

Contract 04-SNR-00724  
Amendment 1

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

Contract 04-SNR-00724  
Amendment 1

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

<u>Section</u>	<u>Table of Contents</u>	<u>Page</u>
1.	Preamble.....	1
2.	Explanatory Recitals .....	1
3.	Agreement .....	2
4.	Term of Amendment .....	2
5.	Modification of Section 4.1 (Effective Date and Term of Contract) of the Contract .....	2
6.	Modification of Section 8 (Regional Transmission Organization or Balancing Authority) of the Contract .....	3
7.	Modification of Section 11 (Billing and Payment of ISO Costs) of the Contract .....	4
8.	Modification of Section 18 (General Power Contract Provisions) of the Contract .....	4
9.	Contract to Remain in Effect.....	5
10.	Authority to Execute .....	5
	General Power Contract Provisions [September 1, 2007]	

Contract 04-SNR-00724  
Amendment 1

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

1. **PREAMBLE:**

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

2. **EXPLANATORY RECITALS:**

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

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

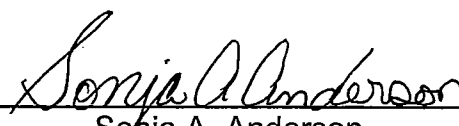
Except as expressly modified by this Amendment, said Contract shall remain in full force and effect, and this Amendment shall be subject to all provisions of the Contract, except as herein amended.

10. **AUTHORITY TO EXECUTE:**

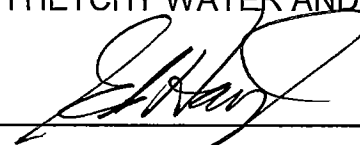
Each individual signing this Amendment certifies that the Party represented has duly authorized such individual to execute this Amendment that binds and obligates the Party.

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

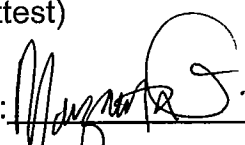
WESTERN AREA POWER ADMINISTRATION

By:   
Sonja A. Anderson  
 Title: Power Marketing Manager  
 Address: 114 Parkshore Drive  
Folsom, California 95630

CITY AND COUNTY OF SAN FRANCISCO  
 HETCH HETCHY WATER AND POWER

By:   
Edward Harrington  
 Title: SFPUC General Manager

(Attest)

By:  Address: 1155 Market Street  
San Francisco, CA 94103  
 Title: Deputy City Attorney