



Department of Energy
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, California 95630-4710

JAN 13 2012

Ms. Barbara Hale
Assistant General Manager, Power
City and County of San Francisco
Hetch Hetchy Water and Power
1155 Market Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Hale:

Enclosed for your records, please find one fully executed original of the following to Full Load Service Contract 04-SNR-00723 (FLS Contract) between the Western Area Power Administration (Western) and the City and County of San Francisco (CCSF):

- Amendment 2 updates the General Power Contract Provisions to the latest revision dated September 1, 2007, and extends the term of the FLS Contract through September 30, 2020.
- Exhibit B, Revision 3, increases Western's monthly charge to \$2,550 for providing Portfolio Management Services to CCSF under the FLS Contract and became effective October 1, 2011.

If you have any questions regarding the above, please contact Mr. Hiroshi Kashiwagi at (916) 353-4477 or Ms. Jeanne Haas at (916) 353-4438.

Sincerely,

A handwritten signature in cursive script that reads "Sonja A. Anderson".

Sonja A. Anderson
Power Marketing Manager

2 Enclosures

cc:

Mr. Sam Larano, P.E.
Manager, Interconnection Services and Redevelopment
SFPUC Power Enterprise
City and County of San Francisco
Hetch Hetchy Water and Power
1155 Market Street, 4th Floor
San Francisco, CA 94103

ORIGINAL

PLEASE KEEP
FOR YOUR RECORDS

San Francisco, City and County of
Contract 04-SNR-00723
Exhibit B, Revision 3

Exhibit B
(Charge for Portfolio Management Services)

1. This Exhibit B, Revision 3, to be effective under and as part of Contract 04-SNR-00723 shall become effective on October 1, 2011; and shall remain in effect until superseded by another Exhibit B or termination of the contract.
2. The monthly charge for Portfolio Management services shall be \$2,550.00.

WESTERN AREA POWER ADMINISTRATION

By: *Sonja A. Anderson*

 Sonja A. Anderson
 Title: Power Marketing Manager

 Address: 114 Parkshore Drive

Folsom, CA 95630-4416

CITY AND COUNTY OF SAN FRANCISCO

By: *M. D. Co.*

 Title: DEPUTY GENERAL MANAGER

 Address: 1155 MARKET STREET

SAN FRANCISCO CA 94103

Attest:

By: _____

Title: _____

Date: _____

Approved as to Form:

Dennis J. Herrera
City Attorney

By: *Margarita Gutierrez*

 Margarita Gutierrez
 Deputy City Attorney

ORIGINAL

**Contract 04-SNR-00723
Amendment 2**

**PLEASE KEEP
FOR YOUR RECORDS**

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

**AMENDMENT 2
(Extension / Portfolio Management Services)**

**TO THE
CUSTOM PRODUCT CONTRACT
FOR
FULL LOAD SERVICE
WITH**

**THE CITY & COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER & POWER**

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

AMENDMENT 2
(Extension / Portfolio Management Services)

TO THE
CUSTOM PRODUCT CONTRACT
FOR
FULL LOAD SERVICE

WITH

THE CITY & COUNTY OF SAN FRANCISCO
HETCH HETCHY WATER & 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 (Effective Date and Term of Contract) of the FLS Contract.....	2
6.	Modification of Section 17 (General Power Contract Provisions) of the FLS Contract.....	3
7.	FLS Contract to Remain in Effect	3
8.	Authority to Execute.....	3

Resolution
General Power Contract Provisions [September 1, 2007]

1
2
3
4 UNITED STATES
5 DEPARTMENT OF ENERGY
6 WESTERN AREA POWER ADMINISTRATION
7 SIERRA NEVADA REGION

8
9
10 AMENDMENT 2
11 (Extension / Portfolio Management Services)

12 TO THE
13 CUSTOM PRODUCT CONTRACT
14 FOR
15 FULL LOAD SERVICE

16 WITH

17 THE CITY & COUNTY OF SAN FRANCISCO
18 HETCH HETCHY WATER & POWER

19
20
21
22 1. **PREAMBLE:**

23 This Amendment 2 to Contract 04-SNR-00723 (FLS Contract) is made this 13th
24 day of JANUARY, 2012, between the UNITED STATES OF AMERICA,
25 DEPARTMENT OF ENERGY, WESTERN AREA POWER ADMINISTRATION
26 (Western) and the CITY & COUNTY OF SAN FRANCISCO, HETCH HETCHY WATER
27 & POWER, (CCSF), also hereinafter referred to individually as Party and together as
28 Parties, pursuant to the same authorities as the FLS Contract.

29
30
31
32 2. **EXPLANATORY RECITALS:**

33 2.1 The Parties entered into the FLS Contract on August 13, 2004. Under the
34 FLS Contract, Western provides Supplemental Power and Portfolio Management
35 Services to CCSF.

36 2.2 The Parties entered into Amendment 1 to the FLS Contract on

37
38 ///

1 November 30, 2007. This, among other things, extended the termination date of
2 the FLS Contract to September 30, 2015.

3
4 2.3 Western is considering making Supplemental Power purchases extending
5 beyond September 30, 2015, which is the current term of the FLS Contract.

6
7 2.4 In order to provide Supplemental Power from purchases extending
8 beyond the FLS Contract termination date to CCSF, the Parties must agree to
9 extend the term of the FLS Contract.

10
11 2.5 At the time Amendment 1 to the FLS Contract was executed, the
12 June 15, 2005 General Power Contract Provisions (GPCP) were effective.
13 Western revised its GPCP effective September 1, 2007. The Parties wish to
14 update the FLS Contract with the current GPCP.

15
16 **3. AGREEMENT:**

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

18
19 **4. TERM OF AMENDMENT:**

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

22
23 **5. MODIFICATION OF SECTION 4 (EFFECTIVE DATE AND TERM OF**
24 **CONTRACT) OF THE FLS CONTRACT:**

25 The following subsection of Section 4 of the FLS Contract is hereby modified as shown
26 below:

27 ///

28 ///

1 4.1 This Contract shall become effective upon execution by the Parties
2 and shall remain in effect through September 30, 2020; except as
3 otherwise provided for herein.
4

5 **6. MODIFICATION OF SECTION 17 (GENERAL POWER CONTRACT**
6 **PROVISIONS) OF THE FLS CONTRACT:**

7 Section 17 of the FLS Contract is hereby modified as shown below:

8 The GPCP, effective September 1, 2007, attached hereto, are hereby
9 made a part of this Contract the same as if they had been expressly set
10 forth herein; Provided, That, for the term of this Contract, CCSF hereby
11 agrees to waive its rights under this Contract to Article 11 of the GPCP.
12

13 **7. FLS CONTRACT TO REMAIN IN EFFECT:**

14 Except as expressly modified by this Amendment, said FLS Contract shall remain in full
15 force and effect, and this Amendment shall be subject to all provisions of the FLS
16 Contract, except as herein amended.
17

18 **8. AUTHORITY TO EXECUTE:**

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

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

1 **IN WITNESS WHEREOF**, the Parties have caused this Amendment to be
 2 executed the day and year first above written.
 3
 4

5 WESTERN AREA POWER ADMINISTRATION

6
 7 By: *Sonja A. Anderson*
 8 Sonja A. Anderson
 9 Title: Power Marketing Manager
 10 Address: 114 Parkshore Drive
Folsom, California 95630

11
 12 CITY & COUNTY OF SAN FRANCISCO
 13 HETCH HETCHY WATER & POWER
 14

15 (Seal) By: *[Signature]*
 16
 17 Title: DEPUTY GENERAL MANAGER
 18 Address: 1155 MARKET STREET
 19 SAN FRANCISCO CA 94103

20 Approved as to Form:

21 Dennis J. Herrera
 22 City Attorney

23
 24 By: *[Signature]*
 25 Margarita Gutierrez
 26 Deputy City Attorney

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0153

WHEREAS, The San Francisco Public Utilities Commission ("SFPUC") purchases low-cost electricity and other services from the federal government, through the Western Area Power Administration ("WAPA"), in order to provide electric service to Treasure Island and Yerba Buena Island ("TI/YBI"); and

WHEREAS, Pursuant to Resolution 04-0197 the City and County of San Francisco ("the City") has previously executed a Full Load Service ("FLS") contract with the WAPA for electric service to TI/YBI effective January 11, 2005, for a period of five years and nine months or until September 30, 2010; and

WHEREAS, Pursuant to Resolution 07-0178 the City has previously executed Amendment No. 1 to the FLS contract extending the term from September 30, 2010, to September 30, 2015; and

WHEREAS, Under the FLS contract WAPA provides Portfolio Management Services and Supplemental Power Purchases to ensure that loads at TI/YBI would be reliably served; and

WHEREAS, Amendment No. 2 amends the FLS contract to extend the term by five years from September 30, 2010 to September 30, 2015; and

WHEREAS, The FLS contract amount will increase to account for the additional five years that WAPA will have to provide Supplemental Power Purchases and Portfolio Management Services to serve the electric load at TI/YBI; and

WHEREAS, The FLS contract allows the City to continue providing low cost federal power for all the anticipated electric power needs of TI/YBI; and

WHEREAS, The cost of the extended FLS contract will be recovered through the electric utility rate at TI/YBI and paid for by the SFPUC's Power Enterprise to WAPA; now therefore, be it

1 [Contract Amendment – Western Area Power Administration - Electric Services – Not to
2 Exceed \$15,950,888]

3 Ordinance approving the second amendment to the contract between the City and
4 County of San Francisco and the United States, through the Department of Energy
5 Western Area Power Administration, for delivery of low-cost power and scheduling
6 coordinator services to Treasure Island and Yerba Buena Island; and approving the
7 City indemnifying and holding the United States harmless against claims arising from
8 the activities of the City under the contract, and waiving the requirement of Section
9 21.19 of the San Francisco Administrative Code which requires that a City contract
10 contain a statement of guaranteed maximum costs, and waiving the requirement of
11 Section 21.35 of the San Francisco Administrative Code which requires that every
12 contract contain a statement regarding liability of claimants for submitting false claims.
13

14
15 NOTE: Additions are single-underline italics Times New Roman;
16 deletions are ~~strike-through italics Times New Roman~~.
17 Board amendment additions are double-underlined;
18 Board amendment deletions are ~~strikethrough-normal~~.

19 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. FINDINGS. The Board of Supervisors hereby finds and declares that:

21 (1) The City, through its Public Utilities Commission (PUC), is currently providing
22 electric utility service at Treasure Island and Yerba Buena Island (TI/YBI) under a multi-year
23 Cooperative Agreement with the United States Navy.

24 (2) The City is the local reuse authority for Naval Station Treasure Island under the
25 Federal Base Closure and Realignment Act (BRAC), and as a result is entitled to purchase
low-cost electricity from the federal government.

1 would not agree to modify the contracts to include the statements required by San Francisco
2 Administrative Code Sections 21.19 and 21.35.

3 (10) The PUC approved this amendment at a public meeting on September 13, 2011,
4 in Resolution 11-0153, a copy of which is on file with the Clerk of the Board of Supervisors in
5 File No. 111096.

6 Section 2. The General Manager of the PUC is hereby authorized to execute
7 the amendment to the contract for full load service with WAPA. A copy of this contract is on
8 file with the Clerk of the Board of Supervisors in File No. 111096.

9 Section 3. WAIVERS. For the purpose of this contract, the Board of Supervisors
10 finds that it is reasonable and in the public interest to grant the waivers specified below.

11 (1) The Board of Supervisors hereby waives the requirement of San Francisco
12 Administrative Code § 21.19 that every contract include a statement regarding guaranteed
13 maximum costs.

14 (2) The Board of Supervisors hereby waives the requirement of San Francisco
15 Administrative Code Section 21.35 that every contract include a statement regarding liability
16 of claimants for submitting false claims to the City.

17 Section 4. APPROPRIATION OF FUNDS. The costs under this contract will be
18 recovered through the electric utility rates at TI/YBI, and will be included in the annual budgets
19 for the PUC's Power Enterprise.

20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By: 
23 Margarita Gutierrez
24 Deputy City Attorney

File No. 111096

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
12/13/2011 by the Board of Supervisors of
the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor Edwin Lee

12/20/11

Date Approved