

**EXTENSION AGREEMENT**  
**BETWEEN**  
**THE CITY AND COUNTY OF SAN FRANCISCO**  
**AND**  
**THE MODESTO IRRIGATION DISTRICT**

**1. PARTIES**

This 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 MODESTO IRRIGATION DISTRICT, a California irrigation district, hereinafter called “Modesto”, hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties”.

**2. RECITALS**

Whereas, the Parties entered into the Long Term Energy Sales Agreement (“LTESA”) effective January 1, 2008 for the purchase and sale of electric energy from the Hetch Hetchy generating facility pursuant to the Raker Act, and;

Whereas, the LTESA will expire on June 30, 2015, and;

Whereas, the Parties are currently engaged in negotiations for a new energy sales and interconnection agreement to replace the LTESA upon expiration, and;

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

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

### **3. AGREEMENT**

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

3.1 The term of the LTESA is hereby extended to 2400 hours on June 30, 2016 (“Extension Term”).

3.2 The terms and conditions of the LTESA, including the Appendices thereto, will continue in full force and effect throughout the Extension Term.

3.3 The Parties shall continue negotiations on a new energy sales and interconnection agreement to replace the LTESA in a diligent and timely manner.

3.4 This Extension Agreement shall automatically expire upon the earlier of (a) the effective date of a fully executed replacement energy sales and a fully executed interconnection agreement, or a fully executed and combined replacement energy sales and interconnection agreement, between the Parties, or (b) the expiration of the Extension Term.

### **4. TIME IS OF THE ESSENCE**

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

### **5. EXECUTION IN COUNTERPARTS.**

The Parties agree that this 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 Extension Agreement to be executed in triplicate by their respective offices thereunto duly authorized this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

PUBLIC UTILITIES COMMISSION OF  
THE CITY AND COUNTY OF SAN  
FRANCISCO

MODESTO IRRIGATION DISTRICT

By: \_\_\_\_\_  
Harlan Kelly  
General Manager  
City

By: \_\_\_\_\_  
Roger VanHoy  
General Manager  
Modesto

APPROVED AS TO FORM:

DENNIS HERERRA  
City Attorney

By: \_\_\_\_\_  
Deputy City Attorney