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**SECOND EXTENSION AGREEMENT  
FOR THE AMENDED AND RESTATED LONG TERM POWER SALES AGREEMENT  
BETWEEN  
THE CITY AND COUNTY OF SAN FRANCISCO  
AND  
THE TURLOCK IRRIGATION DISTRICT**

**1. PARTIES**

This Second Extension Agreement is made by and between the CITY AND COUNTY OF SAN FRANCISCO, a California municipal corporation, hereinafter called "City", acting by and through its PUBLIC UTILITIES COMMISSION, hereinafter called "Commission", and the TURLOCK IRRIGATION DISTRICT, a California irrigation district, hereinafter called "Turlock", hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties".

**2. RECITALS**

Whereas, the Parties entered into the Amended and Restated Long Term Power Sales Agreement ("ARLTPSA") effective February 14, 2004 for the purchase and sale of electric energy from the Hetch Hetchy generating facility pursuant to the Raker Act, and;

Whereas, the original expiration date for the ARLTPSA was June 30, 2015;

Whereas, the Parties entered into an Extension Agreement dated <sup>June</sup> ~~23~~, 2015 which extended the term of the ARLTPSA for one year as authorized by the San Francisco Board of Supervisors in Resolution No. 227-15 ("Extension Agreement"), and;

Whereas, the Extension Agreement will expire on June 30, 2016, and;

Whereas, the Parties are engaged in negotiations for an agreement to replace the ARLTPSA upon expiration of the Extension Agreement, and;

Whereas, the Parties have agreed that additional time is necessary to reach final agreement on the terms and conditions of the new agreement, and;

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Whereas, the Parties hereby enter this Second Extension Agreement on the terms set forth herein, the consideration of which is acknowledged by both Parties to be sufficient therefor.

**3. AGREEMENT AND AMENDMENT**

For and in consideration of the mutual covenants and conditions hereinafter set forth, the Parties agree as follows:

3.1 The term of the ARLTPSA is hereby extended from 2400 hours on June 30, 2016 to the earlier of (i) 2400 hours on June 30, 2017, or (ii) the effective date of a fully executed replacement long term energy sales agreement between the Parties ("Second Extension Term"). The following sections of the ARLTPSA are amended as follows for the Second Extension Term (strikeout indicates deleted language, underline indicates added language):

- a. **Sec. 4.91:** The period commencing at 0000 hours on January, 1 2006 and ending on 2400 hours of June 30, 201~~7~~5, unless terminated earlier in which case ending on the date of termination.
- b. **Sec. 5:** On the Execution Date this Agreement shall become effective as of 0000 hours on February 14, 2004, and shall continue in effect until 2400 hours on June 30, 201~~7~~5, unless terminated earlier in accordance with the terms hereof.  
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- c. **Sec. 24.1:** This Agreement shall terminate as of July 1, 201~~7~~5, unless it is terminated earlier by the agreement of the Parties or by either Party pursuant to this Section 24 or Section 25. Termination shall be a remedy of last resort for material breach of this Agreement, to be exercised only after the Parties have exhausted all other remedies provided for in this Agreement.
- d. **Appendix D Sec. 5:** Beginning May 1, 2005, and on each May 1 of each Year thereafter during the Term, City shall notify Turlock in writing of the Provisional Class 1 Rate and the Reconciliation Amount to be charged Turlock monthly during the twelve (12) month period beginning on July 1 of that Year, provided, however, that the notice to be delivered by City on May 1, 201~~7~~5 shall set forth the Provisional Class 1 Rate to be charged Turlock during the six (6) month period beginning on July 1 and ending December 31 of that Year. City shall provide Turlock with copies of work papers and other documentation in support of its calculation of the Provisional Class 1 Rate and the Reconciliation Amount.

3.2 The Parties agree that during the Second Extension Term, the City shall have no obligation to offer or sell, and Turlock shall have no obligation to request or purchase, Available Excess Energy or Additional Available Excess Energy as those terms are defined in the

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ARLTPSA. The following sections of the ARLTPSA are amended as follows for the Second Extension Term (strikeout indicates deleted language, underline indicates added language):

- a. **Sec. 4.3:** Deleted in its entirety.
- b. **Sec. 4.4:** Deleted in its entirety.
- c. **Sec. 4.14:** Deleted in its entirety.
- d. **Sec. 4.15:** Deleted in its entirety.
- e. **Sec. 4.36:** Deleted in its entirety.
- f. **Sec. 4.39(a):** the Final Base Active Day Schedule ~~and the Available Excess Energy Schedule, as adjusted to account for the energy Turlock has committed to purchase under the Additional Available Excess Energy Schedule on such Active Day, if during the Third Period,~~
- g. **Sec. 7.4.1:** The sale, purchase, scheduling and delivery of Scheduled Class 1 Energy, ~~Available Excess Energy, and Additional Available Excess Energy~~ during the Third Period shall be made under the terms and conditions set forth herein below.
- h. **Sec. 7.4.5(b)(iii):** Deleted in its entirety.
- i. **Sec. 7.4.9:** Deleted in its entirety.
- j. **Sec. 7.4.10:** City shall notify Turlock of City's confirmation or rejection of Turlock's Base Active Day Ramping Schedule ~~and Turlock's Available Excess Energy Schedule~~ on the same day and by no later than the time provided therefor in the Scheduling Calendar; and
- k. **Sec. 7.4.10(b):** Deleted in its entirety.
- l. **Sec. 7.4.10(d):** Deleted in its entirety.
- m. **Sec. 7.4.11:** Deleted in its entirety.
- n. **Sec. 7.4.12:** Deleted in its entirety.
- o. **Sec. 7.6:** Deleted in its entirety.

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- p. **Sec. 11.3.1(ii):** deviations from provisions relating to the scheduling of Class 1 Energy (including Ramping) or Spinning Reserve Energy, ~~Available Excess Energy or Additional Available Excess Energy, or~~
  - q. **Sec. 11.5:** Deleted in its entirety.
  - r. **Sec. 11.6:** Deleted in its entirety.
  - s. **Sec. 11.7.2(b):** Scheduled Class 1 Energy, Scheduled Shortfall Energy, ~~Available Excess Energy or Additional Available Excess Energy that has been scheduled for delivery~~ or Spinning Reserve Energy that has been requested by Turlock at any time during the Third Period, to the extent that its failure to supply or deliver any such Energy shall be due to:
  - t. **Sec. 16.4:** Deleted in its entirety.

3.3 The Parties may mutually agree in writing to one (1) additional extension of the Second Extension Term for a period not to exceed one-hundred and eighty (180) days ("Additional Extension Term").

3.4 All other terms and conditions of the ARLTPSA, including the Appendices thereto, will continue in full force and effect throughout the Second Extension Term and the Additional Extension Term, if any.

3.5 The Parties shall continue negotiations on a new agreement to replace the ARLTPSA in a diligent and timely manner.

3.6 This Second Extension Agreement shall automatically expire upon the earlier of (a) the effective date of a fully executed replacement agreement between the Parties, or (b) the expiration of the Second Extension Term or the Additional Extension Term, if any.

#### 4. TIME IS OF THE ESSENCE


Time is of the essence with reference to all provisions of this Second Extension Agreement.

#### 5. EXECUTION IN COUNTERPARTS.


The Parties agree that this Second Extension Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Second Extension Agreement to be executed in triplicate by their respective offices thereunto duly authorized this 2<sup>nd</sup> day of August, 2016.

PUBLIC UTILITIES COMMISSION OF  
THE CITY AND COUNTY OF SAN  
FRANCISCO


By:   
Harlan Kelly  
General Manager  
City

TURLOCK IRRIGATION DISTRICT

By:   
Casey Hashimoto  
General Manager  
Turlock

APPROVED AS TO FORM:

DENNIS HERERRA  
City Attorney

By:   
Deputy City Attorney