

RESOLUTION NO. 2001-2

**RESOLUTION OF THE SOUTHERN CALIFORNIA PUBLIC POWER
AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN
AGREEMENT FOR CONSULTING SERVICES WITH
LCG CONSULTING
AND PROVIDING FOR ADDITIONAL CONTRIBUTIONS TO THE
AUTHORITY'S REVOLVING GENERAL FUND, AND TAKING CERTAIN
RELATED ACTION
(RESTRUCTURING)**

WHEREAS, the Southern California Public Power Authority (the Authority) owns interests in various generation and transmission projects, the output of which has been sold to Members of the Authority; and

WHEREAS, the electric utility industry is being restructured so that the providers of electricity will be in competition with each other; and

WHEREAS, such restructuring has resulted in many changes in the electric utility industry which may affect the Authority generation and transmission projects, and which require Authority Members to change the way they manage their resources; and

WHEREAS, certain of the Authority Members have a need to retain consultants to assist in strategic resource analysis; and

WHEREAS, the Authority is willing and able to retain LCG Consulting, and to bill all expenses and costs of retaining such consultant to the Members receiving service; and

WHEREAS, the Board of Directors of Authority, in its Resolution No. 1990-15, established a revolving general fund (the General Fund) for the payment of costs and expenses incurred by the Authority from time to time in carrying out its purposes; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1992-1, provided for the continuation of the General Fund and established a procedure to be followed with respect to additional contributions to the General Fund; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-2, provided for a separate bank account (the Joint Planning Account) to hold and disburse the additional contributions to the General Fund with respect to joint planning matters; and

WHEREAS, the Board of Directors of the Authority, in its Resolution No. 1995-13, changed the name of the Joint Planning Account to the Restructuring Account; and

WHEREAS, the Board of Directors of the Authority wishes to provide for additional contributions to the General Fund, and the applicable Members of the Authority are willing to make such additional contributions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. The Executive Director is authorized and directed to retain LCG Consulting, at the request of a Member(s) of the Authority, provided that such Member(s) agrees, in writing, to bear all costs and expenses of such consultant.
2. The Board of Directors hereby provides for additional contributions to the General Fund. Notwithstanding anything to the contrary in Resolution No. 1992-1, such additional contributions,
 - a) shall be solely for the purpose of paying costs and expenses incurred by the Authority with respect to LCG Consulting, and pending application for such purpose the contributions shall not be expended to pay costs or expenses properly allocable to one or more projects as provided in Section 3 of Resolution No. 1992-1;
 - b) with respect to each bill SCPPA receives from LCG Consulting, shall be billed to the Members that have received services from LCG with respect to such bill, with the amount of each such Member's bill to be based upon the services performed by LCG Consulting for the benefit of such Member; and

- c) shall be billed and collected by adding the amounts provided above to the Authority's Hoover Upgrading Project billings to Anaheim (if applicable), and to the Authority's Palo Verde Project billings to the other applicable Members, with such amounts designated as "Resolution No. 2001-2 Charge".
3. Although the amounts to be contributed under this Resolution and related income shall constitute part of the General Fund, they shall be held and accounted for in a separate subaccount within the existing Restructuring Account. The Executive Director of the Authority is hereby directed to establish a subaccount (the LCG Subaccount) within the Restructuring Account for the purpose of holding contributions and related income, and making disbursements, under this Resolution. The President, Vice President, Secretary, any Assistant Secretary and the Executive Director of the Authority are each authorized to execute checks drawn on the Restructuring Account from time to time.
 4. Amounts contributed to and held in the General Fund and the LCG Subaccount pursuant to this Resolution will not be contributed or held for the purposes of any project for which the Authority has obtained any form of external financing. Such amounts shall not constitute (a) Revenues, or (b) revenues, income, rents or receipts derived by the Authority from or attributable to Authority Capacity (or to the payment of the costs thereof) or the ownership or operation of any Project. As used herein, "Revenues", "Authority Capacity" and "Project" shall have the respective meanings set forth in the indentures of trust and other instruments governing the external financing arrangements entered into from time to time by the Authority.
 5. The President, Vice President, Secretary, any Assistant Secretary, Executive Director and any other officer of the Authority are each hereby authorized to execute and deliver any and all documents 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.
 6. This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority this 18th day of January, 2001.

Kenneth J. DeJairo
PRESIDENT
Southern California Public
Power Authority

ATTEST:

AKP
SECRETARY
Southern California Public
Power Authority