

**RESOLUTION NO. 2007-18**

**RESOLUTION RELATING TO THE SOUTHERN TRANSMISSION PROJECT: (I) AUTHORIZING, SUBJECT TO THE CONDITIONS SET FORTH HEREIN, THE ISSUANCE OF BONDS FOR THE UPGRADE OF THE SOUTHERN TRANSMISSION PROJECT; (II) AUTHORIZING, SUBJECT TO THE CONDITIONS SET FORTH HEREIN, THE EXECUTION AND DELIVERY OF (A) AN INDENTURE OF TRUST AUTHORIZING THE ISSUANCE OF TRANSMISSION PROJECT REVENUE BONDS, 2007 SUBORDINATE DRAW DOWN SERIES A, (B) A SUPPLEMENTAL INDENTURE OF TRUST RELATING TO SUCH BONDS, (C) A BOND PURCHASE AGREEMENT, AND (D) AN AMENDMENT NO.1 TO THE SOUTHERN TRANSMISSION AGREEMENT; (III) AUTHORIZING CERTAIN RELATED ACTIONS; AND (IV) AUTHORIZING THE OFFICERS OF THE AUTHORITY TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE.**

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

1. Each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Southern California Public Power Authority (the "Authority") are hereby authorized, subject to Paragraph 9, to execute and deliver an Indenture of Trust from the Authority to U.S. Bank National Association, as trustee (the "Trustee"), in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 4 hereof) as shall be approved by said President or Vice President, to provide for the terms of the Authority's Transmission Project Revenue Bonds, 2007 Subordinate Draw Down Series A (the "Bonds") (such approval to be conclusively evidenced by his or her execution and delivery thereof); and each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority thereto. Proceeds of the Bonds will be used primarily for the upgrade of the Southern Transmission Project (the "Upgrade") by making payments in-aid-of construction pursuant to the terms of the Southern Transmission System Agreement, dated as of May 1, 1983 (the "Southern Transmission System Agreement"), between the Authority and Intermountain Power Agency ("IPA"). The Indenture of the Trust relating to the Bonds, as executed and delivered, is hereinafter referred to as the "Indenture." Such Indenture is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

The issuance of the Bonds is hereby authorized, subject to the provisions of this Resolution, the Indenture, the Supplemental Indenture (as defined below) and the Senior Indenture (as defined below). The Bonds shall be dated, shall mature on the date and in the year and shall bear interest all as provided in the Indenture. The form of the Bonds and the provisions for signatures, authentication, payment, registration, redemption, denominations, numbers and other terms thereof also shall be provided in the Indenture.

The Bonds shall be secured by the pledge effected by the Indenture and shall be special, limited obligations of the Authority payable solely from the sources specified in the Indenture. Neither the State of California nor any public agency thereof (other than the Authority) nor any member of the Authority nor any Project Participant shall be obligated to pay the principal of, or interest on, the Bonds. Neither the faith and credit nor the taxing power of the State of California or any public agency thereof or any member of the Authority or any Project Participant is pledged to the payment of the principal of, or interest on, the Bonds. The Bonds shall not constitute a debt or indebtedness of the Authority within the meaning of any provision or limitation of the constitution or statutes of the State of California, and they shall not constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit.

2. Each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Authority are hereby authorized, subject to Paragraph 9, to execute and deliver a Twenty-First Supplemental Indenture of Trust which supplements and amends the senior Indenture of Trust, dated as of May 1, 1983, from the Authority to the Trustee (as supplemented and amended, the "Senior Indenture"), in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions (subject to Paragraph 4 hereof) as shall be approved by said President or Vice President (such approval to be conclusively evidenced by his or her execution and delivery thereof); and each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority thereto (said Supplemental Indenture, in the form in which executed and delivered, is hereinafter referred to as the "Supplemental Indenture"). The Supplemental Indenture is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

3. Each of the President and Vice President of the Authority is hereby authorized, subject to Paragraph 9, to execute and deliver a bond purchase agreement for the Bonds, between the Authority and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Initial Owner"). Payment for the Bonds shall be pursuant to the terms and conditions set forth in such bond purchase agreement.

4. (a) Each of the President and Vice President of the Authority is hereby authorized to determine, in connection with sale of the Bonds and the execution and delivery of the Indenture and the Supplemental Indenture, and in consultation with the Finance Committee, the following:

(i) the aggregate principal amount of Bonds, which shall not exceed \$100,000,000;

(ii) the variable interest rate index or method of determining the rate of interest on the Bonds from time to time;

(iii) the maturity date for the Bonds, which maturity shall not exceed three years from the date of issuance of the Bonds;

(iv) the purchase price of the Bonds;

(v) the interest payment dates for the Bonds;

(vi) the terms and conditions for delivery of the Bonds;

- (vii) the redemption or purchase terms of the Bonds; and
- (viii) the application of the proceeds of the Bonds.

(b) As used in Paragraphs 4, 7 and 9, the “Finance Committee” refers to that portion of the committee of the Authority designated to consider financial matters, comprised of representatives of, among others, the Cities of Anaheim, Burbank, Glendale, Los Angeles, Pasadena and Riverside.

5. Each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Authority are hereby authorized, subject to Paragraph 9, to execute and deliver an Amendment No. 1 to the Southern Transmission System Agreement which amends the Southern Transmission System Agreement (the “Amendment No. 1”), in the form on file with the Assistant Secretary of the Authority, with such changes, insertions and omissions as shall be approved by said President or Vice President (such approval to be conclusively evidenced by his or her execution and delivery thereof); and each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority thereto. The Amendment No. 1 is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

6. The Indenture and the Supplemental Indenture are hereby designated as Project Agreements under the Senior Indenture and the Transmission Service Contracts (as defined in the Senior Indenture).

7. Each of the President, Vice President and Executive Director of the Authority is hereby authorized to execute and deliver a financial advisory services agreement relating to the sale and issuance of the Bonds, between the Authority and Public Financial Management, Inc. or its affiliate, upon the approval of such services agreement (including the fees to be paid to Public Financial Management, Inc. or its affiliate) by the Finance Committee.

8. If determined by the Department of Water and Power of the City of Los Angeles (“LADWP”) and one or more other Project Participants other than LADWP that it is advisable for LADWP, such other Project Participant and the Authority to enter into a Contract for Sale and Purchase of Southern Transmission System Upgrade Transmission Service (the “Contract for Sale and Purchase”), in the form on file with the Assistant Secretary of the Authority, then each of the President and Vice President and each of the Secretary and any Assistant Secretary of the Authority are hereby authorized, subject to Paragraph 9, to execute and deliver the Contract for Sale and Purchase, with such changes, insertions and omissions as shall be approved by said President or Vice President (such approval to be conclusively evidenced by his or her execution and delivery thereof); and each of the Secretary and any Assistant Secretary is hereby authorized to affix the seal of the Authority thereto. The Contract for Sale and Purchase is hereby made a part of this Resolution as though set forth in full herein and the same hereby is approved.

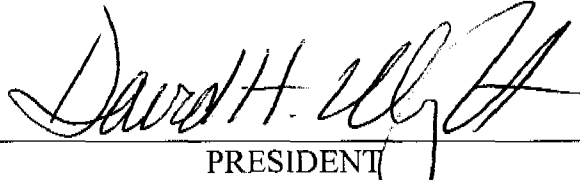
9. Notwithstanding anything to the contrary in this Resolution, the agreements authorized to be executed and delivered pursuant to this Resolution and the Bonds authorized to be issued pursuant to their Resolution shall not be executed and delivered or issued, as applicable, until each of the following conditions has been satisfied: (i) the IPA Coordinating Committee approves the Upgrade; (ii) the IPA Board of Directors approves the Upgrade and

authorizes IPA to enter into a contract for the design and construction of the Upgrade; and (iii) the Finance Committee approves proceeding with the issuance of the Bonds.


10. Each of the President, Vice President, Secretary and any Assistant Secretary, the Executive Director and any other officer of the Authority is hereby authorized, subject to Paragraph 9, to execute and deliver any and all agreements, amendments to agreements, documents and instruments and to do and cause to be done any and all acts and things deemed necessary or advisable for carrying out the transactions contemplated by this Resolution (including, but not limited to, (i) executing and delivering, or approving, as applicable, any investment agreements relating to the investment of Bond proceeds and (ii) making such changes to the agreements, documents and instruments referred to in this Resolution as shall be requested by any rating agency, the Initial Owner or any other entity if such changes are determined by any such officer or the Executive Director to be necessary or advisable). Each reference in this Resolution to the President, Vice President, Secretary, Assistant Secretary or Executive Director shall refer to the person holding such office or position, as applicable, at the time a given action is taken and shall not be limited to the person holding such office or position at the time of the adoption of this Resolution. All actions heretofore taken by the officers, employees and agents of the Authority in furtherance of the transactions contemplated by this Resolution are hereby approved, ratified and confirmed.

11. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 17th day of May, 2007.

  
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PRESIDENT  
Southern California Public  
Power Authority

ATTEST:

  
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SECRETARY  
Southern California Public  
Power Authority