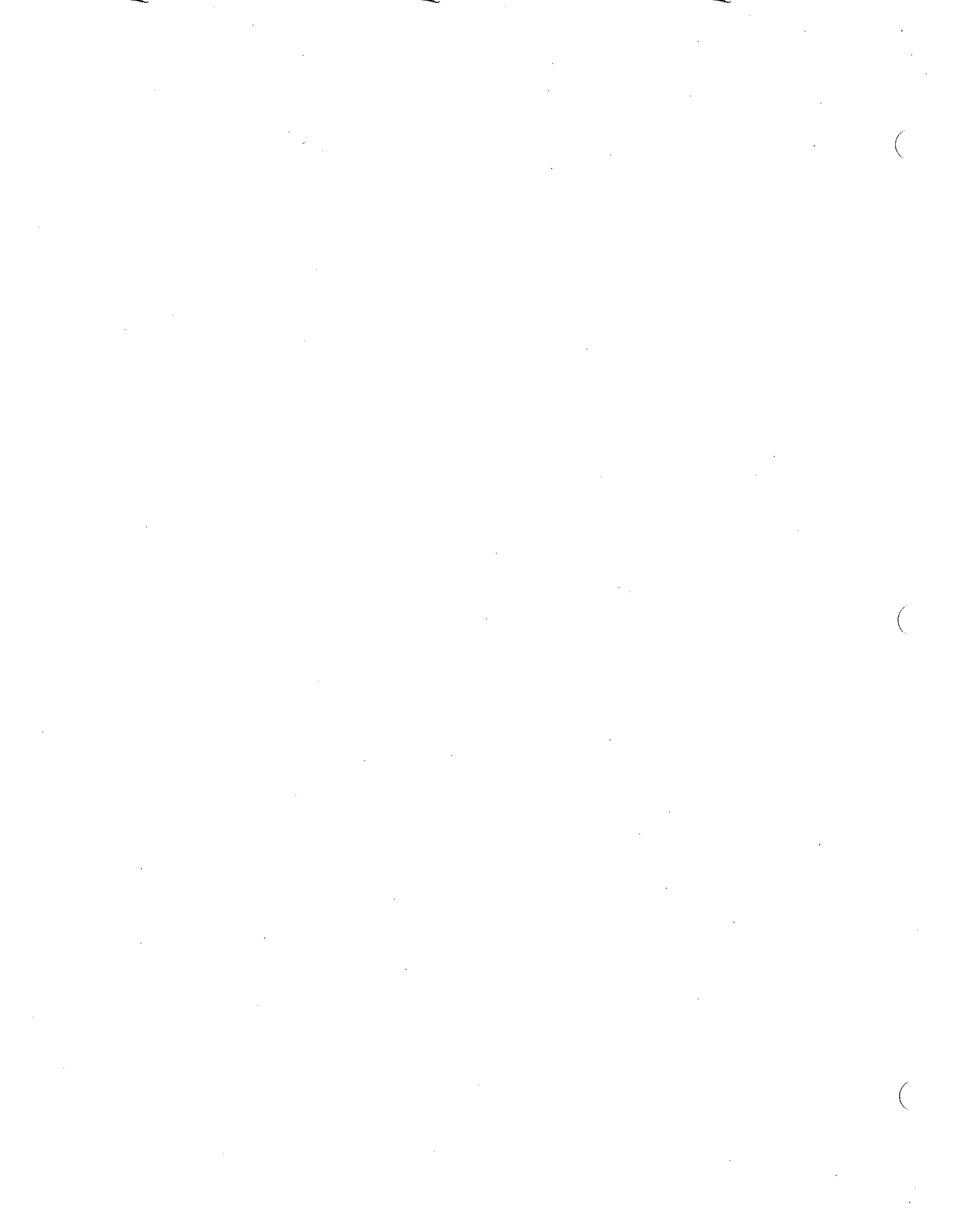
Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By \_\_\_\_\_  
SYNDI DRISCOLL  
Deputy City Attorney

Date \_\_\_\_\_

File No. \_\_\_\_\_



Supplemental information for Amendment No.1 to Open Access Transmission  
Tariff DWP No. BP 01-017  
January 24, 2014

The following supplemental information of Amendment No.1 (“Amendment”) to the Open Access Transmission Tariff (OATT) presents a summary of key provisions of the OATT along with a comparative summary of the existing and the revised transmission and ancillary service rates.

**Purpose:** The purpose of the Amendment is to update the Los Angeles Department of Water and Power (LADWP) existing OATT dated October 2001. The Amendment updates the standard rates, terms and conditions for open access transmission service to comply with the Los Angeles City Charter and LADWP’s operational requirements, as well as obligations pursuant to the North American Reliability Corporation and Western Electric Coordinating Council. LADWP has revised the rates for transmission and ancillary services based on a current cost of service study, and the Amendment also includes standard large generator interconnection procedures (LGIP) and large generation interconnection agreement (LGIA) for interconnecting new electric generating facilities with capacity greater than 20 megawatt (MW) to the transmission grid owned, controlled, and operated by LADWP (LADWP Transmission System). The standard LGIP and LGIA provide the procedures, rates, terms and conditions for non-discriminatory interconnection service of large generators above 20 MW that seek to interconnect with transmission facilities owned, controlled and operated by the City of Los Angeles (City) by and through the LADWP. The purpose of the OATT is to comply with Los Angeles Administrative Code §23.134 to provide a single open access tariff that contains the standard terms and conditions for transmission and ancillary services, and large generation interconnection service.

**Parties:** The Parties to the OATT are any qualified or existing Transmission or Interconnection Customers (as defined in the OATT) that request and/or receive transmission or interconnection service pursuant to the OATT, and the City of Los Angeles (“City”) by and through the Department of Water and Power (LADWP) acting as Transmission Provider, hereby referred to individually as “Party” and collectively as “Parties”.

**Effective Date and Term:** The OATT will become effective for LADWP when it is approved by the Los Angeles City Council. LADWP may exercise its right to unilaterally propose a change in rates, terms and conditions, charges or classification of services under any service agreement under the Tariff, or to withdraw the Tariff, consistent with the Los Angeles Administrative Code §23.134. LADWP as the Transmission Provider (as defined in the OATT) shall have the right to terminate any service agreement, without penalty, with or without cause, pursuant to the terms and conditions of its OATT.

**Principal Provisions:** The updated OATT provides for the following, among other things:

**I. Common Service Provisions**

- **Reservation Priority:** Requests for transmission service shall be processed in the following order, from highest to lowest priority:
  - LADWP’s Native Load Customers will have the highest reservation priority.

- Long-term firm point-to-point transmission service will have the next highest reservation priority.
- Long-term firm point-to-point transmission service shall be available on a first-come, first-served basis.
- Reservations for short-term firm point-to-point transmission service will be conditional, based upon the length of the requested transaction or reservation.
- If the transmission system becomes oversubscribed, requests for longer term service may preempt requests for shorter term. Transmission Customers that have already reserved shorter term transmission service have the right of first refusal to match any longer term reservation before being preempted.
- Requests for non-firm point-to-point transmission service from designated points of receipt and delivery are based on transmission service duration, with longer terms of transmission service receiving higher priority. Competing requests of equal duration will be prioritized based on the highest price offered. Transmission Customers that have already reserved shorter term transmission service have the right of first refusal to match any longer term reservation before being preempted, subject to the limitations on the term of agreements set forth in the OATT.
- **Reservation Priority for Existing Firm Service Customers:** LADWP's existing firm service customers under contracts longer than one year have reservation priority to continue to take transmission service from LADWP when the contract expires up to maximum contract duration of 3 years with no renewal.
- **Electrical Emergency:** This occurs when the Transmission Provider's Native Load Customers cannot be served due to an emergency as determined by the Transmission Provider in its sole discretion or due to an unforeseen condition that impairs or degrades the reliability of its Transmission System.
- **Curtailment Provisions:** LADWP reserves the right to curtail, in whole or in part, any firm transmission service provided under the OATT when, in LADWP's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its transmission system. The curtailment priority shall be in the following descending order, with the last item curtailed first:
  - The LADWP reserves the right to curtail, in whole or in part, any Firm Transmission Service provided under the OATT when, in LADWP's sole discretion, an Electrical Emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System.
  - For non-Electrical Emergency conditions, LADWP will curtail service to Transmission Customers taking firm point-to-point transmission service on a basis comparable to the curtailment of service to LADWP's Native Load Customers.
  - Non-firm point-to-point transmission service shall be subordinate to firm-transmission service.



• **Ancillary Services:**

- LADWP offers and the Transmission Customer is required to purchase only from LADWP, the following ancillary services: (i) scheduling, system control, and dispatch and (ii) reactive supply and voltage control from generation sources.
- LADWP offers the following ancillary services only when transmission service is used to deliver energy from generator physically or electrically located within LADWP's Balancing Authority: generator imbalance (new service). LADWP is proposing a new ancillary service: generator regulation and frequency response mainly to serve variable energy resources. The Transmission Customer delivering electric energy from a generator located within LADWP Balancing Authority Area is required to acquire these ancillary services, whether from LADWP, from a third party, or by self-supply.
- LADWP may provide the following ancillary services only to the Transmission Customer serving load within LADWP's balancing authority area: (i) regulation and frequency response, (ii) energy imbalance, (iii) operating reserve – spinning, (iv) operating reserve – supplemental, and (v) generator imbalance. The Transmission Customer serving load within LADWP's control area is required to acquire these ancillary services, whether from LADWP, from a third party, or by self-supply.
- **Tax-Exempt Financing:** LADWP shall not be required to provide transmission service if the provision of such service would jeopardize the tax-exempt status of any of LADWP's tax-exempt debt.

II. **Point-to-Point Transmission Service**

a. **Firm Transmission Service:**

- **Term of Service:** Firm service may be either long-term (a term of greater than one year) or short-term firm transmission service (a term of one year or less).
- **Use of Firm Transmission Service by LADWP:** LADWP will be subject to the rates, terms and conditions of this OATT when making third-party sales for agreements executed on or after the effective date of the OATT.
- **System Impact Study and Facilities Study:** If sufficient transmission capacity is not available, a System Impact Study will be required to be performed, consistent with Attachment D of the OATT, to determine how the requested service can be accommodated. If it is determined that additions or upgrades to the transmission system will be needed to provide the requested service, the Eligible Customer shall provide a letter of credit or other reasonable form of security acceptable to LADWP with its executed Service Agreement in an amount equivalent to the costs of the new facilities or upgrades.
- **Extensions for Commencement of Service:** The Transmission Customer can obtain, subject to availability, up to two (2) one-year extensions for the

commencement of service. The Transmission Customer may postpone service by providing written notice to LADWP no less than sixty (60) days prior to the commencement of service and by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year within 15 days of notifying the LADWP it intends to extend the commencement of service.

- **Renewal Procedures for Existing Firm Service Customers:** Existing firm service customers (wholesale requirements and transmission-only, with a contract term greater than one year), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed; provided, however, the total term for any Service Agreement, including all renewal options, is limited to three (3) years.
- **Benefits of the OATT to LADWP:** The updated OATT will provide LADWP with the following benefits:
  - By posting the updated OATT on the OASIS, LADWP will offer open non-discriminatory transmission access to all potential transmission customers.
- **Transmission and Ancillary Service Charges:**
  - Demand charges for firm, non-firm point-to-point transmission service, and Mandatory and additional ancillary services are presented below.
  - Additional Ancillary Services are also provided below.
- **Additional Ancillary Service Charges:**

See chart below:

# LADWP PROPOSED TRANSMISSION AND ANCILLARY SERVICE RATES SUMMARY

Transmission Services

## FIRM POINT-TO-POINT TRANSMISSION SERVICE (SCHEDULE 7) NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE (SCHEDULE 8)

| Period                       | Service          | Existing Schedule 7 Rates (\$/MWh) | Existing Schedule 8 Rates (\$/MWh) | Period  | Service          | Proposed Schedule 7 Rates (\$/MWh) | Proposed Schedule 8 Rates (\$/MWh) |
|------------------------------|------------------|------------------------------------|------------------------------------|---------|------------------|------------------------------------|------------------------------------|
| Full                         | Hourly Firm      | \$9.00                             |                                    | Offpeak | Hourly Firm      | \$4.85                             | \$4.85                             |
|                              |                  |                                    |                                    | Onpeak  | Hourly Firm      | \$10.21                            | \$10.21                            |
| Full                         | Hourly Non-Firm  |                                    | \$9.00                             | Offpeak | Hourly Non-Firm  | \$4.85                             | \$4.85                             |
|                              |                  |                                    |                                    | Onpeak  | Hourly Non-Firm  | \$10.21                            | \$10.21                            |
| Full                         | Daily Firm       | \$150.00                           |                                    | Full    | Daily            | \$117.00                           | \$117.00                           |
| Full                         | Daily Non-Firm   |                                    | \$150.00                           | Full    | Daily Non-Firm   | \$117.00                           | \$117.00                           |
| Full                         | Weekly Firm      | \$900.00                           |                                    | Full    | Weekly Firm      | \$817.00                           | \$817.00                           |
| Full                         | Weekly Non-Firm  |                                    | \$900.00                           | Full    | Weekly Non-Firm  | \$817.00                           | \$817.00                           |
| Full                         | Monthly Firm     | \$3,890.00                         |                                    | Full    | Monthly Firm     | \$3,540.00                         | \$3,540.00                         |
| Full                         | Monthly Non-Firm |                                    | \$3,890.00                         | Full    | Monthly Non-Firm | \$3,540.00                         | \$3,540.00                         |
| Full                         | Yearly           | \$46,660.00                        | N/A                                | Full    | Yearly           | \$42,480.00                        | N/A                                |
|                              |                  |                                    |                                    |         |                  |                                    |                                    |
|                              |                  |                                    |                                    |         |                  |                                    |                                    |
| Mandatory Ancillary Services |                  |                                    |                                    |         |                  |                                    |                                    |

## SCHEDULING, SYSTEM CONTROL AND DISPATCHING SERVICE (SCHEDULE 1) REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE (SCHEDULE 2)

| Period | Service          | Existing Schedule 1 Rates | Existing Schedule 2 Rates | Period  | Service          | Proposed Schedule 1 Rates (\$/MWh) | Proposed Schedule 2 Rates (\$/MWh) |
|--------|------------------|---------------------------|---------------------------|---------|------------------|------------------------------------|------------------------------------|
| Full   | Hourly Firm      |                           | \$0.33/MWh                | Offpeak | Hourly Firm      | \$0.15                             | \$0.57                             |
| N/A    | N/A              | \$134.39/ Transaction     | N/A                       | Onpeak  | Hourly Firm      | \$0.31                             | \$1.20                             |
| Full   | Hourly Non-Firm  |                           | N/A                       | Offpeak | Hourly Non-Firm  | \$0.15                             | \$0.57                             |
|        |                  |                           |                           | Onpeak  | Hourly Non-Firm  | \$0.31                             | \$1.20                             |
| Full   | Daily            | N/A                       | N/A                       | Full    | Daily            | \$4.00                             | \$14.00                            |
| Full   | Daily Non-Firm   | N/A                       | N/A                       | Full    | Daily Non-Firm   | \$4.00                             | \$14.00                            |
| Full   | Weekly Firm      | N/A                       | N/A                       | Full    | Weekly Firm      | \$25.00                            | \$96.00                            |
| Full   | Weekly Non-Firm  | N/A                       | N/A                       | Full    | Weekly Non-Firm  | \$25.00                            | \$96.00                            |
| Full   | Monthly Firm     | N/A                       | N/A                       | Full    | Monthly Firm     | \$110.00                           | \$420.00                           |
| Full   | Monthly Non-Firm | N/A                       | N/A                       | Full    | Monthly Non-Firm | \$110.00                           | \$420.00                           |
| Full   | Yearly           | N/A                       | N/A                       | Full    | Yearly           | \$1,310.00                         | \$4,990.00                         |

### LADWP PROPOSED TRANSMISSION AND ANCILLARY SERVICE RATES SUMMARY

| Description   | Existing Rates (\$/MWh) |       |         |         |          | Purchase Requirements | Proposed Rates    |                    |       |         |         | Purchase Requirements |        |
|---|-------------------------|-------|---------|---------|----------|-----------------------|-------------------|--------------------|-------|---------|---------|-----------------------|--------|
|   | Hourly                  | Daily | Weekly  | Monthly | Yearly   |                       | Hourly<br>On-Peak | Hourly<br>Off-Peak | Daily | Weekly  | Monthly |                       | Yearly |
| Regulation and Frequency Response (Schedule 3)                    | \$2.40                  | \$57  | \$400   | \$1,730 | \$20,820 | None                  | \$27.89           | \$13.24            | \$319 | \$2,231 | \$9,670 | \$116,020             | 1.10%  |
| Operating Reserve-Spinning Reserve (Schedule 5)                   | \$6.90                  | \$165 | \$1,150 | \$4,990 | \$59,930 | 3.50%                 | \$22.62           | \$10.74            | \$258 | \$1,809 | \$7,840 | \$94,080              | 6.40%  |
| Operating Reserve-Supplemental Reserve (Schedule 6)               | \$8.00                  | \$182 | \$1,280 | \$5,530 | \$66,380 | 3.50%                 | \$2.49            | \$1.18             | \$29  | \$200   | \$860   | \$10,380              | 5.30%  |
| Generator Regulation and Frequency Response Service (Schedule 10) | None                    | None  | None    | None    | None     | None                  | \$27.89           | \$13.24            | \$319 | \$2,231 | \$9,670 | \$116,020             | 6.50%  |

# Updated Open Access Transmission Tariff Approval Process Schedule

August 26 2013 through March 2014

