

**AMENDED AND RESTATED
VICTORVILLE-LUGO INTERCONNECTION AGREEMENT**

BETWEEN

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

AND

SOUTHERN CALIFORNIA EDISON COMPANY

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AMENDED AND RESTATED

VICTORVILLE-LUGO INTERCONNECTION AGREEMENT

1. Parties:

The parties to this Victorville-Lugo Interconnection Agreement are the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES ("LADWP"), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, and SOUTHERN CALIFORNIA EDISON COMPANY ("SCE"), a California corporation, hereinafter referred to individually as "Party" and collectively as "Parties".

2. Recitals:

This Victorville-Lugo Interconnection Agreement is made with reference to the following facts, among others:

- 2.1. The Parties entered into the Victorville-Lugo Interconnection Agreement dated November 20, 1969, with the in service date of October 1, 1973 ("Original Agreement") establishing the terms and conditions relating to their participation in said interconnection.
- 2.2. Under the Original Agreement, Los Angeles and SCE share the Transmission System Capability in the proportion of one-third for Los Angeles and two-thirds for SCE. Said Original Agreement provides support, reinforcement, improved flexibility and reliability to both Parties electric systems where such systems are connected by the Victorville-Lugo Transmission Line, forming the northern portion of West of River; and for the interchange of power and energy between the Parties from their respective electric systems.
- 2.3. Such sharing of Transmission System Capability needs to be revised to reflect additional power transfer contributions made by facility modifications over time to the Transmission System and also the recognition of power contributions by the existing parallel lower-voltage lines in the Transmission System.
- 2.4. In 1998, pursuant to California state law, SCE was required to turn over operational control of its transmission grid to the California Independent System Operator Corporation ("CAISO"), including operational control of SCE's portion of the Victorville-Lugo Transmission Line, and the CAISO assumed the role of Balancing Authority for SCE's transmission facilities.

- 2.5. The Parties desire by this amendment and restatement of the Victorville-Lugo Interconnection Agreement to establish certain terms and conditions relating to interconnection of their respective transmission systems.

3. Agreement:

Now therefore, in consideration of the above recitals, the mutual covenants, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree this amended and restated agreement amends and restates the Victorville-Lugo Interconnection Agreement dated November 20, 1969, in its entirety ("Amended and Restated Agreement").

Sections 11.1, 11.2, 11.3 and Exhibit A shall not be effective unless the CAISO provides written consent to the Capacity Share Percentages, and associated capacity sharing, established in Exhibit A pursuant to Section 4.4.3 of the Transmission Control Agreement. SCE shall seek such written consent from CAISO.

4. Effective Date Filing and Term:

- 4.1. **Effective Date:** This Amended and Restated Agreement shall become effective on November 20, 2019 ("Effective Date"), subject to execution by all parties and acceptance of the Agreement by the Federal Energy Regulatory Commission ("FERC"), if applicable.
- 4.2. **Filing:** This Agreement shall be filed for acceptance by the FERC by the Party subject to FERC jurisdiction. The Parties shall: (a) support the acceptance of this Agreement by FERC as filed, including through any hearings ordered by FERC or appeals therefrom, provided that there are no material conditions or modifications to said Agreement; and (b) not seek rehearing or judicial review of any orders accepting this Agreement for filing provided that there are no material conditions or modifications to said Agreement.
- 4.3. **Term:** This Agreement shall remain in effect for forty (40) years after its Effective Date unless prior termination is mutually agreed upon by the Parties. In the event of any such termination, provided the Parties desire to remain interconnected at the Point of Interconnection, the Parties shall agree on replacement arrangements prior to the termination date.
- 4.4. **Renegotiation:** Notwithstanding the provisions of this Section 4, this Agreement shall be renegotiated if: (a) there is a significant regulatory change; (b) the CAISO or its successor ceases to act as Balancing Authority for SCE's transmission facilities; or (c) SCE is no longer subject to CAISO Operational Control.
- 4.5. **Execution:** This Agreement may be executed in any number of counterparts with the same effect as if the signatures thereto were upon one instrument.

5. Definitions:

The following terms, when used herein and in the Attachments as attached and future exhibit(s), if any, shall have the meanings specified:

- 5.1. **Applicable Reliability Standards:** Any applicable regulation, rule, order, law, standard, procedure or requirement issued by any local, state, regional or federal entity with jurisdiction over the operation and maintenance of a Party's electric system or the Balancing Authority Area in which each Party's transmission facilities reside, including but not limited to, the requirements and guidelines of NERC, WECC and the Balancing Authority Area in which each Party's transmission facilities reside.
- 5.2. **Arizona Security Monitoring Manual:** The Arizona Monitoring Manual provides operating instructions, Total Transfer Capability, scheduling allocations, System Operating Limits and Remedial Action Scheme arming requirements for various operating conditions for the transmission systems outlined in the manual, as defined in the Arizona Security Monitoring Manual, as may be amended from time to time.
- 5.3. **Available Scheduling Capacity ("ASC"):** The maximum amount of power that can be scheduled over the Northern West of River ("WOR") Path, as measured at the Balancing Authority boundary and as determined in accordance with Exhibit A Section 5.
- 5.4. **Available System Transfer Capacity ("ASTC"):** The portion of the rated transfer capability that is physically capable of transmitting power based on operating conditions, other than unscheduled flow, existing at a given time as determined in accordance with Exhibit A Section 5.
- 5.5. **Balancing Authority:** The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time. LADWP is the Balancing Authority for LADWP and CAISO is the Balancing Authority for SCE.
- 5.6. **Balancing Authority Area:** The collection of generation, transmission and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.
- 5.7. **CAISO:** The California Independent System Operator Corporation, a state chartered, California nonprofit public benefit corporation organized and existing under the laws of the State of California with operational control of SCE's transmission system.
- 5.8. **CAISO Controlled Grid:** The system of transmission lines and associated facilities of SCE and other parties that have been placed under the CAISO's Operational Control.

- 5.9. CAISO Operational Control:** The rights of the CAISO to direct SCE and other parties, within CAISO's Balancing Authority Area, on how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities comprising the CAISO Controlled Grid for the purpose of affording comparable non-discriminatory transmission access and meeting Applicable Reliability Standards within the CAISO's Balancing Authority Area.
- 5.10. CAISO Tariff:** CAISO's tariff, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.
- 5.11. Capacity Share Percentages:** The Capacity Share Percentage of the Transmission System which a Party is entitled to use as shown under section 3 in Exhibit A.
- 5.12. CPUC:** The California Public Utilities Commission or its regulatory successor.
- 5.13. Facilities:**
- 5.13.1. LADWP Facilities:** The facilities described in Section 8 hereof.
 - 5.13.2. SCE Facilities:** The facilities described in Section 9 hereof.
- 5.14. FERC:** The Federal Regulatory Energy Commission or its regulatory successor.
- 5.15. FPA:** The Federal Power Act as it may be amended.
- 5.16. Good Utility Practice:** Any practices, methods, and acts that comply with Applicable Reliability Standards and are 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 Applicable Reliability Standards, good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts that comply with Applicable Reliability Standards and are generally accepted in the region.
- 5.17. Lugo Substation:** The 500 kV/220 kV substation located in Hesperia, California which is solely owned by SCE
- 5.18. NERC:** The North American Electric Reliability Corporation, or its successor organization.
- 5.19. Participating Transmission Owner:** A party to the Transmission Control Agreement who has placed its transmission assets and Entitlements under the CAISO's Operational Control in accordance with the agreement.
- 5.20. Point of Interconnection:** The point at which LADWP 500-kV Transmission Line from Victorville Switching Station interconnects to SCE's 500-kV Transmission Line

from Lugo Substation on SCE's transmission structure M7-T3 to form the Victorville-Lugo Interconnection as shown on Exhibit B.

- 5.21. Point of Change of Ownership:** The Point of Change of Ownership is the same as the Point of Interconnection.
- 5.22. Point of Delivery:** The Point of Delivery is the LADWP's Victorville 500 kV Bus.
- 5.23. Point of Receipt:** The Point of Receipt is the SCE's Lugo Substation.
- 5.24. System Operator:** An individual at a Control Center of a Balancing Authority, Transmission Operator, or Reliability Coordinator, who operates or directs the operation of the Bulk Electric System (BES) in Real-time, as defined in the NERC Reliability Standards, which may be modified from time to time.
- 5.25. Third Party:** Any entity which operates an electric system other than a Party to this Agreement.
- 5.26. Transmission Control Agreement ("TCA"):** The agreement between the CAISO and Participating Transmission Owners establishing the terms and conditions under which Transmission Owners will become Participating Transmission Owners and how the CAISO and each Participating Transmission Owner will discharge their respective duties and responsibilities, as may be modified from time to time.
- 5.27. Transmission Owner:** An entity owning transmission facilities or having firm contractual rights to use transmission facilities
- 5.28. Transmission System:** All of the Transmission lines specified under Section 1 in Exhibit A.
- 5.29. Transmission System Capacity:** The amount of power that can be transferred over the Transmission System as a whole under normal operating conditions whereby all lines are in service without curtailments.
- 5.30. Victorville-Lugo Transmission Line Capability:** The amount of power that can be transferred over the Transmission System as a whole under curtailment or outage operating conditions.
- 5.31. Victorville Switching Station:** The 500kV/287kV switching station located in Victorville, California which is solely owned by LADWP.
- 5.32. Victorville-Lugo Transmission Line:** The 500 kV transmission line which connects Victorville Switching Station to the Lugo Substation.
- 5.33. WECC:** The Western Electricity Coordinating Council (WECC) or its successor is the applicable reliability council.

6. Ownership of the Victorville-Lugo Transmission Lines:

- 6.1. LADWP shall own that portion of the Victorville-Lugo Transmission Line from the Point of Change of Ownership to Victorville Substation including, but not limited to, associated protective equipment, rights-of-way, Victorville Switching Station, and all necessary communications equipment from Victorville Switching Station up to the Point of Change of Ownership.
- 6.2. SCE shall own that portion of the Victorville-Lugo Transmission Line from the Point of Change of Ownership to Lugo Substation including, but not limited to, associated protective equipment, rights-of-way, Lugo Substation, and all necessary communications equipment, from Lugo Substation to the Point of Change of Ownership.

7. Victorville-Lugo Transmission Line:

- 7.1. On October 1973, the Victorville-Lugo Transmission Line was established by the Parties at a nominal voltage of 500 kV.
- 7.2. Each Party may make additions or changes to its facilities described in Section 8 or 9, hereof, respectively, as long as such additions or changes do not significantly decrease the effective capability or the reliability of the Victorville-Lugo Interconnection.

8. LADWP Facilities:

LADWP, at its sole cost and expense, shall provide, own, operate and maintain as part of the Victorville-Lugo Interconnection:

- 8.1. A three-phase transmission line operating at a nominal voltage of 500 kV and having a maximum capacity of 2,400 megawatts from its electric system at Victorville Switching Station to the Point of Interconnection and a maximum capacity of 900 megawatts from the Point of Interconnection to its electric system at Victorville Switching Station.
- 8.2. Suitable 500-kV switching facilities at Victorville Switching Station for termination of the Victorville-Lugo Transmission Line, as mutually agreed.
- 8.3. Such protective relays, tie line load control equipment, meters and other miscellaneous control and protective devices at Victorville Switching Station and its dispatch center in coordination with SCE facilities.

9. SCE Facilities:

SCE, at its sole cost and expense, shall provide own, operate and maintain as part of the Victorville Lugo Interconnection:

- 9.1. A three-phase transmission line operating at a nominal voltage of 500 kV and having a maximum capacity of 900 MW from its electric system at Lugo Substation to the Point of Interconnection and a maximum capacity of 2,400 MW from the Point of Interconnection to its electric system at Lugo Substation.
- 9.2. Suitable 500-kV switching facilities at Lugo Substation for termination of the Victorville-Lugo Transmission Line.
- 9.3. Such protective relays, tie line load control equipment, meters and other miscellaneous control and protective devices at Lugo Substation and its dispatch center in coordination with LADWP facilities.

10. Operation and Maintenance of Transmission System:

- 10.1. LADWP and SCE shall each comply with all Applicable Reliability Standards on their respective transmission facilities. Neither LADWP nor SCE will assume any responsibility for the other Party's compliance with Applicable Reliability Standards. The Parties shall be responsible for complying with all Applicable Reliability Standards on their facilities up to the Point of Change of Ownership. When necessary Parties shall coordinate such operation to ensure the reliability of such interconnection.
- 10.2. Each Party, at its own expense, shall operate and maintain its respective ownership portion of the Victorville-Lugo Transmission Line in a manner consistent with Applicable Reliability Standards.
- 10.3. Planned outages of the Victorville-Lugo Transmission Line for maintenance, repairs, and replacements, installation of equipment, investigation or inspection shall be coordinated in accordance with procedures and practices determined by the LADWP, SCE and the Balancing Authorities.
- 10.4. SCE may proactively de-energize portions of the Transmission System under SCE's control to promote public safety by decreasing the risk of utility-infrastructure as a source of wildfire ignitions. SCE shall bear full responsibility for determining and executing when such de-energization shall occur consistent with Good Utility Practice and California Public Utility Commission ("CPUC") D.19-05-042, and other related CPUC decisions.
- 10.5. Each Party, at its own expense, shall exercise due diligence in restoring service of its portion of the Victorville-Lugo Transmission Line after an unscheduled outage.
- 10.6. The Parties agree to share all technical, modeling, and engineering data for the Victorville-Lugo Transmission Line in order to facilitate operation and maintenance of the Victorville-Lugo Transmission Line, provided that the Parties execute a non-disclosure agreement, as needed.

10.7. LADWP and SCE may each propose, from time to time, changes to such procedures, rules, or regulations as they shall determine are necessary in order to establish the methods of operation to be followed in the performance of this Agreement or requirements of the Balancing Authority; provided, that any such procedure, rule, or regulation shall not be inconsistent with the provisions of this Agreement or Good Utility Practice. If a Party objects to a procedure, rule, or regulation proposed by the other Party, it will notify the other Party and the Parties will endeavor to modify the procedure, rule, or regulation in order to resolve the objection.

11. Transmission System:

LADWP and SCE shall cooperate in conducting joint system operating studies from time-to-time to determine and agree to: (a) Victorville-Lugo Transmission Line System Capacity during various predetermined operating conditions, (b) the need for and rating of series compensation on the Victorville-Lugo Transmission Line and (c) the incremental megawatt value of system modifications which may affect the Victorville-Lugo Transmission Line Capacity. Should such studies indicate a need for series compensation and the Parties agree, each Party, individually, shall be responsible for the installation of such series compensation on the transmission lines within its Balancing Authority Area.

- 11.1. LADWP and SCE each shall have a capacity entitlement and a right to schedule energy over the Transmission System for delivery to or from its respective system, up to the product of its Capacity Share Percentage, expressed in per unit, and the Available Scheduling Capacity.
- 11.2. During an outage or curtailment of any transmission line of the Transmission System, the Available Scheduling Capacity, as determined pursuant to Exhibit A of this agreement, shall be shared by the Parties in proportion to their Capacity Share Percentages.
- 11.3. During a curtailment of any transmission line of the Transmission System identified pursuant to Exhibit A of this agreement, the designated System Operator of each Party shall determine the new transfer capacity of the Transmission System, and the Parties shall agree to the new limit. The Available Scheduling Capacity shall then be shared by the Parties in proportion to their Capacity Share Percentages during the period of curtailment not to exceed 30 days per incident, unless otherwise agreed upon, in accordance with Section 4.4 of Exhibit A. If the Parties cannot agree on the new transfer ability of the Transmission System, the lowest transfer capacity shall be used until an agreement can be reached.
- 11.4. Following an outage or curtailment of any transmission line of the Transmission System, the Party required to maintain such line, shall restore such line to its pre-

outage or pre-curtailment condition with due diligence and promptly notify the other Party thereof.

- 11.5. The Parties shall not interconnect the Transmission System with their electric systems or permit any Third Party to interconnect the Transmission System with its own system in a manner which would jeopardize or impair the operation of the Transmission System, provided that if such interconnection is allowed all such negative impact shall be mitigated to the other Party's consent, whereas such consent shall not be unreasonably withheld.

12. Balancing Authority:

- 12.1. The LADWP owned portion of the Victorville-Lugo Transmission Line shall be in the LADWP Balancing Authority Area.
- 12.2. The SCE owned portion of the Victorville-Lugo Transmission Line shall be in the CAISO's Balancing Authority Area or its successor balancing authority.

13. Metering and Line Losses:

- 13.1. Parties shall test the meters at Victorville Switching Station and Lugo Switching Station measuring total receipts or deliveries over the Victorville-Lugo Facilities and additions and betterments thereto, at least once each year, and if they are found to be inaccurate, shall adjust or replace them. Parties shall give each other reasonable notice of the time when the meter tests will be made, and each Party shall have the right to have a representative witness the tests.
- 13.2. If any tests show any meter to be inaccurate by more than +/- 0.3%, or if any meter fails to register, an adjustment shall be made correcting all measurements made by such meter. The adjustment shall be equal to the amount of error as found (i) for the actual period of such erroneous meter registration or (ii) if such period cannot be established, for half the period from the date of the last preceding test.
- 13.3. Transmission line losses are the responsibility of each respective Party and shall be addressed according to each Party's respective policies and procedures.

14. Scheduling of Power Deliveries:

Scheduling of energy across the Victorville-Lugo Transmission Line shall be performed in accordance with Applicable Reliability Standards.

15. Adverse Determination or Expansion of Obligations:

- 15.1. Adverse Determination: If, after the Effective Date of this Agreement, FERC or any other regulatory body, agency or court of competent jurisdiction determines that all or any part of this Agreement, its operation or effect, is unjust, unreasonable, unlawful, imprudent or otherwise not in the public interest, each Party shall be relieved of any

obligations hereunder to the extent necessary to comply with or eliminate such adverse determination. The Parties shall promptly enter into good faith negotiations in accordance with Section 4.4 (Renegotiation) in an attempt to achieve a mutually agreeable modification to this Agreement to address any such adverse determination.

- 15.2.** Expansion of Obligations: If, after the Effective Date of this Agreement, FERC or any other regulatory body, agency or court of competent jurisdiction orders or determines that this Agreement should be interpreted, modified, or significantly extended in such a manner that LADWP or SCE may be required to extend its obligations under this Agreement to a Third Party, or to incur significant new or different obligations to the other Party or to Third Parties not contemplated by this Agreement, then the Parties shall be relieved of their obligations to the extent lawful and necessary to eliminate the effect of that order or determination, and the Parties shall attempt to renegotiate in good faith in accordance with Section 4.4 (Renegotiation) to modify the terms and conditions of the Agreement to restore the balance of benefits and burdens contemplated by the Parties prior to such order or determination.

16. Successors and Assigns:

- 16.1.** Any successor to or assignee of rights or interests of any Party hereunder, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this Agreement to the same extent as though such successor or assignee were an original Party hereunder; provided, that the execution of a mortgage or trust deed shall not be deemed a voluntary transfer within the meaning of this Section.
- 16.2.** No assignment or transfer of interest hereunder shall relieve the assigning or transferring Party from full liability and financial responsibility for performance after any such assignment or transfer (i) of all obligations and duties incurred by such Party prior to such assignment or transfer under the terms and conditions of this Agreement, and (ii) of all obligations and duties imposed and provided upon such Party after such assignment or transfer under the terms and conditions of this Agreement, unless and until the assignee or transferee shall agree in writing with the remaining Party to assume such obligations and duties.
- 16.3.** Any transferee, successor or assignee who may succeed to any rights or interests pursuant to this Section shall specifically agree in writing with the remaining Party at the time of such transfer or assignment that it will not transfer or assign all or any portion of its rights or interests so acquired without complying with the terms, covenants and conditions of this Section.

16.4. Each Party shall have the right to transfer or assign, at any time, its rights, titles and interests in facilities provided under this Agreement with the prior consent of the other Party, such consent shall not be unreasonably withheld.

17. Dispute Resolution:

The Parties shall make good faith efforts to resolve all disputes arising under this Agreement expeditiously and by good faith negotiation.

18. Liability:

18.1. **Between the Parties:** Except for its Willful Action or gross negligence, no Party, nor its directors or members of its governing board, officers, employees or agents shall be liable to another Party for any loss, damage, claim, cost, charge or expense arising from or related to this Agreement. In the event of breach of this Agreement, neither Party, nor its directors or members of its governing board, officers, employees or agents shall be liable to the other Party for any consequential, special or indirect damages.

18.2. **Protection of a Party's Own Facilities:** Each Party shall be responsible for protecting its facilities from possible damage by reason of electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the other Party's facilities, and such other Party shall not be liable for any such damage so caused; provided, this limitation on liability shall not extend to failure to observe the requirements of Section 10 of this Agreement.

18.3. **Liability for Interruptions:** Neither Party shall be liable to the other Party, and each Party hereby releases the other Party and its directors, members of its governing board, officers, employees and agents from and indemnifies them, to the fullest extent permitted by law, for any claim, demand, liability, loss or damage, whether direct, indirect or consequential, incurred by either Party, which results from the interruption or curtailment in accordance with: (a) this Agreement; (b) Good Utility Practice; (c) de-energization consistent with CPUC D.19-05-042 and other related CPUC Decisions or (d) power flows redirected by a Party's Balancing Authority through the Point of Interconnection.

18.4. **To Third Parties:** Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to, any Third Party.

18.5. Except for any loss, damage, claim, cost, charge or expense resulting from Willful Action, no Party (First Party), its directors, commissioners, officers or employees shall be liable to the other Party (Second Party) for any loss, damage, claim, cost, charge or expense of any kind or nature incurred by the Second Party (including direct, indirect or consequential loss, damage, claim, cost, charge or expense; and (whether or not resulting from the negligence of any Party, its directors,

commissioners, officers, employees or any other person or entity whose negligence would be imputed to such Party) from (i) engineering, repair, supervision, inspection, testing, protection, operation, maintenance, replacement, reconstruction, use or ownership of the First Party's electric system, or (ii) the performance or non-performance of the obligations of any Party under this Agreement. Except for any loss, damage, claim, cost, charge or expense resulting from Willful Action, the Second Party releases the First Party, its directors, commissioners, officers and employees from any such liability.

- 18.6. Except for liability resulting from Willful Action, the Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this Agreement on behalf of the Party
- 18.7. Each Party shall be responsible for the consequences of its Willful Action, and shall indemnify and save harmless the other Party, its directors, commissioners, officers and employees from the consequences thereof.

19. Willful Action:

- 19.1. Action taken or not taken by a party at the direction of its directors, commissioners, officers or employees having management or administrative responsibility affecting its performance under this Agreement, which action is knowingly or intentionally taken or failed to be taken with conscious indifference to the consequences thereof or with intent that injury or damage would result or would probably result therefrom. Willful Action does not include any act or failure to act which is merely involuntary, accidental or negligent.
- 19.2. Action taken or not taken by a Party at the direction of its directors, commissioners, officers or employees having management or administrative responsibility affecting its performance under this Agreement, which action has been determined by final arbitration award or final judgment or judicial decree to be a material default under this Agreement and which occurs or continues beyond the time specified in such arbitration award or judgment or judicial decree for curing such default or, if no time to cure is specified therein, occurs or continues thereafter beyond a reasonable time to cure such default.
- 19.3. Action taken or not taken by a Party at the direction of its directors, commissioners, officers or employees having management or administrative responsibility affecting its performance under this Agreement, which action is knowingly or intentionally

taken or failed to be taken with the knowledge that such action taken or failed to be taken is a material default under this Agreement.

- 19.4. The phrase "employees having management or administrative responsibility", as used in this Section, means the employees of a Party who are responsible for one or more of the executive functions of planning, organizing, coordinating, directing, controlling and supervising such Party's performance under this Agreement with responsibility for results. For the purposes of this Agreement, this includes the System Operator.

20. No Dedication of Facilities:

Any undertaking by either Party under any provision of this Agreement is rendered strictly as an accommodation and shall not constitute the dedication by the first Party of any part or all of its electric system to the other Party, the public or any Third Party. Any such undertaking by any Party under a provision of, or resulting from, this Agreement shall cease upon the termination of that Party's obligations under this Agreement.

21. No Obligation to Offer Same Service to others:

By entering into this Agreement and filing it with FERC, neither Party commits itself to furnish any like or similar undertaking to any other person or entity.

22. No Precedent:

This Agreement establishes no precedent with regard to any other entity or agreement. Nothing contained in this Agreement shall establish any rights to or precedent for other arrangements as may exist, now or in the future, between LADWP and SCE for the provision of any interconnection arrangements or any form of electric service.

23. Notices:

- 23.1. All notices under this Agreement shall be in writing and shall be delivered in person or sent by mail to the applicable of the following addresses:

City of Los Angeles

Department of Water and Power

Sam Mannan

Manager of Long Term Transmission Management

111 North Hope Street

Los Angeles, California 90012

Sam.mannan@ladwp.com

Southern California Edison Company

c/o Secretary

Post Office Box 800

Rosemead, California 91770

GridContractManagment@sce.com

- 23.2. Either Party may, by notice sent to the other Party, designate different persons or different addresses for the giving of notices hereunder.
- 23.3. Changes of Notice Recipient: Either Party may change its designation of the person who is to receive notices on its behalf by giving the other Party notice thereof in the manner provided in this Section 25. No more than two persons shall be designated by a Party to receive notices.
- 23.4. Routine Notices: Any notice of a routine character in connection with service under this Agreement or in connection with the physical operation of facilities shall be given in such a manner as the Parties may determine is appropriate from time to time, unless otherwise provided in this Agreement.

24. Severability:

If any term, covenant or condition of this Agreement or the application of any such term, covenant or condition to any person or circumstance shall be held invalid by any regulatory body, agency or court of competent jurisdiction in the premises, the remainder of the Agreement, and the application of such terms, covenants or condition to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

25. Right of the Parties upon Termination:

Should FERC deny, condition, suspend or defer LADWP or SCE's notice of termination, the other Party shall under no circumstances be required to maintain any interconnections or to provide any services, based in whole or in part on the existence of this Agreement, beyond the minimum time necessary for compliance with FERC's denial, condition, suspension or deferral.

26. Force Majeure:

Neither Party hereunder shall be held responsible or liable to the other Party, nor shall either party be considered to be in default in respect to any obligation hereunder (other than obligations of either Party to pay or expend money for or in connection with the performance of this Agreement), on account of its failure to perform any such obligation at any time caused by act of God, fire, flood, explosion, strike, civil or military authority, governmental action, insurrection or riot, enemy attack, malicious mischief, act of the elements, mechanics, contractors or laborers under contracts for the furnishing of equipment, materials or supplies or for the rendition of services, or any other cause beyond its control which by exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it shall be unable to overcome; provided, however that both Parties shall use their best efforts to resume with utmost dispatch the performance of any obligation hereunder.

Nothing contained herein shall be construed to require a Party to settle any strike or labor dispute in which it may be involved.

27. Waivers and Remedies:

27.1. The failure of either Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of the provisions of this Agreement or of its rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

27.2. No default of either Party in the performance of any of its covenants or obligations hereunder, which except for this provision would be the legal basis for rescission or termination of this Agreement by the other Party, shall give or result in such right. Instead, the remedy of the aggrieved Party shall be suit for damages, for injunction, and/or for performance of this Agreement in accordance with its terms.

28. Authorizations and Approvals:

28.1. A Party that is subject to FERC jurisdiction shall file this Agreement as such Party deems is necessary

28.2. Each Party shall be responsible for obtaining, at its own expense, its required authorizations or approvals relating to the ownership, use, operation, and maintenance of the Victorville-Lugo Transmission Line or to its performance of the terms and provisions of this Agreement.

29. Relationship of Parties:

Nothing herein contained shall ever be construed to create an association, joint venture, trust or partnership, or impose a trust or partnership duty, obligation or liability on or with regard to any one or both of the parties hereto. Both LADWP and SCE shall be individually responsible for their own obligations as herein provided. Neither Party shall be under the control of or shall be deemed to control the other Party. No Party shall have a right or power to bind any other Party without its express prior written consent, except as expressly provided in this Agreement.

30. No Third Party Rights or Obligation:

No right or obligation contained in this Agreement shall be applied or used for the benefit of any person or entity except as expressly set forth herein.

31. Warranty of Authority:

LADWP and SCE each warrants and represents that this Agreement has been duly authorized, executed and delivered and constitutes the legal, valid and binding obligation

of such Party, enforceable against such Party in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, or similar laws effecting the enforcement of creditor's rights and subject to equitable principles.

32. Assignment of Agreement:

No Party shall voluntarily assign its rights under this Agreement or any part thereof without the written consent of the other Party, except (i) in connection with the sale or merger of all or a substantial portion of its properties, or (ii) under a mortgage, trust deed or other security interest arrangement of a Party.

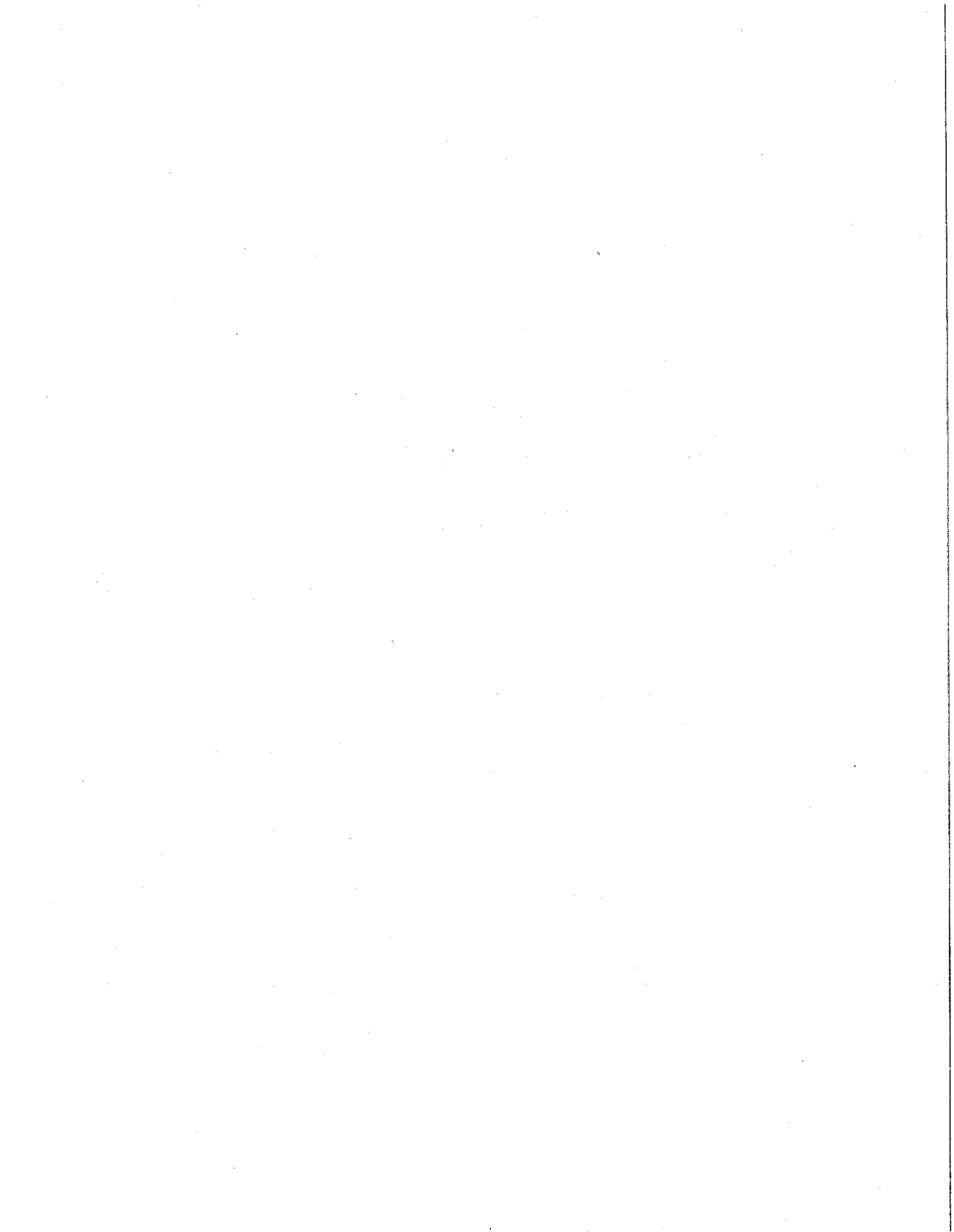
33. Conflicting Provisions:

This Agreement shall control over any conflicting provision of any other agreement existing between the Parties on the Effective Date of this Amended and Restated Victorville-Lugo Interconnection Agreement.

34. Governing Law:

This Agreement is made under and shall be governed by the laws of the State of California.

[Signature page will follow]



35. Signature Clause:

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. This Agreement is hereby executed as of the _____ day of _____, 2019.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES

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

By: _____
Martin L. Adams, General Manager and Chief Engineer

Date Signed: _____

And: _____
Susan A. Rodriguez, Secretary

Date Signed: _____

Southern California Edison Company

By: _____
John New

Date Signed: _____
September 20, 2019

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

BY: _____
AUG 16 2019
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY

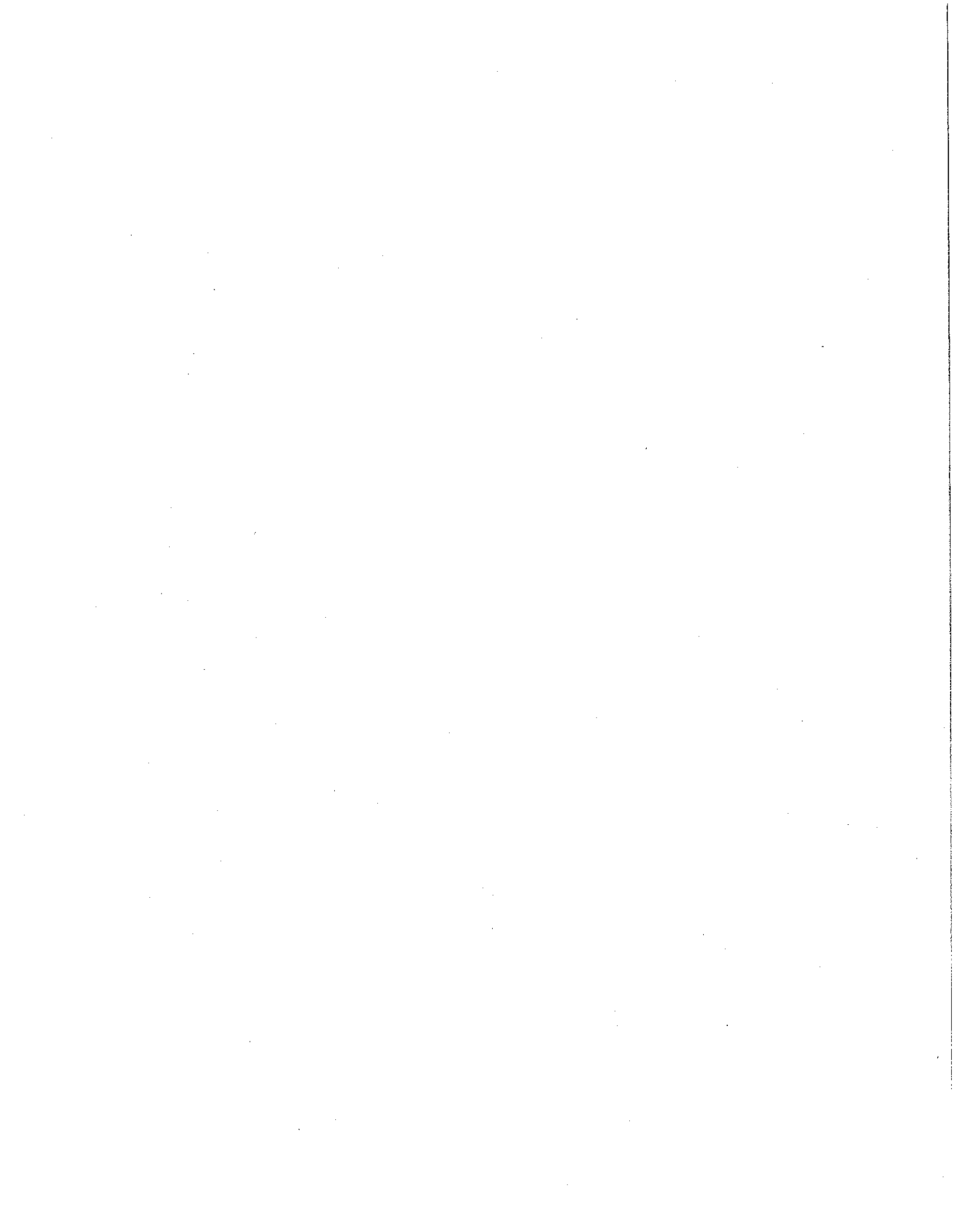


EXHIBIT A

Transmission Lines & Transmission System

1. Northern West-of-the-River (WOR) Path 46:

The Northern WOR Path includes the following lines:

LADWP-Owned Transmission Lines:

- McCullough-Victorville 500 kV No. 1
- McCullough-Victorville 500 kV No. 2
- Mead-Victorville 287 kV

SCE Owned Transmission Lines:

- Eldorado-Mohave 500 kV
- Eldorado-Lugo 500 kV
- Lugo-Mohave 500 kV
- Eldorado-Cima-Pisgah-Lugo No. 1 220kV
- Eldorado-Cima-Pisgah-Lugo No. 2 220kV
- Julian Hinds-Mirage 220 kV

Omitted Jointly-Owned Transmission Line:

- Marketplace-Adelanto 500 kV

2. Northern WOR Path 46 Rating:

As determined by system studies performed in accordance with the WECC "Project Coordination, Path Rating and Progress Report Processes" and published in the WECC "Path Rating Catalog", the Northern WOR Path 46 Rating Allocation as of the execution date of this Amended and Restated Victorville-Lugo Interconnection Agreement is 6,914 MW. With the exclusion of the Marketplace-Adelanto 500kV Transmission Line the Transmission System Capacity is 5,623 MW. To the extent any future path rating studies involving the Northern WOR Path occurs and results in a path rating change, the Northern WOR Path Rating Allocation shown in this Exhibit A would need to be revised accordingly up or down, in accordance with the prevailing WECC Path rating Catalog.

3. Allocations & Capacity Share Percentages:

WECC path rating allocations have been and continue to be based each Parties' ownership shares of transmission or generation projects or retirements that have resulted in path rating increases or decreases, respectively. The allocations previously determined and published in the WECC "Path Rating Catalog" for the Northern WOR Path 46 as of the execution date of this Amended and Restated Victorville-Lugo Interconnection Agreement are shown below (absent Marketplace-Adelanto 500 kV line) along with the Capacity Share Percentages.

| LINES | LINE VOLTAGE (kV) | ALLOCATION (MW) |
|-------|----------------------|--------------------|
|-------|----------------------|--------------------|

3.1. LADWP :

| | | |
|------------------------------|-----|------|
| McCullough-Victorville No. 1 | 500 | 1121 |
| McCullough-Victorville No. 2 | 500 | 1121 |
| Mead-Victorville | 287 | 350 |
| Total | | 2592 |

$$\text{Percent Capacity Share} = \frac{2592}{5623} = 46.1\%$$

3.2. SCE :

| | | |
|---------------------------------|-----|------|
| Eldorado-Lugo | 500 | 1241 |
| Mohave-Lugo | 500 | 1240 |
| Eldorado-Cima-Pisgah-Lugo No. 1 | 220 | 200 |
| Eldorado-Cima-Pisgah-Lugo No. 2 | 220 | 200 |
| Julian Hinds-Mirage | 220 | 150 |
| Total | | 3031 |

$$\text{Percent Capacity Share} = \frac{3031}{5623} = 53.9\%$$

4. Duties and Right of Parties

4.1. Removal from and Restoration to Service

Each Party acting through its System Operator may remove from service, and following an outage shall restore to service, all or part of its respective Northern WOR facilities as set forth below.

4.2. Scheduled Outages

Each Party may remove from service all or part of that Party's Northern WOR facilities if required for inspection, maintenance, equipment installation, repair or replacement, or other construction, provided that reasonable advance notice has been given of any scheduled outage and the estimated duration thereof to permit other affected Party to consult on the timing and duration of such outage. If the Party desires to take such outage of all or part of its Northern WOR facilities at a time to which the other Party does not agree, then the Party proposing the outage may take such outage, following any necessary clearance approval, provided that any reduction in ASC that results from such outage shall be allocated in accordance with Section 5.2.

4.3. Unscheduled Maintenance/Forced Outages

If an unanticipated urgent situation, which need not be an Operating Emergency, makes advance notice of a maintenance outage to a Northern WOR facility impractical or unreasonable, then the applicable Party may remove the affected facilities from service to perform the required maintenance, provided that this is done in accordance with Prudent Utility Practice and, to the extent possible, after coordinating any necessary clearance approval with each affected System Operator.

4.4. Restoration Following Outages

Following a partial or full outage of a Northern WOR facility, the Party responsible for maintaining such facility shall restore such facility to its normal operating condition with all due expedition and in accordance with Prudent Utility Practice and Applicable Requirements. Each Party shall establish and maintain, out of its own funds, reasonable stocks of spare parts and amounts of emergency funds to facilitate such restoration. Lack of such spare parts or emergency funds to complete the expeditious restoration of such facility shall not excuse delay or failure to restore. Nothing in this Agreement obligates any Party to provide assistance to another Party in implementing such restoration. If any Party fails to restore or return any Northern WOR facility to service in accordance with this Section 4.4, then after thirty days, any reduction in ASC that results from such failure shall be allocated in accordance with Section 5.2 below, unless otherwise agreed upon

5. Allocation of ASC and ASTC

The Parties will determine the ASC and ASTC in accordance with Good Utility Practice, Applicable Reliability Criteria and the operating studies described in this Exhibit A.

5.1. Reduction Below the Rated Transmission System Capacity

Reduction below the rated Transmission System Capacity may occur as a result of an adverse operating condition including, but not limited to operating emergencies, nomogram constraints, scheduled maintenance, RAS unavailability, facilities out of service, or adverse conditions in the Pacific Southwest or in California, including, but not limited to, multiple thermal generating plant outages, equipment out of service, or equipment overloads. The Parties, from time to time, in coordination with each other, shall determine ASTC based upon such studies including the Arizona Security Monitoring Manual where applicable, as have been approved by the Parties, taking into account actual or anticipated operating conditions.

5.2. Exceptions to Pro Rata Allocation of ASC

If a Party takes a scheduled outage of all or part of its portion of the Northern WOR Path at a time not agreed to by the other affected Party pursuant to Section 4.2 of Exhibit A, or if a Party fails to restore promptly a facility to service following an outage pursuant Section 4.3 of Exhibit A or after 30- calendar days have passed from the date of the outage, then to the extent any reduction in ASC results from such outage, that reduction in ASC shall be allocated entirely to the Capacity Share Percentage associated with the line that the Party failed to return to service, to be allocated among the owners of that line, if any, in accordance with the ownership, or other agreements for that line, for the remaining duration of the outage. The specified amount of reduction in ASC required under this Section 5.2 shall be allocated to the Party alone. Any additional reduction in ASC required to equal the total reduction in ASC shall be allocated pro rata in accordance with Section 3.

6. Curtailment of Scheduled System Transfers

Each Party shall be responsible to its System Operator for reducing its schedules, providing for sufficient intra-hour generation response or taking such other measures as its System Operator deems acceptable to enable the System Operator to implement power flow reduction measures including curtailments. Such notice to the System Operator shall be timely to allow for the calculation of ASC and time to curtail schedules or, to the extent such curtailment cannot be made timely, implement such power flow reduction measures as are available and necessary to cause counter-flows equal to the required reduction in the operating transfer capability, promptly enough to enable the System Operator to comply with NERC Reliability standard requirements and other applicable OTC management.

7. Operating Procedures for Capacity Share Percentage

The Parties agree to work with the applicable System Operators to develop a procedure to implement the Capacity Sharing Percentage in accordance with this Agreement.

EXHIBIT B

Victorville-Lugo Diagram

Southern California Edison Company

