

Agenda Report

April 26, 2010

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A LETTER AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR SERVICES TO REPLACE ONE 220 KV CIRCUIT BREAKER AT T.M. GOODRICH RECEIVING STATION

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to the State CEQA Guidelines Section 15302 (Replacement or Reconstruction);
2. Authorize the City Manager to enter into a Letter Agreement with Southern California Edison (SCE) to replace 220-kV Circuit Breaker number 422 at T. M. Goodrich Receiving Station (Goodrich) for an amount not to exceed \$550,000; and
3. Grant the proposed Agreement an exemption from the Competitive Bidding Process pursuant to City Charter Section 1002(3), contracts for labor, material, supplies or services available from only one vendor.

BACKGROUND:

On August 4, 1970, the City of Pasadena entered into Interconnection Agreement No. 8216 with SCE to install an interconnection between the two electric systems at Goodrich. This Agreement allows the delivery of purchased and contract power from various locations to Pasadena, and specifies that SCE shall be responsible for the operation and maintenance of the 220 kV electrical equipment at Goodrich.

SCE recommends that a 220 kV breaker connecting the Department's distribution system to the California Independent System Operator (CAISO) be replaced due to its age and recent failure of certain components. The Department concurs because the breaker is an important element of the Southern California transmission grid, and both parties have a vested interest in maintaining the reliability of the grid. In accordance with

Agreement No. 8216, Pasadena, the owner of this equipment, must pay SCE for the replacement cost of the breaker.

SCE has a replacement breaker available, as well as trained installation staff, and is ready to start construction in May 2010 and complete it within two months, prior to the summer months. SCE provided an initial estimate of \$500,000 to complete the work.

The Department recommends City Council authorize the City Manager to execute a Letter Agreement that describes SCE's scope of work, the Department's obligation to reimburse SCE for the costs incurred, and general terms and conditions, for an amount not to exceed \$550,000, which includes SCE's estimate of \$500,000 and a 10% contingency for this work.

This Agreement is exempt from the Competitive Bidding Process pursuant to City Charter Section 1002(C), contracts for labor, material, supplies or services available from only one vendor. In accordance with the existing Interconnection Agreement, SCE is responsible for all maintenance and upgrade of the equipment at TMG, and the Department is responsible to pay the actual costs incurred by SCE. The Department has reviewed the cost estimate and found it acceptable.

COUNCIL POLICY CONSIDERATION:

The proposed Agreement supports the Council's goal to improve, maintain and enhance public facilities infrastructure. In 2005 Council adopted the Department's Power Distribution System Master Plan that included replacement and repair of aging infrastructure to ensure reliable electric service.

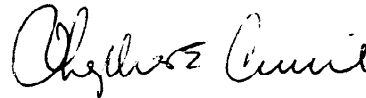
ENVIRONMENTAL ANALYSIS:

The proposed Agreement is exempt from CEQA pursuant to the State CEQA Guidelines Section 15302 (Replacement or Reconstruction), which exempts the replacement or reconstruction of existing structures and facilities (including utility systems and facilities) involving negligible or no expansion of capacity. The proposed work will improve electric reliability and safety of the transmission system.

FISCAL IMPACT:

Sufficient funds in the amount of \$550,000 are available in Power Capital Fund 411, Capital Improvement Project No. 3090, Switchgear Upgrades for Power System Facilities. The Interconnection Agreement requires the Department to pay for this work. The Department will file an application with the Federal Energy Regulatory Commission as a Participating Transmission Owner for the Department's Transmission Revenue Requirement tariff to recover costs associated with this project.

Respectfully submitted,



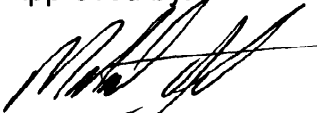
Phyllis E. Currie
General Manager
Water and Power Department

Prepared by:



Joe Awad
Assistant General Manager
Water and Power Department

Approved by:



MICHAEL J. BECK
City Manager

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Amendment
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

(If printing, please print legibly. Use additional sheets as necessary.)

1. Contractor/Organization Name:
Southern California Edison


2. Type of Entity:
 non-government nonprofit 501(c)(3), (4), or (6)

3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:

PLEASE REFER TO ATTACHMENT A AND B

4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:

SCE has three outstanding classes of equity of securities. Common Stock, Cumulative Preferred Stock and Preference Stock. All of SCE's Common Stock is held by Edison International, a California corporation and the parent holding company of SCE. Based on information required to be filed with the Securities and Exchange Commission by beneficial owners of more than 10% of either class of SCE's preferred stock, no corporation beneficially owns 10% or more of either class.

Prepared by:  GARY CHEN

Title: ATTORNEY

Phone: 626 - 302-7214

Date: 4-15-2010

Attachment A

Board of Directors

Alan J. Fohrer²
Chairman of the Board and
Chief Executive Officer,
Southern California Edison
A director since 2002

Vanessa C.L. Chang^{1,4}
Principal,
EL & EL Investments
(private real estate investment company)
Los Angeles, California
A director since 2007

France A. Córdova^{4,5}
President,
Purdue University
West Lafayette, Indiana
A director since 2004

Charles B. Curtis^{4,5}
President Emeritus,
Nuclear Threat Initiative
(private foundation dealing with
national security issues)
Washington, DC
A director since 2006

Bradford M. Freeman^{1,2,3}
Founding Partner,
Freeman Spogli & Co.
(private investment company)
Los Angeles, California
A director since 2002

*Theodore F. Craver, Jr.
A director since 2008*

*Jagjeet S. Bindra
(will be elected on 4/22/10)*

Luis G. Nogales^{1,4}
Managing Partner,
Nogales Investors, LLC
(private equity investment company)
Los Angeles, California
A director since 1993

Ronald L. Olson^{2,4}
Senior Partner,
Munger, Tolles & Olson (law firm)
Los Angeles, California
A director since 1995

James M. Rosser^{2,3,5}
President,
California State University, Los Angeles
Los Angeles, California
A director since 1988

Richard T. Schlosberg, III^{1,2,5}
Retired President and
Chief Executive Officer,
The David and Lucile Packard Foundation
(private family foundation)
San Antonio, Texas
A director since 2002

Thomas C. Sutton^{1,2,3}
Retired Chairman of the Board and
Chief Executive Officer,
Pacific Life Insurance Company
Newport Beach, California
A director since 1995

Brett White^{2,3}
President and
Chief Executive Officer,
CB Richard Ellis
(commercial real estate services company)
Los Angeles, California
A director since 2007

- 1 Audit Committee
- 2 Compensation and Executive
Personnel Committee
- 3 Executive Committee
- 4 Finance Committee
- 5 Nominating/Corporate Governance
Committee

Attachment B
Management Team

Alan J. Fohrer
Chairman of the Board and
Chief Executive Officer

John R. Fielder
President

Pedro J. Pizarro
Executive Vice President,
Power Operations

Bruce C. Foster
Senior Vice President,
Regulatory Affairs

Stuart R. Hemphill
Senior Vice President,
Power Procurement

Cecil R. House
Senior Vice President,
Safety & Operations Support and
Chief Procurement Officer

James A. Kelly
Senior Vice President,
Transmission and Distribution

Stephen E. Pickett
Senior Vice President and
General Counsel

Ross T. Ridenour
Senior Vice President and
Chief Nuclear Officer

Linda G. Sullivan
Senior Vice President and
Chief Financial Officer

Mahvash Yazdi
Senior Vice President,
Business Integration and
Chief Information Officer

Lynda L. Ziegler
Senior Vice President,
Customer Service

Robert C. Boada
Vice President and Treasurer

Lisa D. Cagnolatti
Vice President,
Business Customer Division

Kevin R. Cini
Vice President,
Energy Supply and Management

Ann P. Cohn
Vice President and
Associate General Counsel

Phil J. De Martini
Vice President,
Advanced Technology

Chris C. Dominski
Vice President and Controller

Erwin G. Furukawa
Vice President,
Customer Programs and Services

Veronica Gutierrez
Vice President,
Corporate Communications

Harry B. Hutchison
Vice President,
Customer Service Operations

Akbar Jazayeri
Vice President,
Regulatory Operations

Walter J. Johnston
Vice President,
Power Delivery

R. W. (Russ) Krieger, Jr.
Vice President,
Power Production

Barbara E. Mathews
Vice President,
Associate General Counsel,
Chief Governance Officer and
Corporate Secretary

David L. Mead
Vice President,
Engineering and Technical Services

Patricia H. Miller
Vice President,
Human Resources

Stacy R. Mines
Vice President and
Chief Ethics and Compliance Officer

Kevin M. Payne
Vice President,
Business Integration

Megan Scott-Kalkres
Vice President and General Auditor

Leslie E. Starck
Vice President,
Local Public Affairs

Russell C. Swartz
Vice President and
Associate General Counsel

Marc L. Ulrich
Vice President,
Renewable & Alternative Power

Gaddi H. Vasquez
Vice President,
Public Affairs