

Contract 00-SNR-00347

UNITED STATES  
DEPARTMENT OF ENERGY  
WESTERN AREA POWER ADMINISTRATION  
CENTRAL VALLEY PROJECT, CALIFORNIA

CONTRACT FOR ELECTRIC SERVICE  
BASE RESOURCE  
WITH  
CITY AND COUNTY OF SAN FRANCISCO  
HETCH HETCHY WATER AND POWER

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SIGNATURE CLAUSE  
RESOLUTION/CERTIFICATE

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UNITED STATES  
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BASE RESOURCE  
WITH  
CITY AND COUNTY OF SAN FRANCISCO  
HETCH HETCHY WATER AND POWER

1. **PREAMBLE:** This Contract is made this 29<sup>th</sup> day of December, 2000, pursuant to the Acts of Congress approved June 17, 1902, (32 Stat. 388); August 26, 1937, (50 Stat. 844); August 4, 1939, (53 Stat. 1187); and August 4, 1977, (91 Stat. 565); and Acts amendatory or supplementary to the foregoing Acts; between the UNITED STATES OF AMERICA (United States), acting by and through the Administrator, Western Area Power Administration, Department of Energy, hereinafter called Western, represented by the officer executing this Contract, or a duly appointed successor, hereinafter called the Contracting Officer; and CITY AND COUNTY OF SAN FRANCISCO, HETCH HETCHY WATER AND POWER, a municipal corporation, hereinafter called the Contractor or CCSF, its successors and assigns; each sometimes hereinafter individually called the Party, and both sometimes hereinafter collectively called the Parties.

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1 2. **EXPLANATORY RECITALS:**

2 2.1 Western markets the surplus generation from, and operates a high-voltage  
3 transmission system as a part of, the Central Valley Project (CVP).  
4

5 2.2 Western and the U.S. Department of the Interior, Bureau of Reclamation  
6 (Reclamation), have agreed to work together to efficiently serve Project Use and  
7 preference loads.  
8

9 2.3 On June 25, 1999, Western's final 2004 Power Marketing Plan (Marketing  
10 Plan) was published in the Federal Register (64 FR 34417). The Marketing Plan  
11 sets forth how Western's Sierra Nevada Region will market the power generated  
12 from the CVP and Washoe Project.  
13

14 2.4 Western has an existing purchase power contract to supplement CVP and  
15 Washoe Project generation.  
16

17 2.5 Western is willing to provide and CCSF desires to purchase a percentage  
18 of the Base Resource consistent with the Marketing Plan.  
19

20 2.6 Under the Marketing Plan, Western requires that all Western power be  
21 scheduled in accordance with the applicable control area operator requirements.  
22

23 3. **AGREEMENT:**

24 The Parties agree to the terms and conditions set forth herein.  
25

26 4. **TERMINATION OF AMENDMENT FOR RIGHT TO PURCHASE AFTER 2004:**

27 Amendment 1 to Contract 98-SNR-00091, between CCSF and Western shall terminate  
28 upon the effective date of this Contract.

1 5. **EFFECTIVE DATE AND TERM OF CONTRACT:**

2 5.1 This Contract shall become effective on the date of execution and shall  
3 remain in effect until midnight of December 31, 2024, subject to prior termination  
4 as otherwise provided for herein.

5  
6 5.2 The date of initial service under this Contract is January 1, 2005.  
7

8 6. **DEFINITION OF TERMS:**

9 As used herein, the following terms whether singular or plural, or used with or without  
10 initial capitalization, shall have the following meanings:

11 6.1 "Base Resource" means CVP and Washoe Project power output and any  
12 purchases made under the Enron Contract, as determined by Western to be  
13 available for marketing, after (1) meeting the requirements of Project Use and  
14 First Preference Customers, and (2) any other adjustments required for  
15 maintenance, regulation, reserves, transformation losses, and ancillary services.  
16

17 6.2 "Base Resource Operating Capability" means that portion of the Maximum  
18 Operating Capability that Western determines to be available to Customers in  
19 any hour.  
20

21 6.3 "Capacity" means the instantaneous electrical capability of a generator,  
22 transformer, transmission circuit, or other equipment.  
23

24 6.4 "Central Valley Project" means the multipurpose Federal water and power  
25 project extending from the Cascade Range in northern California to the plains  
26 along the Kern River, south of the City of Bakersfield.

27 ///

28 ///

1 6.5 "Custom Product" means a combination of products and services,  
2 excluding provisions for load growth, which may be made available by Western  
3 per Customer request, using the Customer's Base Resource and supplemental  
4 purchases made by Western.

5  
6 6.6 "Customer" means an entity that is qualified under Reclamation law to  
7 receive Western Power and has a Base Resource Contract with Western.

8  
9 6.7 "Enron Contract" means Contract 87-SAO-30002, as amended, which  
10 provides for Western to purchase power from Enron Power Marketing, Inc., to  
11 supplement CVP and Washoe Project generation. The Enron Contract  
12 terminates December 31, 2014.

13  
14 6.8 "Energy" means the actual electrical output of a generator over a specified  
15 period of time; electric energy is usually measured in kilowatthours or  
16 megawatthours.

17  
18 6.9 "First Preference Customer" means a Customer wholly located in Trinity,  
19 Calaveras, or Tuolumne Counties, California, as specified under the Trinity River  
20 Division Act (69 Stat. 719) and the New Melones provisions of the Flood Control  
21 Act of 1962 (76 Stat. 1173, 1191-1192).

22  
23 6.10 "FERC" means the Federal Energy Regulatory Commission or its  
24 successor.

25  
26 6.11 "Hourly Base Resource Schedule" means that portion of the Base  
27 Resource Operating Capability that Western declares as the final scheduled  
28 Base Resource energy for CCSF for each hour of the operating day.

1 6.12 "ISO" means the California Independent System Operator or its  
2 successor.

3  
4 6.13 "NERC" means the North American Electric Reliability Council or its  
5 successor.

6  
7 6.14 "Marketing Plan" means Western's final 2004 Power Marketing Plan for  
8 the Sierra Nevada Region.

9  
10 6.15 "Maximum Operating Capability" means the maximum electrical capability  
11 from CVP generation and the Enron Contract available to produce energy and/or  
12 provide ancillary services in any one or more hours.

13  
14 6.16 "Minimum Base Resource" means the amount of Base Resource energy  
15 generated each hour as a result of CVP minimum water release plus purchases  
16 under the Enron Contract.

17  
18 6.17 "Operating Reserves" means the combination of spinning and non-  
19 spinning reserves required to meet WSCC, NERC, and the control area  
20 operator's requirements for reliable operation of the power system.

21  
22 6.18 "Primary Marketing Area" means the area which generally encompasses  
23 northern and central California extending from the Cascade Range to the  
24 Tehachapi Mountains, and west-central Nevada.

25  
26 6.19 "Power" means electric capacity and energy.

27 ///

28 ///



1 6.20 "Project Use" means the power used to operate CVP or Washoe Project  
2 facilities in accordance with authorized purposes and pursuant to Reclamation  
3 law.

4  
5 6.21 "RTO" means regional transmission organization, which is an organization  
6 that meets the minimum characteristics and performs the minimum functions  
7 specified in FERC Order 2000, as that order may be amended or superseded.

8  
9 6.22 "Regulation" means the service provided by generating units equipped  
10 and operating with automatic generation control which will enable such units to  
11 respond to direct control signals in an upward or downward direction to match, on  
12 a real time basis, demand and resources, consistent with WSCC, NERC, and the  
13 control area operator's criteria.

14  
15 6.23 "Scheduling Coordinator" means an entity that is responsible for providing  
16 hourly load and resource schedules to the control area operator, in accordance  
17 with a FERC-approved tariff.

18  
19 6.24 "Washoe Project" means the Federal water project located in the  
20 Lahontan Basin in west-central Nevada and east-central California, as described  
21 in the Marketing Plan.

22  
23 6.25 "WSCC" means the Western Systems Coordinating Council or its  
24 successor.

25  
26 7. **BASE RESOURCE ESTIMATES AND AVAILABILITY FORECAST:**

27 7.1 Appendix A describes the availability of the Base Resource in terms of  
28 estimated energy and capacity production. Appendix A should be used for long-

1 term planning purposes only. It should not be considered representative of  
2 actual operating conditions.

3  
4 7.2 Beginning in 2004, on or before April 30<sup>th</sup> of each year, Western will  
5 provide to CCSF a forecast of the availability of the Base Resource for the  
6 applicable twelve-month period. The forecast will provide the following  
7 information concerning the Base Resource:

8 7.2.1 A declaration of the anticipated water year type;

9  
10 7.2.2 Estimates of Base Resource Operating Capability and energy, for  
11 the period April 1<sup>st</sup> through September 30<sup>th</sup> of the current year, given the  
12 Enron Contract, actual reservoir levels, snow pack, and estimated runoff  
13 as of April 1<sup>st</sup>;

14  
15 7.2.3 Estimates of the Base Resource Operating Capability and energy,  
16 for the period October 1<sup>st</sup> of the current year through March 31<sup>st</sup> of the  
17 following year, based on historic weather patterns, projected weather  
18 patterns, and existing conditions;

19  
20 7.2.4 Maximum Operating Capability of the CVP for each month;

21  
22 7.2.5 Purchases under the Enron Contract and generation from the CVP  
23 and Washoe Project for each month;

24  
25 7.2.6 Energy required for estimated Project Use loads, First Preference  
26 Customers' loads, and any ancillary service requirements for each month.  
27 The forecast will also include the estimated amount of Base Resource  
28 energy not available due to scheduled maintenance.

1 7.3 By the end of each month, Western will provide to CCSF a monthly Base  
2 Resource forecast that will contain the amounts of Base Resource Operating  
3 Capability and energy estimated to be available for each month on a rolling  
4 twelve-month basis, based on 90, 50, and 10 percent exceedence levels. The  
5 monthly forecast will contain the following information:

6 7.3.1 Maximum Operating Capability of the CVP for each month;  
7

8 7.3.2 Energy required for estimated Project Use loads, First Preference  
9 Customers' loads, and any ancillary service requirements. The forecast  
10 will also include the estimated amount of Base Resource energy not  
11 available due to scheduled maintenance.  
12

13 7.4 By Friday of each week, Western will provide to CCSF a weekly Base  
14 Resource forecast that will contain estimated amounts of Base Resource  
15 Operating Capability and energy to be available for the next week based on the  
16 Enron Contact and anticipated CVP operations. The weekly forecast will set  
17 forth the energy required for estimated Project Use loads, First Preference  
18 Customers' loads, and any ancillary services requirements. The forecast will  
19 also include the estimated amount of Base Resource energy not available due to  
20 scheduled maintenance.  
21

22 7.5 Western shall make all reasonable efforts within its control to ensure that  
23 the forecasted Base Resource will be available.  
24

25 8. **ELECTRIC SERVICE FURNISHED BY WESTERN:**

26 8.1 CCSF will be entitled to receive a percentage of the Base Resource as set  
27 forth in Exhibit A, attached hereto and made a part hereof.  
28

///

1 8.2 The estimated amount of energy available to CCSF during any given time  
2 period shall be determined by multiplying its Base Resource percentage by the  
3 total amount of Base Resource energy available during that period.  
4

5 8.3 The minimum amount of energy CCSF will be required to schedule for  
6 each hour shall be determined by multiplying its Base Resource percentage by  
7 the Minimum Base Resource, unless otherwise agreed to by Western. However,  
8 if CCSF does not have sufficient load to take its percentage of the Minimum Base  
9 Resource, any excess energy shall be made available to Western for the hourly  
10 exchange program as described later in this Contract under Section 11 and  
11 Exhibit B.  
12

13 8.4 The maximum amount of energy CCSF may schedule in any hour shall be  
14 determined by multiplying its Base Resource percentage by the Base Resource  
15 Operating Capability. However, CCSF may schedule energy in excess of this  
16 maximum, if approved by Western, to accommodate purchases or exchanges  
17 from the seasonal or hourly exchange program.  
18

19 8.5 CCSF will be entitled to the benefit of available regulation and operating  
20 reserves from the CVP in proportion to its Base Resource percentage. The  
21 method in which the benefits of regulation and operating reserves will be  
22 provided will be determined prior to the date of initial service and set forth in  
23 Exhibit D attached hereto.  
24

25 8.6 Western's obligation to provide CCSF's Base Resource is limited to the  
26 actual CVP generation and imports under the Enron Contract available on a real-  
27 time basis. Western shall have no obligation to replace any Base Resource that  
28 is unavailable due to scheduled maintenance, system emergencies, forced

1 outages, or other constraints. Any costs incurred by either Party as a result of  
2 deviations between actual and scheduled Base Resource energy shall be the  
3 responsibility of CCSF. Western will notify CCSF as soon as reasonably  
4 practicable of any situation that will impact the availability of the Base Resource,  
5 and will modify schedules accordingly, on a pro-rata basis.  
6

7 8.7 Due to the variable nature of the Base Resource, Western may provide a  
8 Custom Product upon Customer request. Any Custom Product will be the  
9 subject of a separate contractual arrangement.  
10

11 9. **DELIVERY ARRANGEMENTS:**

12 9.1 Western will make CCSF's Base Resource available at the generator bus  
13 or such other point(s) as the Parties may mutually agree, as specified in Exhibit  
14 A. If requested by CCSF, Western will deliver that portion of CCSF's Base  
15 Resource energy from CVP generation that is directly connected to Western-  
16 owned transmission facilities, to CCSF's facilities that are directly connected to  
17 Western-owned transmission facilities. The rates and terms of this service shall  
18 be in accordance with Western's then-current open access transmission tariff.  
19

20 9.2 CCSF must provide written notification to Western by July 1, 2004,  
21 demonstrating that it has arranged for delivery of its Base Resource energy to its  
22 load. Such notification shall include both transmission and distribution level  
23 arrangements, as applicable. Western shall have no obligation to make Base  
24 Resource available to CCSF if delivery arrangements are not in effect. However,  
25 CCSF shall not be relieved of its obligation to pay its percentage share of the  
26 Base Resource during the time in which delivery arrangements are not in effect.

27 ///

28 ///

1 10. **SCHEDULING PROCEDURES AND PROTOCOLS:**

2 10.1 All energy furnished by Western to CCSF will be provided on a scheduled  
3 basis. CCSF agrees to abide by the FERC-approved scheduling procedures and  
4 protocols, as set forth in Exhibit C herein. The Parties recognize that the  
5 scheduling procedures and protocols may require modification from time-to-time  
6 to reflect updated operating procedures that may become applicable to the  
7 Parties. In such event, the Parties shall mutually agree to make the appropriate  
8 modifications to Exhibit C.

9  
10 10.2 In the event that CCSF does not abide by the protocols and procedures  
11 made effective by FERC and applicable to Western, and Western incurs costs as  
12 a result, CCSF agrees to pay all such costs.

13  
14 11. **EXCHANGE PROGRAM:**

15 11.1 Western will establish and manage an exchange program to allow all  
16 Customers to fully and efficiently use their Base Resource percentage. The  
17 exchange program is a mechanism to:

18 11.1.1 Make available to Western, for provision to other Customers, any  
19 Base Resource energy a Customer cannot use on a pre-scheduled basis  
20 due to insufficient load;

21  
22 11.1.2 Help mitigate the costs incurred by a Customer for the power it is  
23 obligated to pay for, but may not be able to use.

24  
25 11.2 The exchange program will consist of a seasonal exchange program and  
26 an hourly exchange program.

27 11.2.1 Under the seasonal exchange program, CCSF may elect to make  
28 available to Western that portion of its Base Resource percentage that it is

1 unable to use due to insufficient load. CCSF, through Western, will be  
2 able to exchange its unusable Base Resource percentage with other  
3 Customers. Any Customer may submit a request to Western to exchange  
4 or purchase energy through the seasonal exchange program.  
5

6 11.2.2 Under the hourly exchange program, all Base Resource energy in  
7 excess of a Customer's load will be retained by Western and offered by  
8 Western for sale to other Customers. Any Customer may submit a  
9 request to Western to purchase energy that is made available to the  
10 hourly exchange program.  
11

12 11.3 The exchange program procedures are set forth in Exhibit B, attached  
13 hereto, and such procedures shall apply to all Customers that participate in the  
14 exchange program.  
15

16 11.4 Exchanges of the Base Resource between CCSF and others, outside of  
17 the Western-managed exchange program, or other Western-managed program,  
18 is prohibited.  
19

20 12. **INDEPENDENT SYSTEM OPERATOR OR REGIONAL TRANSMISSION**

21 **ORGANIZATION:**

22 The Parties understand that Western may join the ISO or an RTO. In the event  
23 Western either joins or is required to conform to the protocols of an ISO or RTO, the  
24 Parties shall mutually agree to make any protocol changes to Exhibit C to this Contract  
25 to conform to the terms and conditions required by an ISO or RTO and made effective  
26 by FERC. In the event that CCSF does not abide by the protocols made effective by  
27 FERC and applicable to Western, and Western incurs costs as a result, CCSF agrees to  
28 pay all such costs.

1 13. **WESTERN RATES:**

2 13.1 The Base Resource will be provided on a take-or-pay basis. CCSF will be  
3 obligated to pay its Base Resource percentage share of Western's costs,  
4 whether or not it uses its full Base Resource percentage.

5  
6 13.2 CCSF shall pay for the electric service furnished hereunder in accordance  
7 with the rates, charges, and conditions set forth in the CVP schedule of rates  
8 applicable to the Base Resource, effective January 1, 2005, or any superseding  
9 rate schedule.

10  
11 14. **INTEGRATED RESOURCE PLAN:**

12 In accordance with the Energy Policy Act of 1992, CCSF is required to meet the  
13 requirements of Western's Energy Planning and Management Program (EPAMP). To  
14 fulfill the requirements of EPAMP, CCSF must develop and submit an integrated  
15 resource plan or alternative report, as applicable. Specific EPAMP requirements are set  
16 forth in the Federal Register at (64 FR 62604) and may be found on Western's website.  
17 Failure to comply with Western's EPAMP requirements may result in penalties as  
18 specified therein. CCSF understands that Western may re-evaluate its EPAMP  
19 requirements and change them from time-to-time as appropriate. Such changes will be  
20 subject to a public process and publication in the Federal Register.

21  
22 15. **ADJUSTMENT OF BASE RESOURCE PERCENTAGE:**

23 15.1 Prior to the date of initial service, Western may adjust CCSF's Base  
24 Resource percentage, as set forth in Exhibit A herein, if Western determines that  
25 CCSF's extension contract rate of delivery is greater than its actual usage, as  
26 specified in the Marketing Plan.

27 ///

28 ///



1 15.2 After the date of initial service, Western may adjust CCSF's Base  
2 Resource percentage under any of the following conditions:

3 15.2.1 CCSF sells energy associated with its Base Resource percentage  
4 to another entity for resale by that entity;

5  
6 15.2.2 CCSF uses the energy associated with its Base Resource  
7 percentage to serve loads outside of the Sierra Nevada Region's Primary  
8 Marketing Area;

9  
10 15.2.3 CCSF's annual energy associated with its Base Resource  
11 percentage, is ten percent greater than its actual annual energy usage.  
12

13 15.3 If Western determines that CCSF has met any of the conditions in  
14 Section 15.2 above, Western will take the following steps:

15 15.3.1 Notify CCSF of the nature of the concern;  
16

17 15.3.2 Analyze CCSF's usage of the energy associated with its Base  
18 Resource percentage and determine if an adjustment is necessary on a  
19 case-by-case basis, with due consideration of any circumstance that may  
20 have temporarily altered CCSF's energy usage;  
21

22 15.3.3 Provide a 90-day written notice of any adjustment, if an  
23 adjustment is deemed necessary; and  
24

25 15.3.4 Reduce or rescind CCSF's Base Resource percentage  
26 permanently on the effective date specified in the notice.

27 ///

28 ///

1 16. **2015 RESOURCE POOL:**

2 Western will reduce CCSF's Base Resource percentage to establish the 2015 Resource  
3 Pool. Western will recalculate the percentages for all Customers pursuant to the  
4 Marketing Plan. The new Base Resource percentage will be set forth in a revised  
5 Exhibit A, effective January 1, 2015.  
6

7 17. **METERING AND POWER MEASUREMENT RESPONSIBILITIES:**

8 CCSF shall be responsible for electric power metering equipment requirements and  
9 power measurement data associated with the use of Western power under this Contract  
10 as follows:

11 17.1 Unless previously furnished and installed by Western, CCSF shall furnish,  
12 install, operate, maintain, and replace, meters and associated metering  
13 equipment as required by the appropriate jurisdictional authority for deliveries of  
14 Western power scheduled to each delivery point on the Western grid, the ISO  
15 controlled grid, a utility distribution company grid, or other electrical system as  
16 may be applicable.  
17

18 17.2 CCSF shall measure power deliveries and provide certified settlement  
19 quality metering data to Western as requested. It is generally contemplated that  
20 Western will require this data on a monthly basis.  
21

22 18. **CHANGES IN ORGANIZATIONAL STATUS:**

23 18.1 If CCSF changes its organizational status or otherwise changes its  
24 obligation to supply electric power to preference loads, Western reserves the  
25 right to adjust Western's power sales obligations under this Contract, as Western  
26 deems appropriate. Changes in organizational status include but are not limited  
27 to:

28 18.1.1 Merging with another entity;

1 18.1.2 Acquiring or being acquired by another entity;

2  
3 18.1.3 Creating a new entity from an existing one;

4  
5 18.1.4 Joining or withdrawing from a member-based power supply  
6 organization; or

7  
8 18.1.5 Adding or losing members from its membership organization.

9  
10 18.2 For the purposes of this Section 18, a member is any preference entity  
11 that is included in a membership, which has the responsibility of supplying power  
12 to the end-use consumer or customer. Memberships include but are not limited  
13 to:

14 18.2.1 Municipality;

15  
16 18.2.2 Cooperative;

17  
18 18.2.3 Joint powers authority; or

19  
20 18.2.4 Governmental agency.

21  
22 18.3 For purposes of this Section 18, participation in a State promulgated direct  
23 access program shall not be deemed to be a change in a Customer's  
24 organizational status or its obligation to supply electric power to preference  
25 loads.

26 ///

27 ///

28 ///

1 18.4 Prior to making an organizational change, CCSF may request an opinion  
2 from Western as to whether CCSF's proposed organizational change will result in  
3 an adjustment of CCSF's Base Resource percentage under this Section 18.  
4 CCSF shall provide Western with all relevant documents and information  
5 regarding the proposed organizational change. Based on the documents and  
6 information furnished, Western will provide CCSF with an opinion.  
7

8 18.5 In addition to the above, if the change in organizational status results in a  
9 proposed transfer of the Contract, or any portion thereof, Section 37 of the  
10 General Power Contract Provisions (GPCP), "Transfer of Interest in Contract,"  
11 generally requires the Customer to obtain prior written approval from Western's  
12 Administrator. Organizational changes that typically propose transfer of the  
13 Contract, or a portion of the Contract, and require prior written approval from  
14 Western include but are not limited to:

15 18.5.1 Merging with another entity;  
16

17 18.5.2 Acquiring or being acquired by another entity;  
18

19 18.5.3 Joining an entity; and  
20

21 18.5.4 Creating a new entity.  
22

23 19. **BUSINESS PROTOCOLS:**

24 Western reserves the right to make process or procedural improvements in the efficient  
25 and effective administration of this Base Resource Contract as needed.

26 ///

27 ///

28 ///

1 20. **ENFORCEABILITY:**

2 It is not the intent of the Parties that this Contract confer any rights on third parties to  
3 enforce the provisions of this Contract except as required by law or express provision in  
4 this Contract. Except as provided in this Section, this Contract may be enforced, or  
5 caused to be enforced, only by Western or CCSF, or their successors or assigns.  
6

7 21. **GENERAL POWER CONTRACT PROVISIONS:**

8 The GPCP, effective July 10, 1998, attached hereto, are hereby made a part of this  
9 Contract, the same as if they had been expressly set forth herein; Provided, That, in the  
10 event of a conflict between the GPCP and the provisions in the body of this Contract,  
11 the Contract shall control. The usage of the term "Contractor" in the GPCP shall mean  
12 CCSF. The usage of the term "firm" in Articles 17 and 18 of the GPCP shall be deemed  
13 to be replaced with the words "Base Resource."  
14

15 22. **APPENDIX MADE PART OF CONTRACT:**

16 A description of the CVP and its estimated output under certain hydrological conditions  
17 are provided in Appendix A attached hereto. The information provided in Appendix A is  
18 for planning purposes only. Western may revise Appendix A to reflect operational  
19 changes, as necessary. Western will notify CCSF of any revisions to Appendix A as  
20 soon as practicable.  
21

22 23. **EXHIBITS MADE PART OF CONTRACT:**

23 Exhibit A (Base Resource Percentage and Point(s) of Delivery), Exhibit B (Exchange  
24 Program), Exhibit C (Scheduling Procedures and Protocols), and Exhibit D (Regulation  
25 and Reserves) existing under this Contract may vary during the term hereof. Each of  
26 said exhibits shall become a part of this Contract during the term fixed by its provisions.  
27 Exhibits A, B, C, and D are attached hereto, and each shall be in force and effect in  
28 ///

1 accordance with its terms until respectively superseded by a subsequent exhibit, as  
2 allowed by the terms of each exhibit.

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

6  
7 WESTERN AREA POWER ADMINISTRATION

8 By: Howard Hirschman

9 Title: Power Marketing Manager

10 Address: 114 Parkshore Drive

11 Folsom, CA 95630-4710

12  
13 CITY AND COUNTY OF SAN FRANCISCO

14 HETCH HETCHY WATER AND POWER

15 (Attest) By: Janet Park

16 Title: Acting General Manager

17 Address: 1155 Market St

18 San Francisco, CA 94103

19  
20  
21 Approved as to Form:

22  
23 Louise H. Renne

24 City Attorney

25 By: [Signature]  
26 Deputy City Attorney  
27  
28

# PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 00-0254

WHEREAS, The City is currently providing operations and maintenance services at Treasure Island and Yerba Buena Island ("TI/YBI") under a Cooperative Agreement with the Navy; and

WHEREAS, The City is the local reuse authority for TI/YBI under the Federal Base Closure and Realignment Act ("BRAC"); and

WHEREAS, The San Francisco Public Utilities Commission is providing the utilities portion of these operations and maintenance services to TI/YBI on behalf of the City; and

WHEREAS, The City has obtained an allocation of low cost Federal National Defense Authorization Act ("NDA Act") power to support economic development on TI/YBI; and

WHEREAS, The City's allocation of NDA Act for TI/YBI is contingent upon executing a power purchase agreement with the Western Area Power Administration ("WAPA"); and

WHEREAS, Funds for the purchase of power for TI/YBI are available in the TI/YBI Project budget; now, therefore, be it

RESOLVED, That the General Manager of the San Francisco Public Utilities Commission is hereby authorized to execute the Federal NDA Act power purchase agreement with WAPA for a period 20 years expiring December 31, 2024, and for a value not to exceed \$20 million.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of NOV 14 2000

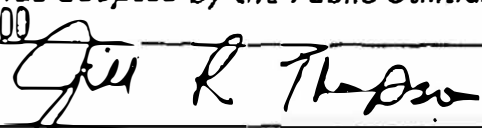
  
Secretary, Public Utilities Commission

EXHIBIT A

(Base Resource Percentage and Point(s) of Delivery)

1. This Exhibit A, to be effective under and as part of Contract 00-SNR-00347 (Contract), shall become effective upon execution of the Contract; and shall remain in effect until either superseded by another Exhibit A or termination of the Contract.
2. On the effective date of this Exhibit A, CCSF's percentage of the Base Resource is 0.17264%.
3. CCSF's Base Resource percentage may be adjusted by Western as specified in the Contract.
4. CCSF's Base Resource percentage will be adjusted effective January 1, 2015, in accordance with the Marketing Plan, to establish the 2015 Resource Pool for new power allocations.
5. The point(s) of delivery for CCSF's Base Resource shall be  
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6. This Exhibit A shall be replaced by Western as necessary in accordance with Sections 9, 15, 16, and 18 of the Contract.



EXHIBIT B  
(Exchange Program)

1. This Exhibit B, to be effective under and as a part of Contract 00-SNR-00347, (Contract) shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit B or termination of the Contract.
2. The Parties acknowledge that the exchange program procedures will change between the date the Contract is executed and the date of initial service hereunder. The Parties agree to work together collaboratively to develop exchange program arrangements which will maximize the benefits of CVP.
3. Prior to the date of initial service, Western shall replace this Exhibit B with Exhibit B, Revision 1. At such time as Western promulgates Revision 1 to this Exhibit B, CCSF shall have a one-time option of (1) executing Revision 1 to this Exhibit B within the time specified in the transmittal letter, or (2) terminating the Contract upon 30-days advance written notice. In the event CCSF fails to take either action within the specified time frame, Exhibit B, Revision 1, shall be deemed to become effective.
4. Western shall make subsequent revisions to Exhibit B, after consultation with its Customers.
5. Western will manage an exchange program to allow for Customers to fully and efficiently use their Base Resource percentage energy. The program consists of the following two elements:
  - 5.1 Seasonal exchange: a mechanism that allows a Customer with seasonal load variation to make that portion of its Base Resource percentage that it is unable to use due to insufficient load, available to the seasonal exchange program. In coordination with Western, CCSF will be able to exchange its unusable Base Resource percentage, through Western, with other Customers.
  - 5.2 Hourly exchange: a mechanism that provides for Western to retain all Base Resource energy in excess of a Customer's load on an hourly basis.
6. General Principles:
  - 6.1 Customers must take their percentage of the Base Resource.
  - 6.2 If a Customer's total load in any hour, as established in its day ahead schedule, is less than its Hourly Base Resource Schedule, then the energy in excess of the schedule is made available to the Western exchange program.

- 6.3 Western shall establish an estimated pool energy "rate" for the purpose of pool transaction settlements.
- 6.4 Customers with total load greater than their Base Resource percentage in any hour may request pool energy from Western, if available.
- 6.5 Exchange program suppliers shall have first priority for purchases from the pool, during hours when they are not depositing energy, up to the amount of energy previously deposited.
- 6.6 Western will allocate pool energy to Customers that have requested pool energy.
- 6.7 Pool takers are obligated to pay at the pool energy "rate."
- 6.8 Pool providers are credited funds at the pool energy "rate."
- 6.9 Western takes all remaining pool energy not taken by Customers and provides it into the open market(s).
- 6.10 Revenues collected by Western from the open market(s) will first be credited to the pool providers up to the pool energy "rate."
- 6.11 Any remaining revenue will be used to offset Western's overall costs.

EXHIBIT C  
(Scheduling Procedures and Protocols)

1. This Exhibit C, to be effective under and as a part of Contract 00-SNR-00347 (Contract), shall become effective upon execution of the Contract; and, shall remain in effect until superseded by another Exhibit C or termination of the Contract.
2. Both Parties recognize that these scheduling procedures and protocols may require modification from time-to-time. In such event, Western shall make the appropriate modifications to this Exhibit C as mutually agreed to by the Parties. For more information on changes to scheduling protocols and procedures, refer to Sections 10 and 12 of this Contract.
3. Designation of Scheduling Coordinator (SC): CCSF shall notify Western of its designated Scheduling Coordinator not less than 60 days prior to the date of initial service. In the event that CCSF's Scheduling Coordinator arrangement changes, CCSF shall notify Western in writing, not less than 30 days prior to the change, unless a shorter notification period is agreed to by Western.
4. Scheduling Procedures:
  - 4.1 Western will determine the Maximum Operating Capability, total generation, and ramping rates for the Base Resource.
  - 4.2 Not less than 24 hours prior to the active day, Western will notify CCSF of its share of the Base Resource Operating Capability, Minimum Base Resource and total energy available for that day. Based on these criteria, CCSF shall notify Western of its preferred schedule for that day. Western will use a compilation of all Customers' preferred schedules as a basis for determination of the optimal generation schedule. Western will then notify CCSF of its Hourly Base Resource Schedule for that day.
  - 4.3 For weekdays, CCSF shall provide Western with a copy of its day ahead load and resource schedule, including the information listed in Section 4.5 below, by 9:00 a.m. of the business day prior to the day the schedule will be implemented, or at least two (2) hours prior to the submission time required by the ISO or control area operator, whichever is earlier. For weekends and holidays, as defined by the WSCC, CCSF shall provide Western with its day-ahead schedule by 9:00 a.m. of the business day, at least two days prior to the day the schedule will be implemented, or at least two (2) hours prior to the submission time required by the ISO or control area operator, whichever is earlier. The day-ahead schedule shall include megawatt values for each hourly period of each day and a megawatt-hour total for each day. The day-ahead schedule amounts shall be to the nearest tenth of a megawatt, with the day-

ahead schedule of Western power not to exceed CCSF's percentage of the Base Resource Operating Capability for any hour, as it may be adjusted to accommodate exchanges or purchases under the Western exchange program.

4.4 In the event of curtailments or emergencies, Western shall notify CCSF as soon as practicable so it may adjust its schedule in a timely manner.

4.5 The following information shall be included in the day ahead schedule:

4.5.1 Western power by hour;

4.5.2 Other power by hour [If Western is CCSF's SC];

4.5.3 CCSF's forecasted system load by hour [If Western is CCSF's SC].

4.6 CCSF's unscheduled Western power in any hour is not available to CCSF as an operating reserve or to meet any ancillary service requirements of the ISO or the control area operator for CCSF's load.

4.7 Schedules shall be transmitted by a communication link established between Western and CCSF or as otherwise agreed to by the Parties. The communication link shall be provided and paid for by CCSF. The data format shall be acceptable to both Parties and shall be in conformance with established WSCC protocol in effect at the time.

5. Schedule Changes:

5.1 CCSF may not adjust its Western power schedule after the final hour ahead schedules have been accepted by the ISO or control area operator as applicable.

5.2 Daily schedules shall be confirmed by CCSF and Western's dispatchers at the end of the active day, at which time CCSF and Western's dispatchers will attempt to resolve any scheduling conflicts.

5.3 No after-the-fact schedule change by either Party shall be allowed.

EXHIBIT D  
(Regulation and Reserves)

1. This Exhibit D to be effective under and as a part of Contract 00-SNR-00347 (Contract), shall become effective upon execution of the Contract; and shall remain in effect until either superseded by another Exhibit D or termination of the Contract.
2. The Parties acknowledge that the protocols and procedures of the ISO relating to regulation and operating reserves will change between the date the Contract is executed and the date of initial service hereunder. The Parties agree to work together collaboratively to develop arrangements which will maximize the benefits of operating reserves and regulation capabilities of the CVP. The method in which Western provides these services to CCSF may be physical, financial, or both.
3. Prior to the date of initial service, Western shall replace this Exhibit D with Exhibit D, Revision 1. At such time as Western promulgates Revision 1 to this Exhibit D, CCSF shall have a one-time option of (1) executing Revision 1 to this Exhibit D within the time specified in the transmittal letter, or (2) terminating the Contract upon 30-days advance written notice. In the event CCSF fails to take either action within the specified time frame, Exhibit D, Revision 1, shall be deemed to become effective.
4. Western shall make subsequent revisions to Exhibit D, after consultation with its Customers.

**WESTERN AREA POWER ADMINISTRATION  
GENERAL POWER CONTRACT PROVISIONS**

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WESTERN AREA POWER ADMINISTRATION  
GENERAL POWER CONTRACT PROVISIONS

I. APPLICABILITY.

1. Applicability.

1.1. These General Power Contract Provisions shall be a part of the contract to which they are attached. These provisions set forth general conditions applicable to the contract. Specific terms set forth in the contract have precedence over any provision herein.

1.2. If the Contractor has member utilities which are either directly or indirectly receiving benefits from the contract, then the Contractor shall require such members to comply with Provisions 10, 17, 18, 19, 29, 30, 36, 42, 43, and 44 of these General Power Contract Provisions.

II. DELIVERY OF SERVICE PROVISIONS.

2. Character of Service.

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

3. Use of Capacity or Energy in Excess of Contract Obligation.

The Contractor is not entitled to use Federal power, energy, or capacity in amounts greater than the Western contract delivery obligation in effect for each type of service provided for in the contract except with the approval of Western. Unauthorized overruns of contract delivery obligations shall be subject to charges specified in the contract or the applicable rate schedules. Overruns shall not establish any continuing right thereto and the Contractor shall cease any overruns when requested by Western, or in the case of authorized overruns, when the approval expires, whichever occurs first. Nothing in the contract shall obligate Western to increase any delivery obligation. If additional power, energy, or capacity is not available from Western, the responsibility for securing additional power, energy, or capacity shall rest wholly with the Contractor.

4. Continuity of Service.

Electric service will be supplied or transmitted continuously except for: (1) fluctuations, interruptions, or reductions due to uncontrollable forces, as defined in Provision 34 (Uncontrollable Forces) herein, (2) fluctuations, interruptions, or reductions due to operation of devices installed for power system protection; and (3) temporary fluctuations, interruptions, or reductions, which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

5. Multiple Points of Delivery.

When electric service is supplied at or transmitted to two or more points of delivery under the same rate schedule, said rate schedule shall apply separately to the service supplied at or transmitted to each point of delivery; Provided, That where the meter readings are considered separately, and during abnormal conditions, the Contractor's system is interconnected between points of delivery such that duplication of metered power is possible, the meter readings at each affected point of delivery will be adjusted to compensate for duplication of power demand recorded by meters at alternate points of delivery due to abnormal conditions which are beyond the Contractor's control or temporary conditions caused by scheduled outages.

6. Metering.

6.1. The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western, a designated representative of Western, or by the Contractor. The Contractor shall ensure that metering equipment furnished and maintained by the Contractor or another power supplier, as provided in the contract, meets the metering standards of Western if such metering equipment will be used for billing or other accounting purposes by Western.

6.2. Meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of the interested parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested each year by the party responsible for meter maintenance, unless another test interval is agreed upon by the parties. Meters shall also be tested at any reasonable time upon request by either party hereto, a supplemental power supplier, transmission agent, or control area operator. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance. Meters found with broken seals shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western pursuant to Provision 6.3 below.

6.3. Except as otherwise provided in Provision 6.4 hereof, should any meter that is needed by Western for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during such period of failure to register accurately, shall, for billing purposes, be estimated by Western from the best available information.

6.4. If acceptable inspections and tests of a meter needed by Western for billing or other accounting purposes disclose an error exceeding two percent (2%), then correction based upon the inaccuracy found shall be made of the records of services furnished during the period that such inaccuracy has existed as determined by Western; Provided, That if such period of inaccuracy cannot be determined, correction shall be made for the period beginning with the monthly billing period immediately preceding the billing period during which the test was made.

6.5. Any correction in billing resulting from correction in meter records shall normally be made in the next monthly bill rendered by Western to the Contractor. Payment of such bill shall constitute full adjustment of any claim between the parties hereto arising out of inaccuracy of metering equipment.

7. Existence of Transmission Service Contract.

If the contract provides for Western to furnish services using the facilities of a third party, the obligation of Western shall be subject to and contingent upon the existence of a transmission service contract granting Western rights to use such facilities. If Western acquires or constructs facilities which would enable it to furnish direct service to the Contractor, Western, at its option, may furnish service over its own facilities.



## 8. Conditions of Transmission Service.

8.1. When the electric service under the contract is furnished by Western over the facilities of others by virtue of a transmission service arrangement, the power and energy will be furnished at the voltage available and under the conditions which exist from time to time on the transmission system over which the service is supplied.

8.2. Unless otherwise provided in the contract or attached rate schedule, the Contractor shall maintain a power factor at each point of delivery from Western's transmission agent as required by the transmission agent.

8.3. Western will endeavor to inform the Contractor from time to time of any changes contemplated on the system over which the service is supplied, but the costs of any changes made necessary in the Contractor's system because of changes or conditions on the system over which the service is supplied shall not be a charge against or a liability of Western.

8.4. If the Contractor, because of changes or conditions on the system over which service under the contract is supplied, is required to make changes on its system at its own expense in order to continue receiving service under the contract, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to making such changes, but not thereafter.

8.5. If Western notifies the Contractor that electric service provided for under the contract cannot be delivered to the Contractor because of an insufficiency of capacity available to Western in the facilities of others over which service under the contract is supplied, then the Contractor may terminate service under the contract upon not less than sixty (60) days written notice given to Western prior to the date on which said capacity ceases to be available to Western, but not thereafter.

## 9. Multiple Points of Delivery Involving Direct and Indirect Deliveries.

When Western has provided line and substation capacity under the contract for the purpose of delivering electric service directly to the Contractor at specified direct points of delivery and also has agreed to absorb transmission service allowance or discounts for deliveries of energy over other system(s) to indirect points of delivery and the Contractor shifts any of its load served under the contract from direct delivery to indirect delivery, Western will not absorb the transmission service costs on such shifted load until the unused capacity, as determined solely by Western, available at the direct delivery points affected is fully utilized.

## 10. Construction, Operation, and Maintenance of Contractor's Power System.

The Contractor shall, and, if applicable, shall require each of its members or transmission agents to construct, operate, and maintain its power system in a manner which, as determined by Western, will not interfere with the operation of the system of Western or its transmission agents over which electric services are furnished to the Contractor under the contract, and in a manner which will coordinate with the protective relaying and other protective arrangements of the system(s) of Western or Western's transmission agents. Western may reduce or discontinue furnishing services to the Contractor if, after notice by Western, the Contractor fails or refuses to make such changes as may be necessary to eliminate an unsatisfactory condition on the Contractor's power system which is determined by Western to interfere significantly under current or probable conditions with any service supplied from the power system of Western or from the power system of a transmission agent of Western. Such a reduction or discontinuance of service will not relieve the Contractor of liability for any minimum charges provided for in the contract during the time said services are reduced or discontinued. Nothing in this Provision shall be construed to render Western liable in any manner for any claims, demands, costs, losses, causes of action, damages, or liability of any kind or nature arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

### III. RATES, BILLING, AND PAYMENT PROVISIONS.

#### 11. Change of Rates.

Rates applicable under the contract shall be subject to change by Western in accordance with appropriate rate adjustment procedures. If at any time the United States promulgates a rate changing a rate then in effect under the contract, it will promptly notify the Contractor thereof. Rates shall become effective as to the contract as of the effective date of such rate. The Contractor, by written notice to Western within ninety (90) days after the effective date of a rate change, may elect to terminate the service billed by Western under the new rate. Said termination shall be effective on the last day of the billing period requested by the Contractor not later than two (2) years after the effective date of the new rate. Service provided by Western shall be paid for at the new rate regardless of whether the Contractor exercises the option to terminate service.

#### 12. Minimum Seasonal or Annual Capacity Charge.

When the rate in effect under the contract provides for a minimum seasonal or annual capacity charge, a statement of the minimum capacity charge due, if any, shall be included in the bill rendered for service for the last billing period of the service season or contract year as appropriate, adjusted for increases or decreases in the contract rate of delivery and for the number of billing periods during the year or season in which service is not provided. Where multiple points of delivery are involved and the contract rate of delivery is stated to be a maximum aggregate rate of delivery for all points, in determining the minimum seasonal or annual capacity charge due, if any, the monthly capacity charges at the individual points of delivery shall be added together.

#### 13. Billing and Payment.

13.1. Western will issue bills to the Contractor for service furnished during the preceding month within ten (10) days after the end of the billing period.

13.2. If Western is unable to issue a timely monthly bill, it may elect to render an estimated bill for that month to be followed by the final bill. Such estimated bill shall be subject to the same payment provisions as a final bill.

13.3. Payments are due and payable by the Contractor before the close of business on the twentieth (20th) calendar day after the date of issuance of each bill or the next business day thereafter if said day is a Saturday, Sunday, or Federal holiday. Bills shall be considered paid when payment is received by Western; Provided, That payments received by mail will be accepted as timely and without assessment of the charge provided for in Provision 14 (Nonpayment of Bills in Full When Due) if a United States Post Office first class mail postmark indicates the payment was mailed at least three (3) calendar days before the due date.

13.4. Whenever the parties agree, payments due Western by the Contractor may be offset against payments due the Contractor by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of electric facilities, and other services. For services included in net billing procedures, payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

14. Nonpayment of Bills in Full When Due.

14.1. Bills not paid in full by the Contractor by the due date specified in Provision 13 (Billing and Payment) hereof shall bear a charge of five hundredths percent (0.05%) of the principal sum unpaid for each day payment is delinquent, to be added until the amount due is paid in full. Western will also assess a fee of twenty-five dollars (\$25.00) for processing a late payment. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.

14.2. Western shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve the Contractor of liability for minimum charges during the time service is so discontinued. The rights reserved to Western herein shall be in addition to all other remedies available to Western either by law or in equity, for the breach of any of the terms hereof.

15. Adjustments for Fractional Billing Period.

For a fractional part of a billing period at the beginning or end of electric service, at the beginning or end of irrigation pumping service each year, a fractional billing period under a new rate schedule, and for fractional periods due to withdrawals of electric services, the demand or capacity charge and minimum charges shall each be proportionately adjusted in the ratio that the number of hours that electric service is available to the Contractor in such fractional billing period bears to the total number of hours in the billing period involved.

16. Adjustments for Curtailments to Firm Service.

16.1. Billing adjustments will be made if firm electric service is interrupted or reduced because of conditions on the power system of the United States for periods of 1 hour or longer in duration each. Billing adjustments will not be made when such curtailment of electric service is due to a request by the Contractor or a discontinuance of electric service by Western pursuant to Provision 14 (Nonpayment of Bills In Full When Due). For purposes of billing adjustments under this Provision, the term power system of the United States shall include transmission facilities used under contract but not owned by the United States.

16.2. The total number of hours of curtailed firm electric service in any billing period shall be determined by adding: (1) the sum of the number of hours of interrupted electric service to (2) the product, of each reduction, of: the number of hours reduced electric service and the percentage by which electric service was reduced below the delivery obligation of Western at the time of each said reduction of electric service. The demand or capacity charge and applicable minimum charges shall each be proportionately adjusted in the ratio that the total number of hours of electric service determined to have been curtailed bears to the total number of hours in the billing period involved.

16.3. The Contractor shall make written claim within thirty (30) days after receiving the monthly bill, for adjustment on account of any curtailment of firm electric service, for periods of 1 hour or longer in duration each, alleged to have occurred that is not reflected in said bill. Failure to make such written claim, within said thirty-day (30-day) period, shall constitute a waiver of said claim. All curtailments of electric service, which are due to conditions on the power system of the United States, shall be subject to the terms of this Provision; Provided, That withdrawal of power and energy under the contract shall not be considered a curtailment of electric service.

#### IV. POWER SALES PROVISIONS.

##### 17. Resale of Firm Electric Service (Wholesale Sales for Resale).

The Contractor shall not sell any firm electric power or energy supplied under the contract to any electric utility customer of the Contractor for resale by that utility customer; Provided, That the Contractor may sell the electric power and energy supplied under the contract to its members on condition that said members not sell any of said power and energy to any customer of the member for resale by that customer.

##### 18. Distribution Principles.

The Contractor agrees that the benefits of firm electric power or energy supplied under the contract shall be made available to its consumers at rates that are established at the lowest possible level consistent with sound business principles, and that these rates will be established in an open and public manner. The Contractor further agrees that it will identify the costs of firm electric power or energy supplied under the contract and power from other sources to its consumers upon request. The Contractor will demonstrate compliance with the requirements of this Provision to Western upon request.

##### 19. Contract Subject to Colorado River Compact.

Where the energy sold under the contract is generated from waters of the Colorado River system, the contract is made upon the express condition and with the express covenant that all rights under the contract shall be subject to and controlled by the Colorado River Compact approved by Section 13 (a) of the Boulder Canyon Project Act of December 21, 1928, (45 Stat. 1057) and the parties to the contract shall observe and be subject to and controlled by said Colorado River Compact in the construction, management, and operation of the dams, reservoirs, and powerplants from which electrical energy is to be furnished by Western to the Contractor under the contract, and in the storage, diversion, delivery, and use of water for the generation of electrical energy to be delivered by Western to the Contractor under the contract.

#### V. FACILITIES PROVISIONS.

##### 20. Design Approval.

All facilities, construction, and installation by the Contractor pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from Western. At least ninety (90) days, unless otherwise agreed, prior to the date the Contractor proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, the Contractor shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities the Contractor proposes to purchase, construct, and install. The Contractor assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet the Contractor's needs.

21. Inspection and Acceptance.

Western shall have the right to inspect the materials and work furnished by the Contractor, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the work site. Any materials or work that Western determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of the Contractor before the new facilities are energized.

22. As-Built Drawings.

Within a reasonable time, as determined by Western, after the completion of construction and installation of facilities pursuant to the contract, the Contractor shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings the Contractor has prepared showing facilities of Western. The Contractor's drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by Western. Western may prepare, revise, or complete said drawings and bill the Contractor if the Contractor fails to provide such drawings to Western within a reasonable time as determined by Western.

23. Equipment Ownership Markers.

23.1. The Contractor shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the United States right-of-way or in Western substations pursuant to the contract which are owned by the Contractor, by permanently affixing thereto suitable markers clearly identifying the Contractor as the owner of said equipment and facilities.

23.2. If requested by the Contractor, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other salvageable facilities constructed or installed on the Contractor's right-of-way or in the Contractor's substations pursuant to the contract which are owned by the United States, by permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

24. Third-Party Use of Facilities.

The Contractor shall notify Western of any proposed system change relating to the facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies the Contractor that said system change will, as solely determined by Western, adversely affect the operation of Western's system the Contractor shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

25. Changes to Western Control Facilities.

If at any time during the term of the contract, Western determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of the Contractor's equipment installed under the contract, such changes or additions shall, after consultation with the Contractor, be made by Western with all costs or a proportionate share of all costs, as determined by Western, to be paid by the Contractor. Western shall notify the Contractor in writing of the necessary changes or additions and the estimated costs to be paid by the Contractor. If the Contractor fails to pay its share of said estimated costs, Western shall have the right, after giving sixty (60) days' written notice to the Contractor, to terminate the applicable facility installation provisions to the contract and require the removal of the Contractor's facilities.

26. Modification of Western Facilities.

Western reserves the right, at any time, to modify its facilities. Western shall keep the Contractor informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit the Contractor to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At the Contractor's option, Western shall cooperate with the Contractor in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. The Contractor and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

27. Transmission Rights.

If the contract involves an installation which sectionalizes a Western transmission line, the Contractor hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

28. Construction and Safety Procedures.

28.1. The Contractor hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, operation, maintenance, replacement, or removal activities of the Contractor pursuant to the contract. The Contractor and the authorized employees, agents, and subcontractors of the Contractor shall comply with all applicable safety laws and building and construction codes, including the provisions of Western's current "Power Systems Safety Manual," "Construction, Safety, and Health Standards," and "Power System Clearance Procedures" in effect upon the signing of the contract; Except That, in lieu of the safety program required herein, the Contractor may provide sufficient information to demonstrate that the Contractor's safety program is satisfactory to the United States.

28.2. The Contractor and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the work performed by the Contractor under the contract. Prior to starting any construction, installation, or removal work, the Contractor shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by the Contractor, its employees, agents, or subcontractors until written authorization to proceed is obtained from Western.

28.3. At all times when the Contractor, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of the Contractor who shall be authorized to represent the Contractor in all matters pertaining to the activity being performed. The Contractor and Western will keep each other informed of the names of their designated representatives at the site.

28.4. Upon completion of its work, the Contractor shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to the Contractor or used under the Contractor's direction, and in the event of failure to do so the same may be removed by Western at the expense of the Contractor.

28.5. In the event the Contractor, its employees, agents, or subcontractors fail to comply with any requirement of this Provision, or Provision 21 (Inspection and Acceptance) herein, Western or an authorized representative may issue an order to stop all or any part of the work until such time as the Contractor demonstrates compliance with the provision at issue. The Contractor, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

29. Environmental Compliance.

Facilities installed under the contract by any party shall be constructed, operated, maintained, replaced, and removed subject to compliance with laws, executive orders, and regulations applicable to that party, including the National Environmental Policy Act of 1969, as amended, 36 CFR 800, and the Archeological Resources Protection Act of 1979.

30. Responsibility for Hazardous Materials.

When either party owns equipment containing hazardous material located on the other party's substation, switchyard, right-of-way, or other property, the equipment owner shall be responsible for all activities related to hazardous materials in such equipment that are necessary to meet the requirements of the Toxic Substances Control Act (15 U.S.C. 2601 *et seq.*), the Solid Waste Disposal Act and the Resource Conservation Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 *et seq.*), and the regulations implementing these laws, as they may be amended, and any other existing or subsequent applicable Federal or state laws and regulations. Each party shall label its equipment containing hazardous material in accordance with appropriate laws and regulations. If the party owning the equipment does not perform activities required under appropriate laws and regulations within the time frame specified therein, the other party may perform or cause to be performed the required activities after notice to and at the sole expense of the party owning the equipment.

VI. **OTHER PROVISIONS.**

31. Authorized Representatives of the Parties.

Each party to the contract, by written notice to the other, shall designate the representative(s) who is (are) authorized to act in its behalf with respect to those matters contained in the contract which are the functions and responsibilities of the authorized representatives of the parties. Each party may change the designation of its authorized representative(s) upon oral notice given to the other, confirmed promptly by written notice.

32. Effect of Section Headings.

Section headings or Provision titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

33. Operating Guidelines and Procedures.

The parties to the contract may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.



#### 34. Uncontrollable Forces.

Neither party to the contract shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Provision 13 (Billing and Payment) herein, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all reasonable dispatch.

#### 35. Liability.

35.1. The Contractor hereby agrees to indemnify and hold harmless the United States, its employees, agents, or contractors, from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of the Contractors', its employees', agents, or subcontractors', construction, operation, maintenance, or replacement activities under the contract.

35.2. The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended.

#### 36. Cooperation of Contracting Parties.

If, in the operation and maintenance of their respective power systems or electrical equipment and the utilization thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Issuance and payment of bills for services provided by Western shall be in accordance with Provisions 13 (Billing and Payment) and 14 (Nonpayment of Bills in Full When Due) herein. Western shall pay bills issued by the Contractor for services provided as soon as the necessary vouchers can be prepared which shall normally be within twenty (20) days.

#### 37. Transfer of Interest in Contract.

37.1. No voluntary transfer of the contract or of the rights of the Contractor under the contract shall be made without the written approval of the Administrator of Western; Provided, That if the Contractor operates a project financed in whole or in part by the Rural Utilities Service, the Contractor may transfer or assign its interest in the contract to the Rural Utilities Service or any other department or agency of the Federal Government without such written approval; Provided further, That any successor to or assignee of the rights of the Contractor, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were the original Contractor under the contract; and, Provided



further. That the execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this Provision.

\* 37.2. Any successor to Western shall be subject to all the provisions and conditions of the contract to the same extent as though such successor were an original signatory to the contract.

38. Waivers.

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not be deemed a waiver with respect to any subsequent default or matter.

39. Notices.

Any notice, demand, or request required by the contract or these Provisions to be in writing shall be considered properly given when delivered in person, or sent by either registered or certified mail, postage prepaid, or prepaid telegram addressed to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice.

40. Contingent Upon Appropriations.

Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States obligations under the contract. In case such appropriation is not made, the Contractor hereby releases the United States from its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

41. Covenant Against Contingent Fees.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

42. Contract Work Hours and Safety Standards.

The contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (Act), 40 U.S.C.A. § 329 (1986), is subject to the provisions of the Act, 40 U.S.C.A. §§ 327-333 (1986), and to regulations promulgated by the Secretary of Labor pursuant to the Act.

43. Equal Opportunity Employment Practices.

Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the contract.

44. Use of Convict Labor.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. 4082 (c)(2) and Executive Order 11755, December 29, 1973.



**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**

1155 Market St., 4th Floor, San Francisco, CA 94103 • Tel. (415) 554-0725 • Fax (415) 554-0796



November 21, 2000

Willie L. Brown, Jr.  
Mayor

E. Dennis Normandy  
President  
Victor G. Makras  
Vice President  
Frank L. Cook  
Ann Moller Caen  
Ashok Kumar Bhatt

John P. Mullane, Jr.  
General Manager

Ms. Gloria Young  
Clerk of the Board  
Board of Supervisors  
City Hall, Room 244  
One Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Dear Ms. Young:

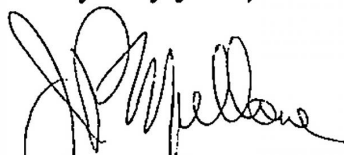
Enclosed is a proposed Board of Supervisors resolution authorizing the General Manager of the San Francisco Public Utilities Commission to execute the Federal NDA Act Power Purchase Agreement with WAPA for a period of 20 years expiring on December 31, 2024, and for a value not to exceed \$20 million.

The City presently has an agreement to purchase low cost federal power for Treasure Island and Yerba Buena Island that expires on December 31, 2004. Approval of this Agreement will enable the City to continue to purchase low cost federal power for Treasure Island and Yerba Buena Island for an additional 20 years.

In accordance with San Francisco Administrative Code Article IV, § 6.61, the Public Utilities Commission respectfully requests the Board of Supervisors' approval of the Federal NDA Act Power Purchase Agreement with WAPA. A copy of the PUC Resolution 00-0254 of November 14, 2000 is attached hereto and made a part hereof.

Please contact Laurie Park at 415-554-3222 if there are any questions.

Very truly yours,



John P. Mullane, Jr.  
General Manager

Attachments

1 [Power Purchase Contract]

2 APPROVING THE FEDERAL NDA ACT POWER PURCHASE AGREEMENT WITH WAPA.

3  
4 WHEREAS, The City is currently providing operations and maintenance services at Treasure  
5 Island and Yerba Buena Island ("TI/YBI") under a Cooperative Agreement with the Navy; and,

6 WHEREAS, The City is the local reuse authority for TI/YBI under the Federal Base Closure  
7 and Realignment Act ("BRAC"); and,

8 WHEREAS, The San Francisco Public Utilities Commission is providing the utilities portion of  
9 these operations and maintenance services to TI/YBI on behalf of the City; and,

10 WHEREAS, The City has obtained an allocation of low cost Federal National Defense  
11 Authorization Act ("NDA Act") power to support economic development on TI/YBI; and,

12 WHEREAS, The City's allocation of NDA Act for TI/YBI is contingent upon executing a  
13 power purchase agreement with the Western Area Power Administration ("WAPA"); and,

14 WHEREAS, Funds for the purchase of power for TI/YBI are available in the TI/YBI Project  
15 budget; now, therefore, be it

16 RESOLVED, That this Board of Supervisors hereby authorize the General Manager of the San  
17 Francisco Public Utilities Commission to execute the Federal NDA Act Power Purchase Agreement  
18 with WAPA for a period of 20 years expiring on December 31, 2024, and for a value not to exceed \$20  
19 million.

# PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 00-0254

WHEREAS, The City is currently providing operations and maintenance services at Treasure Island and Yerba Buena Island ("TI/YBI") under a Cooperative Agreement with the Navy; and

WHEREAS, The City is the local reuse authority for TI/YBI under the Federal Base Closure and Realignment Act ("BRAC"); and

WHEREAS, The San Francisco Public Utilities Commission is providing the utilities portion of these operations and maintenance services to TI/YBI on behalf of the City; and

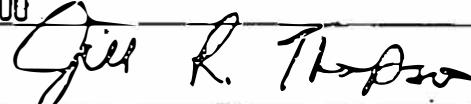
WHEREAS, The City has obtained an allocation of low cost Federal National Defense Authorization Act ("NDA Act") power to support economic development on TI/YBI; and

WHEREAS, The City's allocation of NDA Act for TI/YBI is contingent upon executing a power purchase agreement with the Western Area Power Administration ("WAPA"); and

WHEREAS, Funds for the purchase of power for TI/YBI are available in the TI/YBI Project budget; now, therefore, be it

RESOLVED, That the General Manager of the San Francisco Public Utilities Commission is hereby authorized to execute the Federal NDA Act power purchase agreement with WAPA for a period 20 years expiring December 31, 2024, and for a value not to exceed \$20 million.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of NOV 14 2000



Secretary, Public Utilities Commission