

Agates
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CITY COUNCIL MEETING

MAY 4, 1983

AMENDMENT TO PG&E
LODI AGREEMENT TO
PROVIDE FOR WAPA
AND TURLOCK
IRRIGATION
POWER SUPPLY

RES. NO. 83-35

Agenda item k-6 - "Amendment to PG&E - Lodi Agreement to provide for WAPA and Turlock Irrigation Power Supply" was introduced by City Manager Graves. Following discussion, with questions being directed to Staff, Council, on motion of Mayor Pro Tempore Snider, Murphy second, adopted Resolution No. 83-35 approving the Amending Agreement for sale of Electric Capacity and Energy by Pacific Gas and Electric Company to the City of Lodi and authorized the Mayor and City Clerk to execute the Agreement on behalf of the City.

CITY COUNCIL

EVELYN M. OLSON, Mayor
JOHN R. (Randy) SNIDER
Mayor Pro Tempore
ROBERT C. MURPHY
JAMES W. PINKERTON, Jr.
FRED M. REID

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
POST OFFICE BOX 320
LODI, CALIFORNIA 95241
(209) 334-5634

HENRY A. GLAVES, Jr.
City Manager

ALICE M. REINICHE
City Clerk

RONALD M. STEIN
City Attorney

May 9, 1983

Mr. Robert O'Neil
Attorney at Law
Law Offices of
Miller, Balis, & O'Neil, P.C.
776 Executive Building
1030 Fifteenth Street, N.W.
Washington, D.C. 20005

Dear Mr. O'Neil:

Enclosed herewith please find 2 signed copies of Amending Agreement for Sale of Electric Capacity and Energy by Pacific Gas and Electric Company to the City of Lodi and a certified copy of the Authorizing Resolution No. 83-35 which was adopted by the Lodi City Council at its regular meeting of May 4, 1983.

Very truly yours,

Alice M. Reiniche
Alice M. Reiniche
City Clerk

AMR:jj
Enc.

RESOLUTION NO. 83-35

WHEREAS, the City of Lodi, California now purchases capacity and energy from the Western Area Power Administration pursuant to Contract No. DE-MS65-82WP59015, which power is delivered to Lodi, California by Pacific Gas and Electric Company pursuant to Contract No. 2948A, and

WHEREAS, the City of Lodi, California also has purchased energy generated by the Turlock Irrigation District, and

WHEREAS, Pacific Gas and Electric Company desires, and the City of Lodi, California agrees, that it is desirable to amend the power supply agreement between the City of Lodi, California and PGandE to specifically recognize Western Power and TID Energy deliveries, and

WHEREAS, Pacific Gas and Electric Company has forwarded to the City of Lodi, California an executed copy of a proposed amendment to recognize the Western and TID deliveries,

NOW, THEREFORE, BE IT RESOLVED that the City of Lodi, California execute the contract amendments prepared by Pacific Gas and Electric Company and executed on PGandE's behalf by Mr. J. M. Stearns, with the express limitation that the City of Lodi, California is not agreeing that the method of accounting for Western Power set forth in the amendment is either dictated by Contract No. 2948A or would be just or reasonable under all operating conditions, and

BE IT FURTHER RESOLVED, that copies of such executed amendments be forwarded to Miller, Balis & O'Neil, P.C., Washington, D.C. 20005 for retransmittal to PGandE, with instruction that a written acknowledgement be obtained from PGandE that by executing said amendments the City of Lodi, California is reserving its right to

renegotiate the Western Power accounting provisions should changed
operating circumstances render them unreasonable.

Dated: May 4, 1983

I hereby certify that Resolution No. 83-35 was passed
and adopted by the City Council of the City of Lodi in a
meeting held May 4, 1983 by the following vote:

Ayes: Council Members - Pinkerton, Murphy, Snider, and
Olson (Mayor)

Noes: Council Members - None

Absent: Council Members - Reid

Alice M. Reimche
Alice M. Reimche

City Clerk

AMENDING AGREEMENT FOR SALE OF
ELECTRIC CAPACITY AND ENERGY BY
PACIFIC GAS AND ELECTRIC COMPANY

TO THE

CITY OF LODI

AMENDING AGREEMENT FOR SALE OF
ELECTRIC CAPACITY AND ENERGY BY
PACIFIC GAS AND ELECTRIC COMPANY
TO THE
CITY OF LODI

THIS AMENDING AGREEMENT is entered into by and between CITY OF LODI, a California municipal corporation, situated in the County of San Joaquin, State of California (Lodi) and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation (PGandE) (individually, Party; collectively, Parties).

RECITALS:

A. Lodi owns and operates an electric system for the distribution and sale of electric capacity and energy (Power). Lodi now purchases Power for resale at 60 KV from PGandE in accordance with an agreement dated April 1, 1970, as amended (1970 Agreement).

B. Lodi will begin purchasing Power from the United States of America, Department of Energy, Western Area Power Administration (Western), March 1, 1982.

C. The initial Contract Rate of Delivery (CRD) available to Lodi from Western is to be 12,000 KW, with provision for changes therein from time to time.

D. Power purchases by Lodi from Western will be delivered by PGandE pursuant to Contract No. 14-06-200-2948A (Contract 2948A) between Western and PGandE.

E. Lodi is a member of the Northern California Power Agency (NCPA). PGandE and NCPA are negotiating for a coordination, interconnection and transmission contract.

F. NCPA and certain member cities, including Lodi, have entered into an agreement to purchase surplus energy from the Turlock Irrigation District (TID Energy).

G. Lodi has contracted with NCPA to allow NCPA or its agent to act on Lodi's behalf in arranging with PGandE for the transmission of TID Energy from Turlock's established delivery point to PGandE's electric delivery point for Lodi.

H. NCPA has entered into a contract (PGandE-NCPA Interruptible Transmission Service Contract-TID Energy) dated June 24, 1982 for interruptible transmission service

for such TID Energy to NCPA member cities in amounts determined under provisions of that contract.

I. The Parties desire to amend the 1970 Agreement to accommodate the delivery of TID Energy and Western capacity and energy.

NOW, THEREFORE, IT IS MUTUALLY AGREED THAT THE 1970 AGREEMENT, AS AMENDED, SHALL BE FURTHER AMENDED AS FOLLOWS:

1. Section 1 is deleted and the following new Section 1 is substituted therefor:

"1. PGandE shall sell and deliver to Lodi, and Lodi shall purchase and receive from PGandE all Power required by Lodi in excess of that sold to Lodi by Western as provided for under Contract 2948A except for such TID Energy as may from time to time be delivered by PGandE to Lodi under the provisions of the PGandE-NCPA Interruptible Transmission Service Contract-TID Energy."

2. Sections 3 and 4 are hereby deleted and the following new Sections 3 and 4 are substituted therefor:

"3. (a) A monthly bill based on the total metered quantity of Power delivered by PGandE to Lodi in excess of that sold to Lodi by Western as provided for under Contract 2948A will be prepared under PGandE's Federal Energy Regulatory Commission (FERC) tariffs. The bill shall be for Demand Supplied by PGandE and Energy Supplied by PGandE during the billing period, less any then applicable credits. Because precise information regarding deliveries of TID Energy to designated members will not be made available to PGandE by NCPA during the instant billing period, any credits due Lodi as provided in the PGandE-NCPA Interruptible Transmission Service Contract-TID Energy will be applied to PGandE's next regular monthly Power bill to Lodi following receipt of such information. Such credits will be based on the rates and charges in effect during the billing period during which the deliveries of TID Energy were supplied to Lodi.

(b) PGandE shall arrange for a pro rata utilization of metering equipment with Western, except for certain equipment necessary to accommodate metering facilities which shall be installed by Lodi.

(c) When used herein, the below-listed terms shall be defined as follows:

(i) LODI DEMAND--For any half-hour interval Lodi Demand shall be equal to the average power taken during the half hour.

(ii) LODI ENERGY--For any billing period Lodi Energy shall be the energy in kilowatthours delivered during the billing period.

(iii) DEMAND SUPPLIED BY WESTERN--For any half-hour in any billing period, the Demand Supplied By Western shall be equal to Lodi Demand for that half hour multiplied by the quotient, not to exceed unity, of the then effective CRD divided by the maximum Lodi Demand for the billing period.

(iv) ENERGY SUPPLIED BY WESTERN--For any half hour in any billing period, the Energy Supplied By Western shall be equal to Lodi Energy for that half hour multiplied by the quotient, not to exceed unity, of the then effective CRD divided by the maximum Lodi Demand for the billing period. Energy Supplied By Western during the billing period shall be the summation of the half-hour energy amounts determined above.

(v) CONTRACT RATE OF DELIVERY (CRD)--The maximum rate of delivery of Power in kilowatts made available to Lodi by Western during the billing period.

(vi) DEMAND SUPPLIED BY PGandE--The average demand, not less than zero, for any half hour in the billing period obtained by subtracting Demand Supplied By Western from the metered demand for that half hour.

(vii) ENERGY SUPPLIED BY PGandE--The energy, not less than zero, for any half hour in the billing period obtained by subtracting Energy Supplied By Western for that half hour from metered energy delivered during the half hour. Energy Supplied By PGandE during the billing period shall be the summation of the half-hourly amounts determined above.

4. All Power delivered hereunder by PGandE shall be supplied in accordance with the applicable rates and General Terms and Conditions set forth in PGandE's Federal Energy Regulatory Commission (FERC) Electric Tariff Original Volume No. 2 in effect from time to time, as such Volume may be amended or superseded, which is incorporated herein by reference."

3. PGandE shall file this Amending Agreement with FERC in a timely manner and shall diligently prosecute such proceedings.

4. Nothing contained herein shall be construed as affecting in any way the right of PGandE, in furnishing service under provisions of the 1970 Agreement, unilaterally to make application to FERC for a change in rates under Section 205 of the Federal Power Act and pursuant to FERC's Rules and Regulations promulgated thereunder. Nothing contained herein shall be construed as affecting in any way the right of PGandE to put into effect any changes in rates, or as preventing in any way a change in rate from becoming effective, on an interim basis or otherwise, under said Section and pursuant to said Rules and Regulations. However, Lodi may at its discretion, protest the reasonableness of any such proposed increase in rates and/or charges.

5. (a) This Amending Agreement shall be effective on March 1, 1982, if permitted to become effective on that day by FERC; provided, that this Amending Agreement is expressly conditioned upon FERC's acceptance of all provisions hereof, without change or condition, and will not become effective unless so accepted.

(b) This Amending Agreement once effective shall remain in effect coincident with the term of the 1970 Agreement.

6. Nothing contained herein shall be construed as affecting in any way the rights or positions of the parties with respect to other matters in dispute, including specifically the delivery of Northwest energy during the period May 1 - September 30, 1982 pursuant to the Western/NCPA contract dated May 28, 1982, and PGandE's obligation to accommodate deliveries of TID Energy and Western capacity and energy in the event the Amending Agreement does not become effective pursuant to Article 5 hereof.

Agreed to this 4th day of May,
1982.

CITY OF LODI

ATTEST: *Marie M. Burchard* BY *Evelyn Olson*
City Clerk Mayor

PACIFIC GAS AND ELECTRIC COMPANY

By *J. M. Stearns*
J. M. Stearns
Manager, Commercial Department



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PACIFIC GAS AND ELECTRIC COMPANY

PG&E + 77 BEALE STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 781-4211 • TWX 910-372-6597

J. M. STEARNS
MANAGER
COMMERCIAL DEPARTMENT

APR 29 RECD

April 28, 1983

City of Lompoc
City of Alameda
City of Healdsburg
City of Lodi
City of Ukiah

Gentlemen:

As discussed with you and your attorney, Mr. Robert O'Neil, attached are three signed copies of a proposed resale contract amendment. If this amendment is acceptable, please sign all three copies. One copy is for your files.

As agreed at our April 22, 1983 meeting, please attach copies of your city council resolution authorizing signature of this amendment and then mail two copies of the contract to Mr. O'Neil. Please do not mail these two copies to us.

Mr. O'Neil will then transmit the signed copies of the contract together with the agreed upon letter outlining your continuing concerns regarding power accounting for my counter signature.

We hope that the interconnection agreement with NCPA, which both NCPA and we are working hard to complete, will serve to meet most of your concerns.

Sincerely,



cc: Mr. Robert O'Neil
Miller, Balis and O'Neil, PC