

LOS ANGELES-GLENDALE SYLMAR SERVICES AGREEMENT

1. **PARTIES:** The Parties to this Los Angeles-Glendale Sylmar Services Agreement, DWP No. BP 15-028 (Agreement) are THE CITY OF LOS ANGELES, a municipal corporation existing under the laws of the State of California acting through the DEPARTMENT OF WATER AND POWER, a department organized and existing under The Charter of the City of Los Angeles (LADWP) and THE CITY OF GLENDALE, a municipal corporation existing under the laws of the State of California (Glendale). LADWP and Glendale are hereinafter referred to individually as Party and collectively as Parties.
2. **AGREEMENT:** In consideration of the mutual covenants herein, the Parties agree as follows:
3. **DEFINITIONS:** The following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified.
 - 3.1 **Airway or Air Way:** The receiving station identified as “Air Way” in the Interchange Agreement, as such term is identified in the “webRegistry” system of the North American Energy Standards Board and the Open Access Technology International, Inc. or successor entity(ies).
 - 3.2 **Applicable Reliability Standard:** With respect to a Party, refers to those Reliability Standards that apply to that Party based upon its registered entity status or as otherwise may be determined by FERC, NERC or WECC including the “NAESB Electronic Tagging Functional Specifications,” as they may be amended from time to time. Reliability Standards are as set forth in Section 215(a)(3) of the Federal Power Act, 16 U.S.C. §824o(a)(3), or any successor legislation imposing mandatory requirements to provide for the reliable operation of the Bulk Power System, as defined in 16 U.S.C. §824o(a)(1), and any regulations validly promulgated thereunder. Reliability Standards include national standards and regional reliability standards promulgated by FERC, NERC and WECC.
 - 3.3 **Balancing Authority (BA):** As this term is defined in the NERC Glossary of Terms.
 - 3.4 **Balancing Authority Area (BAA):** As this term is defined in the NERC Glossary of Terms.
 - 3.5 **CAISO:** The BA of the California Independent System Operator BAA, or its successor entity.

- 3.6 **D-C Transmission Facilities:** The facilities extending from the Nevada Oregon Border (NOB) to the Sylmar Switching Station at the switching positions and circuit breakers connecting the terminal to the 230/220 kV Buses 1 and 2 in the interconnection switchrack, and a one-eighth (1/8) portion of the relay house as such facilities are modified, upgraded or replaced.
- 3.7 **Dispatcher:** The on duty employees of a Party who has responsibility for supervising the overall operation of such Party's electrical system, as identified in the Appendix 14.2.
- 3.8 **Electronic Tag (e-Tag):** The electronic tag prescribed by NERC, as such tag may be modified or replaced, in accordance with this Agreement.
- 3.9 **FERC or Commission:** The Federal Energy Regulatory Commission or its successor entity.
- 3.10 **Force Majeure:** As this term is defined in Section 12.1 of this Agreement.
- 3.11 **Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- 3.12 **Interchange Scheduler (Scheduler):** Any one of the on duty employees or agents who has the responsibility for making interchange energy or capacity schedules, as identified in the Appendix 14.2.
- 3.13 **Interconnection Agreement:** City-Glendale Interconnection Agreement between Glendale and LADWP, DWP No. 10131.
- 3.14 **Nevada-Oregon Border (NOB):** The physical location where the Pacific HVDC Intertie crosses the Nevada/Oregon Border, which is also the scheduling point for transactions between the LADWP BAA and the BAA of the Bonneville Power Administration.
- 3.15 **NERC:** The North American Electric Reliability Corporation, or its successor organization.

- 3.16 **NERC Glossary of Terms:** The Glossary of Terms used in NERC Reliability Standards as published by NERC, and as may be amended from time to time.
- 3.17 **Path 41:** The three 220/230 kV transformer banks at Sylmar Switching Station as defined in the 2015 WECC Path Rating Catalog, as such term or path may be modified, changed or replaced in the future.
- 3.18 **PDCI Agreement:** The City-Glendale Pacific Intertie D-C Transmission Facilities Agreement between LADWP and Glendale, DWP No. 10128.
- 3.19 **Point of Delivery (POD):** As this term is defined in the NERC Glossary of Terms.
- 3.20 **Point of Receipt (POR):** As this term is defined in the NERC Glossary of Terms.
- 3.21 **Reserved Capacity:** Glendale's 115 megawatts (MW) of firm bi-directional transmission capacity, subject to adjustment for upgrades in accordance with Sections 9-A and 9-B, between Sylmar and SP-15.
- 3.22 **Settlement Agreement:** The Settlement Agreement and Release of Claims between LADWP and Glendale, DWP Agreement No. BP 15-020, dated [REDACTED] 2015].
- 3.23 **SP-15:** A zone in the CAISO system, or any functionally equivalent successor zone(s) or point(s) that is (are) currently listed as "SP-15" or "SP15" and is (are) the POR/POD designation on schedule e-Tags for certain scheduling points in the CAISO BA.
- 3.24 **Sylmar Agreements:** The PDCI Agreement, the Interconnection Agreement and the City-Glendale 1968 Interchange Agreement between the City of Glendale and the Department of Water and Power of the City of Los Angeles, as amended (DWP No. 10135) ("Interchange Agreement").
- 3.25 **Sylmar Scheduling Point (Sylmar):** For scheduling purposes under this Agreement, the scheduling interface at the Sylmar Switching Station that may be designated as a POR/POD.
- 3.26 **Tariff:** The Open Access Transmission Tariff of LADWP, as it may be amended by LADWP from time to time.
- 3.27 **WECC:** The Western Electricity Coordinating Council, or its successor organization.

4. **EFFECTIVE DATE AND TERM:**

- 4.1 **Effective Date.** The Effective Date of this Agreement shall have the same meaning as the defined term in the Settlement Agreement.
- 4.2 **Term.** The term of this Agreement shall commence as of the Effective Date and shall be coterminous with the PDCI Agreement, and any extensions thereof, unless terminated earlier by mutual agreement of the Parties. LADWP will provide Glendale with an update of its future plans for continued operation of the PDCI by April 14, 2036.
- 4.3 **Implementation Date.** The scheduling rights described herein in Sections 5 and 6 of this Agreement shall be implemented and available to Glendale no later than fifteen business (15) days after the Effective Date of this Agreement, unless otherwise mutually agreed by Parties.

5. **SERVICE UNDER THIS AGREEMENT.**

- 5.1 Subject to Section 6.2, LADWP will make available the Reserved Capacity to Glendale, in accordance with the scheduling parameters in Section 6. See representative examples in Appendix 5.1. For the avoidance of doubt, the path names in Appendix 5.1 shall not limit Glendale's ability to include PODs or PORs before or after any of the identified scheduling points.
- 5.2 LADWP reserves the right to interrupt or curtail service hereunder on a pro rata basis (based on the ratio of Reserved Capacity to total capacity between Sylmar and SP-15) for reliability when transmission capacity to or from Path 41 and/or SP-15 is de-rated or if the path rating is exceeded. LADWP may only interrupt or curtail on a given path if that same path is de-rated. Notwithstanding the foregoing, any interruptions or curtailments of service on any portion of the PDCI or between Airway and Sylmar shall not reduce or in any way change Glendale's right to schedule the Reserved Capacity between Sylmar and SP-15 or SP-15 to Sylmar. See representative examples in Appendix 5.2.
- 5.3 Section 7 of this Agreement specifies the only LADWP fees that LADWP will charge Glendale under this Agreement.

6. **SCHEDULING OF ENERGY AND/OR CAPACITY.**

- 6.1 The sum of all Glendale schedules in each direction between Sylmar and SP-15 shall not exceed the Reserved Capacity, unless mutually agreed upon by the Parties in a separate agreement. See representative examples in Appendix 6.1.
- 6.2 The Parties agree that Glendale's rights to schedule Reserved Capacity shall meet the following parameters:

- 6.2.1 Each Glendale energy and/or capacity transaction shall be reflected in a single e-Tag without regard to source or origin.
- 6.2.2 Within a single e-Tag:
 - 6.2.2.1 the POR, POD, and/or Purchasing Selling Entity (PSE) may be changed to (a) reflect a PSE change at Sylmar and (b) include Sylmar as an intermediate POR or POD;
 - 6.2.2.2 the transmission path identified may include any transmission paths that are contracted for, owned or purchased by Glendale, or a counterparty of Glendale.
- 6.2.3 Sylmar shall not be identified as a source or sink in an e-Tag.
- 6.2.4 Under this Agreement, the interchange scheduling point between the LADWP BAA and CAISO BAA/ SP-15 shall be at Sylmar.
- 6.3 Glendale will provide energy and capacity schedules to LADWP for inclusion on LADWP's interchange pre-schedule in accordance with Applicable Reliability Standards and industry practice.
- 6.4 Glendale shall advise LADWP of any energy or capacity schedule changes in accordance with the time requirements set forth in the Applicable Reliability Standards and industry practice.
- 6.5 Glendale shall submit each schedule to LADWP in accordance with Sections 6.2, 6.3 and 6.4 of this Agreement, LADWP will provide the transmission capacity for any energy so scheduled in accordance with Section 5.
- 6.6 LADWP shall implement schedules submitted by Glendale in accordance with the Applicable Reliability Standards and industry practice.
- 6.7 **Prohibition on Retail Wheeling.** Notwithstanding any other provision of this Agreement, Glendale shall not transmit electric energy using Reserved Capacity (i) directly to an ultimate consumer in LADWP's service territory, or (ii) to, or for the benefit of, such an entity; and LADWP shall not transmit electric energy using transmission capacity between Sylmar and SP-15 (i) directly to an ultimate consumer in Glendale's service territory, or (ii) to, or for the benefit of, such an entity. Nothing in this Agreement shall affect any authority of either Party under local governmental or State law concerning the transmission of electric energy directly to an ultimate consumer within its service territory. Glendale does not consent to LADWP providing wheeling to retail customers or other services to retail customers within Glendale's service territory, unless mutually agreed in writing by the Parties. LADWP does not consent to Glendale providing wheeling to retail customers or other services to retail customers within LADWP's service territory, unless mutually agreed in writing by the Parties.

RESERVED CAPACITY FEE. For scheduling energy and/or capacity bi-directionally under this Agreement, LADWP shall only charge Glendale a yearly rate for Schedule 1 scheduling, system control and dispatch service and shall bill Glendale on a monthly basis at one-twelfth ($1/12^{\text{th}}$) of the yearly rate multiplied by Reserved Capacity ("Reserved Capacity Fee"). The Reserved Capacity Fee charged to Glendale shall be equal to one scheduling and dispatching fee at the then prevailing rate specified in Schedule 1 of the Tariff, as such Tariff rate may be revised by LADWP from time to time. Notwithstanding the Tariff's requirement to pay Schedule 1 fees for unidirectional service for each transmission path, Glendale shall pay only a single scheduling and dispatch fee (*i.e.*, LADWP's unidirectional scheduling and dispatching fee) to LADWP for bi-directional scheduling rights for all scheduling and transmission under this Agreement. Such Reserved Capacity Fee described above will allow Glendale to receive bidirectional transmission service (e.g. Sylmar to SP-15 and SP-15 to Sylmar) for scheduling under this Agreement. No other fees (*e.g.*, transmission or other ancillary services) will be charged to Glendale for the Reserved Capacity. See representative examples in Appendix 7.

- 7.1 Invoice.** Within a reasonable time after the first of day of each month, LADWP shall submit an invoice for the prior month to Glendale for the Reserved Capacity Fee.
- 7.2 Payment.** The invoice shall be paid by Glendale on the twentieth (20^{th}) day of the invoicing month or the tenth (10^{th}) day after receipt of the invoice, whichever occurs later ("Payment Due Date"). All payments shall be made in immediately available funds in U.S. dollars payable to LADWP. In the event, Glendale fails, for any reason other than a billing dispute described in Section 7.4 or pursuant to a Force Majeure subject to Sections 12.1 and 12.2, to make a payment to LADWP by the Payment Due Date, and such failure of payment is not corrected within thirty (30) calendar days after LADWP notifies Glendale to cure such failure, a default by Glendale shall be deemed to exist.
- 7.3 Interest.** Interest on the Reserved Capacity Fee invoiced under Section 7 of this Agreement unpaid after the Payment Due Date shall be payable with interest calculated daily, at a rate equal to 200 basis points above the per annum Prime Rate reported daily in the Wall Street Journal for the period beginning on the day after the due date and ending on the day of payment; provided that, such interest shall not exceed the amount permitted by law. Interest on delinquent amounts shall be calculated from the due date of the invoice to the date of payment. When payments are made by mail, invoices shall be considered as having been paid on the date postmarked.
- 7.4 Billing Disputes.** In order to dispute an invoice in whole or in part, a Party must provide written notice of the dispute to the other Party. Such written notices shall specify the amount in dispute and state the basis for the dispute. In case any

portion of any invoice is in dispute, the entire invoice shall be paid when due, unless the basis for the dispute is a clearly erroneous billing amount in which case the parties will make a good faith effort to promptly correct the error. Any excess amount of invoices which, through inadvertent errors or as a result of a dispute, may have been overpaid shall be returned by LADWP upon determination of the correct amount, with interest calculated in the manner set forth in Section 7.3. A Party shall only have the right to dispute the accuracy of any invoice or payment for a period of two (2) years from the date on which the invoice was initially delivered. If LADWP's records reveal that a bill was not delivered, then LADWP may deliver to Glendale an invoice within two (2) years from the date on which the invoice would have been delivered under this Agreement. The right to payment is waived with respect to any amounts not invoiced within such two (2) year period.

7.5 Record-Keeping and Financial Audits. Each Party, or any third party representative of a Party, shall keep complete and accurate records, and shall maintain such data as may be necessary for the purpose of ascertaining the accuracy of all relevant data, estimates, or statements of charges submitted hereunder for a period of two (2) years from the date the invoice was delivered under this Agreement. Within a two (2) year period from the date on which the invoice was initially delivered, any Party to the applicable transaction may request in writing copies of the records of the other Party for that transaction to the extent reasonably necessary to verify the accuracy of any statement or charge. The Party from which documents or data has been requested shall provide all reasonably requested documents and data within a reasonable time period. Any Party shall have the right at all times, and at its own expense, to audit and to examine any costs or payments resulting from any item set forth in this Agreement. Any Party may designate its own employee representative(s) or its contracted representatives with a certified accounting firm to conduct the audit. Any audits shall occur during normal business hours, and the Party being audited agrees to cooperate in such audit.

7.6 One-time Revision to Rates. After the Implementation Date of this Agreement, upon the first revision of LADWP's August 14, 2014 Tariff, if the rate specified in Schedule 1 of the Tariff is reduced, LADWP shall provide a one-time credit as an offset to Glendale's next months' bills that reflects the difference in rates for service taken under this Agreement, with interest calculated as set forth in Section 7.3, from the Implementation Date to the effective date of the new Schedule 1 Tariff rate.

7.7 Schedule 2 Ancillary Service. LADWP agrees that pursuant to the PDCI Agreement, Glendale owns an undivided 50/1300 interest in the D-C

Transmission Facilities, as defined in Article 3 of the PDCI Agreement, which includes equipment that provides for reactive power supply, which allows Glendale to self-provide Schedule 2 Ancillary Service under this Agreement. Therefore, LADWP will not charge Glendale for Schedule 2 Ancillary Services under this Agreement.

8. **RESERVED CAPACITY LOSSES.** No losses will be charged for the schedules on the Reserved Capacity under this Agreement. See representative examples in Appendix 8.
- 9-A. **GLENDALE OPTION TO PARTICIPATE IN UPGRADES.** Notwithstanding Section 6.1, if there is an upgrade to the transfer capacity across Path 41 and if LADWP has or will have ownership rights or use rights in such upgrades, Glendale shall have the option to participate in and contribute to such upgrades on a pro rata basis for no less than 50/1300 share of the upgrade; provided that all of following conditions are met:
 - 9-A.1 LADWP solely has independent decision-making discretion on such upgrades.
 - 9-A.2 Any such participation by Glendale in an upgrade to the transfer capacity across Path 41 will expand Glendale's use rights in the increased transfer capacity only across Path 41.
 - 9-A.3 Under no circumstance shall Glendale's right under this Agreement provide for any ownership rights, duties or obligations by Glendale with respect to Path 41 upgrades unless otherwise agreed to by the Parties.
 - 9-A.3.1 Glendale shall be required to pay its pro rata share of any operations and maintenance costs arising from Glendale's share of such Path 41 upgrades, unless otherwise agreed to by the Parties and/or participants.
 - 9-A.4 Such expansion in use rights shall be proportional to Glendale's participation and contribution to the upgrade.
 - 9-A.5 Such right to participate in any upgrade to the transfer capacity across the Path 41 and use of such right shall be coterminous with the PDCI Agreement unless otherwise agreed to by the Parties.
- 9-B. Subject to Applicable Reliability Standards and Good Utility Practice, if any upgrades of Path 41 facilities adversely affect Glendale's system or Glendale's capacity rights on the PDCI, the Parties agree to meet and if practical to mitigate such impacts.
- 10 **LADWP'S OWNERSHIP OF SYLMAR:** The Parties acknowledge and agree that as set forth in a one-line diagram in Appendix 10, LADWP is the sole owner of Sylmar Switching Station facilities except for the shaded portions of the one-line diagram.

- 11 **DISPUTE RESOLUTION:** If a dispute arises between the Parties under this Agreement the Parties shall meet within ten (10) days after either Party provides notice of the dispute, and the Parties shall endeavor in good faith to resolve it. If the dispute is not resolved, the Parties to such dispute may, but are not required to, submit the dispute to mediation or non-binding arbitration by mutual consent. If the Parties do not agree on resolving a dispute in mediation or non-binding arbitration, or, if the Parties' attempts to mediate or arbitrate the dispute do not resolve it, either Party may bring an action in a court of law or such other appropriate forum.

12 **LIABILITY AND DAMAGES.**

- 12.1 **Force Majeure.** An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any cause beyond either Party's reasonable control. Neither Party will be considered in default as to any obligations under this Agreement if prevented from fulfilling its obligations due to an event of Force Majeure.
- 12.2 **Force Majeure Notification.** Either Party asserting protection due to a Force Majeure event shall notify the unaffected Party in writing within 10 business days of the event giving rise to the assertion of Force Majeure. Subsequently, within thirty (30) days of the event, the affected Party shall, i) provide a written description of the event, ii) describe the extent of the impact from the Force Majeure event, iii) indicate the expected duration the event will cause the affected Party to be unable to perform its obligations, and iv) describe the steps the affected Party will take to recover from the Force Majeure event. The unaffected Party may cease its obligations, including payments or operations, under this Agreement until the affected Party recovers from the Force Majeure event.
- 12.3 **Liability.** Neither Party shall be liable under any provision of this Agreement for any losses, damages, penalties, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, claims of customers, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability.
- 12.4 **Indemnification.** Glendale shall at all times indemnify, defend, and save LADWP harmless from, any and all damages, losses, penalties, fines, claims, including claims and actions relating to injury to or death of any person or

consequential damages of any nature whatsoever to third parties resulting from scheduling requests by Glendale on behalf of others, or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from LADWP's performance of its obligations under this Agreement on behalf of Glendale, except in cases of negligence or intentional wrongdoing by LADWP.

- 13 **NO DEDICATION OF FACILITIES:** Any undertaking by one Party to the other Party under any provisions of this Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public or to the other Party, and it is understood and agreed that such undertaking by either Party shall cease upon the termination of such Party's obligations under this Agreement.

- 14 **TRANSFER OF INTERESTS:** This Agreement is binding on any successors and assigns of the Parties.

- 14.1 Neither Party shall voluntarily assign or transfer this Agreement or the Reserved Capacity to a third party without mutual consent of the Parties.
- 14.2 Any attempt by either Party to transfer or assign this Agreement, or any privilege hereunder, without mutual consent of the Parties shall be void and confer no right on any party that is not a Party to this Agreement.
- 14.3 Notwithstanding the forgoing, Glendale may schedule energy and capacity transactions on the Reserved Capacity on behalf of scheduling counterparties consistent with the scheduling requirements in Article 6 of this Agreement.
- 14.4 Any posting by LADWP on its OASIS of unscheduled Reserved Capacity shall only be posted as non-firm and recallable.

- 15 **MISCELLANEOUS PROVISIONS:**

- 15.1 **Good Utility Practice.** The Parties shall implement and perform under this Agreement in accordance with Good Utility Practice.
- 15.2 **Real-time Communications and Notices.** The Parties agree to provide each other with a contact list for personnel designated (Schedulers and Dispatchers) to respond, 24 hours a day and 7 days a week, to communications regarding scheduling and e-Tags; such communications shall be made pursuant to Good Utility Practice. See Appendix 14.2. Upon the occurrence of any event that would prevent either Party from fully performing its obligations hereunder, including but not limited to, de-ratings, loss of transmission or force majeure events, such Party shall promptly notify the other Party of the event, followed by a notice pursuant to Section 15.18 of this Agreement.
- 15.3 **Effects of Agreement Title and Section Headings.** The Agreement's title and the Section Headings appearing in this Agreement are inserted for convenience

only and shall not be construed as interpretations of the texts.

- 15.4 **Modifications.** This Agreement may not be amended, canceled, revoked or otherwise modified except by written agreement subscribed by all of the Parties to be charged with such modifications.
- 15.5 **Waivers.** No waiver of any provision of this Agreement shall be effective unless such waiver is in writing and signed by the waiving Party and any such waiver shall not be deemed a waiver of any other provision of this Agreement.
- 15.6 **Governing Law and Venue.** This Agreement was made and entered into by LADWP pursuant to the laws of the State of California and the City of Los Angeles. This Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of California without regard to conflict of law principles.
- 15.7 **Electronic Delivery Signatures.** Notwithstanding any other provision of this Agreement, this Agreement may be delivered electronically (e.g., by facsimile or PDF attached to email), in which case the Parties shall promptly exchange hard copies of the signature pages, but the electronically delivered signed copies shall be valid, binding and admissible as if originals in accordance with the California Evidence Code.
- 15.8 **Authorship/Contra Proferentem.** This Agreement shall not be interpreted against the interest of a Party merely because that Party proposed this Agreement or some provision in it or because that Party relies on a provision of this Agreement to protect itself.
- 15.9 **Entire Agreement.** This Agreement, its Appendices, together with the Settlement Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement, and shall fully supersede any and all prior understandings, contemporaneous oral or written negotiations, representations, warranties, and agreements between the Parties, or any of one them, and may be modified only by written agreement signed by both Parties. This Agreement is not intended to modify, supersede or amend the Sylmar Agreements, the Los Angeles-Glendale Transmission Service Agreement (Sylmar-Receiving Station E), DWP No. 10142, or any other agreement existing as of the Effective Date between the Parties.
- 15.10 **Severability.** The Parties hereby agrees that the invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

- 15.11 **No Attorney Fees.** Both Parties hereto agree that in any action to enforce the terms of this Agreement, each Party shall be responsible for its own attorneys' fees and costs.
- 15.12 **No Partnership.** This Agreement shall not be interpreted or construed to create an association, joint venture, partnership or agency between the Parties or to impose any partnership obligations or liability upon either Party. Further, neither Party shall have any obligation, right, power or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative of or to otherwise bind the other Party.
- 15.13 **No Third Party Beneficiaries.** This Agreement is made and entered into for the sole benefit of the Parties, and the Parties intend that no other person or entity shall be a direct or indirect beneficiary of this Agreement.
- 15.14 **Counterparts.** This Agreement may be executed simultaneously in counterparts, each of which when executed and delivered shall be an original, and all of which when executed shall constitute one and the same instrument.
- 15.15 **Municipal Tax Exempt Bonds.** Notwithstanding any other provision of this Agreement, LADWP shall not be required to provide Glendale service under this Agreement if the provision of such service would result in "private business use" as defined in Section 141(b)(6) of the Internal Revenue Code and the Treasury Regulations promulgated thereunder, as such laws and regulations may be amended, updated, modified or replaced.
- 15.15.1 Glendale has provided a Governmental Person Use Certificate attached hereto as Appendix 15.15.1.
- 15.15.2 **Supplemental Procedures for Resale, Assignment or Transfer of Service.** Glendale may only sell, lay-off, or otherwise transfer in any manner, any scheduling or other service pursuant to this Agreement, if the total term of such transaction including all renewal options, does not exceed three (3) years, unless in the exclusive determination of LADWP the entity to which such scheduling service is sold, laid-off or otherwise transferred has also satisfied the requirements of the Governmental Person Use Certificate in Appendix 15.15.2. Any resale, assignment or transfer of scheduling or other service by Glendale that fails to conform to the provisions of this Agreement, including Section 15.15 and all Appendices, by intent or otherwise, shall be void and unenforceable.
- 15.16 **Consistency with State and Federal Laws and Regulations.** Nothing in this Agreement shall compel any Party to violate state and/or federal statutes, regulations or orders lawfully promulgated thereunder. If any provision in this Agreement is inconsistent with any obligation imposed on any Party by statute, regulation or order, it shall be inapplicable to that Party. No Party shall incur any liability by failing to comply with a provision of this Agreement, if the reason for

doing so is such provision is inapplicable to that Party by reason of being inconsistent with state or federal statute, regulation, Applicable Reliability Standards, or orders lawfully promulgated thereunder; provided, however, such Party shall comply with the provisions of this Agreement to the extent that applicable state or federal laws, regulation, Applicable Reliability Standards, and orders promulgated thereunder permit it to do so.

15.17 **Representative Examples.** The representative examples set forth in the Appendices to this Agreement shall constitute specific instances in which the Parties have agreed to operationalize the respective provision in this Agreement; provided, however, that interpretation and operation of such provisions are not intended to be limited to such examples.

15.18 **Notices.** Any notice required under this Agreement shall be in writing and shall be delivered in-person, or with proof of receipt by a nationally recognized delivery service or by United States Certified Mail. Notices are effective when received. Either Party may change the name or address for receipt of notice by providing notice of such change to the other Party, without having to amend this Agreement. The Parties shall deliver notices to the following persons and addresses:

Notice to LADWP

Los Angeles Department of Water and Power
Attn: Mark Lieberman, Manager of Long Term Transmission Mgmt
Address: 111 N Hope St, JFB Room: 1246, Los Angeles
Phone: (213) 367-2454
Email: Mark.Lieberman@ladwp.com

With Copy to:

Los Angeles Department of Water and Power
Attn: John R. Dennis, Director of Power System Planning & Development
Address: 111 N Hope St, JFB Room: 921, Los Angeles
Phone: (213) 367-0881
Email: John.Dennis@ladwp.com

Notice to Glendale

General Manager, Glendale Water & Power
141 N. Glendale Avenue, Level 4
Glendale, CA 91206
Ph (818) 548-2107
Email: szurn@glendaleca.gov

With a copy to:

City Attorney's Office
Attn: GWP Counsel
613 E. Broadway, Suite 220
Glendale, CA 91206
(818) 548-2080
cgodinez@glendaleca.gov

For LADWP

For Glendale

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

By:

MARCIE L. EDWARDS
General Manager

Date:

_____ JED

And:

BARBARA E. MOSCHOS
Board Secretary

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

OCT 02 2015
BY Syndi Driscoll
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY

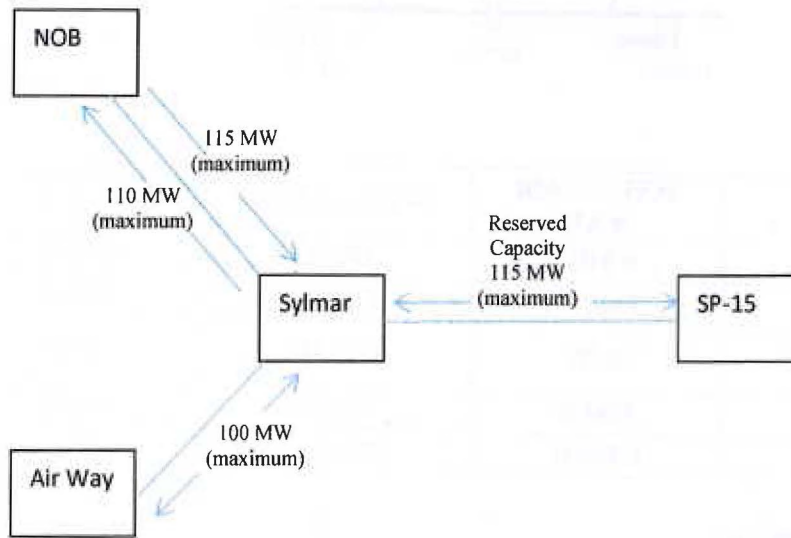
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Appendix 5.1

Examples of Path Names

Glendale's right to schedule 115 MW of bi-directional transmission capacity between NOB and Sylmar and its 100 MW bi-directional transmission capacity between Air Way and Sylmar will each be extended to SP-15; provided that the sum of the schedules between Sylmar and SP-15, in any one direction, may not exceed (unless upgraded pursuant to this Agreement) the Reserved Capacity for Glendale, without regard to source or origin with respect to its schedules.



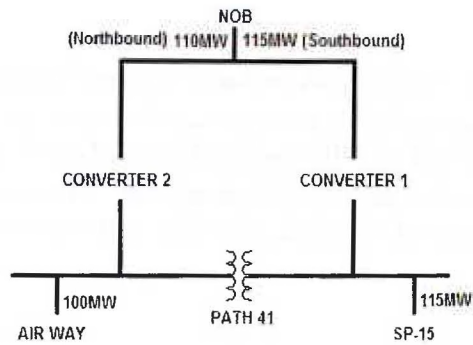
The below examples are intended to be illustrative, but not limiting, to the rights set forth in Section 5.1.

1. NOB-Sylmar-SP-15
2. SP-15-Sylmar-NOB
3. SP-15-Sylmar-Air Way
4. Air Way-Sylmar-SP-15
5. LASYSTEM-Sylmar-NOB
6. LASYSTEM-Sylmar-Air Way
7. LASYSTEM-Sylmar-SP-15

Examples 5 through 7 are examples where Glendale is purchasing energy or capacity from an entity (*e.g.*, CDWR) which has generation, either real or contractual, within the LADWP BAA.

Appendix 5.2

Examples of Curtailment



PDCI Southbound

	NOB ---> AIR WAY	NOB ---> SP-15	AIR WAY <--> SP-15
PDCI [0MW]	0 MW	0MW	100MW
PDCI [86MW]	86MW	86MW	100MW
AIR WAY-SYLMAR [0MW]	0MW	115MW	0MW
PATH 41 [0MW]	58MW	*Note 1	0MW
PATH 41 [60MW]	100MW	**Note 2	60MW

Depending on DC configuration:

*Note 1: 58MW if Converters 1& 2 are On; or
37MW if Converter 1 is On and Converter 2 is Off; or
0MW if Converter 1 is Off And Converter 2 is On.

**Note 2: 115MW if Converters 1& 2 are On; or
37 MW if Converter 1 is On and Converter 2 is Off; or
37MW if Converter 1 is Off And Converter 2 is On.

Appendix 5.2

Examples of Curtailment, Continued

PDCI Northbound

	AIR WAY ---> NOB	SP-15 ---> NOB	AIR WAY <--> SP-15
PDCI [0MW]	0 MW	0MW	100MW
PDCI [86MW]	86 MW	86MW	100MW
PDCI [975MW]	38MW	38MW	100MW
SYLMAR-AIR WAY [0MW]	0MW	110MW	0MW
PATH 41 [0MW]	55MW	*Note 3	0MW
PATH 41 [60MW]	100MW	**Note 4	60MW

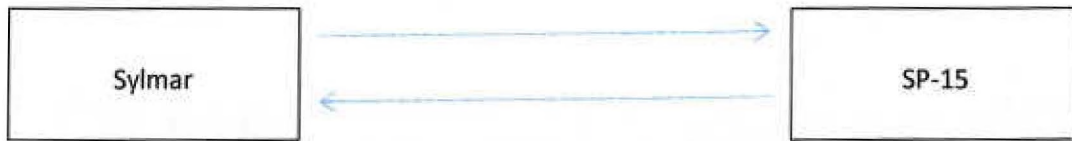
Depending on DC configuration:

*Note 3: 55MW if Converters 1& 2 are On; or
 35MW if Converter 1 is On and Converter 2 is Off; or
 0MW if Converter 1 is Off And Converter 2 is On.

**Note 4: 110MW if Converters 1& 2 are On; or
 35 MW if Converter 1 is On and Converter 2 is Off; or
 35MW if Converter 1 is Off And Converter 2 is On.

Appendix 6.1

Example of Scheduling of Energy and/or Capacity



- (1) Sum of megawatts scheduled from SP-15 to Sylmar must be less than or equal to Reserved Capacity.
- (2) Sum of megawatts scheduled from Sylmar to SP-15 must be less than or equal to Reserved Capacity.

Appendix 7

Reserved Capacity Fee

Total Reserved Capacity Fees: The Reserved Capacity Fee is an annual fee that will be billed in monthly installments of 1/12th of such fee each month.

A. Formula for monthly Reserved Capacity Fee:

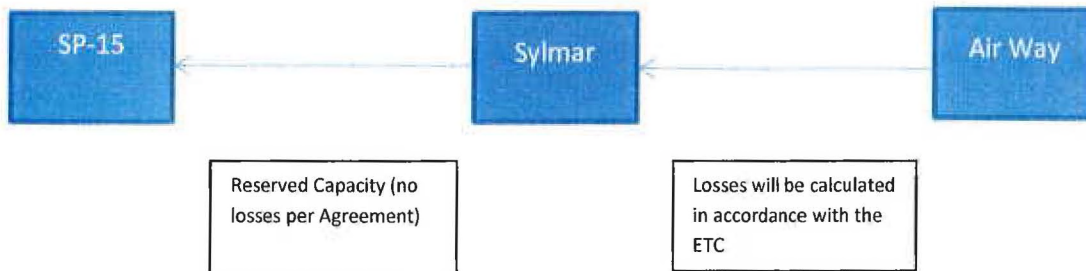
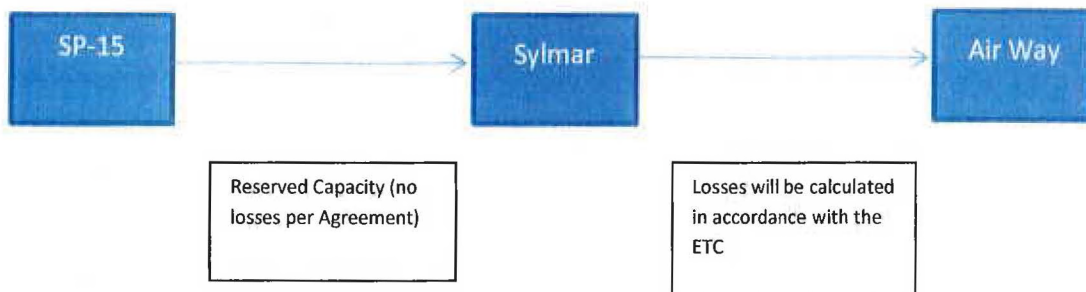
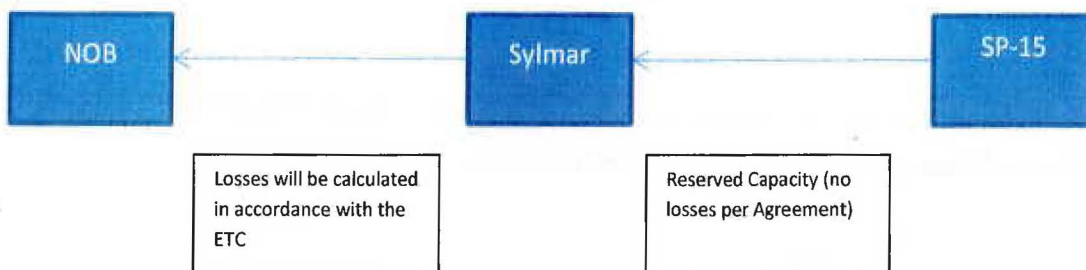
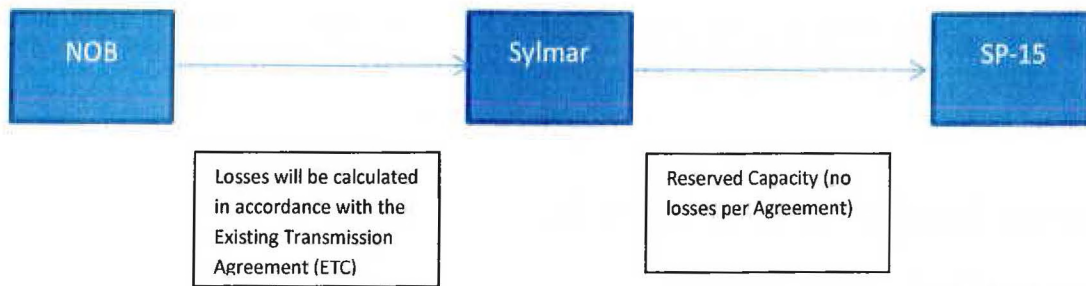
$$\begin{aligned} & \text{Reserved Capacity Fee (month)} \\ &= \frac{(\text{LADWP OATT Schedule 1 Annual Scheduling Fee}) \times (\text{Reserved Capacity})}{\text{Twelve Months}} \end{aligned}$$

B. The monthly Reserved Capacity Fee calculated based on the LADWP OATT and Reserved Capacity in effect on the Effective Date:

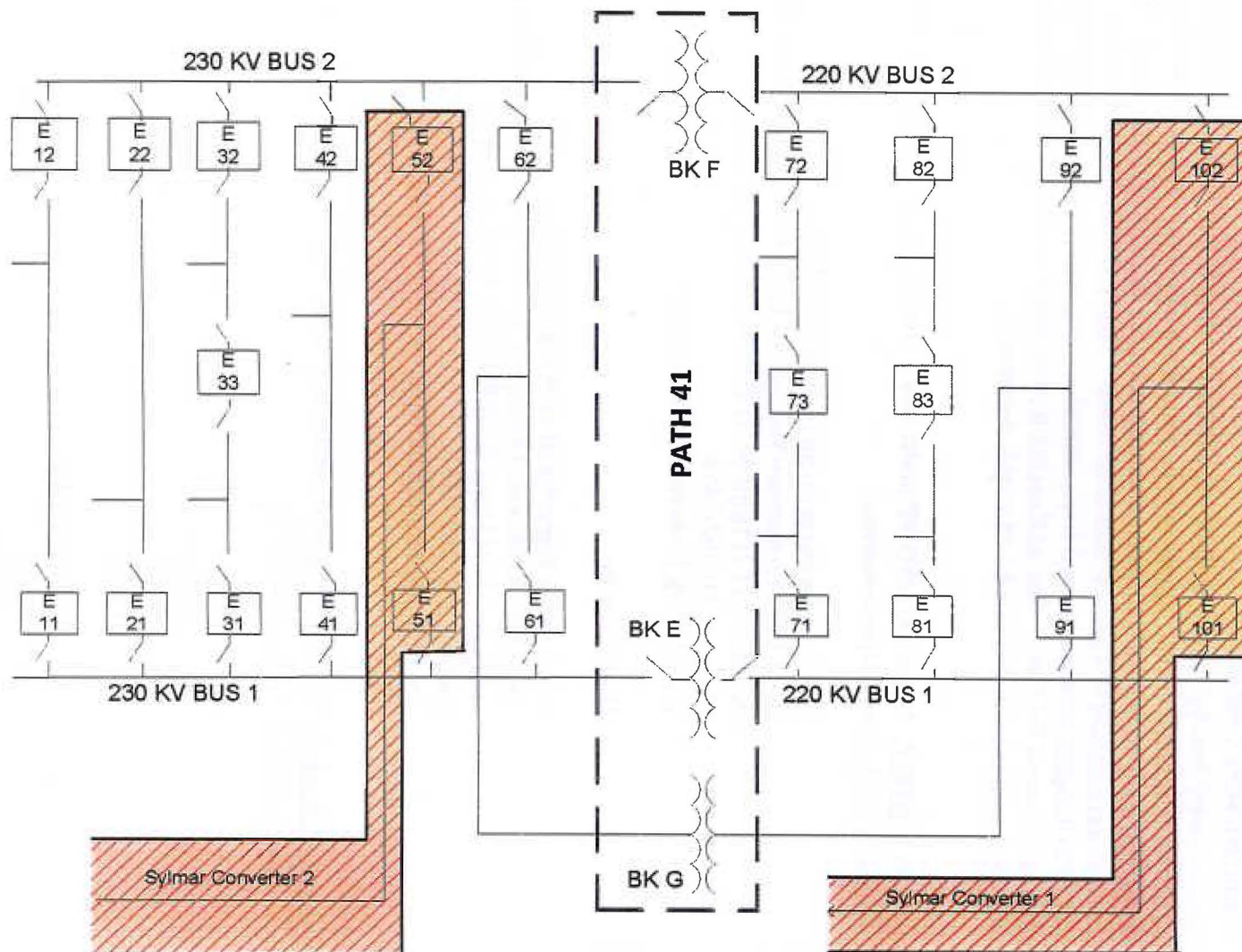
$$\text{Reserved Capacity Fee (month)} = \frac{(\$1,310) \times (115 \text{ MW})}{12}$$

$$\text{Reserved Capacity Fee (month)} = \$12,554.17$$

Appendix 8 Reserved Capacity Losses



Appendix 10 **DC Transmission Facilities at Sylmar Switching Station-Simplified Diagram**



Shaded Area — D-C Transmission Facilities
Dashed Enclosure—Path 41

September 16, 2015

APPENDIX 14.2

Notices and System Operations Personnel

1. Administrative Contacts

All notices under this Agreement shall be provided in writing to the Authorized Representatives listed below. For convenience, notices may be routed via electronic mail or facsimile, provided, however, that such notice is also routed contemporaneously in written form via U.S. Mail to the Authorized Representative's address indicated below. The Authorized Representatives are permitted to delegate such Authorized Representative's responsibilities under this Agreement to another employee of the Party. Any Authorized Representative making such delegation will provide notice pursuant to Section 15.18 of this Agreement.

Notices to LADWP. Notices to LADWP under this Agreement shall be provided in writing to the following Authorized Representatives:

Los Angeles Department of Water and Power
Attn: Mark Lieberman-Manager of Long Term Transmission Mgmt
Address: 111 N Hope St, JFB Room: 1246, Los Angeles
Phone: (213) 367-2454
Email: Mark.Lieberman@ladwp.com

With Copy to:

Los Angeles Department of Water and Power
Attn: John R. Dennis, Director of Power System Planning & Development
Address: 111 N Hope St, JFB Room: 921, Los Angeles
Phone: (213) 367-0881
Email: John.Dennis@ladwp.com

Notices to Glendale. Notices to Glendale under this Agreement shall be provided in writing to the following Authorized Representatives:

Name
Address
Phone
Email

With Copy to:

Name
Address
Phone
Email

2. Notices of an Operating Nature

Prior to the implementation date as set forth in Section 4.3, the Parties shall exchange the names, titles, address, voice phone number and Fax number for routine operational activities associated with operation activities delineated under this Agreement. Such operational activities shall include, but are not limited to outage coordination, generation dispatch and system dispatch. Any notice, request or demand of an operating nature between the BA and Glendale shall be made orally, via electronic communication, or in writing, by facsimile, by First Class mail or overnight delivery service.

*****NON-PUBLIC INFORMATION BELOW*****

*****NOT FOR INCLUSION IN PUBLIC DOCUMENT*****

[EACH PARTY TO CREATE ITS OWN PAGE FOR EXCHANGE WITH OTHER PARTY.]

	LADWP	GLENDAL
Dispatcher Shift Supervisor	818 771-6631	
Generation Dispatcher	818 771-6637	
Transmission Dispatcher	818 771-6635	
Scheduler	818 771-6633	
Grid Prescheduler	818 771-6730	
Outage Coordination	818 771-6652	
Grid Operations Manager	818 771-6549	
Real-Time Marketer	818 771-6630	
Forward Marketer	818 771-6771	
Marketing Manager	818 771-6555	

3. Changes in Notices

If either Party changes its contact(s), that Party shall notify the other Party by voice phone, facsimile transmission, or other means immediately. The Party making the change shall send written notice of the change to the other Party within 3 business days. LADWP shall revise this Appendix 14.2 upon such notice.

APPENDIX 15.15.1

**[PLACEHOLDER FOR EXECUTED GLENDALE
GOVERNMENTAL PERSON USE CERTIFICATE]**

APPENDIX 15.15.2
FORM OF
GOVERNMENTAL PERSON USE CERTIFICATE

In connection with the execution of the Los Angeles-Glendale Sylmar Services Agreement, DWP No. BP 15-028 (Agreement) between LADWP and Glendale, [NAME of GOVERNMENTAL ENTITY OR COUNTER PARTY] ("Certifying Entity") relating to scheduling service to schedule the Reserved Capacity between Sylmar and SP-15 or SP-15 to Sylmar as described therein (the "Facilities"), Eligible Customer certifies, represents and agrees as follows::

(a) Officer Signing. I am the duly [elected/appointed] [Title] of Certifying Entity, authorized to sign this Certificate.

(b) Tax-Exempt Bonds. Certifying Entity understands that this Certificate relates to Facilities that were financed with tax-exempt bonds, Build America Bonds and/or Qualified Energy Conservation Bonds, issued by or on behalf of LADWP.

(c) Governmental Status. The Certifying Entity is a municipal utility that is owned by a state or local governmental unit or a political subdivision or instrumentality thereof, or is itself a state or local governmental unit or a political subdivision or instrumentality thereof (a "Governmental Person").

(d) Qualifying Use. Except as provided in (e) and (f) below, for the term of any scheduling service, including any renewal periods, the Certifying Entity will use the scheduling service for the Facilities only in connection with its retail electric system in providing electricity to its retail electric customers.

(e) Short-term Uses. Any sale, assignment, transfer or lay-off in any manner of any service provided to the Certifying Entity under this Agreement shall comply with the Agreement's procedures for resale, assignment or transfer of service and this Certificate.

(f) Governmental Person Uses Permitted. In the event there is to be a sale, lay-off, or other transfer in any manner, of any scheduling service pursuant to the Agreement, by the Certifying Entity, to another Governmental Person for a period of longer than 3 years, such may only be permitted if such other Governmental Person will not, in LADWP's exclusive determination, jeopardize the tax-exempt status of any municipal bond(s) used to finance the Facilities and executes a form of this Certificate.

(g) Reimbursement of Reasonable Costs and Expenses for LADWP Review. Certifying Entity agrees to pay or reimburse LADWP for reasonable costs and

expenses (including fees and expenses of counsel) that may be incurred by LADWP for review of the individual Certifying Entity's Governmental Person Use Certificate.

(h) Additional information. Certifying Entity agrees to immediately inform, in writing, LADWP of any change regarding the foregoing certifications, representations and agreements and agrees that, if such change is reasonably likely, in the discretion of LADWP, to adversely affect the tax exempt status of the LADWP's bonds, LADWP may immediately terminate all scheduling services affected by such change under the Agreement.

SUBSCRIBED AND SWORN BEFORE A NOTARY PUBLIC

Dated:

by _____

[Name and title of senior management representative duly authorized to represent Certifying Entity]