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CITY ATTORNEY

REPORT NO. R 1 4 - 0 2 3 6

MAY 13 2014

REPORT RE:

**DRAFT ORDINANCE TO APPROVE A TRANSMISSION SERVICE
AGREEMENT WITH THE CITY OF PASADENA**

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

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. This draft ordinance provides for the approval of the Transmission Service Agreement (TSA) No. BP 13-043 between the City of Los Angeles, acting by and through the Los Angeles Department of Water and Power (LADWP), and the City of Pasadena. The Agreement allows the LADWP to provide the City of Pasadena with 14 Megawatts (MW) of long-term firm point-to-point transmission service within LADWP's control area.

The revenue generated from this TSA will benefit the Power Revenue Fund and is estimated to be about \$522,000 per year for a total of \$5,220,000 over the 10-year term, ending approximately on January 1, 2024.

Background

The City of Pasadena requested that LADWP provide it with 14MW of transmission service within LADWP's control area from Receiving Station E (RS-E) to Sylmar Receiving Station. The LADWP has determined there is sufficient capacity, which is excess of LADWP's native-load requirement. A report to the Board of Water and Power Commissioners, which provides a detailed summary of the background on this matter, is enclosed.

Summary of Ordinance Provisions

Pursuant to Charter Section 674(a)(1), the City Council has the power to approve contracts for the construction, ownership, operation and maintenance of facilities for the generation, transformation and transmission of electric energy.

CEQA Findings

In accordance with the California Environmental Quality Act (CEQA), it has been determined that Transmission Service Agreement No. BP 13-043 between LADWP and the City of Pasadena for 14 MWs of long-term firm point-to-point transmission service is exempt pursuant to General Exemption described in CEQA Section 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Council Rule 38 Referral

This draft ordinance has been approved by the Board of Water and Power Commissioners pursuant to Council Rule 38. This TSA has been analyzed by the City Administrator Officer (CAO), and its findings and recommendations have been submitted under a separate report under CAO File No. 0150-10144-0000. The Board of Water and Power Commissioners approved the TSA BP13-043 on April 15, 2014, under Resolution No. 014183. A copy of the CAO report and the Board resolution are being provided for your review.

Recommendation

Based upon the foregoing, it is requested that the City Council adopt the draft ordinance which has been provided for your consideration and action.

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,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON
Chief Assistant City Attorney

DM/SD:me
Transmittal