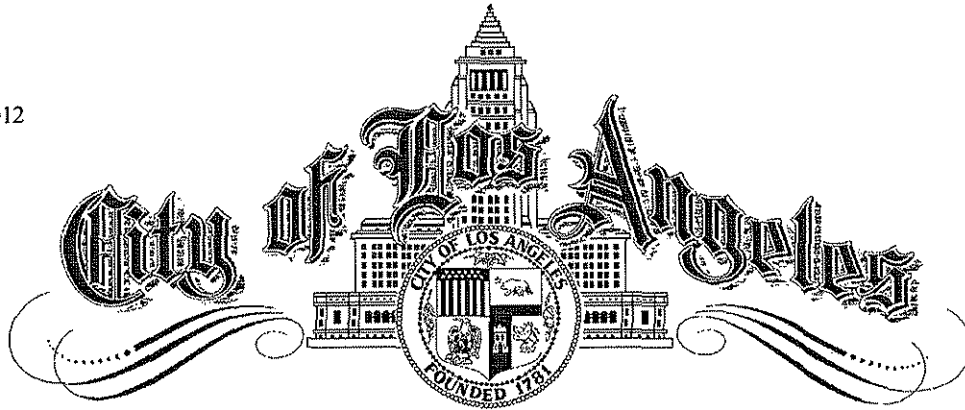


City Hall East
200 N. Main Street
Room 800
Los Angeles, CA 90012

(213) 978-8100 Tel
(213) 978-8312 Fax
CTrutanich@lacity.org
www.lacity.org/atty



CARMEN A. TRUTANICH
City Attorney

REPORT NO. R 1 3 - 0 1 7 2
JUN 18 2013

REPORT RE:

**DRAFT ORDINANCE AUTHORIZING THE APPROVAL OF TRANSMISSION
SERVICE AGREEMENT NO. BP 12-032 FOR 91 MEGAWATTS OF LONG-TERM
FIRM POINT-TO-POINT TRANSMISSION SERVICE BETWEEN
LOS ANGELES DEPARTMENT OF WATER AND POWER
AND THE CITY OF ANAHEIM**

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

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance authorizes the approval of the Transmission Service Agreement (TSA) No. BP 12-032 between the Department of Water and Power (LADWP) and the City of Anaheim (Anaheim). This agreement replaces a previously approved TSA between LADWP and Anaheim that expired on March 1, 2013. This agreement provides Anaheim with 91 Megawatts (MW) of transmission service within LADWP's control area from Receiving Station E (RS-E) to the approximate mid-point of the Victorville-Lugo 500-kilovolt (kV) transmission line, to deliver its share of power from the local Magnolia Power Plant. This agreement is permissible pursuant to LADWP's Open Access Transmission Tariff (OATT) No. BP 01-017, Section 2.2. The revenue generated from this TSA will benefit the Power Revenue Fund and is estimated to be about \$3,393,000.00 per year, for a total of \$16,965,000.00 over the five (5)-year term, ending approximately on June 1, 2018.

Charter Findings

Pursuant to Charter Sections 373 and 674, and Ordinance No. 174479, this ordinance is transmitted for your approval. This TSA is for a term longer than two (2) years and requires a finding by City Council that it is in the best interest of the City of Los Angeles to authorize a total term of five (5) years.

CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that this action is exempt from further requirements under the Los Angeles City CEQA Guidelines, Article II, Section 1, General Rules and General Exemption, and Section 15061(b)(3) of the CEQA Guidelines.

Background

Enclosed with this report is a report to the Board of Water and Power Commissioners which provides a detailed summary of the background on this matter.

Summary of Ordinance Provisions

This ordinance authorizes the execution of TSA No. BP12-032 between LADWP and Anaheim.

Conclusion

This TSA has been analyzed by the Office of the City Administrator Officer (CAO), and its findings and recommendations have been submitted under a separate report under CAO Report No. 0150-099480-0000. The Board of Water and Power Commissioners approved the TSA BP12-032 on May 24, 2013, under Resolution No. 013 279. A copy of the Board resolution has been provided separately for your review.

If you have any questions regarding this matter, please contact Deputy City Attorney Syndi Driscoll at (213) 367-4363. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

CARMEN A. TRUTANICH, City Attorney

By 

PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:SD:me
Transmittals

ORDINANCE NO. _____

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

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

Section 1. The Transmission Service Agreement No. 12-032, approved by the Board of Water and Power Commissioners through Resolution No. 013279 that is on file with the City Clerk, is hereby approved.

Sec. 2. Pursuant to Los Angeles City Charter Sections 373 and 674, the Board of Water and Power Commissioners is authorized to enter into said Transmission Service Agreement No. 12-032 with the City of Anaheim.

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

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

JUNE A. LAGMAY, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By *Syndi Driscoll*
SYNDI DRISCOLL
Deputy City Attorney

Date *June 17, 2013*

File No. CF 13-0665

RESOLUTION NO. 013 279

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

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

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

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

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

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

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

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

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **MAY 24 2013**

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

MAY 21 2013
BY Syndi Driscoll
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY

Eusebio A. Rodriguez
ASSISTANT BOARD SECRETARY

Department of Water and Power



the City of Los Angeles

ANTONIO R. VILLARAIGOSA
Mayor

Commission
THOMAS S. SAYLES, *President*
ERIC HOLOMAN, *Vice President*
RICHARD F. MOSS
CHRISTINA E. NOONAN
JONATHAN PARFREY
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS
General Manager

May 29, 2013

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

Honorable Members:

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

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

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

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

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

Water and Power Conservation ... a way of life

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c/enc: Mayor Antonio Villaraigosa
Councilmember Jose Huizar, Chair, Energy and the Environment Committee
Gerry F. Miller, Chief Legislative Analyst
Miguel A. Santana, City Administrative Officer
Rafael Prieto, Legislative Analyst, CLA
William R. Koenig, Chief Administrative Analyst
Winifred Yancy

RESOLUTION NO. 013 279

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

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

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

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

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


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

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

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


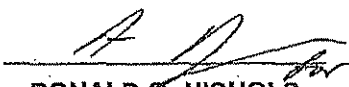
I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **MAY 24 2013**

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

MAY 21 2013
BY 
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY


ASSISTANT BOARD SECRETARY

LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE: May 10, 2013
 ARAM BENYAMIN Senior Assistant General Manager – Power System		SUBJECT: Replacement Transmission Service Agreement No. BP 12-032 Between LADWP and the City of Anaheim (Anaheim) for 91 Megawatts of Long-Term Firm Point-to-Point Transmission Service
 RONALD O. NICHOLS General Manager		
		FOR COMMISSION OFFICE USE:
		RESOLUTION NO. _____
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 373, 674	

Replacement Contract

PURPOSE

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

COST AND DURATION

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

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

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

BACKGROUND

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

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

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

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

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

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

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that this action is exempt from further requirements under the Los Angeles City CEQA Guidelines, Article II, Section 1, General Rule and General Exemption, and Section 15061(b)(3) of the CEQA Guidelines.

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

RECOMMENDATION

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

HPN:ps

Attachments

e-c/att: Ronald O. Nichols
Richard M. Brown
Aram Benyamín
James B. McDaniel
Philip Leiber
Gary Wong
Randy S. Howard
Hoa P. Nguyen

0150-09948-0000

TRANSMITTAL

TO Ronald O. Nichols, General Manager Department of Water and Power	DATE APR 04 2013	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT N/A	

**REPLACEMENT TRANSMISSION SERVICE AGREEMENT NO. BP 12-032
BETWEEN THE LOS ANGELES DWP AND THE CITY OF ANAHEIM**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.

Gaye Williams
Gaye Williams
MAYOR
(COPY)

MAS:RPR:10130116T

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 27, 2013

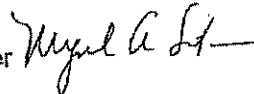
CAO File No. 0150-09948-0000

Council File No.

Council District: N/A

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Department of Water and Power dated January 29, 2013; referred by the Mayor for report on March 6, 2013

Subject: **REPLACEMENT TRANSMISSION SERVICE AGREEMENT NO. BP 12-032 BETWEEN THE LOS ANGELES DWP AND THE CITY OF ANAHEIM**

SUMMARY

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

City Council approval by ordinance is required in accordance with Charter Section 674 – Power Contracts. The City Attorney has approved the proposed Resolution and the Ordinance authorizing execution of the Agreement as to form and legality.

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

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

Upon review of the attached DWP request, it is the opinion of this Office that the item can be approved as the requested action appears to be reasonable and in accordance with City policies and procedures.

RECOMMENDATION

That the Mayor:

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

FISCAL IMPACT STATEMENT

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

TIME LIMIT FOR COUNCIL ACTION

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

MAS:RPR:10130116

ORDINANCE NO. _____

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

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

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

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

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

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

JUNE A. LAGMAY, City Clerk

By

Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By _____
SYNDI DRISCOLL
Deputy City Attorney

Date _____

File No. _____

[163115v1]

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

JAN 02 2013

BY _____
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY

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

- 1.0 **PARTIES:** The Parties to this Service Agreement for Long-term Firm Point-to-Point Transmission Service, DWP No. BP 12-032 ("Service Agreement"), are the City of Anaheim, a municipal corporation organized and existing under the laws of the State of California ("Transmission Customer"), and The City of Los Angeles by and through the Department of Water and Power ("Transmission Provider"), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, hereinafter referred to individually as "Party" and collectively as "Parties".
- 2.0 **AGREEMENT:** In consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows:
- 3.0 **EFFECTIVE DATE and TERM:**
- 3.1 **Effective Date:** This Service Agreement shall become effective when duly executed by the Parties.
- 3.2 **Termination Date:** This Service Agreement shall continue in full force and effect until the earlier of: (i) termination by mutual agreement of the Parties; (ii) termination by Transmission Provider under Section 13.1 of the Tariff; or (iii) 23:59 hours (Pacific Prevailing Time) on the Termination Date shown in Section 1.0 of the Specifications, which is attached herewith and made a part hereof.
- 4.0 **TARIFF:** The Transmission Provider's Open Access Transmission Tariff ("Tariff") is incorporated herein as located at http://www.oatiosis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc and made a part hereof.
- 5.0 **TRANSMISSION SERVICE:**
- 5.1 The Transmission Customer has been determined by the Transmission Provider to have a Completed Renewal Application for Firm Point-To-Point Transmission Service under the Tariff.
- 5.2 The Transmission Customer has provided to the Transmission Provider an Application processing fee in accordance with the provisions of Section 17.3 of the Tariff.

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

- 11.0 GOVERNING LAW: This Service Agreement shall be interpreted, governed by, and construed under the laws of the State of California with venue in the City of Los Angeles.
- 12.0 ENTIRE AGREEMENT: This Service Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Service Agreement. This Service Agreement may be amended only by a written document signed by the Parties. It is understood by the Parties that the terms and conditions of this Service Agreement are unique to the transactions described herein and shall not, therefore, be considered as precedent for any future transactions between the Parties or between any of the Parties and a Third Party. Each Party acknowledges that each Party was represented by counsel in the negotiation and that it has been authorized to execute this Service Agreement. The Transmission Customer represents and warrants that it is free to enter into this Service Agreement and to perform each of the terms and covenants of it. The Transmission Customer represents and warrants that it is not restricted or prohibited, contractually or otherwise, from entering into and performing this Service Agreement, and that the execution and performance of this Service Agreement by the Transmission Customer will not constitute a violation or breach of any other Agreement between it and any other person or entity.
- 13.0 ATTORNEY FEES AND COSTS: Both Parties agree that in any action to enforce the terms of this Service Agreement that each Party shall be responsible for its own attorney fees and costs.
- 14.0 SEVERABILITY: If any part, term or provision of this Service Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Service Agreement, the validity of the remaining portions or provisions shall not be affected thereby.
- 15.0 AUTHORIZED REPRESENTATIVE:
- 15.1 Each Party, within thirty (30) calendar days after the effective date of this Service Agreement, shall appoint and designate a person to be its Authorized Representative. Such appointment and designation shall be in writing and shall be forwarded by each Party to the other.
- 15.2 Each Authorized Representative shall be authorized and empowered by the appointing Party to carry out the provisions of this Service Agreement on behalf of and for the benefit of such Party, and to provide liaison between the Parties.
- 15.3 The Authorized Representatives shall have no authority to alter, modify, or delete any of the provisions of this Service Agreement.

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

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

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

If to the Transmission Customer:

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

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

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

- 17.0 The Transmission Customer declares under penalty of perjury that the terms and conditions contained in this executed Service Agreement are exactly the same as the terms and conditions contained in the standard form service agreement attached as Attachment A ("Form of Service Agreement For Long-term Firm Point-To-Point Transmission Service") to the Transmission Provider's Tariff, which is located at http://www.oatiaoasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc

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

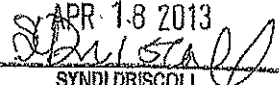
DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS OF
THE CITY OF LOS ANGELES

Date: _____

By: _____
RONALD O. NICHOLS, General Manager

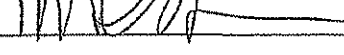
APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

And: _____
BARBARA E. MOSCHOS, Secretary

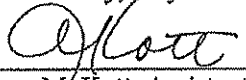
APR 18 2013
BY 
SYNDI DRISCOLL
DEPUTY CITY ATTORNEY

CITY OF ANAHEIM, "Transmission Customer"

Date: _____

By: 
Marcie L. Edwards
Title: Public Utilities General Manager

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

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

ATTEST:

Date: _____

By: _____
Linda N. Andal, City Clerk

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

- 1.0 Term of Transaction: In accordance with Section 3 of the Service Agreement
- Start Date: June 1, 2013 or the Effective Date in accordance to Section 3 of the Service Agreement
- Termination Date: (i) Five years after the Start Date or (ii) Upon 1 year advance written notice by the Transmission Customer if the Service is no longer needed due to the sale of the Transmission Customer's entire Magnolia energy or when Magnolia Power Plant ceases operation.
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.
- Ninety One (91) MW within the Transmission Provider control area
- 3.0 Point(s) of Receipt: Receiving Station E (RS-E) within the Transmission Provider Control Area
- Delivering Party: City of Anaheim
- 4.0 Point(s) of Delivery: The approximate midpoint of Victorville and Lugo Substations
- Receiving Party: City of Anaheim
- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
Ninety One (91) MW
- 6.0 Designation of Party(ies) subject to reciprocal service obligation: None
- 7.0 Name(s) of any Intervening Systems providing transmission service: None

8.0 Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: \$37,344 per MW-year. This transmission charge is 20% off of the current tariff rate of \$46680 per MW-year. The 20% discount applies to future transmission charge when a new tariff is in effect.

8.2 System Impact and/or Facilities Study Charge(s):
None required

8.3 Direct Assignment Facilities Charge: None

8.4 Scheduling, System Control and Dispatch Services Charges: As applicable per Schedule 1 of the Tariff

8.4 Ancillary Services Charges: As applicable per Schedules 2 through 6 of the Tariff

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