

Pg 360
CC-11(2) /

CITY COUNCIL MEETING
JANUARY 5, 1983

Agenda item k-2 - "Approve Arbitration Agreement between P G & E and NCPA" was introduced by City Manager Glaves.

ARBITRATION
AGREEMENT
BETWEEN PG&E
AND NCPA
APPROVED

RES. NO. 83-2

Following discussion, Council on motion of Council Member Snider, Murphy second, adopted Resolution No. 83-2 approving an Arbitration Agreement between P G & E and NCPA to resolve all differences between P G & E and NCPA over the inter-connection Agreement, consistent with the terms of the Diablo Canyon license conditions, such agreement to submit to binding arbitration subject to approval by attorneys before signature, and authorizing the Mayor and City Clerk to execute the subject Agreement on behalf of the City. The motion carried by unanimous vote.

NCPA

Northern California Power Agency

8421 Auburn Boulevard, Suite 160 Citrus Heights, California 95610

ROBERT E. GRIMSHAW
General Manager

(916) 722-7815

December 13, 1982

RECEIVED

1982 DEC 14 AM 10:14

ALICE M. RENICHE
CITY CLERK
CITY OF LOS ANGELES

TO: Members of the NCPA Commission
FROM: Gail Sipple
SUBJECT: Arbitration Agreement Between PG&E and NCPA

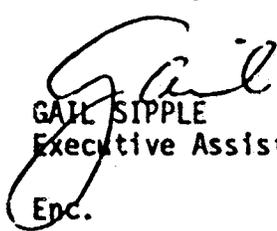
Enclosed is a copy of the Arbitration Agreement between PG&E and NCPA which has been approved by both parties.

Per Executive Committee action of December 6, 1982 (minutes attached) this agreement must be approved by each NCPA member. Mr. Grimshaw stresses the urgency for approval of this agreement and, therefore, it would be appreciated if you would expedite the approval process.

Upon approval by your Council/Board, please sign at the last signature block on page 7 and return to me as soon as possible.

By copy of this letter I am also forwarding this document to your City Clerk for processing. Thank you for your attention to this matter.

Yours truly,


GAIL SIPPLE
Executive Assistant

Enc.

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K2

NORTHERN CALIFORNIA POWER AGENCY

Executive Committee Meeting

December 6, 1982

MINUTES

KØ

Committee members present: Don Von Raesfeld
Arch Pugh
Mike McDonald
Fred Eyerly

Committee members absent: Hays Hickey

Motion: It was moved by Don Von Raesfeld and seconded by Arch Pugh to authorize the General Manager to execute a binding Arbitration Agreement to resolve all differences between PG&E and NCPA over the Interconnection Agreement, consistent with the terms of the Diablo Canyon license conditions, such agreement to submit to binding arbitration subject to approval by attorneys before signature. Also, authorize the General Manager to recommend that all members separately agree to be bound by the results of the arbitration through their governing bodies.

Motion passed unanimously.

RESOLUTION NO. 83-2

RESOLUTION APPROVING AN ARBITRATION
AGREEMENT BETWEEN P G & E AND NCPA
AND AUTHORIZING THE MAYOR AND CITY CLERK
TO EXECUTE THE SUBJECT AGREEMENT ON
BEHALF OF THE CITY

RESOLVED, that the City Council of the City of Lodi does hereby
approve an Arbitration Agreement between P G & E and NCPA, a copy of
which is attached hereto, marked Exhibit A, and thereby made a part
hereof.

BE IT FURTHER RESOLVED, that the City Council of the City of Lodi
does hereby authorize the Mayor and City Clerk to execute the subject
agreement on behalf of the City.

Dated: January 5, 1983

I hereby certify that Resolution No. 83-2 was
passed and adopted by the City Council of the
City of Lodi in a regular meeting held January
5, 1983 by the following vote:

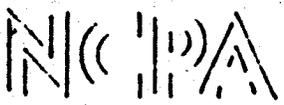
Ayes: Council Members - Olson, Snider, Murphy,
Pinkerton, and Reid (Mayor)

Noes: Council Members - None

Absent: Council Members - None

Alice M. Reinche
City Clerk

K2



RECEIVED

Northern California Power Agency

DEC 14 AM 10:14

8421 Auburn Boulevard, Suite 160 Citrus Heights, California 95610

ALICE M. RENICHE
CITY CLERK
CITY OF Lodi

ROBERT E. GRIMSHAW
General Manager
(916) 722-7815

December 13, 1982

TO: Members of the NCPA Commission
FROM: Gail Sipple
SUBJECT: Arbitration Agreement Between PG&E and NCPA

Enclosed is a copy of the Arbitration Agreement between PG&E and NCPA which has been approved by both parties.

Per Executive Committee action of December 6, 1982 (minutes attached) this agreement must be approved by each NCPA member. Mr. Grimshaw stresses the urgency for approval of this agreement and, therefore, it would be appreciated if you would expedite the approval process.

Upon approval by your Council/Board, please sign at the last signature block on page 7 and return to me as soon as possible.

By copy of this letter I am also forwarding this document to your City Clerk for processing. Thank you for your attention to this matter.

Yours truly,


GAIL SIPPLE
Executive Assistant
Etc.

K2

NORTHERN CALIFORNIA POWER AGENCY

Executive Committee Meeting

December 6, 1982

MINUTES

Committee members present: Don Von Raesfeld
Arch Pugh
Mike McDonald
Fred Eyerly

Committee members absent: Hays Hickey

Motion: It was moved by Don Von Raesfeld and seconded by Arch Pugh to authorize the General Manager to execute a binding Arbitration Agreement to resolve all differences between PG&E and NCPA over the Interconnection Agreement, consistent with the terms of the Diablo Canyon license conditions, such agreement to submit to binding arbitration subject to approval by attorneys before signature. Also, authorize the General Manager to recommend that all members separately agree to be bound by the results of the arbitration through their governing bodies.

Motion passed unanimously.

ARBITRATION AGREEMENT

K2

Pacific Gas and Electric Company (PGandE) and the Northern California Power Agency (NCPA), by and through their undersigned representatives, hereby agree that:

Whereas PGandE and NCPA desire to perfect an Interconnection Agreement; and

Whereas PGandE and NCPA have been able to resolve many issues related to said Interconnection Agreement but have not been able to resolve others:

1. The parties will continue to diligently pursue negotiations with respect to reaching a mutually acceptable Interconnection Agreement.

2. If the above described negotiations have not resulted in an agreement mutually acceptable to the parties by December 10, 1982, unless otherwise agreed to by the parties, the matter will be deemed submitted for binding arbitration by Dr. Michael T. Rosenzweig (Arbitrator) on December 11, 1982. The form and subject of that arbitration will be as follows:

- (a) The Arbitrator will resolve all differences remaining between the parties as of December 10, 1982, relative to PGandE's Interconnection Agreement draft of September 23, 1982 (Offer) and NCPA's revision of that draft of October 28-29, 1982 (Counteroffer).

- (b) In resolving said remaining differences between the Offer and the Counteroffer, the standard to be employed by the Arbitrator shall be as follows:
- (i) PGandE shall be obligated to comply with the applicable provisions of those Nuclear Regulatory Commission license conditions to PGandE's Diablo Canyon Unit No. 1 license commonly referred to as the Stanislaus Commitments. The Arbitrator shall not require PGandE without its consent to perform any act which by the express terms of the Stanislaus Commitments PGandE is not obligated to perform, except this provision shall not disable the Arbitrator from requiring more than one point of interconnection, if in his discretion and otherwise consistent with this agreement such a provision is deemed appropriate.
 - (ii) The Arbitrator shall not change contract terms agreed to by the parties without their consent, nor shall any term be less favorable to a party than the corresponding term demanded by the opposing party in the Offer or Counteroffer. The contract terms shall be just and reasonable as between the parties, shall not adversely affect the reliable and economic operation of either party's electric system, nor cause either party to violate any applicable

law or governmental regulation imposed upon said party by any entity (other than the party itself) of competent jurisdiction.

(c) All disputes between the parties as to procedures to be utilized in the arbitration shall be resolved by the Arbitrator.

(d) The Arbitrator shall advise the parties of his decision in writing no later than 45 days after the matter is deemed submitted for arbitration, which may, in the discretion of the Arbitrator, be extended for one additional 45-day period, unless otherwise agreed to by the parties. The Arbitrator may or may not, in his discretion, provide explanation for said decision. Said decision will be expressed in terms that permit installation in the format of the Offer and Counteroffer.

3. Upon receipt of the Arbitrator's decision, the parties will promptly undertake to prepare an agreement for acceptance by the parties and filing with the Federal Energy Regulatory Commission (FERC) that contains the terms agreed to by the parties and those established through arbitration. Disputes shall be resolved by the Arbitrator. The parties shall promptly execute and be bound by said Interconnection Agreement which will then be promptly filed with FERC.

The parties shall take all reasonable action necessary to secure approval by FERC of said Interconnection Agreement in its entirety and without change or condition.

4. If the California Public Utilities Commission (CPUC) determines that said Interconnection Agreement, its operation or effect is unlawful, unreasonable, imprudent or otherwise not in the public interest, then PGandE shall be entitled to file with the FERC changes in the Interconnection Agreement which it believes would eliminate said CPUC determination, subject to Section 206 of the Federal Power Act. NCPA shall be entitled, within 30 days of PGandE's filing, to file a request for further change which will preserve for each party the balance of benefits established by the Interconnection Agreement. Neither party shall be barred by the Sierra-Mobile doctrine. Both parties shall request that the FERC determine in a single proceeding the justness and reasonableness of the requested modifications and place the resultant determination in effect pursuant to the provisions of Section 206 of the Federal Power Act.

A copy of the Interconnection Agreement prepared in accordance with paragraph 3 shall be submitted to the Director, Office of Nuclear Reactor Regulation of NRC (Director).

If within 30 days of receipt thereof Director notifies the parties in writing that said Interconnection Agreement is inconsistent with the Stanislaus Commitments, then the arbitration proceeding shall be reopened for further consideration by the Arbitrator in accordance with this arbitration agreement.

5. Ambiguities in the wording of this agreement shall not be construed for or against either party, but shall be construed in a manner which most accurately reflects the intent of the parties.

6. In order to proceed expeditiously and avoid the delay inherent in obtaining the explicit ratification of NCPA member customers (City of Alameda, City of Biggs, City of Gridley, City of Healdsburg, City of Lodi, City of Lompoc, City of Palo Alto, City of Redding, City of Roseville, City of Santa Clara, City of Ukiah, and Plumas Sierra Rural Electric Cooperative) prior to execution of this arbitration agreement, PGandE and NCPA further agree as follows:

Prior to the Arbitrator's advising the parties of his decision, and in no event later than 35 days after the matter is deemed submitted for arbitration, each NCPA member customer shall, through its appropriate procedures, ratify this arbitration agreement and agree to be bound by its terms as if each were an original signatory to this arbitration agreement. Each NCPA member customer shall, through a duly authorized representative and within the time period set forth above, execute a counterpart copy of this arbitration agreement, delivering the original to the Arbitrator and certified copies to PGandE and NCPA. If any NCPA member customer fails to comply with the foregoing requirements, at PGandE's option this arbitration agreement may be voided and no decision rendered by the Arbitrator or this arbitration agreement may remain in full force and effect as between PGandE, NCPA and those NCPA member customers

which complied with the foregoing requirements. Time is of the essence to this provision. For purposes of this arbitration agreement, NCPA and those NCPA member customers which comply with the foregoing requirements shall be deemed one party and PGandE shall be deemed one party.

7. It is understood and agreed that the sole subject of this arbitration agreement is an Interconnection Agreement between PGandE and NCPA. The City of Santa Clara has expressed a desire for a separate contract with PGandE. It is agreed that ratification of this arbitration agreement by Santa Clara will not foreclose Santa Clara from requesting and receiving a separate interconnection agreement pursuant to the Stanislaus Commitments, nor will the terms of a PGandE-Santa Clara contract be prescribed by this arbitration agreement or the Interconnection Agreement developed thereunder.

8. The actions of the Arbitrator under this agreement, including but not limited to the Arbitrator's decision, do not constitute an official act by the FERC or of any individual Commissioner thereof; the parties agree that the Arbitrator shall not be liable to them for any act or omission arising out of or related to this arbitration agreement or the performance of his duties as Arbitrator thereunder.

9. Both parties recognize that this arbitration agreement and the Interconnection Agreement which may result therefrom is, for a variety of reasons, unique and in the nature of a settlement agreement, and it shall not serve as

a precedent of any future negotiations or agreements either between the parties or between one of the parties and another entity.

The signators below represent and warrant that they are fully authorized to execute this agreement on behalf of the party indicated.

Pacific Gas and Electric Company

George A. Manéatis
George A. Manéatis
Executive Vice President -
Facilities & Electric Resources
Development, Pacific Gas and
Electric Company

Date: DEC 10 1982

Northern California Power Agency

Robert E. Grimshaw
Robert E. Grimshaw
General Manager, Northern
California Power Agency

Date: Dec 7, 1982

Name: _____

Date: _____

Title: _____

Entity: _____

ADDENDUM TO ARBITRATION AGREEMENT

Pacific Gas and Electric Company (PGandE) and the Northern California Power Agency (NCPA), by and through their undersigned representatives, hereby agree that the Arbitration Agreement dated December, 1982, is amended and modified as follows:

1. In accordance with paragraph 2 of the Arbitration Agreement, the parties hereby agree that the matter will be deemed submitted for binding arbitration on December 24, 1982, instead of December 11, 1982.

2. The following sentence shall be added as the second sentence to paragraph 2(c) of the Arbitration Agreement:

The Arbitrator is vested with all reasonable procedural powers he deems necessary to conduct and complete the arbitration in accordance with this agreement.

Pacific Gas and Electric Company

George A. Maniatis
George A. Maniatis
Executive Vice President -
Facilities & Electric Resources
Development, Pacific Gas and
Electric Company

Date: DEC 10 1982

Northern California Power Agency

Robert J. [Signature]

Date: Nov 13, 1982