

ENGINEERING, DESIGN, AND CONSTRUCTION
LETTER AGREEMENT
BETWEEN
THE CITY OF PASADENA
AND
SOUTHERN CALIFORNIA EDISON COMPANY

DRAFT

TABLE OF CONTENTS

1. EFFECTIVE DATE:	1
2. PROJECT SCHEDULING AND NOTIFICATIONS:	2
3. PROJECT COSTS:	3
4. SCOPE OF WORK:	4
5. AUDIT RIGHTS:.....	5
6. INCORPORATION OF TERMS BY REFERENCE:	6
7. RELEASE:.....	7
8. INSURANCE:.....	7
9. PASADENA'S RIGHT TO INSPECT WORK:	9
10. TRANSFER OF WARRANTIES:	9
11. ASSIGNMENT:	9
12. AMENDMENT:	10
13. RESERVED.....	10
14. NO JOINT VENTURE:	10
15. UNCONTROLLABLE FORCES:.....	10
16. RESERVATION OF RIGHTS:.....	10
17. DEFAULT:.....	11
18. TERMINATION:	11
19. CONFIDENTIALITY:.....	12
20. ENTIRE AGREEMENT FINAL EXPRESSION:	15
SIGNATURE PAGE:	16
APPENDIX A.....	17
APPENDIX B.....	18
APPENDIX C.....	19
EXHIBIT B.....	20
EQUIPMENT WARRANTIES	20

Letter Agreement

This Letter Agreement (“Letter Agreement”), is entered into as of June DD, 2019, (“the Execution Date”) by and between Southern California Edison Company, a California corporation (“SCE”) and the City of Pasadena, a California municipal corporation and charter city, (“Pasadena” and collectively, with SCE, the “Parties” and individually a “Party”), with reference to the following:

WHEREAS, Pasadena and SCE are also Parties to the Pasadena Interconnection Agreement (“Interconnection Agreement”), entered into on August 5, 2010. The Interconnection Agreement sets forth the rights and obligations of the Parties concerning Pasadena’s T.M. Goodrich Receiving Station (“Goodrich Substation”) and interconnection facilities therein;

WHEREAS, Pasadena and SCE are electrically interconnected at the Goodrich Substation and SCE operates and maintains certain electrical facilities within Goodrich Substation that are owned by Pasadena in accordance with the Interconnection Agreement; and

WHEREAS, pursuant to the terms and conditions of Section 8 of the Interconnection Agreement, SCE shall operate and maintain, at Pasadena’s expense, the Pasadena Interconnection Facilities at Goodrich in accordance with applicable Transmission Control Agreement provisions, Applicable Reliability Standards, and Good Utility Practice as they may change from time to time; and

WHEREAS, the Parties hereby agree to cooperate and coordinate with each other to perform upgrade work on certain Pasadena Interconnection Facilities at Goodrich Substation, as well as to perform certain Telecommunication Facilities upgrade work on SCE’s own behalf as part of SCE’s Mesa Substation Upgrade Project, in accordance with the terms and conditions of this Letter Agreement.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Effective Date:

- 1.1. SCE shall file this Letter Agreement with the Federal Energy Regulatory Commission (“FERC”). Pasadena shall support acceptance of this Letter Agreement as filed, including a waiver of any necessary filing and notice requirements, and agrees to provide a written statement of concurrence, if requested by SCE.

- 1.2. The Letter Agreement shall be effective when duly executed on the last date it is by Parties (“Effective Date”), subject to acceptance by FERC.

2. **Project Scheduling and Notifications:**

2.1. Engineering & Procurement:

2.1.1. SCE shall provide to Pasadena the engineering, procurement and construction drawings along with the material procurement requirements (“Engineering & Procurement”), and the proposed outage schedule(s) to complete the work described in Section 4.1 of this Agreement (“Work”) on or before the Effective Date.

2.1.2. Within thirty (30) calendar days of the Effective Date, Pasadena shall provide to SCE one of the following:

2.1.2.1. Final written approval (“Final Approval”) of the Engineering & Procurement, authorizing SCE to commence the Construction hereafter; or,

2.1.2.2. Notice to SCE that Pasadena will be utilizing its own resources to perform the work detailed within the Construction.

2.1.3. If Pasadena elects to utilize its own resources to perform the work detailed in the Engineering & Procurement, this Letter Agreement shall terminate and Pasadena will coordinate the execution and completion of the project within SCE’s proposed preliminary construction schedule (“Construction Schedule”), attached hereto as Appendix C, in accordance with the Interconnection Agreement. Pasadena’s requirement to pay SCE the Engineering and Procurement Fixed Cost in accordance with Section 3.1 hereafter, as well as Pasadena’s requirement to complete the project in accordance with the Construction Schedule shall survive such termination.

2.2. Construction. Upon receiving Final Approval of the Engineering & Procurement from Pasadena, per Section 2.1, SCE shall commence the Work in accordance with the Construction Schedule.

2.3. Pasadena and SCE shall cooperatively schedule the required outage(s) to allow SCE to perform the Work within the Construction Schedule.

2.4. To the extent that SCE requires any outages in addition, or changes, to the Pasadena outage schedule referenced in the Engineering & Procurement, SCE shall provide Pasadena at least 72 hours advance notice of such upcoming outage submission. Pasadena will notify SCE within 48 hours of such notice if such outage cannot reasonably be accommodated.

3. Project Costs:

- 3.1. The "Engineering & Procurement Fixed Cost" to Pasadena for the work SCE has performed to date, including procurement of long lead time materials (i.e. relay racks), in order to complete the Engineering & Procurement task is \$215,000. A summarized breakdown of the Engineering & Procurement Fixed Cost is provided in Appendix A.
- 3.2. The "Construction Estimated Cost" to Pasadena in order for SCE to perform the remaining Work as described in Section 4.1 is \$663,000. A summarized breakdown of the Construction Estimated Cost is provided in Appendix A.
- 3.3. The "Total Not-to-Exceed Amount" of this Letter Agreement is \$878,000. This amount includes the Engineering & Procurement Fixed Cost and the Construction Estimated Cost related to Section 4.1.
- 3.4. Pasadena shall pay to SCE the Engineering & Procurement Fixed Cost within sixty (60) business days of the Effective Date.
- 3.5. If Pasadena elects to utilize SCE for construction services:
 - 3.5.1. Pasadena shall pay to SCE the Construction Estimated Cost within sixty (60) business days of the Final Approval notification, per Section 2.1.2.1. Pasadena may elect to retain 10% of the Construction Estimated Cost pending SCE submittal of the documents listed in Section 3.6.2 below. Pasadena will be responsible for all actual costs of the construction work related to Section 4.1, limited by the Total Not-to-Exceed Amount referenced in Section 3.3. This includes, but is not limited to, material costs, labor costs, construction oversight costs, environmental monitoring costs, and any overhead and allocated costs associated with completion of the Work.
 - 3.5.2. No payment for extra services caused by a change in scope of work or complexity of work, or for any other reason, shall be made unless and until such extra services and a price therefor have been previously authorized in writing and approved by Pasadena, exercising reasonable discretion, as a written change order. The change order shall set forth the changes in scope of work and any extension of time for preparation and adjustment of the fee to be paid by Pasadena to SCE.
- 3.6. As soon as is reasonably practicable, but no later than twelve (12) months after final completion of the Work, SCE shall provide to Pasadena:
 - 3.6.1. An invoice showing the actual cost of the Work, and shall set forth such costs in sufficient detail to enable Pasadena to compare the Work's actual costs against the Construction Estimated Cost.

- 3.6.2. A complete set of as-built drawings and list of all installed equipment and/or materials at Goodrich Substation. SCE shall provide all relevant details, specifications and ownership of each item installed. SCE will provide electronic copies of as-built drawings in AutoCAD format.
- 3.7. In the event that the Construction Estimated Cost exceeds the amount of SCE's actual construction costs of the Work, SCE shall return any excess amounts to Pasadena, without interest, within sixty (60) business days after the date of the invoice, without offset for any amount which may be in dispute. In the event of any such dispute, the Parties shall promptly meet and confer in an attempt to amicably resolve the dispute in good faith.
- 3.8. In the event that the Construction Estimated Cost is less than the amount of SCE's actual costs of the Work, then Pasadena shall pay the difference to SCE, as reflected in the invoice, within sixty (60) business days of receipt of the invoice, without offset for any amount which may be in dispute. Subject to authorized changes pursuant to Section 3.5.2, the amount Pasadena is obligated to pay under this Agreement will not exceed the Total Not-to-Exceed Amount.
- 3.9. In the event of any dispute, the Parties shall promptly meet and confer in an attempt to amicably resolve the dispute in good faith.
- 3.10. In the event that the Parties are unable to agree on the full amount to be paid, the Dispute provisions in Section 13 of the Interconnection Agreement shall govern the resolution of the dispute.

4. Scope of Work:

The Parties have agreed that the following is the Scope of Work at Goodrich Substation to be performed under this Letter Agreement:

- 4.1. Substation Modifications:
 - 4.1.1. Remove the wave trap located in 220 kV position 4S (current Laguna Bell line, future Mesa line).
 - 4.1.2. Install new line riser conductors in place of the existing wave trap in C-phase of position 4S.
 - 4.1.3. Remove Carrier Line Tuning equipment associated with the existing Laguna Bell line (future Mesa line) in position 4S.
 - 4.1.4. Remove existing Laguna Bell line protective relays located on panels 1F and 1R within existing Mechanical Electrical Equipment Room ("MEER").
 - 4.1.5. Install a new 19" relay rack Z04, with new GE-L90 and SEL-311C relays for the

future Mesa line, within existing MEER.

- 4.1.6. Add new points to existing RTU and annunciator windows.
 - 4.1.7. Install new control cables from breakers 52-8 and 52-9 in position 4S to the new relay rack within the MEER.
 - 4.1.8. Upgrade existing 20 Ampere Circuit Breaker in Main DC Distribution Panel with new 100 Ampere Circuit Breaker
 - 4.1.9. Install one DC sub panel on the south wall of the MEER, circuit breaker, and all associated conduit, fittings, cables, and grounding connections to new relay rack Z04.
 - 4.1.10. Install all associated conduit, fittings, cables, and grounding connections between (upgraded) existing main DC distribution panel and the new DC sub panel.
 - 4.1.11. Install circuit breakers in new DC sub panel on the south wall of the MEER and all associated conduit, fittings, cables, and grounding connections to new telecommunication cabinets CR1 & CR2.
 - 4.1.12. Install circuit breaker in new DC sub panel on the south wall of the MEER and all associated conduit, fittings, cables, and grounding connections to the existing DC annunciator board.
- 4.2. Telecommunication Upgrades:
- 4.2.1. Upgrades for single pilot C37.94 channels will be required for the new line relays. Other than Pasadena providing floor space and station DC power for the two telecommunication equipment racks within the Goodrich MEER, including providing 24/7 access to SCE for equipment maintenance and service, Pasadena is not responsible for the cost of these telecommunications upgrades, which are described herein for informational purposes only. The telecommunications scope of work is as follows:
 - 4.2.1.1. Install two lightwave terminals and two channel banks on two new communication equipment panels (CR1 & CR2) to support the required C37.94 circuits. Install approximately 1,000 feet of underground conduit and fiber optic cable from the adjacent Eagle Rock-Mesa 220 kV transmission line structures into the MEER.

5. Audit Rights:

- 5.1. Pasadena, or its authorized auditors or representatives shall have the right, during normal business hours, and upon reasonable prior written notice to SCE and at Pasadena's own expense, to audit SCE's accounts and records pertaining to SCE's

performance of the Work under this Letter Agreement. Any audit authorized by this Section 5 shall be performed at the offices where such accounts and records are normally and customarily maintained and shall be limited to those portions of such accounts and records that relate to SCE's performance of the Work. SCE shall keep such accounts and records in its normal and customary manner for a period equivalent to the audit rights periods noted hereunder.

- 5.2. Accounts and records related to the Work shall be subject to audit for a period of three (3) years ("Audit Rights Period") following SCE's issuance of a final invoice provided pursuant to Section 3.6.
- 5.3. If an audit determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be provided together with those records from the audit which supports such determination. Parties shall use the dispute resolution procedures provided in Section 13 of the Interconnection Agreement to resolve any dispute.
- 5.4. Nothing in this Agreement shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the FPA (Federal Power Act).

6. Incorporation of Terms by Reference:

The following terms of the Interconnection Agreement apply to this Letter Agreement and are incorporated herein by reference as if set forth in full herein:

- Section 4.22 (Transmission Control Agreement);
- Section 7 (Interconnection Principles);
- Section 8 (Interconnection Operation);
- Section 10 (Regulatory Requirements);
- Section 13 (Dispute Resolution)
- Section 16 (Regulatory Authority) ;
- Section 17 (No Dedication of Facilities);
- Section 18 (No Third Party Rights);
- Section 20 (Relationship Of Parties);
- Section 21 (Waiver);
- Section 22 (Governing Law);
- Section 23 (Notices); and
- Section 24 (Severability);

Unless specifically defined in this Letter Agreement or if the context otherwise requires, any capitalized word or expression defined in the Interconnection Agreement shall have the same meaning where used in this Letter Agreement.

7. Release:

7.1 **Release.** Except for any loss, damage, claim, cost, charge, or expense resulting from gross negligence or willful action, neither Party, its directors or members of its governing bodies, officers, or employees shall be liable to the other Party for any loss, damage, claim, cost, charge, or expense of any kind or nature incurred by the other Party (including without limitation direct, indirect, or consequential loss, damage, claim, cost, charge, or expense; and whether or not resulting from the negligence of a Party, its directors or members of its governing bodies, officers, employees or any person or entity whose negligence would be imputed to such Party) from its performance under this Letter Agreement. Except for any loss, damage claim, cost, charge, or expense resulting from gross negligence or willful action, each Party releases the other Party, its directors or members of its governing bodies, officers, and employees from any such liability.

7.2 Pasadena understands and acknowledges that unforeseen events could delay the actual completion date of the work provided for in this Letter Agreement. SCE shall not be liable for any cost or damage incurred by Pasadena because of any delay in such work, unless, pursuant to the Interconnection Agreement, such delay is a result of SCE's willful misconduct, or with respect to a breach of this Letter Agreement or the Interconnection Agreement.

8. Insurance:

SCE shall procure and maintain, or require its subcontractors to procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by SCE, its agents, representatives, employees, or subcontractors.

SCOPE AND LIMIT OF INSURANCE

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01, or equivalent, on an "occurrence" basis, including coverage for products and completed operations, property damage, bodily injury and personal & advertising injury, with limits of **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required per occurrence limit. Such limits may be provided by a combination of primary and/or excess/umbrella liability insurance policies.
2. **Automobile Liability:** Insurance Services Office Form CA 0001, or equivalent, covering Code 1 (any auto), with a combined single limit of **\$2,000,000** for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability insurance with a limit of \$1,000,000 per accident for bodily injury or disease.

4. **Professional Liability** insurance with limits of \$1,000,000 per occurrence or claim, and \$1,000,000 policy aggregate.

The insurance limitations set forth in this Agreement do not in any way act to limit or cap SCE's liability under this Agreement or otherwise.

Self-Insured Retentions

Self-insured retentions must be declared to Pasadena. Pasadena may require SCE to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Pasadena.

Self-insurance

SCE may self-insure all of the insurance requirements in this Section 8. Notwithstanding the foregoing, if SCE self-insures, SCE shall provide notice to Pasadena as soon as reasonably practicable of any material changes in SCE's self-insurance program, and SCE will ensure that it maintains self-insurance at least equal in coverage scope to the insurance requirements of this Section 8. SCE is (i) a qualified self-insured for Workers' Compensation with the California Department of Industrial Relations, and (ii) an approved self-insured under Compulsory Financial Responsibility Law with the Department of Motor Vehicles. If SCE chooses to self-insure CGL and Professional Liability insurance requirement, it may do so where SCE's tangible net worth exceeds \$100,000,000.

Other Insurance Provisions

If SCE procures insurance, rather than self-insures, the insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Pasadena, its officers, officials, and employees are to be covered as additional insureds** on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of SCE, and on the Auto policy for automobiles owned, leased, hired, or borrowed by or on behalf of SCE.
2. For any claims related to this project, **SCE's insurance or self-insurance coverage shall be primary to any** insurance coverage as respects Pasadena, its officers, officials, and employees. Any insurance or self-insurance maintained by Pasadena, its officers, officials, and employees shall be excess of SCE's insurance or self-insurance and shall not contribute with it.
3. SCE shall provide thirty (30) days' prior written notice to Pasadena in the event of cancellation of any insurance policy hereunder.

Claims Made Policies

If any coverage required is written on a claims-made coverage form:

1. The retroactive date must be shown, and this date must be before the execution date of

the contract or the beginning of contract work.

2. Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of contract work.
3. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, SCE must purchase extended reporting period coverage for a minimum of three (3) years after completion of contract work.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best rating of no less than A-: VII.

Waiver of Subrogation

SCE hereby agrees to waive rights of subrogation which any insurer of SCE may acquire from SCE by virtue of the payment of any loss. SCE agrees to ensure that waiver of subrogation is extended in favor of Pasadena by an endorsement or in the policy general terms and conditions, that may be necessary to affect this waiver of subrogation in favor of Pasadena.

Verification of Coverage

SCE shall furnish to Pasadena a certificate of self-insurance, and if applicable any required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive SCE's obligation to provide them.

9. Pasadena's Right to Inspect Work:

Pasadena and its agents and employees shall, upon reasonable prior notice to SCE, and subject to adherence to the safety procedures and other procedures and requirements applicable to the work site (including without limitation, such procedures and requirements established in connection with any insurance coverage obtained in connection with this Letter Agreement), have access to inspect all Work; provided, however, that any inspection of the Work shall be conducted at a reasonable time and in a manner that does not delay or increase the cost of the Work. SCE shall have the right to condition such inspection upon the persons conducting the inspection observing procedures to preserve the safety and security of the site and to comply with any applicable requirements of insurers.

10. Transfer of Warranties:

Upon completion of construction of the Work, SCE will transfer all manufacturer warranties for the relays to Pasadena at such time. For work performed by SCE staff, or its contractor, SCE shall provide a one-year workmanship warranty.

11. Assignment:

No Party shall assign this Letter Agreement without the other Party's prior written consent, which consent shall not be unreasonably withheld, delayed or denied. Any assignment in violation of this Section 10 shall be null and void and of no effect.

12. Amendment:

Any changes to the scope of work set forth in this Letter Agreement will be reflected in a written amendment to this Letter Agreement signed by both parties.

13. RESERVED.

14. No Joint Venture:

The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Letter 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 Letter Agreement. Neither Party shall be under the control of 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 express written consent.

15. Uncontrollable Forces:

No Party shall be considered to be in Default with respect to any obligation hereunder, other than the obligation to pay money when due, if prevented from fulfilling such obligation by Uncontrollable Force (as defined in the Interconnection Agreement). For the purposes of this Letter Agreement, Default shall mean the failure of a breaching Party to cure its breach. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Uncontrollable Force shall give notice and the full particulars of such Uncontrollable Force to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this section shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Uncontrollable Force, the time and date when the Uncontrollable Force occurred, and when the Uncontrollable Force is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

16. Reservation of Rights:

Nothing contained herein shall be construed as affecting in any way the right of SCE to unilaterally make application to FERC for a change in the rates, terms, and conditions of this

Letter Agreement under Section 205 of the Federal Power Act (16 USC Section 824(d) and pursuant to FERC's rules and regulations promulgated thereunder.

SCE and Pasadena shall have the right to make a unilateral filing with FERC to modify this Letter Agreement pursuant to Section 206 of the Federal Power Act (16 USC Section 824(e), or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered.

17. Default:

17.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of an Uncontrollable Force. Upon a breach of this Letter Agreement, the non-breaching Party shall give written notice of such breach to the breaching Party. Except as provided in Section 17.2, the breaching Party shall have thirty (30) calendar days from receipt of the Default notice within which to cure such breach; provided however, if such breach is not capable of cure within thirty (30) calendar days, the breaching Party shall commence such cure within thirty (30) calendar days after notice and continuously and diligently complete such cure within ninety (90) calendar days from receipt of the Default notice; and, if cured within such time, the breach specified in such notice shall cease to exist.

17.2 If a breach of this Letter Agreement is not cured as provided in this section, or if a breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this Letter Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Letter Agreement, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Letter Agreement.

18. Termination:

18.1. This Letter Agreement shall terminate upon completion of the true-up process described in Section 3 of this Letter Agreement. Notwithstanding the foregoing, the rights and obligations that are intended to survive a termination of this Letter Agreement are all of those rights and obligations that arise from each Party's covenants, agreements, representations, and warranties applicable to, or to be performed, at or during any time before or as a result of the termination of this Letter Agreement.

18.2. This Letter Agreement may be terminated by either Party on at least ninety (90) calendar days advance written notice to the other Party.

- 18.3. This Letter Agreement may be terminated by either Party in accordance with Section 17.
- 18.4. Notwithstanding Sections 18.1, 18.2, and 18.3, no termination shall become effective until the Parties have complied with all applicable laws and regulations applicable to such termination, including the filing with FERC of a notice of termination of this Letter Agreement, which notice has been accepted for filing by FERC, and Pasadena has fulfilled its termination cost obligations, if any, under Section 18.5.
- 18.5. If Pasadena elects to terminate this Letter Agreement pursuant to Sections 18.2 or 18.3, Pasadena shall pay all costs incurred by SCE (including any cancellation costs relating to orders or contracts for equipment) as of the date of the other Party's receipt of such notice of termination, that are the responsibility of Pasadena under this Letter Agreement. In the event of termination by a Party, SCE shall use commercially reasonable efforts to mitigate the costs, damages, and charges arising as a consequence of termination.

19. Confidentiality:

- 19.1. "Confidential Information" shall mean any confidential, proprietary, or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise, including, without limitation, Critical Energy Infrastructure Information as defined by FERC in 18 C.F.R. § 388.113(c)(1), all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties pursuant to this Letter Agreement. Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.
- 19.2. During the term of this Letter Agreement, and for a period of three (3) years after the expiration or termination of this Letter Agreement, except as otherwise provided in this Section 19, each Party shall hold in confidence and shall not disclose to any person Confidential Information.
- 19.3. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to

keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or breach of this Letter Agreement; or (6) is required to be disclosed by any governmental authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Letter Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 19.4. Neither Party shall release or disclose Confidential Information to any other person, except to its subcontractors, employees, or consultants, on a need-to-know basis in connection with this Letter Agreement, unless such person has first been advised of the confidentiality provisions of this Section 19 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 19.
- 19.5. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 19.6. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 19.7. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this Letter Agreement or its regulatory requirements.
- 19.8. Upon termination of this Letter Agreement for any reason, each Party shall, within ten (10) calendar days of receipt of a written request from the other Party, use reasonable efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 19.9. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's breach of its obligations under this Section 19. Each Party

accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party breaches or threatens to breach its obligations under this Section 19, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the breach of this Section 19, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 19.

- 19.10. Notwithstanding anything in this Section 19 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Letter Agreement, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR Section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Letter Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the Letter Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR Section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.
- 19.11. Subject to the exception in Section 19.10, any information that a Party claims Confidential Information under this Letter Agreement shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Letter Agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert

confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

20. Entire Agreement Final Expression:

This Letter Agreement constitutes the complete and final expression of the agreement between the Parties and is intended as a complete and exclusive memorialization of the terms of their agreement which supersedes all prior and contemporaneous offers, promises, representations, negotiations, discussions, communications, and other agreements which may have been made in connection with the subject matter of this Letter Agreement. Nothing in this Letter Agreement is intended or shall be deemed to require SCE or Pasadena to enter into any other agreement.

[Signature page will follow]

DRAFT

Signature Page:

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

**SOUTHERN CALIFORNIA
EDISON COMPANY**

CITY OF PASADENA

By: _____

By: _____

Date: _____

Date: _____

First Name-Last Name
Title
Position

First Name-Last Name
Title
Position

DRAFT

ATTEST:

Appendix A

PROJECT ESTIMATED COST SUMMARY TABLE

Engineering & Procurement

Work Elements	Facilities	One-Time Cost	ITCC	Total Cost
Project Support & Engineering	\$0	\$101,500	\$0	\$101,500
Material	\$0	\$56,000	\$0	\$56,000
Craft Labor	\$0	\$17,000	\$0	\$17,000
Contingency	\$0	\$0	\$0	\$0
Overheads	\$0	\$40,500	\$0	\$40,500
Subtotal (actual)	\$0	\$215,000	\$0	\$215,000

Construction

Work Elements	Facilities	One-Time Cost	ITCC	Total Cost
Project Support & Engineering	\$0	\$95,000	\$0	\$95,000
Material	\$0	\$12,000	\$0	\$12,000
Craft Labor	\$0	\$258,000	\$0	\$258,000
Contingency	\$0	\$255,000	\$0	\$255,000
Overheads	\$0	\$43,000	\$0	\$43,000
Subtotal (estimated)	\$0	\$663,000	\$0	\$663,000

Total (not to exceed)		\$878,000		\$878,000
------------------------------	--	------------------	--	------------------

Appendix B

ACTUAL COST SUMMARY TABLE
[To Be Inserted After True-up of Actual Costs]

Work Elements	Facilities	One-Time Cost	ITCC	Project Total Cost
Project Support & Engineering	\$0	\$0	\$0	\$0
Material	\$0	\$0	\$0	\$0
Craft Labor	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0
Overheads	\$0	\$0	\$0	\$0
Total	\$0	\$0		\$0

DRAFT

Exhibit B

Equipment Warranties

DRAFT