

RESOLUTION NO. 1985-2

RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC
POWER AUTHORITY APPROVING THE LETTER OF UNDERSTANDING
CONCERNING ADMINISTRATIVE AND GENERAL COSTS CHARGED
TO ARIZONA NUCLEAR POWER PROJECT START-UP AND
PRE-OPERATION COSTS AND TAKING CERTAIN
RELATED ACTION

WHEREAS, the Authority has an ownership interest in the Palo Verde Nuclear Generating Station, Units 1, 2 and 3; and

WHEREAS, Arizona Public Service Company, the Operating Agent at said Generating Station, has recommended that the Participants approve the method to determine administrative and general costs applicable to Arizona Nuclear Power Project (ANPP) start-up and pre-operation costs as provided in the Letter of Understanding;

NOW, THEREFOR BE IT RESOLVED by the Board of Directors of Southern California Public Power Authority as follows:

1. The terms and provisions of the Letter of Understanding between Southern California Public Power Authority (the "Authority") Arizona Public Service, Southern California Edison Company, Salt River Project Agricultural Improvement and Power District, El Paso Electric Company, and Public Service Company of New Mexico are hereby approved. The President or the Vice President or the Secretary or the Assistant Secretary of the Authority are hereby authorized and directed to sign said Letter of Understanding in substantially the form submitted to this meeting, with such changes, insertions and omissions as shall be made by the Executive Director or the Secretary or the Assistant Secretary and approved by the President.

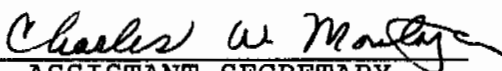
2. The President, Vice President, Secretary, Assistant Secretary, and other officers of the Authority are hereby authorized and directed to execute and deliver any and all papers and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

3. This Resolution shall take effect immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority, this 9th day of January 1985.


PRESIDENT
Southern California Public
Power Authority

ATTEST:


ASSISTANT SECRETARY
Southern California Public
Power Authority