

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA REGION

AMENDMENT 1

TO THE
CUSTOM PRODUCT CONTRACT
FOR
SCHEDULING COORDINATOR SERVICES
WITH

CITY AND COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER AND POWER

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Contract 04-SNR-00724
Amendment 1

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5 DEPARTMENT OF ENERGY
6 WESTERN AREA POWER ADMINISTRATION
7 SIERRA NEVADA REGION

8 AMENDMENT 1

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14 CITY AND COUNTY OF SAN FRANCISCO
15 HETCH HETCHY WATER AND POWER

16 **1. PREAMBLE:**

17 This Amendment 1 to Contract 04-SNR-00724 (Contract) is made this 10th day of
18 February, 2010, between the UNITED STATES OF AMERICA,
19 DEPARTMENT OF ENERGY, WESTERN AREA POWER ADMINISTRATION
20 (Western) and the CITY AND COUNTY OF SAN FRANCISCO, HETCH HETCHY
21 WATER AND POWER (CCSF), also hereinafter referred to individually as Party and
22 together as Parties, pursuant to the same authorities as the Contract.

23 **2. EXPLANATORY RECITALS:**

24 2.1 The Parties entered into the Contract on August 13, 2004. Under the
25 Contract, Western provides Scheduling Coordinator (SC) Services to CCSF.
26 Under its terms, the Contract terminates at midnight on September 30, 2010.
27 The Parties desire to extend the termination date of the Contract by five (5)
28 years.

1 2.2 At the time the Contract for SC services was executed, Western was
2 operating within the California Independent System Operator's control area.
3 Effective January 1, 2005, Western began operating as a sub-control area within
4 the Sacramento Municipal Utility District's control area. Also since the time of
5 execution, industry terminology has replaced the phrase "control area" with the
6 phrase "balancing authority". The Parties wish to reflect Western's current
7 balancing authority status in the Contract.

8
9 2.3 In order to allow Western more flexibility in billing for ISO costs, Western
10 would like to add a provision to bill customers after-the-fact for such costs.

11
12 2.4 Also at the time the Contract for SC services was executed, the July 10,
13 1998 General Power Contract Provisions (GPCP) were effective. Western
14 revised its GPCP effective September 1, 2007. The Parties wish to update the
15 Contract with the current GPCP.

16
17 **3. AGREEMENT:**

18 The Parties agree to the terms and conditions set forth herein.

19
20 **4. TERM OF AMENDMENT:**

21 This Amendment shall become effective upon execution and shall remain in effect
22 concurrently with the Contract.

23
24 **5. MODIFICATION OF SECTION 4.1 (EFFECTIVE DATE AND TERM OF**
25 **CONTRACT) OF THE CONTRACT:**

26 Section 4.1 of the existing Contract is hereby deleted in its entirety and replaced with a
27 new Section 4.1 as shown below:

28 ///

1 4.1 This Contract shall become effective upon execution by the Parties
2 and shall remain in effect through September 30, 2015; except as
3 otherwise provided for herein.
4

5 **6. MODIFICATION OF SECTION 8 (REGIONAL TRANSMISSION**
6 **ORGANIZATION OR BALANCING AUTHORITY) OF THE CONTRACT:**

7 Section 8 of the existing Contract is deleted in its entirety and replaced with the new
8 Sections 8.1 through 8.4 as shown below:

9 8.1 Western joined the Sacramento Municipal Utility District (SMUD)
10 balancing authority on January 1, 2005, and, therefore, is operating in
11 conformance with SMUD's protocols. The Parties hereby agree to make
12 any changes necessary to this Contract to conform to SMUD's operating
13 and scheduling protocols.
14

15 8.2 The Parties understand that Western may also join a regional
16 transmission organization (RTO). In the event Western either joins or is
17 required to conform to the protocols of an RTO, the Parties shall agree to
18 make any changes to this Contract to conform to the terms and conditions
19 required by the RTO.
20

21 8.3 If CCSF does not agree with the protocol changes, it may terminate
22 this Contract by providing 30-days written notice to Western. If Western is
23 not able to conform to the protocols, it may terminate this Contract by
24 providing 30-days written notice to CCSF.
25

26 8.4 In the event that: 1) Western incurs costs from SMUD, an RTO, or
27 a different balancing authority for serving CCSF's load; or 2) CCSF does
28 not abide by the protocols of SMUD, an RTO, or other balancing authority

1 that are applicable to Western and Western incurs costs as a result,
2 CCSF agrees to pay all such costs attributable to CCSF.

3
4 **7. MODIFICATION OF SECTION 11 (BILLING AND PAYMENT OF ISO COSTS)**
5 **OF THE CONTRACT:**

6 The first paragraph of Section 11 of the existing Contract is deleted and replaced with a
7 revised first paragraph as shown below:

8
9 Western shall identify and bill CCSF for its attributable ISO costs. CCSF shall pay for
10 the ISO costs in accordance with one of the methods set forth in Section 11.1, Section
11 11.2, Section 11.3, or Section 11.4, as solely determined by Western. If Western has
12 selected one method and subsequently determines to change to another method,
13 Western will provide CCSF with a two (2) month notification of this change.

14
15 Section 11 of the existing Contract is further modified with the addition of Section 11.4
16 as shown below:

17
18 11.4 After-the-Fact Billing: CCSF shall pay Western for its ISO costs from the
19 previous month on the monthly electric service bill or other bill as Western
20 deems appropriate.

21
22 **8. MODIFICATION OF SECTION 18 (GENERAL POWER CONTRACT**
23 **PROVISIONS) OF THE CONTRACT:**

24 Section 18 of the existing Contract is deleted in its entirety and replaced with the new
25 Section 18 as shown below:

26 18. The GPCP, effective September 1, 2007, attached hereto, are
27 hereby made a part of this Contract the same as if they had been
28 expressly set forth herein.

1 **9. CONTRACT TO REMAIN IN EFFECT:**

2 Except as expressly modified by this Amendment, said Contract shall remain in full
3 force and effect, and this Amendment shall be subject to all provisions of the Contract,
4 except as herein amended.
5

6 **10. AUTHORITY TO EXECUTE:**

7 Each individual signing this Amendment certifies that the Party represented has duly
8 authorized such individual to execute this Amendment that binds and obligates the
9 Party.
10

11 **IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed the
12 day and year first above written.
13

14 WESTERN AREA POWER ADMINISTRATION

15 By: *Sonja A. Anderson*
16 Sonja A. Anderson
17 Title: Power Marketing Manager
18 Address: 114 Parkshore Drive
Folsom, California 95630
19

20 CITY AND COUNTY OF SAN FRANCISCO
21 HETCH HETCHY WATER AND POWER

22 By: *E. Harrington*
23 Edward Harrington
24 Title: SFPUC General Manager
25

26 (Attest)

26 By: *Margaret S.* Address: 1155 Market Street
27 Deputy City Attorney San Francisco, CA 94103
28 Title: Deputy City Attorney