December 23, 2014

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Dear Ms. Bose:

Pursuant to Section 35.13 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) regulations under the Federal Power Act (18 C.F.R. § 35.13), Southern California Edison Company (“SCE”) tenders for filing the Amendment and Restatement of District-Edison 1987 Service and Interchange Agreement (“Revised Agreement”) between SCE and The Metropolitan Water District of Southern California (“District”). Collectively, SCE and District will be referred to herein as the Parties.

The documents submitted with this filing consist of this letter of transmittal and all attachments hereto, and the Agreement including the revisions tendered for filing herein in both clean and redline formats.

Background

District is a governmental entity created for the purpose of providing a water supply to its service area in Southern California pursuant to the laws of California. In conjunction with such purpose, District owns, operates, and maintains its own electric system for pumping water on the Colorado River Aqueduct.

On April 1, 1987, SCE and District (“Party” or “Parties”) executed the District-Edison 1987 Service and Interchange Agreement (“Original Agreement”), which among other things, provides for the Parties to integrate the operation of their respective electric
systems and the generating resources available to District from the Hoover Power Plant and the Parker Power Plant in order to facilitate the efficient and economical operation of the combined transmission systems and generating resources of SCE and District. The Original Agreement was accepted by the Commission in Docket No. ER87-377, was assigned an effective date of June 1, 1987, and was designated as Rate Schedule FERC No. 203.

Pursuant to Section 7 of the Original Agreement, SCE supplied District with power when requested by District for pumping water on the Colorado River Aqueduct ("Edison Purchased Power"). Additionally, in accordance with the provisions of Section 10 of the Original Agreement, when energy available to District from the Hoover Power Plant and the Parker Power Plant is insufficient for District’s needs or exceeds District’s needs, SCE and District may exchange such energy ("Exchange Energy") during a contract year. The Original Agreement utilized a methodology for pricing Edison Purchased Power and for valuing Exchange Energy based on SCE’s incremental generating cost.

Pursuant to proceedings before the California Public Utilities Commission and the FERC, and the passage and signing into California state law of Assembly Bill 1890, the operations of investor-owned electric utilities in California were restructured. The restructuring involved the creation of the California Independent System Operator Corporation ("CAISO"), which controls the operation of certain transmission facilities, including transmission facilities owned by SCE, and the California Power Exchange ("PX"), which inaugurated a competitive spot market for electricity. As part of this restructuring, SCE also divested all 10,610 megawatts of its gas-fired generation.

To accommodate the electric industry restructuring described above, among other things, the Parties agreed to an amendment of the Original Agreement ("First Amendment"). The First Amendment modified the pricing methodology to facilitate and provide specificity to the determination of SCE’s incremental generating cost pursuant to
Section 7.5 of the agreement. The First Amendment was accepted by the Commission in Docket No. ER99-590, and it became effective on November 30, 1998. The First Amendment expired on September 30, 1999; but the Parties agreed to extend the terms and conditions of the First Amendment in the form of a second amendment to the agreement ("Second Amendment"). The Second Amendment was accepted by the Commission in Docket No. ER99-4134, and it became effective on October 1, 1999.

After the PX suspended SCE from trading in the day-ahead and day-of markets in January 2001, the Parties entered into the third amendment to the agreement ("Third Amendment") to establish a methodology for valuing the return of Exchange Energy delivered by District to SCE for the October 1, 2000 to September 30, 2001 contract year and to suspend the provisions of Section 7 pertaining to Edison Purchased Power. The Third Amendment was accepted by the Commission in Docket No. ER02-643, and it became effective on January 17, 2001. In that filing, the agreement was also re-designated as Rate Schedule FERC No. 443.

After SCE completed the deliveries of Exchange Energy for the October 1, 2000 to September 2001 contract year, there was no contractual basis in place upon which to value Exchange Energy in the long-term so the Parties entered into the fourth amendment to the agreement ("Fourth Amendment"). The Fourth Amendment set forth mutually agreed-upon terms and pricing provisions relating to Exchange Energy delivered after September 30, 2001 and continued the suspension of the provisions of Section 7 pertaining to Edison Purchased Power. The Fourth Amendment was accepted by the Commission in Docket No. ER03-677, and it became effective on October 1, 2001. In that amendment, the Parties stated their intent to enter into a subsequent amendment to provide a valuation of Edison Purchased Power.

As a result of the CAISO's market redesign establishing an hourly energy market, the Parties have agreed to reinstate, with modified terms, the provisions of Section 7 pertaining to Edison Purchased Power (suspended in the Third and Fourth Amendments)
and retain, with modified terms, the mechanisms developed to value Exchange Energy and benefit energy (discussed below).

**Revisions to the Agreement**

**Overview:**

On December 9, 2014, the Parties executed the fifth amendment to the agreement ("Fifth Amendment"). The Fifth Amendment supersedes the Fourth Amendment to the Original Agreement, which amendment will terminate upon the effective date of the Fifth Amendment. In addition to removing the provisions established as part of the Fourth Amendment, the Fifth Amendment (1) reinstates the provisions of Section 7 pertaining to Edison Purchased Power; (2) modifies the terms relating to Exchange Energy and benefit energy, which is energy to be used for water supply purposes as further described in Section 16 of the Original Agreement ("Benefit Energy"); (3) sets forth mutually agreed-upon terms relating to the pricing provisions for such energy; and (4) makes other ministerial changes. These new provisions attempt to preserve the allocation of benefits and burdens in the Original Agreement. A copy of the Fifth Amendment is included in Attachment A to this filing letter. A discussion of the substantive changes follows.

**Section 7:**

Section 7 of the Original Agreement has been revised to provide that Edison Purchased Power shall be supplied by SCE, at District’s request, at a designated point of interconnection during any time period. In the Original Agreement, this was the case only for the off-peak period, and requests for deliveries during mid-peak or on-peak hours were subject to additional criteria. The maximum demand which District may require to be supplied by SCE remains at 320,000 kilowatts; however, the measurement of such demand has been revised to be over a settlement interval as defined by the CAISO in its tariff rather than over a 15-minute interval.
If District preschedules Edison Purchased Power to be delivered by SCE to District, District shall pay SCE the locational marginal price ("LMP") value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the day-ahead market. If District schedules Edison Purchased Power after the time the day-ahead schedules are required to be submitted to the CAISO, District shall pay SCE the LMP of the generation trade hub identified as TH_SP15_GEN-APND in the five minute real time dispatch market posted by the CAISO on its open access same-time information system.

The Parties’ operating committee will establish procedures for Edison Purchased Power that will provide District with price risk mitigation similar to what was provided in the Original Agreement when such power was priced at SCE’s incremental generating cost or under the First Amendment when District provided a price limit for use in SCE’s bids to the PX.

Section 10:

Section 10 of the Original Agreement has also been revised to provide that, when energy available to District from the Hoover and Parker Power Plants is insufficient for water supply purposes, District may request, and SCE shall deliver, energy equivalent to such insufficiency at a designated point of interconnection. District shall return such energy to SCE at a point of interconnection, at Gene Pumping Plant or at the generation trade hub identified as TH_SP15_GEN-APND (rather than simply within the region identified as south of path 15). Similarly, when energy available to District from the Hoover and Parker Power Plants is more than sufficient for water supply purposes, District may deliver, and SCE shall accept, such excess energy at a designated point of interconnection, at Gene Pumping Plant or at the generation trade hub identified as TH_SP15_GEN-APND (rather than simply within the region identified as south of path 15). In addition, District may purchase energy from a supplier other than SCE for delivery to SCE as Exchange Energy at a designated point of interconnection or at the
generation trade hub identified as TH_SP15_GEN-APND.

In the event that SCE’s net costs are increased by the exchange of energy, District shall reimburse SCE for such increase by subtracting from the sum of the value of each hour that Exchange Energy was delivered by SCE to District during the contract year the sum of the value for each hour that Exchange Energy was returned to SCE by District in the same contract year. If the net cost is a negative amount, neither Party is obligated to reimburse the other for these costs. For purposes of the calculation, Exchange Energy is to be valued at the LMP of the generation trade hub identified as TH_SP15_GEN-APND in the day-ahead market posted by the CAISO.

Section 16:

Section 16 of the Revised Agreement provides that in order to balance the benefits exchanged between the Parties under the terms of the Agreement, Edison will provide and deliver to District during off-peak hours an amount of Benefit Energy to be used for pumping water through District’s Colorado River Aqueduct as determined in accordance with the formula set forth in Section 16. For Benefit Energy to be used for water supply purposes (other than pumping water through District’s Colorado River Aqueduct) that District deems to be delivered by SCE to District at SCE’s Vincent 500-kV bus, SCE shall pay the value of the LMP from the day-ahead market for the Vincent 500-kV node that is published by the CAISO for the specific hour for which Benefit Energy is deemed to be delivered, multiplied by that hour’s amount of Benefit Energy.

Due to all the variables which can affect the amount of energy that may be exchanged between the Parties and the variable nature of energy prices, SCE cannot forecast the amount of revenue which may be received under the Revised Agreement. Therefore, to the extent necessary, SCE respectfully requests waiver of the Section 35.13 (c) of the Commission’s regulations.
Waiver of Notice

SCE respectfully requests, pursuant to Section 35.11 (18 C.F.R. § 35.11) of the Commission's regulations, waiver of the 60-day prior notice requirements specified in Section 35.3 (18 C.F.R. § 35.3), and requests the Commission to assign an effective date of January 1, 2015, to the Revised Agreement. Such waiver would be consistent with the Commission's policy set forth in Central Hudson Gas & Electric Corp., et al., 60 FERC ¶ 61,106 (1992), reh'g denied, 61 FERC ¶ 61,089 (1992), that waiver of the 60-day prior notice requirement will be granted upon a showing of good cause when the agreement is filed prior to the commencement of service. In the case at hand, good cause exists because such waiver will enable District to avoid the cost and administrative burden of reporting greenhouse gas-related emissions data for 2015 that would be required if District purchased power from a source other than SCE in 2015. The granting of this waiver will not have any impact on SCE's other rate schedules.

Other Filing Requirements

No expenses or costs included in the rates tendered herein have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

SCE believes that the data contained in this letter provide sufficient information upon which to accept this filing; however, to the extent necessary, SCE requests that the Commission waive its filing requirements contained in Sections 35.5 and 35.13 (18 C.F.R. § 35.5 and 35.13) of the Commission's regulations.

SCE believes this filing conforms to any rule of general applicability and to any Commission order specifically applicable to SCE, and has made copies of this letter and all enclosures available for public inspection in SCE's principal office located in
Rosemead, California. SCE has mailed copies to those persons whose names appear on the attached mailing list.

SCE requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

Crystal Needham  
Senior Attorney  
Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California  91770  
Crystal.Needham@sce.com

Anna Valdberg  
Director and Managing Attorney  
Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California  91770  
Anna.Valdberg@sce.com

SCE also requests that an additional copy of any correspondence and orders be sent to the undersigned at James.Cuillier@sce.com.

Very truly yours,

JAMES A. CUILLIER
<table>
<thead>
<tr>
<th>NAME</th>
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<tbody>
<tr>
<td>Public Utilities Commission</td>
<td>State Building</td>
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<tr>
<td>Harvey Y. Morris, General Counsel</td>
<td>505 Van Ness Avenue</td>
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<td>State of California</td>
<td>San Francisco, California 94102</td>
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<td><a href="mailto:harvey.morris@cpuc.ca.gov">harvey.morris@cpuc.ca.gov</a></td>
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<td>Metropolitan Water District of Southern California</td>
<td>700 N. Alameda Street</td>
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<td>Mark L. Parsons</td>
<td>Los Angeles, California 90012</td>
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FIFTH AMENDMENT
TO THE DISTRICT-EDISON
1987 SERVICE AND INTERCHANGE
AGREEMENT
BETWEEN
THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
AND
SOUTHERN CALIFORNIA EDISON COMPANY
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Fifth Amendment

to the District-Edison

1987 Service and Interchange Agreement

1. **Parties:** The Parties to this Fifth Amendment to the District-Edison 1987 Service and Interchange Agreement ("Fifth Amendment") are The Metropolitan Water District of Southern California, a governmental entity ("District"), and Southern California Edison Company, a corporation ("Edison"), both District and Edison being organized and existing under the laws of the State of California.

2. **Recitals:** This Fifth Amendment is made with reference to the following facts, among others:

   2.1 In order to integrate the operation of the District's and Edison's Electric Systems such that the Parties' Electric Systems would be more efficiently utilized to their mutual benefit, the Parties entered into the District-Edison 1987 Service and Interchange Agreement ("Agreement") on April 1, 1987, and it became effective on June 1, 1987.

   2.2 Pursuant to Sections 7 and 10 of the Agreement, and in particular Section 7.5, the cost to District for Edison Purchased Power and Exchange Energy under the Agreement used to be determined by Edison's incremental generating costs.

   2.3 Beginning in April, 1998, the California Independent System Operator ("CAISO") assumed operational control of the transmission grid owned and previously operated by Edison and other investor-owned utilities. In addition, Edison divested some of its generation facilities and bids all its remaining generation into the CAISO's energy markets. Since 1998, the Parties have entered into four amendments to this Agreement in an attempt to preserve the burdens and benefits of various energy transactions between the Parties. The effective date of the First Amendment was November 13, 1998, the Second Amendment was October 1, 1999, the Third Amendment was January 17, 2001 and the Fourth Amendment was October 1, 2001. Each amendment terminated the prior amendment and only the Fourth Amendment is currently effective.

   2.4 In the Fourth Amendment, the Parties stated their intent to enter into a subsequent amendment to provide a valuation of Edison Purchased Power.
2.5 As a result of the CAISO's market redesign establishing an hourly energy market, the Parties wish to reinstate the District's ability to purchase power through Edison and retain the mechanisms developed to value Exchange Energy and Benefit Energy by terminating the Fourth Amendment and entering into a new Fifth Amendment.

3. **Agreement:** The Parties agree as follows:

4. **Definitions:** The terms, when used in this Fifth Amendment with initial capitalization, whether in the singular or plural, shall have the meanings set forth in the Agreement or in the CAISO Tariff version in effect as of the date of execution of this Fifth Amendment. In the event of a conflict of the definitions between the Agreement and the CAISO Tariff, the definition in the Agreement will prevail.

5. **Effective Date and Term:** The Fifth Amendment, following its execution by District and Edison, shall become effective and the Fourth Amendment to the Agreement shall terminate and be of no further force and effect, except for subsection 5.2, on the date the Fifth Amendment is accepted for filing by the Federal Energy Regulatory Commission ("FERC"), subject to its acceptance. If upon Edison's filing of the Fifth Amendment FERC schedules a hearing to determine whether it is just and reasonable, it shall not become effective until the date when an order no longer subject to judicial review has been issued by FERC determining the Fifth Amendment to be just and reasonable without changes or new conditions unacceptable to either Party. Edison shall request that FERC issue an order providing for an effective date of 0000 hours on January 1, 2015.

5.1 **Regulatory Filings and Related Termination Rights.**

5.1.1 Edison shall file the Fifth Amendment with the FERC within ten (10) days of its execution by the Parties. In this filing, Edison shall request that FERC issue an order providing for an effective date as described in Section 5.0 above. Edison agrees to use its best efforts to obtain approval of the Fifth Amendment in the form submitted, including taking all reasonable, necessary, and usual steps to secure regulatory approval. In the event of a FERC hearing and/or review process concerning the Fifth Amendment, District shall file a letter with FERC supporting the Fifth Amendment and or submit testimony in support of its reasonableness. Following an order of the FERC addressing the Fifth Amendment, Edison and District shall review such order to determine if
the FERC has changed or modified a condition, deleted a condition, or imposed a new condition in the
Fifth Amendment. Within ten (10) business days after the issuance of the FERC order, Edison and
District shall indicate to each other in writing their acceptance or rejection of the Fifth Amendment
based upon any changes to it required by the FERC. A failure to notify within such ten (10) business
day time frame will be equivalent to a notification of acceptance. If either Party rejects the Fifth
Amendment in accordance with this subsection 5.1.1 because FERC has modified a condition, deleted
a condition, or imposed a new condition in it, both Parties will be deemed to have rejected it and the
Parties shall attempt to renegotiate its terms and conditions to satisfy FERC’s objections while
preserving the balance of benefits and burdens of the Agreement as of June 1, 1987.

5.1.2 As soon as reasonably possible after the Effective Date of the Fifth Amendment,
Edison shall, in its sole discretion, seek approval of the Fifth Amendment by the California Public
Utilities Commission (“CPUC”) by one of the following means: an Advice Letter, an Application, or
as part of Edison’s Energy Resource Recovery Account (“ERRA”) or successor proceeding. Edison
agrees to use its best efforts, including taking all reasonable, necessary and usual steps to obtain an
order or opinion of the CPUC that (i) if Edison filed an application or advice letter, finds that the Fifth
Amendment is approved in full and in the form presented, Edison’s entry into the Fifth Amendment
was reasonable and prudent and Edison may recover its costs under the Fifth Amendment subject to
Edison’s prudent administration of that amendment, or (ii) if Edison submitted the Fifth Amendment
under ERRA or a successor proceeding, does not find that SCE’s entry into the Fifth Amendment was
unreasonable or that any costs under the Fifth Amendment should be disallowed (all, the “Finding
Requirements”). If the CPUC does not issue a decision or order that complies with the Finding
Requirements, the Parties shall exercise best efforts to amend the Fifth Amendment to address the
reasons why the CPUC’s order or decision did not comply with the Finding Requirements while
preserving the balance of benefits and burdens of the Agreement as amended by the Fifth Amendment.
Edison shall file any such subsequent amendment with FERC as soon as practical following execution
by the Parties.

5.1.3 The Fifth Amendment shall terminate in its entirety upon any of the following:

5.1.3.1 The date it is superseded by a subsequent amendment duly executed by
the Parties and accepted for filing by FERC;

5.1.3.2 The termination of the Agreement;

5.1.3.3 Written notice, given between 45 and 30 days prior to the first day of
the next Contract Year, from one Party to another;

5.1.3.4 Sixty (60) days of a FERC order not accepting the Fifth Amendment in
its originally filed form, if the Parties have been unable, in spite of best efforts during that sixty (60)
days, to reach agreement on terms that would comply with the applicable FERC order; or

5.1.3.5 Edison’s election in its sole discretion exercised within sixty (60) days
after the date of an order or decision of the CPUC that does not comply with the Finding
Requirements, if the Parties have been unable, in spite of best efforts during that sixty (60) day period,
to reach agreement on terms that would address the reasons that the decision or order did not comply
with the Finding Requirements; the amendments in the Fifth Amendment to Sections 4, 7, 10, 14, 16,
17 and 20 of the Agreement shall terminate and be of no further force and effect.

5.2 Reinstatement of the Fourth Amendment. Should the Fifth Amendment be terminated
under the provisions of subsections 5.1.3.3, 5.1.3.4, or 5.1.3.5 above, the Fourth Amendment shall be
reinstated.

6. Amendment to Agreement:

6.1 Amendments to Section 4. Section 4 of the Agreement is amended by adding new
definitions as follows:

"4.2A CAISO: The California Independent System Operator, as defined in the CAISO Tariff,
or any successor thereto resulting solely from a name change.

4.2B CAISO Tariff: The CAISO Tariff as it may be modified from time to time."

"4.13A Edison Purchased Power Price: The locational marginal price ("LMP") value in
$/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the Day-Ahead Market
shall apply for schedules prescheduled by District to Edison prior to the time Day-Ahead schedules are
required to be submitted to the CAISO. The LMP value in $/MWh of the generation trade hub
identified as TH_SP15_GEN-APND in the five (5) minute real time dispatch Real Time Market
posted by the CAISO on its open access same-time information system ("OASIS") after the close of
that market for the hour in which District has requested supply pursuant to Section 7 shall apply for
schedules submitted by District to Edison after the time Day-Ahead schedules are required to be
submitted to the CAISO.”

“4.15A Exchange Energy Price: The LMP value in $/MWh of the generation trade hub
TH_SP15_GEN-APND in the Day-Ahead Market posted by the CAISO on OASIS after the close of
that market for the hour in which District has requested delivery or provided return pursuant to Section
10 herein.”

“4.15B Fifth Amendment: The Fifth Amendment to the District-Edison 1987 Service and
Interchange Agreement between District and Edison which includes new subsections 4.2A, 4.2B,
4.13A, 4.15A, 4.15B and changes to Sections 7, 10, 14, 16, 17 and 20 of the Agreement.”

6.2 Amendment to Section 7. Section 7 of the Agreement is hereby amended by
deleting Section 7 in its entirety and replacing the deleted section with the following:

“7. Power Purchased by District from Edison (Edison Purchased Power):
7.1 When requested by District, Edison shall supply District with Edison Purchased Power
to be used for pumping water on the Colorado River Aqueduct at a designated Point of
Interconnection.
7.2 The maximum demand which District may require to be supplied by Edison shall be
320,000 kilowatts. The maximum demand shall be the maximum average kilowatt input metered
during any settlement interval as defined by the CAISO Tariff.
7.3 Not used.
7.4 District may, at its sole discretion, utilize any other power available to it for pumping
water on the Colorado River Aqueduct prior to utilization of Edison Purchased Power.
7.5 For each hour that Edison Purchased Power is supplied to District, District shall pay
Edison the Edison Purchased Power Price for that hour.

7.5.1 The Parties shall normally use the Edison Purchased Power Price, unless a substitute index is mutually agreed upon to by the Operating Committee, to determine the value of Edison Purchased Power Price. If the CAISO no longer publishes an LMP value in $/MWh of the generation trade hub for TH_SP15_GEN-APND on the CAISO OASIS, the Operating Committee representatives shall negotiate in good faith to establish a substitute index or pricing point.

7.5.2 The Operating Committee will establish procedures for Edison Purchased Power that will provide District with price risk mitigation similar to what was provided in the original Agreement when Edison Purchased Power was priced at a known Edison incremental generating cost or under the First Amendment when District provided a price limit for use in Edison’s Power Exchange bids.

7.6 Edison shall not be obligated to provide Edison Purchased Power to District under this Section 7 during a Jeopardy condition on Edison’s Electric System.

7.7 The scheduling and amounts of Edison Purchased Power supplied to District by Edison hereunder shall be determined in accordance with operating procedures agreed to by the Operating Committee.”

6.3 Amendment to Section 10. Section 10 of the Agreement is hereby amended by deleting Section 10 in its entirety and replacing the deleted section with the following:


10.1 From time to time during a Contract Year the energy available to District from Hoover Power Plant and Parker Power Plant may be insufficient for Water Supply Purposes, while at other times during the same Contract Year, the energy available to District from such sources may be more than sufficient for Water Supply Purposes. In the event of such an insufficiency and if requested by District, Edison shall deliver to District at a designated Point(s) of Interconnection, an amount of Exchange Energy equivalent to the insufficiency. District shall return such energy to Edison at a Point of Interconnection, at Gene Pumping Plant 230-kV bus, or at the generation trade hub identified as TH_SP15_GEN-APND at a time(s) during the Contract Year agreed by the Operating Committee.
District may purchase energy from a supplier for delivery of Exchange Energy to Edison at the
generation trade hub identified as TH_SP15_GEN-APND or at a designated Point of Interconnection.

10.1.1 When, during the Contract Year energy available to District from Hoover and
Parker Power Plant is more than sufficient for Water Supply Purposes, District may deliver, and
Edison shall accept, Exchange Energy at a designated Point of Interconnection(s), at Gene Pumping
Plant bus or at the generation trade hub identified as TH_SP15_GEN-APND in advance of District
taking subsequent delivery of such Exchange Energy.

10.2 In the event Edison’s net costs are increased by the exchange of energy pursuant to this
Section 10, District shall reimburse Edison following the end of the Contract Year for such increased
costs. The net cost to Edison, if any, for a Contract Year shall be determined by subtracting from the
sum of the value of each hour that Exchange Energy was delivered by Edison to District during that
Contract Year, the sum of the value for each hour that Exchange Energy was returned to Edison by
District in the same Contract Year. If the net cost is a negative amount, neither Party shall reimburse
the other for these costs.

10.2.1 The value of each hour of Exchange Energy shall equal the Exchange Energy
Price for that hour multiplied by that hour’s amount of Exchange Energy. The valuation of Exchange
Energy for a Contract Year shall occur within fifteen days following the end of the Contract Year.

10.2.2 The Parties shall normally use the Exchange Energy Price, unless a substitute
index is mutually agreed upon by the Operating Committee, to determine the value of Exchange
Energy. If the CAISO no longer publishes an LMP value in $/MWh of the generation trade hub
identified as TH_SP15_GEN-APND on the CAISO OASIS, the Operating Committee representatives
shall negotiate in good faith to establish a substitute index or pricing point.

10.3 The scheduling and amounts of energy exchanged pursuant to this Section 10 shall be
determined in accordance with operating procedures agreed to by the Operating Committee.”

6.4 Amendment to Section 14. Certain sections of Section 14 of the Agreement are
hereby amended as follows:

6.4.1 The second sentence in subsection 14.3 shall be deleted in its entirety and
replaced with the following:
"Such facilities are shown in Appendix A which may be updated from time to time by the Operating Committee."

6.4.2 Subsection 14.8 is deleted in its entirety and replaced with the following:

"14.8 Scheduling procedures for District’s Transmission Line shall be determined in accordance with operating procedures that are agreed to by the Operating Committee."

6.5 Amendment to Section 16. Section 16 of the Agreement is hereby amended by appending the following to the end of subsection 16.2:

"The Parties agree to the use of a deemed energy schedule, which is settled financially, to help the District restore some of its value for using Benefit Energy at Vincent 500-kV bus. For Benefit Energy that District deems to be delivered by Edison to District (but not a Water Utility designated by District) through schedules pursuant to the operating procedures at Edison’s Vincent 500-kV bus, Edison shall pay the value of the LMP in $/MWh from the Day-Ahead Market for the Vincent 500-kV node that is published by the CAISO for the specific hour for which Benefit Energy is deemed to be delivered, multiplied by that hour’s amount of Benefit Energy. The CAISO’s OASIS currently identifies the LMP pricing nodes for Vincent 500-kV as Vincent_5_B1 and Vincent_5_B2. If one or more Vincent 500-kV nodes reveal differing values of the LMP in the Day-Ahead Market for the relevant hour, their arithmetic mean shall be used to value Edison’s deemed energy deliveries at Vincent. If the CAISO no longer publishes an LMP value in $/MWh from the Day-Ahead Market for the Vincent 500-kV node on the CAISO OASIS, the Operating Committee shall negotiate in good faith to establish a substitute index or price."

6.6 Amendment to Section 17. Section 17 of the Agreement is hereby amended such that a new subsection 17.5 shall be added as follows:

"17.5 Until termination of the Fifth Amendment and except by mutual agreement between the Parties schedulers or dispatchers, all schedules of Exchange Energy shall be prescheduled by the Parties’ schedulers and dispatchers by no later than sixty (60) minutes prior to the time Day-Ahead schedules are required to be submitted to the CAISO. District will make its best effort to provide the schedules by ninety (90) minutes prior to the time Day-Ahead schedules are required to be submitted to the CAISO, however, finalizing schedules from third parties may not make this possible. District
shall, to the extent possible, communicate its schedules by (in order of preference) electronic mail or facsimiles, unless otherwise agreed by the Parties’ schedulers or dispatchers."

6.7 Amendment to Section 20. Section 20 of the Agreement is hereby amended by deleting subsection 20.1 in its entirety and replacing the deleted subsection with the following:

"20.1 The Parties hereby establish the Operating Committee for the purpose of securing effective cooperation, and interchange of information and providing consultation on a prompt and orderly basis between the Parties in connection with various administrative and technical problems which may arise from time to time under this Agreement, including all operating matters respecting the delivery, taking, and transmission of capacity and energy under this Agreement. Energy delivered to a Water Utility designated by District at Vincent 500-kV bus and any associated payment adjustments pursuant to Section 9, Section 10, or Section 16 shall be in accordance with procedures agreed to by the Operating Committee. Among other things, the Operating Committee shall agree upon further accommodations necessitated by the CAISO Tariff including scheduling timelines and modifications to the CAISO LMP pricing nodes."

7. Effect on Agreement: Except as specifically amended by this Fifth Amendment, no other provision in the Agreement is intended to be modified, and the Agreement shall remain in full force and effect in its entirety. This Fifth Amendment shall not impact, prejudice, or waive either Parties’ rights or obligations under the Agreement for the period either prior to the effective date of the Fifth Amendment or following the termination thereof, and no precedent for future amendments to the Agreement is hereby intended.
8. **Signature Clause:** The signatories to this Fifth Amendment represent that they are authorized to enter into this agreement on behalf of the Party for whom they sign. This Fifth Amendment is hereby executed as of the 9th day of December 2014.

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<td>By: Jeff Kightlinger</td>
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AMENDMENT AND RESTATEMENT OF

DISTRICT-EDISON

1987 SERVICE AND INTERCHANGE

AGREEMENT

BETWEEN

THE METROPOLITAN WATER DISTRICT

OF SOUTHERN CALIFORNIA

AND

SOUTHERN CALIFORNIA EDISON COMPANY

TO REFLECT FIFTH AMENDMENT THERETO
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Amended Amendment and Restated Restatement of District-Edison
1987 Service and Interchange Agreement
to reflect Fifth Amendment Thereto

1. Parties:

The Parties to this Agreement are The Metropolitan Water District of Southern California, a governmental entity ("District"), and Southern California Edison Company, a corporation ("Edison"), both District and Edison being organized and existing under the laws of the State of California.

2. Recitals:

This Agreement is made with reference to the following facts, among others:

2.1 District is a governmental entity created for the purpose of providing a water supply to its service area in Southern California. In conjunction with such purpose, District owns', operates, and maintains its own Electric System.

2.2 Edison is an electric utility engaged in the business of generating, transmitting, and delivering electric energy. As part of this business, Edison owns, operates, and maintains its own Electric System.

2.3 Both District and Edison desire to integrate the operation of their respective Electric Systems under the terms of this Agreement such that the Parties' Electric Systems will be more efficiently utilized to their mutual benefit.
3. **Agreement:**
   
The Parties agree as follows:

4. **Definitions:**
   
   Until termination of the Fourth Amendment in accordance with the provisions set forth in Section 5.2 of this Agreement occurs, the terms, when used in this Agreement with initial capitalization, whether in the singular or plural, shall have the meanings set forth in the Agreement or in the ISO Tariff version in effect as of the date of execution of this Fourth Amendment. In the event of a conflict of the definitions between the Agreement and the ISO Tariff, the definition in the Agreement will prevail. After the termination of the Fourth Amendment in accordance with the provisions set forth in Section 5.2 of this Agreement, all but the last sentence of this paragraph shall no longer apply and the last sentence of this paragraph shall be the only sentence applicable to this Agreement. The following terms, when used in this Agreement with initial capitalization, whether in the singular or plural, shall have the following meanings:

   4.1 Agreement: This District-Edison 1987 Service and Interchange Agreement between District and Edison.

   4.2 Benefit Energy: That energy provided to District by Edison pursuant to the provisions of Section 16.

   4.2A CAISO: The California Independent System Operator as defined in the CAISO Tariff, or any successor
thereto resulting solely from a name change.

4.2B CAISO Tariff: The CAISO Tariff as it may be modified from time to time.

4.3 Colorado River Aqueduct: District's aqueduct extending from Lake Havasu to District's Lake Mathews terminal reservoir.

4.4 Control Area: All or part of an entity's electrical generating resources, Transmission Facilities, and distribution facilities, or a combination thereof with those of other entities, to which a common automatic control scheme is applied.

4.5 Contract Year: Twelve-month period beginning October 1 of each year and ending September 30 of the following year; provided, however, such term for the first period of this Agreement shall mean the four (4) month period from June 1, 1987, through September 30, 1987.

4.6 District: The Metropolitan Water District of Southern California.

4.7 District's Electric System: The electric facilities, owned or otherwise available to District, directly associated with the providing of electric power for pumping on its Colorado River Aqueduct.

4.8 District's Hoover Contract: The contract between the United States and District for power from Hoover Plant, Contract No. DE-MS65-86WP39583.

4.9 District's Transmission Line: The 230-kV steel-tower transmission line owned by the District in Clark
County, Nevada, and San Bernardino and Riverside Counties, California, extending from the Mead Substation to the District's 230-kV switchracks at Gene, Iron Mt., Eagle Mt., and Hinds pumping plants, including the 230-kV switchrack at Camino Substation.

4.10 District Unused Energy: Energy generated at Hoover Power Plant and delivered to the Mead 230-kV bus pursuant to District's entitlement to Hoover power and District energy generated at Parker Power Plant and delivered to the Parker 230-kV bus pursuant to District's entitlement to Parker power, the total of which is in excess of District's energy requirements for Water Supply Purposes, as determined by District.

4.11 Edison: Southern California Edison Company.

4.12 Edison's Electric System: A system of generation, transmission, and distribution facilities owned and operated by Edison or otherwise available to Edison, which are utilized by Edison for generating and transmitting electric energy in the States of Arizona, California, Nevada, and New Mexico and for distributing said energy to Edison's electrical customers in California.

4.13 Edison Purchased Power: Capacity and energy purchased by District from Edison pursuant to Section 7.

4.13A Edison Purchased Power Price: The locational marginal price (“LMP”) value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the Day-Ahead Market shall apply for schedules prescheduled by District.
to Edison prior to the time Day-Ahead schedules are required to be submitted to the CAISO. The LMP value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the five (5) minute real time dispatch Real Time Market posted by the CAISO on its open access same-time information system (“OASIS”) after the close of that market for the hour in which District has requested supply pursuant to Section 7 shall apply for schedules submitted by District to Edison after the time Day-Ahead schedules are required to be submitted to the CAISO.

4.14 Electric System(s): District's or Edison's Electric System, or both.

4.15 Exchange Energy: The energy exchanged between District and Edison pursuant to the provisions of Section 10.

4.15A Exchange Energy Price: The LMP value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the Day-Ahead Market posted by the CAISO on OASIS after the close of that market for the hour in which District has requested delivery or provided return pursuant to Section 10 herein.

4.15B Fifth Amendment: The Fifth Amendment to the District-Edison 1987 Service and Interchange Agreement between District and Edison which includes new subsections 4.2A, 4.2B, 4.13A, 4.15A, 4.15B and changes to Sections 7, 10, 14, 16, 17 and 20 of the Agreement.

4.16 Firm Transmission Service: The transmission-of
District's energy by Edison over its Transmission Facilities pursuant to the provisions of Section 15.

4.16A Fourth Amendment: Except for the last sentence of the first paragraph of this Section 4, this Section 4.16A and Sections 5, 7.0, 10.0, 10.4, 10.5, 17.5, and 25.1 of this Agreement.

4.17 Hoover Power Plant: The United States' power plant on the Colorado River at Hoover Dam.

4.18 Interchange Energy: Energy interchanged between District and Edison pursuant to the provisions of Section 9.

4.19 Jeopardy: An Electric System condition in which Edison determines that action must be taken to eliminate or reduce the threat to the reliability of Edison's Electric System or of a discontinuity of service to its customers.

4.20 Operating Committee: The committee established under Section 20.

4.21 Parker Power Plant: The United States' power plant on the Colorado River at Parker Dam.

4.22 Party: District or Edison or, when used in the plural, District and Edison.

4.23 Point(s) of Delivery: The point(s) at which the transmitting Party delivers energy for the account of the other Party, or a Water Utility designated by the other Party.

4.24 Point(s) of Interconnection: Unless agreed otherwise by the Operating Committee, Mead or Hinds
4.25 Point(s) of Receipt: The point(s) at which the transmitting Party receives energy for the account of the other Party.

4.26 Replacement Capacity: Capacity provided by Edison to District pursuant to the provisions of Section 13.

4.27 Transmission Capability: The transfer ability, expressed in megawatts, of Transmission Facilities available to Edison to transmit Edison's and all transmission service purchasers' electrical energy between District's Hinds Pumping Plant 230-kV bus and Edison's Vincent Substation 500-kV bus, which is determined. in the sole judgment of Edison, to be the maximum electrical energy transfer ability of the Transmission Facilities under electrical system conditions existing at the time consistent with prudent operating procedures and standard electric utility practice.

4.28 Transmission Capacity: The transfer ability, expressed in megawatts, of Transmission Facilities available to Edison to transmit Edison's and all transmission service purchasers' electrical energy between District's Hinds Pumping Plant 230-kV bus and Edison's Vincent Substation 500-kV bus, which from time to time, is determined, in the sole judgment of Edison, to be the maximum electrical energy transfer ability of such facilities, which is consistent with prudent operating procedures and standard electric utility practice.
4.29 Transmission Facilities: Equipment required for the transmission and transformation of electricity.

4.30 VAR: Volt-amperes reactive.

4.31 Water Supply Purposes: The purposes of developing, transporting, storing, and distributing water under the Metropolitan Water District Act of the State of California (Stats. 1969, Ch. 209, as amended).

4.32 Water Utility: The State of California Department of Water Resources, or other entity engaged in providing a water supply within California.

5. Effective Date And Term:

5.1 This Fourth Amendment Agreement, when duly executed by District and Edison, shall become effective on the date when it latest of: (i) the date that District’s Hoover Contract becomes effective; (ii) June 1, 1987; or (iii) the date the Agreement is accepted for filing by FERC the Federal Energy Regulatory Commission (“FERC”); provided that, if upon such filing FERC schedules enters into a hearing to determine whether this Fourth Amendment Agreement is just and reasonable, it shall not become effective until the date when an order no longer subject to judicial review has been issued by FERC determining this Fourth Amendment Agreement to be just and reasonable without changes or new conditions unacceptable to either Party. Edison shall request that FERC issue an order providing for an effective date of 0000 hours on October 1, 2001. Thereafter, the term of this Agreement
shall be co-extensive with the term of District’s Hoover Contract, provided that either Party shall have the right to terminate this Agreement upon not less than five years’ notice of such termination given in writing to the other Party.

5.1.1 Edison shall file the Fourth Amendment with the FERC within 10 days of its execution by the Parties. Edison agrees to use its best efforts to obtain approval of the Fourth Amendment in the form submitted, including taking all reasonable, necessary, and usual steps to secure regulatory approval. In the event of a FERC hearing and/or review process concerning the Fourth Amendment, District shall file a letter with FERC supporting the Fourth Amendment and/or submit testimony in support of the reasonableness of the Fourth Amendment. Following an order of the FERC addressing the Fourth Amendment, Edison and District shall review such order to determine if the FERC has changed or modified a condition, deleted a condition, or imposed a new condition in the Fourth Amendment. Within ten (10) business days after the issuance of the FERC order, Edison and District shall indicate to each other in writing their acceptance or rejection of the Fourth Amendment based upon any changes required by the FERC. A failure to notify within such ten (10) business day time frame will be equivalent to a notification of acceptance. If either Party rejects the Fourth Amendment because FERC has modified a condition,
deleted a condition, or imposed a new condition, both Parties will be deemed to have rejected the Fourth Amendment and the Parties shall attempt to renegotiate its terms and conditions to satisfy FERC’s objections while preserving the balance of benefits and burdens of the originally filed Fourth Amendment. Notwithstanding their best efforts to comply with the FERC order(s), the Fourth Amendment shall terminate if the Parties are unable to reach agreement on appropriate modification(s) within 60 days of the FERC order not accepting the Fourth Amendment in its originally filed form.

5.2 This Fourth Amendment shall terminate on the earlier of: (i) the termination of the Agreement, (ii) upon 60-days written notice by Edison following a determination by the CPUC that Edison was imprudent for entering into the Fourth Amendment, or (iii) upon thirty (30) days advance written notice by one Party to the other Party. If terminated pursuant to (iii), the Parties shall then negotiate in good faith to determine a replacement valuation methodology for deliveries of Exchange Energy.

5.2.1 Edison shall file this Fourth Amendment with the CPUC for a reasonableness review at the earliest possible date that the CPUC will accept such a filing based upon the effective date pursuant to Section 5.1 of this Amendment. Edison agrees to use its best efforts to obtain approval of the Fourth Amendment in the form submitted, including taking all reasonable, necessary and usual steps
to secure regulatory approval.

5.2.2 If the CPUC determines that Edison was imprudent in executing the Fourth Amendment, the Parties shall exercise best efforts to amend the Agreement to eliminate the CPUC’s objections while preserving the balance of benefits and burdens of the originally filed Fourth Amendment. Edison agrees to use its best efforts to obtain CPUC approval of the subsequent amendment. Edison shall file any such subsequent amendment with FERC as soon as practical following execution by the Parties. Notwithstanding their best efforts to comply with the CPUC order(s), this Fourth Amendment shall terminate if the Parties are unable to reach agreement on appropriate modification(s) within 120 days of the CPUC order.

6. Integration Of Electric Systems:

6.1 As provided in this Agreement. District shall integrate with the operation of Edison's Electric System, the operation of District's Electric System, and the generating resources available to District from Hoover Power Plant and Parker Power Plant in a manner which will facilitate the most efficient and economical operation of the combined transmission systems and generating resources of District and Edison. Such integration shall include the operation in parallel of the District's and Edison's Electric Systems; the inclusion of District's Electric System within Edison's Control Area; and Edison providing the automatic generation control, scheduling and
dispatching, and spinning reserves for District's Electric System.

6.2 Use by Edison of District's Transmission Line and the capacity and energy available to District from Hoover Power Plant and Parker Power Plant shall be made at such times and in such amounts as will not jeopardize or interfere with the safe or efficient use or operation by District of its facilities and resources for Water Supply Purposes, as determined by District.

6.3 With the exception of those specific provisions of this Agreement which provide otherwise, each of the Parties shall be responsible for operating and maintaining its respective Electric System and facilities in accordance with standard electric utility practice at no increase in cost to the other Party. If a condition is created which may interfere with reliability or safety of use or operation, or both, of that Party's Electric System, the Party responsible for correcting the condition shall correct such condition with reasonable diligence and without cost to the other Party.

7. Power Purchased by District from Edison (Edison Purchased Power):

7.0 Until termination of the Fourth Amendment in accordance with the provisions set forth in Section 5.2 of this Agreement, the provisions of Sections 7.1 through 7.7 are hereby suspended.

7.1 When requested by District, Edison shall supply
District with Edison Purchased Power to be used for pumping water on the Colorado River Aqueduct during off-peak periods, as set forth under Section 17.3, at any or all of the designated Points of Interconnection. Edison may, from time to time, request that it be permitted to supply a portion of such off-peak Edison Purchased Power during on-peak or mid-peak periods, or both, as such time periods are specified in Section 17.3. If District agrees, Edison Purchased Power supplied pursuant to such agreement shall be deemed to have been supplied off-peak Point of Interconnection.

7.2 The maximum off-peak demand which District may require to be supplied by Edison shall be 320,000 kilowatts. The maximum demand shall be the maximum average kilowatt input metered during any 15-minute settlement interval as defined by the CAISO Tariff.

7.3 District may, from time to time, request Edison to supply Edison Purchased Power to be used for pumping water on the Colorado River Aqueduct during mid-peak or on-peak hours, or both, as such time periods are specified in Section 17.3. Edison shall supply such Edison Purchased Power if, in the opinion of Edison, it has the requested capacity and energy available without adversely affecting service by Edison to its customers. Not used.

7.4 District may, at its sole discretion, utilize any other power available to it for pumping water on the Colorado River Aqueduct prior to utilization of Edison
Purchased Power.

7.5 **For each hour that Edison Purchased Power is supplied to District,** District shall pay Edison for Edison Purchased Power at Edison's incremental generating cost. Such incremental generating cost shall be agreed to by the Operating Committee prior to delivering and purchasing energy hereunder, and shall be the sum of the following items:

- The Edison Purchased Power Price for that hour.

- **7.5.1 The replacement cost of fuel and the direct labor and direct supervision cost incurred in manning, starting up and shutting down the additional steam generating unit or units required for providing the Edison Purchase Power.** Parties shall normally use the Edison Purchased Power Price, unless a substitute index is mutually agreed upon to by the Operating Committee, to determine the value of Edison Purchased Power Price. If the CAISO no longer publishes an LMP value in $/MWh of the generation trade hub for TH_SP15_GEN-APND on the CAISO OASIS, the Operating Committee representatives shall negotiate in good faith to establish a substitute index or pricing point.

- **7.5.2 The replacement cost of fuel and the cost of additional direct labor and direct supervision required to operate a unit or units and to generate the minimum operating load of such unit or units required for providing the Edison Purchase Power:** and Operating Committee will establish procedures for Edison Purchased Power that
will provide District with price risk mitigation similar to what was provided in the original Agreement when Edison Purchased Power was priced at a known Edison incremental generating cost or under the First Amendment when District provided a price limit for use in Edison’s Power Exchange bids.

7.5.3 The incremental cost of maintenance for providing Edison Purchase Power, which shall be 0.2 mill per kilowatt-hour of energy associated with the maintenance of a minimum operating load on any unit, as measured at the point of generation.

7.6 Edison shall not be obligated to provide Edison Purchased Power to District under this Section 7 during a Jeopardy condition on Edison's Electric System.

7.7 The scheduling and amounts of Edison Purchased Power supplied to District by Edison hereunder shall be determined in accordance with operating procedures agreed to by the Operating Committee.

8. Use Of District Unused Energy:

8.1 Edison shall take delivery of all District Unused Energy. Such energy from Hoover Power Plant shall be deemed to be delivered to Edison at the Mead Substation 230-kV bus, and such energy from Parker Power Plant shall be deemed to be delivered to Edison at the Gene Pumping Plant 230-kV bus.

8.2 District shall pay to the United States all charges applicable to District's Hoover and Parker energy,
including District Unused Energy; provided, however, Edison shall reimburse District for such District Unused Energy at the Hoover energy rate (base energy rate plus contribution charge) in effect at the time.

8.3 The scheduling and amounts of District Unused Energy delivered to Edison pursuant to this Section 8 shall be determined in accordance with operating procedures agreed to by the Operating Committee.

8.4 The benefits of the District Unused Energy made available to Edison hereunder shall be made available at fair and reasonable terms to all of Edison's customers at the lowest possible rates consistent with sound business principles.

9. **Interchange Of Energy (Within A Month):**

9.1 Subject to Section 6.2 District's obligations to the United States, Edison shall supply Interchange Energy to District for Water Supply Purposes at times and in amounts as determined by Edison. District shall accept and use such Interchange Energy in lieu of energy generated at Hoover Power Plant and Parker Power Plant in accordance with the operating requirements of District as determined by District. Such energy shall be delivered to District by Edison at any or all of the designated Points of Interconnection, unless such energy is to be utilized for Water Supply Purposes other than pumping water through District's Colorado River Aqueduct, in which event, the designated Point of Delivery from Edison to District, 'or
Water Utility designated by District, shall be Edison's Vincent 500-kV bus.

9.2 Edison shall have the right to receive energy available to District from Hoover Power Plant and Parker Power Plant in an amount equal to the Interchange Energy supplied to District by Edison pursuant to Section 9.1 above. Such energy from Hoover Power Plant shall be delivered to Edison at the Mead Substation 230-kV bus, and such energy from Parker Power Plant shall be delivered to Edison at the Gene Pumping Plant 230-kV bus.

9.3 District shall pay to the United States all charges applicable to the Hoover and Parker energy interchanged with Edison pursuant to the above provisions; provided, however, Edison shall reimburse District for any such charges which are in excess of those charges District would have paid absent this Agreement.

9.4 The amounts of energy interchanged between the Parties pursuant to Sections 9.1 and 9.2 above shall be equalized on a monthly basis.

9.5 The scheduling and amounts of energy interchanged pursuant to this Section 9 shall be determined in accordance with operating procedures agreed to by the Operating Committee.

10. **Exchange of Energy (Within Each Contract Year):**

10.0 Until termination of the Fourth Amendment in accordance with the provisions set forth in Section 5.2 of this Agreement, the language of Sections 10.1 and 10.2 of
the Agreement is hereby suspended for the term of this
Fourth Amendment and replaced by the language of Sections
10.4 and 10.5 of this Agreement.

10.1 From time to time during a Contract Year the
energy available to District from Hoover Power Plant and
Parker Power Plant may be insufficient for Water Supply
Purposes, while at other times during the same Contract
Year, the energy available to District from such sources
may be more than sufficient for Water Supply Purposes. In
the event of such an insufficiency and if requested by
District, Edison shall deliver to District at a designated
Point(s) of Interconnection, an amount of Exchange Energy
equivalent to the insufficiency. District shall return
such energy to Edison at the same designated Point(s) of
Interconnection at a time(s) during the Contract Year
agreed by the Operating Committee.

10.2 In the event Edison's net costs are increased by
the exchange of energy pursuant to this Section 10.
District shall reimburse Edison for such increase in costs.
Such increases in costs, if any, shall be determined by
Edison by subtracting from the sum of the items described
in Sections 7.5.1, 7.5.2, and 7.5.3 allocable to such
exchange at the time Edison provides the Exchange Energy to
District, the sum of said items at the time District
provides the Exchange Energy to Edison, provided that if
such subtraction results in a negative amount, neither
Party shall reimburse the other. Edison shall give
District an estimate of such increases in costs, if any, prior to exchanging energy under this Section, and shall promptly inform District of any changes in said estimate.

10.3 The scheduling and amounts of energy exchanged pursuant to this Section 10 shall be determined in accordance with operating procedures agreed to by the Operating Committee.

10.4 From time to time during a Contract Year, the energy available to District from Hoover Power Plant and Parker Power Plant may be insufficient for Water Supply Purposes, while at other times during the same Contract Year, the energy available to District from such sources may be more than sufficient for Water Supply Purposes.

10.4.1 In the event of such an insufficiency and if requested by District, Edison shall deliver to District at a designated Point(s) of Interconnection, an amount of Exchange Energy equivalent to the insufficiency. District shall return such energy to Edison at a Point of Interconnection, at Gene Pumping Plant 230-kV bus, or within the Region identified as TH_SP15_GEN-APND at a time(s) during the Contract Year agreed by the Operating Committee.

10.4.2 For the purposes of Sections 10.4 and 10.5 of this Agreement, “Region” means the geographic area referred to by the daily publications specified in Section 10.5.2 of this Agreement within which the District’s Transmission Line lies and to which such daily publications each identify a unique market.
price. Initially, the Region is within the ISO Zone designated as South of Path 15 ("SP15"). District may purchase energy from a supplier for delivery of Exchange Energy to Edison 

within the Region at the generation trade hub identified as TH_SP15_GEN-APND or at a designated Point of Interconnection.

10.4.310.1.1 When, during the Contract Year, energy available to District from Hoover and Parker Power Plant is more than sufficient for Water Supply Purposes, District may deliver, and Edison shall accept, such Exchange Energy at a designated Point(s) of Interconnection(s), at Gene Pumping Plant 230-kV bus, or within the Region at the generation trade hub identified as TH_SP15_GEN-APND in advance of District taking subsequent delivery of such Exchange Energy.

10.510.2 In the event Edison’s net costs including ISO charges described in Section 10.5.1 are increased by the exchange of energy pursuant to this Section 10, District shall reimburse Edison following the end of the Contract Year for such increase in costs. Should further adjustments by the ISO be made for such costs, Edison shall either credit or charge District the associated net difference. The net cost to Edison, if any, for a Contract Year shall be determined based on the sum of an ISO charge component described in Section 10.5.1 and a valuation of Exchange Energy as described in Section 10.5.2, by subtracting from the sum of
the value of each hour that Exchange Energy was delivered by Edison to District during that Contract Year, the sum of the value for each hour that Exchange Energy was returned to Edison by District in the same Contract Year. If the net cost is a negative amount, neither Party shall reimburse the other for these costs.

10.5.1 In the event District provides Exchange Energy to Edison at either Mead Substation 230-kV bus or Gene Pumping Plant 230 kV bus, Edison shall provide District monthly documentation showing the ISO estimated charges allocable to District for such import schedules that are not provided by District’s use of Benefit Energy and energy associated with Hoover and Parker Power Plants.

10.5.2 In the event a valuation of Exchange Energy results in an increase in costs to Edison, such costs shall be determined by subtracting from the cost allocable to such exchange at the time Edison delivers the Exchange Energy to District, the cost allocable to such exchange at the time District delivers the Exchange Energy to Edison, provided that if such subtraction results in a negative amount, neither Party shall reimburse the other. The cost allocable to either Party’s delivery of Exchange Energy shall be determined in accordance with this Section 10.5.

10.5.2.1 On each weekday that is not a holiday observed by Edison, Edison shall provide to District documentation as it becomes available from which
the index price can be determined in accordance with the provisions of Sections 10.5.2.2 and 10.5.2.3, unless Edison is legally precluded from sharing such information with District. District may choose any day to schedule delivery to, or to accept delivery of, Exchange Energy with Edison during an On-peak Period, Off-peak Period, or both Periods.

10.5.2.1.1 For the purposes of this Section 10 only and for the period October 1, 2001 through January 31, 2002, the On-peak Period shall start at 6:00 a.m. and end at 10:00 p.m. Pacific Prevailing Time, Monday through Saturday, and the Off-peak Period shall consist of all other hours Monday through Saturday.

10.5.2.1.2 For the purposes of this Section 10 only and for the period February 1, 2002 through September 30, 2002, the On-Peak Period shall start at 6:00 a.m. and end at 10:00 p.m. Pacific Prevailing Time, Monday through Sunday, and the Off-peak period shall consist of all other hours Monday through Sunday.

10.5.2.1.3 For the purposes of this Section 10 only and for the Contract Years starting and continuing beyond October 1, 2002, the On-peak Period and the Off-peak Period shall include the periods as identified by the daily publications referred to in Section 10.5.2.2 of this Agreement. As of the date of execution of this Fourth Amendment, the daily publications referred to in Section 10.5.2.2 of this Agreement specify that the On-peak Period shall start at 6:00 a.m. and end at 10:00 p.m.
Pacific Prevailing Time, Monday through Saturday, excluding NERC Holidays, and (ii) the Off-peak Period shall consist of all other hours Monday through Sunday, including NERC holidays.

The Operating Committee may mutually agree to change the times and days for the On-Peak and Off-Peak Periods based upon the delivery hours as defined by the publications reporting the index prices. Because such publications do not currently produce hourly energy prices, then during any On-peak Period or Off-peak Period that District chooses to schedule Exchange Energy to or from Edison, the hourly amounts of Exchange Energy shall be evenly distributed throughout such period except to the extent that it is not possible to distribute the energy evenly because the megawatt hours of Exchange Energy remaining to be scheduled to or from Edison is not evenly divisible by the number of hours in an On-peak or Off-peak Period. In such case, the Parties’ schedulers and dispatchers shall mutually agree to the hourly schedule to return the uneven distribution of energy. When one or more publications provides notice of its intent to commence publication of an hourly index price for the Region, the Parties shall commence negotiation to develop a successor methodology using hourly index prices for the Region to determine the cost allocable to deliveries of Exchange Energy.

10.2.1 The value of each hour of Exchange Energy shall equal the Exchange Energy Price for that hour.
multiplied by that hour’s amount of Exchange Energy. The valuation of Exchange Energy for a Contract Year shall occur within fifteen days following the end of the Contract Year.

10.5.2.2  The Parties shall normally use the following three daily publications—Exchange Energy Price, unless a substitute publication and/or index is mutually agreed upon to by the Operating Committee, to determine the value of Exchange Energy—(“Index Price”): (1) Platts’ Energy Trader West, (2) Platts’ Market Report, and (3) The Wall Street Journal’s DJ Electricity Price Indexes. Each of these publications contains a daily, volume-weighted, average firm energy price index in $/MWh for the Region for the On-peak Period and the Off-peak Period. The Index Price shall be determined by calculating a simple average of the index prices for the Region for the On-peak Period and the Off-peak Period for each day appearing in such daily publications (“Period Average”). If the CAISO no longer publishes an LMP value in $/MWh of the generation trade hub identified as TH SP15 GEN-APND on the CAISO OASIS, the Operating Committee representatives shall negotiate in good faith to establish a substitute index or pricing point.

10.5.2.3  If one or two publications do not report an On-peak or an Off-peak Period index price for the Region, the index price reported by the remaining publication(s) will be used. If none of the referenced
publications reports an index price for the Region, the Period Average for the missing day will be determined using the Wall Street Journal's DJ Electricity Price Index for Palo Verde (PV) and the difference spread between its PV and Region indices as reported for the days immediately preceding and following the day with the missing Region index.

The substitute index price shall be determined from the following formula:

\[ P = g - s = g - \frac{(d - c + f - e)}{2} \]

Where:

- \( P \) = the substitute index price
- \( g \) = the PV index price for the day(s) for which the Region index price is missing,
- \( s \) = the calculated spread between PV and Region indices for the day where the Region index price is missing,
- \( d \) = the PV index price for the day preceding the day(s) for which the Region index price is missing,
- \( c \) = the Region index price for such preceding day,
- \( f \) = the PV index price for the day immediately following the day(s) for which the Region index price is missing, and
- \( e \) = the Region index price for such following day.

If none of the referenced publications report an index price for both PV and the Region for one day, the index
prices for the On-Peak Period and Off-Peak Periods will be
the average index price for that period from the day
immediately preceding and the day immediately following the
missing day(s). If no publication reports an index price
for more than three consecutive days or if any prices
required to complete the calculation of P are unavailable,
the Operating Committee representatives shall negotiate in
good faith to establish a substitute index or price.

10.3 The scheduling and amounts of energy exchanged
pursuant to this Section 10 shall be determined in
accordance with operating procedures agreed to by the
Operating Committee.

11. Use Of Unused Generating Capacity:

11.1 Edison shall have the right to utilize that
generating capacity available to District from Hoover Power
Plant and Parker Power Plant in excess of District's
requirements for Water Supply Purposes, as determined by
District. Such use by Edison shall include use by Edison
of the ramping, regulation, reserves, and VAR support
available to District from Hoover Power, Plant in excess of
District's requirements for Water Supply Purposes, as
determined by District.

11.2 The energy associated with Edison's use of the
Hoover and Parker capacity under Section 11.1 shall be
returned to District pursuant to the Interchange of Energy
provisions under Section 9.

11.3 District shall pay to the United States all
charges applicable to District's Hoover and Parker capacity utilized by Edison hereunder; provided, however, Edison shall reimburse District for any such charges which are in excess of those charges District would have paid absent this Agreement.

11.4 Under the provision of Section 11.3, all energy assessments by the United States against the District for the use of capacity available to it from Hoover Power Plant shall be returned to District by Edison at a designated Point(s) of Interconnection concurrently with District's return of such energy assessment to the United States.

12. Load Interruption:

12.1 Notwithstanding Sections 6.2, 9.1, and 11.1, Edison's dispatchers shall have the right to orally request District's dispatchers to interrupt District's demand for electrical energy at its Intake and Gene Pumping Plants between the hours of 8 a.m. and 10 p.m., Monday through Friday, Pacific Standard Time. District shall, within thirty (30) minutes of receiving such request, interrupt its electrical pumping loads at its Intake and Gene Pumping Plants to the extent District determines such interruption can be made without reducing or restricting District's water deliveries through its Colorado River Aqueduct as measured at its Hinds Pumping Plant, or without requiring the District to purchase additional capacity in order to maintain such water deliveries. Edison's dispatcher shall notify District's dispatcher orally when such interruption
is no longer required, whereupon District's dispatcher may terminate such interruption.

12.2 Unless the Operating Committee shall agree otherwise, the total number of interruptions allowable hereunder shall not exceed twenty (20) per Contract Year and the total hours of interruption during any 24-hour period shall not exceed four (4) hours.

12.3 The energy associated with the capacity made available to Edison hereunder shall be returned to District pursuant to the Interchange of Energy provisions under Section 9.

12.4 Unless agreed otherwise by the Operating Committee, District's dispatcher shall, prior to noon on each Friday during the term of this Agreement, notify Edison's dispatcher orally of the amount of capacity which District expects it will have available for interruption hereunder each day during the following week. Edison's dispatcher shall likewise indicate to District's dispatcher orally whether or not Edison expects to request any interruptions. The exchange of information under this paragraph shall not restrict either District or Edison in any manner and shall serve only as information.

13. Replacement Capacity:

13.1 If at any time or times during each Contract Year District's entitlement to capacity from Hoover Power Plant or Parker Power Plant is reduced below 320,000 kilowatts, Edison shall simultaneously with such reduction provide to
District at a designated Point(s) of Interconnection, Replacement Capacity in an amount equal to the requirement for District's water supply electrical loads less the District's reduced entitlement to capacity from Hoover Power Plant and Parker Power Plant, but in no event shall Edison be obligated to provide Replacement Capacity either in (i) an amount greater than such reduction, or (ii) any amount when the District's reduced entitlement is equal to or greater than the requirements for District's water supply electrical loads.

13.2 The energy associated with the Replacement Capacity made available to District pursuant to this Section 13 shall be returned to Edison pursuant to the Interchange of Energy provisions under section 9.

14. Use Of District's Transmission System:

District shall transmit any electric energy to which Edison may be entitled from whatsoever source over District's Transmission Line and deliver the same to Edison at a designated Point(s) of Interconnection upon the following terms and conditions:

14.1 The transmission capacity of District's Transmission Line shall at all times be available for the transmission of such energy, subject only to the use by District under Section 6.2 and the use by the United States under contracts existing as of the date hereof. The District reserves the right temporarily to discontinue transmission of electrical energy over District's
Transmission Line for purposes of maintenance, repairs, or replacements, and for the installation of equipment; provided that, except in case of emergency, District shall give reasonable notice to Edison in advance of such temporary discontinuance, and District shall perform such work after consultation with Edison at such time and in such manner as to cause the least inconvenience to Edison, and District shall prosecute such work with diligence and, without unnecessary delay, shall resume transmission of energy over said line.

14.2 District's Transmission Line shall be physically operated by District. Subject to the provisions of Section 14.1 above, said line shall be operated in a manner directed by Edison to conform to the requirements of Edison's Electric System, and all clearance and switching orders relating to said line shall be issued as directed by Edison.

14.3 Edison shall have the right to maintain the existing connections to District's Transmission Line at Mead Substation, Camino Substation, Iron Mt. Pumping Plant, Eagle Mt. Pumping Plant, and Hinds Pumping Plant, the necessary terminal facilities at all such locations, and 230-kV PCBs 207, 208, 405, 407, and 509. Such facilities are shown in Appendix A which may be updated from time to time by the Operating Committee. Such installations, connections, and facilities may be placed, replaced, and maintained upon the lands of District as specified in
supplemental agreements between the Parties, but shall remain the property of Edison with right of removal, and shall be removed by Edison at its cost upon the termination of this Agreement, unless agreed otherwise between the Parties. During the time that Edison has such installations, connections, and facilities upon the lands of District, Edison shall have the right to ingress and egress thereto. All such installations, connections, and facilities shall conform to specifications approved by District. Edison shall pay the entire cost of such items, including circuit breakers and disconnecting switches installed by it, including costs of installation, maintenance, and removal. Subject to mutual agreement between the Parties, other connections with District's Transmission Line may be made by Edison under the aforesaid conditions. Such connections to District's Transmission Line, however, shall be made only at substations or switching stations theretofore established by District.

14.4 District shall operate the circuit breakers, disconnecting switches, and appurtenances of Edison located at the connection points established under Section 14.3 as directed by Edison's dispatcher, in accordance with the operating requirements of District.

14.5 During the term of this Agreement, District shall integrate the operation of its water supply electrical loads, transmission system, and generation resources so that maximum practicable amounts of transmission capacity
in District's Transmission Line shall be available to Edison consistent with Sections 6.2 and 14.1.

14.6 District, at its own expense, shall provide such personnel as are necessary for the operation and maintenance of District's pumping and water supply system for its Colorado River Aqueduct, including District's Transmission Line in the manner provided under Section 14.5 above. Any additional personnel required for the operation of District's Transmission Line and additional facilities installed by or for Edison in connection therewith, in accordance with the requirements of Edison, as determined by Edison, shall be provided by District upon the written request of Edison and Edison shall reimburse District for all costs of such additional personnel and facilities.

14.7 Edison shall be responsible for a proportionate share of the transmission system energy losses on District's Transmission Line. Such proportionate share, subject to revision by agreement of the Operating Committee, shall be equivalent to the ratio that the gross energy deliveries to Edison from District's Transmission Line, exclusive of those deliveries to Edison pursuant to Section 15, bears to the total gross energy deliveries from District's Transmission Line, which includes all the deliveries to the United States at the Gene Pumping Plant 230-kV bus, the District's pumping load at the 230-kV bus of its pumping plants, and Edison at the connection points established under Section 14.3.
14.8 Scheduling procedures for District's Transmission Line shall conform to standard electric utility practice, and Edison shall keep the District informed of its energy schedules over such facilities in accordance with such practice be determined in accordance with operating procedures that are agreed to by the Operating Committee.

14.9 Each Party shall have the right to separate all or part of the wholly owned facilities of its Electric System from all or part of the Electric System of the other Party under the following conditions:

14.9.1 If in the judgment of the separating Party, abnormal operating conditions exist which require such separation to prevent damage to its facilities, injury to personnel, or unsatisfactory service to its pumping loads or customer loads:

14.9.2 Under certain conditions of high or low frequency or voltage, which conditions shall have been reviewed and coordinated by the Operating Committee;

14.9.3 For inspection, maintenance, repair, or replacement of its facilities, or additional construction; provided, that reasonable advance notice of any scheduled outage of such facilities and the estimated duration thereof is given to the other Party, if practicable, so as to minimize interference with the Electric System operations of the other Party.

14.10 Except as provided in Section 11.1, or unless otherwise agreed by the Operating Committee, each Party
shall provide the reactive power requirements of its own Electric System, and each Party shall cooperate to control the flow of such reactive power to prevent the introduction of objectionable operating conditions on the Electric System of the other Party.

15. Use Of Edison's Transmission System:

Edison shall make available to District for Water Supply Purposes Firm Transmission Service over Edison's Transmission Facilities between District's Hinds Pumping Plant 230-kV bus ("Hinds") and Edison's Vincent substation 500-kV bus ("Vincent") subject to the following:

15.1 Subject to modification under Sections 15.6 and 15.7, Firm Transmission Service to be made available by Edison to District shall not exceed an hourly rate of delivery of 110 megawatt-hours per hour as measured at Vincent or Hinds.

15.2 Edison shall, during the term of this Agreement, accept schedules of capacity and deliveries of associated energy from District at Hinds, and shall concurrently schedule an equivalent amount of capacity and deliveries of associated energy to Water Utilities designated by District for their account at Vincent, or District for its account at Vincent. In addition, Edison shall, during the term of this Agreement, accept schedules of capacity and deliveries of associated energy from Water Utilities designated by District or District at Vincent and shall concurrently schedule an equivalent amount of capacity and deliveries of
associated energy to District for its account at Hinds.

15.3 Edison reserves the right, in the exercise of standard electric utility practice, to interrupt or curtail Firm Transmission Service being made available by Edison to District as follows:

15.3.1 In the event that the Transmission Capability of the Transmission Facilities being used by Edison to make available Firm Transmission Service to District has been reduced to less than the Transmission capacity-of such Transmission Facilities, 'and so long as continuity of service within Edison's Control Area is not in Jeopardy, Edison shall make available to District Firm Transmission service utilizing the then available Transmission Capability in the same proportion as District's maximum rate of delivery, as specified in Section 15.1 and subject to modification pursuant to Sections 15.6 and 15.7, bears to the Transmission Capacity of such Transmission Facilities.

15.3.2 In the event, and so long as, continuity of service within Edison's Control Area is in Jeopardy, as determined by Edison in its sole judgment, Edison may curtail the Firm Transmission Service to the extent necessary to avoid or eliminate such Jeopardy; provided, (i) that such curtailments may be made only in order that Edison may fully utilize all generating resources owned by it or available to it under contract; and (ii) that such curtailment shall occur only after. Edison has made all
reasonable efforts to avoid or eliminate such Jeopardy by the following means:

15.3.2.1 Increasing the loading of all on-line generating units and starting up all combustion turbine peaking units which are available to Edison.

15.3.2.2 Purchasing capacity and energy from other utilities.

15.3.2.3 Returning to service those generating units and Transmission Facilities which are out of service at the time of such Jeopardy and which can reasonably be returned to service.

15.3.2.4 Discontinuing service to Edison's customers which are served under an interruptible transmission service agreement.

15.4 In the event of any transmission curtailments made pursuant to Section 15.3, District shall, upon notice given by Edison's dispatcher to District's dispatcher, reduce its energy schedules to be equal to or less than District's then current right to receive Firm Transmission Service as determined pursuant to Section 15.3.

15.5 Scheduling procedures for Firm Transmission Service hereunder shall conform to standard electric utility practice, and District, in accordance with such practice, shall keep Edison informed of its energy schedules over Edison's Transmission Facilities as they relate to the Firm Transmission service hereunder.

15.6 District may request Edison to increase the
maximum rate of delivery set forth in Section 15.1 on no less than one years, notice in writing to Edison. Upon receiving such request, Edison shall within sixty (60) days determine the availability of such service and furnish the results of its determination by written notice to District. Both Parties shall within one (1) month of such notice mutually agree in writing on the increase, if any, in the maximum rate of delivery set forth in Section 15.1 above. District shall pay to Edison for increased transmission service provided to District pursuant to this Section 15.6 at a rate established in accordance with the standard methodology Edison utilizes in calculating rates for firm transmission service.

15.7 District may unilaterally decrease the amount of increased Firm Transmission Service received pursuant to Section 15.6 above on no less than one (1) years' notice in writing to Edison.

15.8 Except for the transmission system energy losses on District's energy transmitted on Edison's transmission system due to the supply of Edison Purchased Power under Section 7, Edison's use of District Unused Energy under Section 8, Interchange of Energy under Section 9, the Exchange of Energy under Section 10, and the supplying of Benefit Energy under Section 16, District shall be responsible for the transmission system losses on District's energy transmitted hereunder on Edison's transmission system in an amount equivalent to three and
fifty-seven hundredths (3.57) percent of the scheduled quantities of energy at Edison's Point of Receipt.

16. **Balance Of Benefits:**

In order to balance the benefits exchanged between the Parties under the terms of this Agreement, Edison shall provide and deliver to District during off-peak hours an amount of Benefit Energy, to be used for Water Supply Purposes, determined by the following formula:

\[
A = \frac{[200,000,000 + (50,000,000 (290 - B - C))] \times (D)}{36}
\]

where,

A = Quantity of Benefit Energy available to District from Edison for the respective month, rounded to the nearest kilowatt-hour.

B = District's average Colorado River Aqueduct electrical demand for the respective month, rounded to the nearest megawatt.

C = District's average on-peak and mid-peak use for the respective month of its Hoover and Parker capacity entitlements for Water Supply Purposes other than pumping water through District's Colorado River Aqueduct, rounded to the nearest megawatt.

D = 0.100 for each of the calendar months of June, July, August, and September, and 0.075 for all other calendar months.

16.1 Prior to the beginning of each Contract Year, the Operating Committee shall establish the quantity of Benefit
Energy for the Contract Year using the above formula and District's best estimates of “B” and “C” in said formula. Differences between such established quantity of Benefit Energy and the quantity of Benefit Energy calculated by using the actual values of “B” and “C” shall be added or subtracted, as appropriate, to the established Benefit Energy in the subsequent Contract Year. By agreement of the Operating Committee, the adjustment set forth in the preceding sentence may be made in the Contract Year for which the actual values are used.

16.2 Edison shall deliver the established Benefit Energy to District at any or all the designated Points of Interconnection, unless such energy is to be used for Water Supply Purposes other than pumping water through District's Colorado River Aqueduct, in which event, the designated Point of Delivery from 'Edison to District, or Water Utility designated by District, shall be Edison's Vincent 500-kV bus. The Parties agree to the use of a deemed energy schedule, which is settled financially, to help the District restore some of its value for using Benefit Energy at Vincent 500-kV bus. For Benefit Energy that District deems to be delivered by Edison to District (but not a Water Utility designated by District) through schedules pursuant to the operating procedures at Edison’s Vincent 500-kV bus, Edison shall pay the value of the LMP in $/MWh from the Day-Ahead Market for the Vincent 500-kV node that is published by the CAISO for the specific hour for which
Benefit Energy is deemed to be delivered, multiplied by that hour’s amount of Benefit Energy. The CAISO’s OASIS currently identifies the LMP pricing nodes for Vincent 500-kV as Vincent 5 B1 and Vincent 5 B2. If one or more Vincent 500-kV nodes reveal differing values of the LMP in the Day-Ahead Market for the relevant hour, their arithmetic mean shall be used to value Edison’s deemed energy deliveries at Vincent. If the CAISO no longer publishes an LMP value in $/MWh from the Day-Ahead Market for the Vincent 500-kV node on the CAISO OASIS, the Operating Committee shall negotiate in good faith to establish a substitute index or price.

16.3 District shall provide to Edison schedules for accepting deliveries from Edison of Benefit Energy hereunder at least twenty-four hours in advance of such deliveries. Such schedules and deliveries, unless agreed otherwise by the Operating Committee: (i) shall be during the off-peak hours; (ii) for the calendar months of June, July, August, and September, shall not monthly exceed fifteen (15) percent of the established Benefit Energy (including prior Contract Year adjustments) for the Contract Year; and (iii) for all other months, shall not be less than five (5) percent nor exceed twenty (20) percent of the established Benefit Energy (including prior Contract Year adjustments) for the Contract Year.

16.4 District shall provide to Edison five (5) working days prior to the end of each calendar month, a forecast
for the following month of the amount of deliveries of Benefit Energy that District shall schedule from Edison. Said amount of deliveries of Benefit Energy shall not deviate from the forecasted amounts by more than 25 percent unless agreed otherwise by the Parties' schedulers or dispatchers.

17. **Time Periods, Scheduling, And Accounting:**

17.1 Prior to the start of each Contract Year and in accordance with operating procedures agreed to by the operating Committee, District and Edison shall estimate for each month of the Contract Year the amounts of energy to be delivered or provided under Sections 7 through 10 and Section 16, as well as District's electrical load on its Electric System. Such amounts shall be revised in writing by the Parties from time to time during the Contract Year as necessary.

17.2 The actual respective monthly quantities of capacity, energy, and other relevant data under this Agreement shall be tabulated and agreed to by the Parties in accordance with operating procedures developed by the Operating Committee.

17.3 The time periods applicable hereunder shall be the same time periods specified under Edison's TOU-8 Tariff Schedule filed with the California Public Utilities Commission. In the event such tariff schedule should be superseded, the time periods of its successor shall govern.

17.4 All quantities of capacity and energy
interchanged, exchanged, transmitted, or available for use under this Agreement shall be scheduled in accordance with operating procedures developed by the Operating Committee. District shall, subject to the provisions of Section 6.2, cooperate with Edison in the scheduling of District's pumpload and the delivery of Benefit Energy to District or to a Water Utility at Vincent Substation, so that Edison may minimize hourly fluctuations in its load during the transition hours in which Edison becomes a net exporter (importer) to a net importer (exporter) of power.

17.5. Until termination of the Fourth/Fifth Amendment in accordance with the provisions set forth in Section 5.2 of this Agreement and except by mutual agreement between the Parties schedulers or dispatchers, all schedules of Exchange Energy shall be prescheduled by the Parties’ schedulers and dispatchers by no later than sixty (60) minutes prior to the time Day-Ahead schedules are required to be submitted to the ISO. District will make its best effort to provide the schedules by ninety (90) minutes prior to the time Day-Ahead schedules are required to be submitted to the CAISO, however, finalizing schedules from third parties may not make this possible. District shall, to the extent possible, communicate its schedules by (in order of preference) electronic mail or facsimiles, unless otherwise agreed by the Parties’ schedulers or dispatchers.

18. Metering

18.1 Monthly, the amount of electric energy delivered
by each Party to the other Party on District's Transmission Line shall be determined by suitable metering equipment and in accordance with operating procedures agreed to by the Operating Committee.

18.2 Edison shall own, operate, maintain, and test the metering equipment at the designated connection points under Section 14.3 with the exception of Mead Substation, which is owned, operated, maintained, and tested by the United States.

18.3 District shall own, operate, maintain, and test the metering equipment for measuring its pumping and related incidental uses of energy from the District's Transmission Line.

18.4 The Parties' meters specified under Sections 18.2 and 18.3 shall be tested at least once each year and at any reasonable time upon request of the other Party. If District and Edison agree that a meter registration is grossly inaccurate (exceeding two [2] percent), the correct amount of energy delivered during the period of gross inaccuracy shall be estimated and agreed upon by the Operating Committee.

19. **Billing And Payment:**

19.1 Bills under this Agreement shall be rendered to the owing Party by the tenth (10th) day of each month for the preceding month, and payment thereof shall be due twenty (20) days after the owing Party's receipt thereof.

19.2 Amounts not paid when due shall thereafter bear a
charge of eighteen (18) percent per annum, or the maximum legal rate of interest, whichever is less, of the unpaid balance prorated by days until payment is made. Remittances received by mail will be accepted without assessment of such charge provided the postmark indicates the payment was mailed on or before the due date.

19.3 The owing Party shall be given access to all necessary records and the pertinent material of the other Party for purposes of auditing the bills hereunder.

20. Operating Committee:

20.1 The Parties hereby establish-the Operating Committee for the purpose of securing effective cooperation and interchange of information and providing consultation on a prompt and orderly basis between the Parties in connection with various administrative and technical problems which may arise from time to time under this Agreement, including all operating matters respecting the delivery, taking, and transmission of capacity and energy under this Agreement. Energy delivered to a Water Utility designated by District at Vincent 500-kV bus and any associated payment adjustments pursuant to Section 9, Section 10, or Section 16 shall be in accordance with procedures agreed to by the Operating Committee. Among other things, the Operating Committee shall agree upon further accommodations necessitated by the CAISO Tariff including scheduling timelines and modifications to the CAISO LMP pricing nodes.
20.2 The Operating Committee shall be composed of one representative of each of the Parties. Upon execution of this Agreement each Party by notice to the other Party shall designate such representative. Promptly after such notification, the Operating Committee shall establish in writing the initial operating procedures to govern the operation under, and administration of, this Agreement. Such procedures are subject to change by agreement of the Operating Committee and shall be consistent with the rights of the Parties under this Agreement.

20.3 Each Party shall notify the other Party promptly of each change in the designation of its representative on the Operating Committee.

21. **Liability:**

21.1 Except as provided in Section 21.2, each Party agrees to accept to the extent provided or required by law the legal liability and financial responsibility, including any duty to indemnify the other Party', for any of its activities and conduct under this Agreement which cause damage or injury to either Party or any other person, or property. Other than as so provided or required by law, nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to either Party or any person or entity not a Party to this Agreement.

21.2 Except for that resulting from its own fraud, willful injury to person or property, or violation of law,
as used in California Civil Code Section 1668, neither Party shall be liable to the other Party for consequential loss, damage, claim, cost, charge or expense including, but not limited to, loss of use of a Party's facilities, loss of revenue, loss of anticipated profits, cost of replacement power or water, and claims of any person or entity other than the Parties including any customer of the other Party.

22. **Waivers:**

   Any waiver at any time by either Party hereto of its rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

23. **Uncontrollable Forces:**

   Neither Party shall be considered to be in default in the performance of any of its obligations under this Agreement, other than an existing obligation to pay money, when and to the extent failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the Party failing to perform including, but not restricted to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or non-action by, or inability to obtain the
necessary authorizations or approvals from, any governmental agency or authority, which by the exercise of due diligence such Party could reasonably have been expected to avoid and which by exercise of due diligence it has not overcome. Either Party rendered unable to fulfill any of its obligations under this Agreement 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. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved.

24. Assignment Or Transfer Of Interest In Agreement:

Neither this Agreement nor any part thereof shall be assigned or transferred by either Party without the prior written consent of the other Party. Neither the District's nor Edison's exercise of its rights under this Agreement or delivery of power to a Water Utility pursuant thereto shall be or be deemed to be an assignment or transfer within the meaning of this section 24.

25. Rights And Obligations Limited To Parties:

This Agreement is for the sole benefit of the Parties and shall not be construed as granting rights to any person or entity other than the Parties or imposing obligations on either Party to any person or entity other than the Parties.

25.1 Except as specifically amended by this Fourth
Amendment, no other provision in the Agreement is intended to be modified, and the Agreement shall remain in full force and effect in its entirety. This Fourth Amendment shall not impact, prejudice, or waive either Parties’ rights or obligations under the Agreement for the period either prior to the effective date of the Fourth Amendment or following the termination thereof, and no precedent for future amendments to the Agreement is hereby intended.

26. Non-Dedication Of Facilities:

The Parties do not intend to dedicate, and nothing in this Agreement and no undertaking under this Agreement shall be construed as constituting a dedication by either Party of any of its properties or facilities, or any part thereof, to the other Party or to the customers of a Party, or to the public.

27. Equal Employment Practices:

Pursuant to the Parties, contracts with the Western Area Power Administration of the Department of Energy for power from the Boulder Canyon Project to be delivered on and after June 1, 1987, each Party hereto, as a subcontractor under such contracts pursuant to this Agreement, shall also be bound as a subcontractor by the provisions of Article 40 of the General Power Contract Provisions of said contracts, which, by this reference. is included herein as if fully set forth.

28. Rights And Obligations Under Contracts With The United States:
Nothing contained herein shall be construed as diminishing or otherwise affecting the rights and obligations of the respective Parties hereto under existing contracts with the United States.

29. **Regulatory Approval:**

Edison shall, promptly upon execution of this Agreement, submit this Agreement for filing with FERC. District shall use its best efforts to support Edison's filing.

30. **Notices:**

Any notice, demand, or request required or authorized by this Agreement if to be given to Edison shall be mailed to Southern California Edison Company, c/o Secretary, P.O. Box 800, Rosemead, California 91770, or if to be given to District shall be mailed to the General Manager, The Metropolitan Water District of Southern California, P.O. Box 54153, Los Angeles, California 90054. The designation of the person to be notified or the address of such person may be changed by a similar notice.

31. **Signature Clause:**

The signatories to this District Edison 1987 Service and Interchange Agreement represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. This Agreement is hereby executed as of the 1st day of April, 1987.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
Attest: s/Daren E Dorft  
Executive Secretary

Approved as to Form:  
s/Warren J. Abbott  
Warren J. Abbot  
General Counsel

Attest: s/H R Mortenson  
Assistant Secretary

By s/Carl Boronkay  
Carl Boronkay  
General Manager

SOUTHERN CALIFORNIA EDISON COMPANY

By s/Glenn J Bjorklund  
Glenn J. Bjorklund  
Vice President

APPROVED AS TO FORM:  
JOHN R. BURY  
Vice President and General Counsel

By s/Jerry Brody  
Attorney

4 – 1, 1987
AMENDMENT AND RESTATEMENT OF
DISTRICT-EDISON
1987 SERVICE AND INTERCHANGE
AGREEMENT
BETWEEN
THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA
AND
SOUTHERN CALIFORNIA EDISON COMPANY
TO REFLECT FIFTH AMENDMENT THERETO

Contract Effective Date: 06/01/1987
Tariff Record Proposed Effective Date: 01/01/2015
Version Number: 0.0.0
Option Code: A
Amendment and Restatement of
District-Edison
1987 Service and Interchange Agreement
to reflect Fifth Amendment Thereto

1. **Parties:** The Parties to this Agreement are The Metropolitan Water District of Southern California, a governmental entity ("District"), and Southern California Edison Company, a corporation ("Edison"), both District and Edison being organized and existing under the laws of the State of California.

2. **Recitals:** This Agreement is made with reference to the following facts, among others:
   
   2.1 District is a governmental entity created for the purpose of providing a water supply to its service area in Southern California. In conjunction with such purpose, District owns, operates, and maintains its own Electric System.
   
   2.2 Edison is an electric utility engaged in the business of generating, transmitting, and delivering electric energy. As part of this business, Edison owns, operates, and maintains its own Electric System.
   
   2.3 Both District and Edison desire to integrate the operation of their respective Electric Systems under the terms of this Agreement such that the Parties’ Electric Systems will be more efficiently utilized to their mutual benefit.

3. **Agreement:** The Parties agree as follows:

4. **Definitions:** The following terms, when used in this Agreement with initial capitalization, whether in the singular or plural, shall have the following meanings:

   4.1 Agreement: This District-Edison 1987 Service and Interchange Agreement between District and Edison.
   
   4.2 Benefit Energy: That energy provided to District by Edison pursuant to the provisions of Section 16.
   
   4.2A CAISO: The California Independent System Operator as defined in the CAISO Tariff, or any successor thereto resulting solely from a name change.
   
   4.2B CAISO Tariff: The CAISO Tariff as it may be modified from time to time.
4.3 Colorado River Aqueduct: District’s aqueduct extending from Lake Havasu to District’s Lake Mathews terminal reservoir.

4.4 Control Area: All or part of an entity’s electrical generating resources, Transmission Facilities, and distribution facilities, or a combination thereof with those of other entities, to which a common automatic control scheme is applied.

4.5 Contract Year: Twelve-month period beginning October 1 of each year and ending September 30 of the following year; provided, however, such term for the first period of this Agreement shall mean the four (4) month period from June 1, 1987, through September 30, 1987.

4.6 District: The Metropolitan Water District of Southern California.

4.7 District’s Electric System: The electric facilities, owned or otherwise available to District, directly associated with the providing of electric power for pumping on its Colorado River Aqueduct.

4.8 District’s Hoover Contract: The contract between the United States and District for power from Hoover Plant, Contract No. DE-MS65-86WP39583.

4.9 District’s Transmission Line: The 230-kV steel-tower transmission line owned by the District in Clark County, Nevada, and San Bernardino and Riverside Counties, California, extending from the Mead Substation to the District’s 230-kV switchracks at Gene, Iron Mt., Eagle Mt., and Hinds pumping plants, including the 230-kV switchrack at Camino Substation.

4.10 District Unused Energy: Energy generated at Hoover Power Plant and delivered to the Mead 230-kV bus pursuant to District’s entitlement to Hoover power and District energy generated at Parker Power Plant and delivered to the Parker 230-kV bus pursuant to District’s entitlement to Parker power, the total of which is in excess of District’s energy requirements for Water Supply Purposes, as determined by District.

4.11 Edison: Southern California Edison Company.

4.12 Edison’s Electric System: A system of generation, transmission, and distribution facilities owned and operated by Edison or otherwise available to Edison, which are utilized by Edison for generating and transmitting electric energy in the States of Arizona, California, Nevada, and New Mexico and for distributing said energy to Edison’s electrical customers in California.
4.13 Edison Purchased Power: Capacity and energy purchased by District from Edison pursuant to Section 7.

4.13A Edison Purchased Power Price: The locational marginal price ("LMP") value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the Day-Ahead Market shall apply for schedules prescheduled by District to Edison prior to the time Day-Ahead schedules are required to be submitted to the CAISO. The LMP value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the five (5) minute real time dispatch Real Time Market posted by the CAISO on its open access same-time information system ("OASIS") after the close of that market for the hour in which District has requested supply pursuant to Section 7 shall apply for schedules submitted by District to Edison after the time Day-Ahead schedules are required to be submitted to the CAISO.

4.14 Electric System(s): District’s or Edison’s Electric System, or both.

4.15 Exchange Energy: The energy exchanged between District and Edison pursuant to the provisions of Section 10.

4.15A Exchange Energy Price: The LMP value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND in the Day-Ahead Market posted by the CAISO on OASIS after the close of that market for the hour in which District has requested delivery or provided return pursuant to Section 10 herein.

4.15B Fifth Amendment: The Fifth Amendment to the District-Edison 1987 Service and Interchange Agreement between District and Edison which includes new subsections 4.2A, 4.2B, 4.13A, 4.15A, 4.15B and changes to Sections 7, 10, 14, 16, 17 and 20 of the Agreement.

4.16 Firm Transmission Service: The transmission of District’s energy by Edison over its Transmission Facilities pursuant to the provisions of Section 15.

4.17 Hoover Power Plant: The United States’ power plant on the Colorado River at Hoover Dam.

4.18 Interchange Energy: Energy interchanged between District and Edison pursuant to the provisions of Section 9.

4.19 Jeopardy: An Electric System condition in which Edison determines that action must be
taken to eliminate or reduce the threat to the reliability of Edison’s Electric System or of a discontinuity of service to its customers.

4.20 Operating Committee: The committee established under Section 20.

4.21 Parker Power Plant: The United States’ power plant on the Colorado River at Parker Dam.

4.22 Party: District or Edison or, when used in the plural, District and Edison.

4.23 Point(s) of Delivery: The point(s) at which the transmitting Party delivers energy for the account of the other Party, or a Water Utility designated by the other Party.

4.24 Point(s) of Interconnection: Unless agreed otherwise by the Operating Committee, Mead or Hinds Substations 230-kV bus, or both.

4.25 Point(s) of Receipt: The point(s) at which the transmitting Party receives energy for the account of the other Party.

4.26 Replacement Capacity: Capacity provided by Edison to District pursuant to the provisions of Section 13.

4.27 Transmission Capability: The transfer ability, expressed in megawatts, of Transmission Facilities available to Edison to transmit Edison’s and all transmission service purchasers’ electrical energy between District’s Hinds Pumping Plant 230-kV bus and Edison’s Vincent Substation 500-kV bus, which is determined, in the sole judgment of Edison, to be the maximum electrical energy transfer ability of the Transmission Facilities under electrical system conditions existing at the time consistent with prudent operating procedures and standard electric utility practice.

4.28 Transmission Capacity: The transfer ability, expressed in megawatts, of Transmission Facilities available to Edison to transmit Edison’s and all transmission service purchasers’ electrical energy between District’s Hinds Pumping Plant 230kV bus and Edison’s Vincent Substation 500-kV bus, which from time to time, is determined, in the sole judgment of Edison, to be the maximum electrical energy transfer ability of such facilities, which is consistent with prudent operating procedures and standard electric utility practice.

4.29 Transmission Facilities: Equipment required for the transmission and transformation of electricity.
4.30 VAR: Volt-amperes reactive.

4.31 Water Supply Purposes: The purposes of developing, transporting, storing, and distributing water under the Metropolitan Water District Act of the State of California (Stats. 1969, Ch. 209, as amended).

4.32 Water Utility: The State of California Department of Water Resources, or other entity engaged in providing a water supply within California.

5. Effective Date And Term: This Agreement, when duly executed by District and Edison, shall become effective on the latest of: (i) the date that District’s Hoover Contract becomes effective; (ii) June 1, 1987; or (iii) the date the Agreement is accepted for filing by the Federal Energy Regulatory Commission ("FERC"); provided that, if upon such filing FERC enters into a hearing to determine whether this Agreement is just and reasonable, it shall not become effective until the date when an order no longer subject to judicial review has been issued by FERC determining this Agreement to be just and reasonable without changes or new conditions unacceptable to either Party. Thereafter, the term of this Agreement shall be co-extensive with the term of District’s Hoover Contract, provided that either Party shall have the right to terminate this Agreement upon not less than five years’ notice of such termination given in writing to the other Party.

6. Integration Of Electric Systems:

6.1 As provided in this Agreement, District shall integrate with the operation of Edison’s Electric System, the operation of District’s Electric System, and the generating resources available to District from Hoover Power Plant and Parker Power Plant in a manner which will facilitate the most efficient and economical operation of the combined transmission systems and generating resources of District and Edison. Such integration shall include the operation in parallel of the District’s and Edison’s Electric Systems; the inclusion of District’s Electric System within Edison’s Control Area; and Edison providing the automatic generation control, scheduling and dispatching, and spinning reserves for District’s Electric System.

6.2 Use by Edison of District’s Transmission Line and the capacity and energy available to District from Hoover Power Plant and Parker Power Plant shall be made at such times and in such amounts as will not jeopardize or interfere with the safe or efficient use or operation by District of its
facilities and resources for Water Supply Purposes, as determined by District.

6.3 With the exception of those specific provisions of this Agreement which provide otherwise, each of the Parties shall be responsible for operating and maintaining its respective Electric System and facilities in accordance with standard electric utility practice at no increase in cost to the other Party. If a condition is created which may interfere with reliability or safety of use or operation, or both, of that Party’s Electric System, the Party responsible for correcting the condition shall correct such condition with reasonable diligence and without cost to the other Party.

7. Power Purchased by District from Edison (Edison Purchased Power):

7.1 When requested by District, Edison shall supply District with Edison Purchased Power to be used for pumping water on the Colorado River Aqueduct at a designated Point of Interconnection.

7.2 The maximum demand which District may require to be supplied by Edison shall be 320,000 kilowatts. The maximum demand shall be the maximum average kilowatt input metered during any settlement interval as defined by the CAISO Tariff.

7.3 Not used.

7.4 District may, at its sole discretion, utilize any other power available to it for pumping water on the Colorado River Aqueduct prior to utilization of Edison Purchased Power.

7.5 For each hour that Edison Purchased Power is supplied to District, District shall pay Edison the Edison Purchased Power Price for that hour.

7.5.1 The Parties shall normally use the Edison Purchased Power Price, unless a substitute index is mutually agreed upon to by the Operating Committee, to determine the value of Edison Purchased Power Price. If the CAISO no longer publishes an LMP value in $/MWh of the generation trade hub for TH_SP15_GEN-APND on the CAISO OASIS, the Operating Committee representatives shall negotiate in good faith to establish a substitute index or pricing point.

7.5.2 The Operating Committee will establish procedures for Edison Purchased Power that will provide District with price risk mitigation similar to what was provided in the original Agreement when Edison Purchased Power was priced at a known Edison incremental generating cost or under the First Amendment when District provided a price limit for use in Edison’s Power Exchange bids.
7.6 Edison shall not be obligated to provide Edison Purchased Power to District under this Section 7 during a Jeopardy condition on Edison’s Electric System.

7.7 The scheduling and amounts of Edison Purchased Power supplied to District by Edison hereunder shall be determined in accordance with operating procedures agreed to by the Operating Committee.

8. Use Of District Unused Energy:

8.1 Edison shall take delivery of all District Unused Energy. Such energy from Hoover Power Plant shall be deemed to be delivered to Edison at the Mead Substation 230-kV bus, and such energy from Parker Power Plant shall be deemed to be delivered to Edison at the Gene Pumping Plant 230-kV bus.

8.2 District shall pay to the United States all charges applicable to District’s Hoover and Parker energy, including District Unused Energy; provided, however, Edison shall reimburse District for such District Unused Energy at the Hoover energy rate (base energy rate plus contribution charge) in effect at the time.

8.3 The scheduling and amounts of District Unused Energy delivered to Edison pursuant to this Section 8 shall be determined in accordance with operating procedures agreed to by the Operating Committee.

8.4 The benefits of the District Unused Energy made available to Edison hereunder shall be made available at fair and reasonable terms to all of Edison’s customers at the lowest possible rates consistent with sound business principles.

9. Interchange Of Energy (Within A Month):

9.1 Subject to Section 6.2 District’s obligations to the United States, Edison shall supply Interchange Energy to District for Water Supply Purposes at times and in amounts as determined by Edison. District shall accept and use such Interchange Energy in lieu of energy generated at Hoover Power Plant and Parker Power Plant in accordance with the operating requirements of District as determined by District. Such energy shall be delivered to District by Edison at any or all of the designated Points of Interconnection, unless such energy is to be utilized for Water Supply Purposes other than pumping water through District’s Colorado River Aqueduct, in which event, the designated
Point of Delivery from Edison to District, or Water Utility designated by District, shall be Edison’s Vincent 500-kV bus.

9.2 Edison shall have the right to receive energy available to District from Hoover Power Plant and Parker Power Plant in an amount equal to the Interchange Energy supplied to District by Edison pursuant to Section 9.1 above. Such energy from Hoover Power Plant shall be delivered to Edison at the Mead Substation 230-kV bus, and such energy from Parker Power Plant shall be delivered to Edison at the Gene Pumping Plant 230-kV bus.

9.3 District shall pay to the United States all charges applicable to the Hoover and Parker energy interchanged with Edison pursuant to the above provisions provided, however, Edison shall reimburse District for any such charges which are in excess of those charges District would have paid absent this Agreement.

9.4 The amounts of energy interchanged between the Parties pursuant to Sections 9.1 and 9.2 above shall be equalized on a monthly basis.

9.5 The scheduling and amounts of energy interchanged pursuant to this Section 9 shall be determined in accordance with operating procedures agreed to by the Operating Committee.

10. Exchange of Energy (Within Each Contract Year):

10.1 From time to time during a Contract Year the energy available to District from Hoover Power Plant and Parker Power Plant may be insufficient for Water Supply Purposes, while at other times during the same Contract Year, the energy available to District from such sources may be more than sufficient for Water Supply Purposes. In the event of such an insufficiency and if requested by District, Edison shall deliver to District at a designated Point(s) of Interconnection, an amount of Exchange Energy equivalent to the insufficiency. District shall return such energy to Edison at a Point of Interconnection, at Gene Pumping Plant 230-kV bus, or at the generation trade hub identified as TH_SP15_GEN-APND at a time(s) during the Contract Year agreed by the Operating Committee. District may purchase energy from a supplier for delivery of Exchange Energy to Edison at the generation trade hub identified as TH_SP15_GEN-APND or at a designated Point of Interconnection.

10.1.1 When, during the Contract Year energy available to District from Hoover and Parker Power Plant is more than sufficient for Water Supply Purposes, District may deliver, and Edison
shall accept, Exchange Energy at a designated Point of Interconnection(s), at Gene Pumping Plant bus or at the generation trade hub identified as TH_SP15_GEN-APND in advance of District taking subsequent delivery of such Exchange Energy.

10.2 In the event Edison’s net costs are increased by the exchange of energy pursuant to this Section 10, District shall reimburse Edison following the end of the Contract Year for such increased costs. The net cost to Edison, if any, for a Contract Year shall be determined by subtracting from the sum of the value of each hour that Exchange Energy was delivered by Edison to District during that Contract Year, the sum of the value for each hour that Exchange Energy was returned to Edison by District in the same Contract Year. If the net cost is a negative amount, neither Party shall reimburse the other for these costs.

10.2.1 The value of each hour of Exchange Energy shall equal the Exchange Energy Price for that hour multiplied by that hour’s amount of Exchange Energy. The valuation of Exchange Energy for a Contract Year shall occur within fifteen days following the end of the Contract Year.

10.2.2 The Parties shall normally use the Exchange Energy Price, unless a substitute index is mutually agreed upon to by the Operating Committee, to determine the value of Exchange Energy. If the CAISO no longer publishes an LMP value in $/MWh of the generation trade hub identified as TH_SP15_GEN-APND on the CAISO OASIS, the Operating Committee representatives shall negotiate in good faith to establish a substitute index or pricing point.

10.3 The scheduling and amounts of energy exchanged pursuant to this Section 10 shall be determined in accordance with operating procedures agreed to by the Operating Committee.

11. **Use Of Unused Generating Capacity:**

11.1 Edison shall have the right to utilize that generating capacity available to District from Hoover Power Plant and Parker Power Plant in excess of District’s requirements for Water Supply Purposes, as determined by District. Such use by Edison shall include use by Edison of the ramping, regulation, reserves, and VAR support available to District from Hoover Power Plant in excess of District’s requirements for Water Supply Purposes, as determined by District.

11.2 The energy associated with Edison’s use of the Hoover and Parker capacity under Section 11.1 shall be returned to District pursuant to the Interchange of Energy provisions under
11.3 District shall pay to the United States all charges applicable to District’s Hoover and Parker capacity utilized by Edison hereunder; provided, however, Edison shall reimburse District for any such charges which are in excess of those charges District would have paid absent this Agreement.

11.4 Under the provision of Section 11.3, all energy assessments by the United States against the District for the use of capacity available to it from Hoover Power Plant shall be returned to District by Edison at a designated Point(s) of Interconnection concurrently with District’s return of such energy assessment to the United States.

12. Load Interruption:

12.1 Notwithstanding Sections 6.2, 9.1, and 11.1, Edison’s dispatchers shall have the right to orally request District’s dispatchers to interrupt District’s demand for electrical energy at its Intake and Gene Pumping Plants between the hours of 8 a.m. and 10 p.m., Monday through Friday, Pacific Standard Time. District shall, within thirty (30) minutes of receiving such request, interrupt its electrical pumping loads at its Intake and Gene Pumping Plants to the extent District determines such interruption can be made without reducing or restricting District’s water deliveries through its Colorado River Aqueduct as measured at its Hinds Pumping Plant, or without requiring the District to purchase additional capacity in order to maintain such water deliveries. Edison’s dispatcher shall notify District’s dispatcher orally when such interruption is no longer required, whereupon District’s dispatcher may terminate such interruption.

12.2 Unless the Operating Committee shall agree otherwise, the total number of interruptions allowable hereunder shall not exceed twenty (20) per Contract Year and the total hours of interruption during any 24-hour period shall not exceed four (4) hours.

12.3 The energy associated with the capacity made available to Edison hereunder shall be returned to District pursuant to the Interchange of Energy provisions under Section 9.

12.4 Unless agreed otherwise by the Operating Committee, District’s dispatcher shall, prior to noon on each Friday during the term of this Agreement, notify Edison’s dispatcher orally of the amount of capacity which District expects it will have available for interruption hereunder each day during the following week. Edison’s dispatcher shall likewise indicate to District’s dispatcher orally
whether or not Edison expects to request any interruptions. The exchange of information under this paragraph shall not restrict either District or Edison in any manner and shall serve only as information.

13. **Replacement Capacity:**

   13.1 If at any time or times during each Contract Year District’s entitlement to capacity from Hoover Power Plant or Parker Power Plant is reduced below 320,000 kilowatts, Edison shall simultaneously with such reduction provide to District at a designated Point(s) of Interconnection, Replacement Capacity in an amount equal to the requirement for District’s water supply electrical loads less the District’s reduced entitlement to capacity from Hoover Power Plant and Parker Power Plant, but in no event shall Edison be obligated to provide Replacement Capacity either in (i) an amount greater than such reduction or (ii) any amount when the District’s reduced entitlement is equal to or greater than the requirements for District’s water supply electrical loads.

   13.2 The energy associated with the Replacement Capacity made available to District pursuant to this Section 13 shall be returned to Edison pursuant to the Interchange of Energy provisions under section 9.

14. **Use Of District’s Transmission System:** District shall transmit any electric energy to which Edison may be entitled from whatsoever source over District’s Transmission Line and deliver the same to Edison at a designated Point(s) of Interconnection upon the following terms and conditions:

   14.1 The transmission capacity of District’s Transmission Line shall at all times be available for the transmission of such energy, subject only to the use by District under Section 6.2 and the use by the United States under contracts existing as of the date hereof. The District reserves the right temporarily to discontinue transmission of electrical energy over District’s Transmission Line for purposes of maintenance, repairs, or replacements, and for the installation of equipment; provided that, except in case of emergency, District shall give reasonable notice to Edison in advance of such temporary discontinuance, and District shall perform such work after consultation with Edison at such time and in such manner as to cause the least inconvenience to Edison, and District shall prosecute such work with diligence and. without unnecessary delay, shall resume transmission of energy over said line.

   14.2 District’s Transmission Line shall be physically operated by District. Subject to the
provisions of Section 14.1 above, said line shall be operated in a manner directed by Edison to conform to the requirements of Edison’s Electric System, and all clearance and switching orders relating to said line shall be issued as directed by Edison.

14.3 Edison shall have the right to maintain the existing connections to District’s Transmission Line at Mead Substation, Camino Substation, Iron Mt. Pumping Plant, Eagle Mt. Pumping Plant, and Hinds Pumping Plant, the necessary terminal facilities at all such locations, and 230-kV PCBs 207, 208, 405, 407, and 509. Such facilities are shown in Appendix A which may be updated from time to time by the Operating Committee. Such installations, connections, and facilities may be placed, replaced, and maintained upon the lands of District as specified in supplemental agreements between the Parties, but shall remain the property of Edison with right of removal, and shall be removed by Edison at its cost upon the termination of this Agreement, unless agreed otherwise between the Parties. During the time that Edison has such installations, connections, and facilities upon the lands of District, Edison shall have the right to ingress and egress thereto. All such installations, connections, and facilities shall conform to specifications approved by District. Edison shall pay the entire cost of such items, including circuit breakers and disconnecting switches installed by it, including costs of installation, maintenance, and removal. Subject to mutual agreement between the Parties, other connections with District’s Transmission Line may be made by Edison under the aforesaid conditions. Such connections to District’s Transmission Line, however, shall be made only at substations or switching stations theretofore established by District.

14.4 District shall operate the circuit breakers, disconnecting switches, and appurtenances of Edison located at the connection points established under Section 14.3 as directed by Edison’s dispatcher, in accordance with the operating requirements of District.

14.5 During the term of this Agreement, District shall integrate the operation of its water supply electrical loads, transmission system, and generation resources so that maximum practicable amounts of transmission capacity in District’s Transmission Line shall be available to Edison consistent with Sections 6.2 and 14.1.

14.6 District, at its own expense, shall provide such personnel as are necessary for the operation and maintenance of District’s pumping and water supply system for its Colorado River
Aqueduct, including District’s Transmission Line in the manner provided under Section 14.5 above. Any additional personnel required for the operation of District’s Transmission Line and additional facilities installed by or for Edison in connection therewith in accordance with the requirements of Edison, as determined by Edison, shall be provided by District upon the written request of Edison and Edison shall reimburse District for all costs of such additional personnel and facilities.

14.7 Edison shall be responsible for a proportionate share of the transmission system energy losses on District’s Transmission Line. Such proportionate share, subject to revision by agreement of the Operating Committee, shall be equivalent to the ratio that the gross energy deliveries to Edison from District’s Transmission Line, exclusive of those deliveries to Edison pursuant to Section 15, bears to the total gross energy deliveries from District’s Transmission Line, which includes all the deliveries to the United States it the Gene Pumping Plant 230-kV bus, the District’s pumping load at the 230-kV bus of its pumping plants, and Edison at the connection points established under Section 14.3.

14.8 Scheduling procedures for District’s Transmission Line shall be determined in accordance with operating procedures that are agreed to by the Operating Committee.

14.9 Each Party shall have the right to separate all or part of the wholly owned facilities of its Electric System from all or part of the Electric System of the other Party under the following conditions:

14.9.1 If, in the judgment of the separating Party, abnormal operating conditions exist which require such separation to prevent damage to its facilities, injury to personnel, or unsatisfactory service to its pumping loads or customer loads;

14.9.2 Under certain conditions of high or low frequency or voltage, which conditions shall have been reviewed and coordinated by the Operating Committee;

14.9.3 For inspection, maintenance, repair, or replacement of its facilities, or additional construction; provided that reasonable advance notice of any scheduled outage of such facilities and the estimated duration thereof is given to the other Party, if practicable, so as to minimize interference with the Electric System operations of the other Party.

14.10 Except as provided in Section 11.1, or unless otherwise agreed by the Operating Committee, each Party shall provide the reactive power requirements of its own Electric System, and
each Party shall cooperate to control the flow of such reactive power to prevent the introduction of objectionable operating conditions on the Electric System of the other Party.

15. Use Of Edison’s Transmission System: Edison shall make available to District for Water Supply Purposes Firm Transmission Service over Edison’s Transmission Facilities between District’s Hinds Pumping Plant 230-kV bus ("Hinds") and Edison’s Vincent substation 500-kV bus ("Vincent") subject to the following:

15.1 Subject to modification under Sections 15.6 and 15.7, Firm Transmission Service to be made available by Edison to District shall not exceed an hourly rate of delivery of 110 megawatt-hours per hour as measured at Vincent or Hinds.

15.2 Edison shall, during the term of this Agreement, accept schedules of capacity and deliveries of associated energy from District at Hinds, and shall concurrently schedule an equivalent amount of capacity and deliveries of associated energy to Water Utilities designated by District for their account at Vincent, or District for its account at Vincent. In addition, Edison shall, during the term of this Agreement, accept schedules of capacity and deliveries of associated energy from Water Utilities designated by District or District at Vincent and shall concurrently schedule an equivalent amount of capacity and deliveries of associated energy to District for its account at Hinds.

15.3 Edison reserves the right, in the exercise of standard electric utility practice, to interrupt or curtail Firm Transmission Service being made available by Edison to District as follows:

15.3.1 In the event that the Transmission Capability of the Transmission Facilities being used by Edison to make available Firm Transmission Service to District has been reduced to less than the Transmission capacity-of such Transmission Facilities, and so long as continuity of service within Edison’s Control Area is not in Jeopardy, Edison shall make available to District Firm Transmission service utilizing the then available Transmission Capability in the same proportion as District’s maximum rate of delivery, as specified in Section 15.1 and subject to modification pursuant to Sections 15.6 and 15.7, bears to the Transmission Capacity of such Transmission Facilities.

15.3.2 In the event, and so long as, continuity of service within Edison’s Control Area is in Jeopardy, as determined by Edison in its sole judgment, Edison may curtail the Firm Transmission Service to the extent necessary to avoid or eliminate such Jeopardy; provided, (i) that such curtailments
may be made only in order that Edison may fully utilize all generating resources owned by it or available to it under contract; and (ii) that such curtailment shall occur only after Edison has made all reasonable efforts to avoid or eliminate such Jeopardy by the following means:

15.3.2.1 Increasing the loading of all on-line generating units and starting up all combustion turbine peaking units which are available to Edison.

15.3.2.2 Purchasing capacity and energy from other utilities.

15.3.2.3 Returning to service those generating units and Transmission Facilities which are out of service at the time of such Jeopardy and which can reasonably be returned to service.

15.3.2.4 Discontinuing service to Edison’s customers which are served under an interruptible transmission service agreement.

15.4 In the event of any transmission curtailments made pursuant to Section 15.3, District shall, upon notice given by Edison’s dispatcher to District’s dispatcher, reduce its energy schedules to be equal to or less than District’s then current right to receive Firm Transmission Service as determined pursuant to Section 15.3.

15.5 Scheduling procedures for Firm Transmission Service hereunder shall conform to standard electric utility practice, and District, in accordance with such practice, shall keep Edison informed of its energy schedules over Edison’s Transmission Facilities as they relate to the Firm Transmission service hereunder.

15.6 District may request Edison to increase the maximum rate of delivery set forth in Section 15.1 on no less than one years, notice in writing to Edison. Upon receiving such request, Edison shall within sixty (60) days determine the availability of such service and furnish the results of its determination by written notice to District. Both Parties shall within one (1) month of such notice mutually agree in writing on the increase, if any, in the maximum rate of delivery set forth in Section 15.1 above. District shall pay to Edison for increased transmission service provided to District pursuant to this Section 15.6 at a rate established in accordance with the standard methodology Edison utilizes in calculating rates for firm transmission service.

15.7 District may unilaterally decrease the amount of increased Firm Transmission Service
received pursuant to Section 15.6 above on no less than one (1) years’ notice in writing to Edison.

15.8 Except for the transmission system energy losses on District’s energy transmitted on Edison’s transmission system due to the supply of Edison Purchased Power under Section 7, Edison’s use of District Unused Energy under Section 8, Interchange of Energy under Section 9, the Exchange of Energy under Section 10, and the supplying of Benefit Energy under Section 16, District shall be responsible for the transmission system losses on District’s energy transmitted hereunder on Edison’s transmission system in an amount equivalent to three and fifty-seven hundredths (3.57) percent of the scheduled quantities of energy at Edison’s Point of Receipt.

16. Balance Of Benefits: In order to balance the benefits exchanged between the Parties under the terms of this Agreement, Edison shall provide and deliver to District during off-peak hours an amount of Benefit Energy, to be used for Water Supply Purposes, determined by the following formula:

\[ A = \frac{[200,000,000 + (50,000,000 (290 - B - C))]}{36} \times (D) \]

where,

- **A** = Quantity of Benefit Energy available to District from Edison for the respective month, rounded to the nearest kilowatt-hour.
- **B** = District’s average Colorado River Aqueduct electrical demand for the respective month, rounded to the nearest megawatt.
- **C** = District’s average on-peak and mid-peak use for the respective month of its Hoover and Parker capacity entitlements for Water Supply Purposes other than pumping water through District’s Colorado River Aqueduct, rounded to the nearest megawatt.
- **D** = 0.100 for each of the calendar months of June, July, August and September, and 0.075 for all other calendar months.

16.1 Prior to the beginning of each Contract Year, the Operating Committee shall establish the quantity of Benefit Energy for the Contract Year using the above formula and District’s best estimates of “B” and “C” in said formula. Differences between such established quantity of Benefit Energy and the quantity of Benefit Energy calculated by using the actual values of “B” and “C” shall be
added or subtracted, as appropriate, to the established Benefit Energy in the subsequent Contract Year. By agreement of the Operating Committee, the adjustment set forth in the preceding sentence may be made in the Contract Year for which the actual values are used.

16.2 Edison shall deliver the established Benefit Energy to District at any or all the designated Points of Interconnection, unless such energy is to be used for Water Supply Purposes other than pumping water through District’s Colorado River Aqueduct, in which event, the designated Point of Delivery from Edison to District, or Water Utility designated by District, shall be Edison’s Vincent 500-kV bus. The Parties agree to the use of a deemed energy schedule, which is settled financially, to help the District restore some of its value for using Benefit Energy at Vincent 500-kV bus. For Benefit Energy that District deems to be delivered by Edison to District (but not a Water Utility designated by District) through schedules pursuant to the operating procedures at Edison’s Vincent 500-kV bus, Edison shall pay the value of the LMP in $/MWh from the Day-Ahead Market for the Vincent 500-kV node that is published by the CAISO for the specific hour for which Benefit Energy is deemed to be delivered, multiplied by that hour’s amount of Benefit Energy. The CAISO’s OASIS currently identifies the LMP pricing nodes for Vincent 500-kV as Vincent_5_B1 and Vincent_5_B2. If one or more Vincent 500-kV nodes reveal differing values of the LMP in the Day-Ahead Market for the relevant hour, their arithmetic mean shall be used to value Edison’s deemed energy deliveries at Vincent. If the CAISO no longer publishes an LMP value in $/MWh from the Day-Ahead Market for the Vincent 500-kV node on the CAISO OASIS, the Operating Committee shall negotiate in good faith to establish a substitute index or price.

16.3 District shall provide to Edison schedules for accepting deliveries from Edison of Benefit Energy hereunder at least twenty-four hours in advance of such deliveries. Such schedules and deliveries, unless agreed otherwise by the Operating Committee: (i) shall be during the off-peak hours; (ii) for the calendar months of June, July, August and September, shall not monthly exceed fifteen (15) percent of the established Benefit Energy (including prior Contract Year adjustments) for the Contract Year; and (iii) for all other months, shall not be less than five (5) percent nor exceed twenty (20) percent of the established Benefit Energy (including prior Contract Year adjustments) for the Contract Year.
16.4 District shall provide to Edison five (5) working days prior to the end of each calendar month, a forecast for the following month of the amount of deliveries of Benefit Energy that District shall schedule from Edison. Said amount of deliveries of Benefit Energy shall not deviate from the forecasted amounts by more than 25 percent unless agreed otherwise by the Parties’ schedulers or dispatchers.

17. Time Periods, Scheduling, And Accounting:

17.1 Prior to the start of each Contract Year and in accordance with operating procedures agreed to by the operating Committee, District and Edison shall estimate for each month of the Contract Year the amounts of energy to be delivered or provided under Sections 7 through 10 and Section 16, as well as District’s electrical load on its Electric System. Such amounts shall be revised in writing by the Parties from time to time during the Contract Year as necessary.

17.2 The actual respective monthly quantities of capacity, energy, and other relevant data under this Agreement shall be tabulated and agreed to by the Parties in accordance with operating procedures developed by the Operating Committee.

17.3 The time periods applicable hereunder shall be the same time periods specified under Edison’s TOU-8 Tariff Schedule filed with the California Public Utilities Commission. In the event such tariff schedule should be superseded, the time periods of its successor shall govern.

17.4 All quantities of capacity and energy interchanged, exchanged, transmitted, or available for use under this Agreement shall be scheduled in accordance with operating procedures developed by the Operating Committee. District shall, subject to the provisions of Section 6.2, cooperate with Edison in the scheduling of District’s pumpload and the delivery of Benefit Energy to District or to a Water Utility at Vincent Substation, so that Edison may minimize hourly fluctuations in its load during the transition hours in which Edison becomes a net exporter (importer) to a net importer (exporter) of power.

17.5 Until termination of the Fifth Amendment and except by mutual agreement between the Parties schedulers or dispatchers, all schedules of Exchange Energy shall be prescheduled by the Parties’ schedulers and dispatchers by no later than sixty (60) minutes prior to the time Day-Ahead schedules are required to be submitted to the CAISO. District will make its best effort to provide the
schedules by ninety (90) minutes prior to the time Day-Ahead schedules are required to be submitted to
the CAISO, however, finalizing schedules from third parties may not make this possible. District shall,
to the extent possible, communicate its schedules by (in order of preference) electronic mail or
facsimiles, unless otherwise agreed by the Parties’ schedulers or dispatchers.

18. **Metering:**

18.1 Monthly, the amount of electric energy delivered by each Party to the other Party on
District’s Transmission Line shall be determined by suitable metering equipment and in accordance
with operating procedures agreed to by the Operating Committee.

18.2 Edison shall own, operate, maintain, and test the metering equipment at the designated
connection points under Section 14.3 with the exception of Mead Substation, which is owned, operated,
maintained, and tested by the United States.

18.3 District shall own, operate, maintain, and test the metering equipment for measuring its
pumping and related incidental uses of energy from the District’s Transmission Line.

18.4 The Parties’ meters specified under Sections 18.2 and 18.3 shall be tested at least once
each year and at any reasonable time upon request of the other Party. If District and Edison agree that a
meter registration is grossly inaccurate (exceeding two [2] percent), the correct amount of energy
delivered during the period of gross inaccuracy shall be estimated and agreed upon by the Operating
Committee.

19. **Billing And Payment:**

19.1 Bills under this Agreement shall be rendered to the owing Party by the tenth (10th) day
of each month for the preceding month, and payment thereof shall be due twenty (20) days after the
owing Party’s receipt thereof.

19.2 Amounts not paid when due shall thereafter bear a charge of eighteen (18) percent per
annum, or the maximum legal rate of interest, whichever is less, of the unpaid balance prorated by days
until payment is made. Remittances received by mail will be accepted without assessment of such
charge provided the postmark indicates the payment was mailed on or before the due date.

19.3 The owing Party shall be given access to all necessary records and the pertinent material
of the other Party for purposes of auditing the bills hereunder.
20. **Operating Committee:**

   20.1 The Parties hereby establish the Operating Committee for the purpose of securing effective cooperation, and interchange of information and providing consultation on a prompt and orderly basis between the Parties in connection with various administrative and technical problems which may arise from time to time under this Agreement, including all operating matters respecting the delivery, taking, and transmission of capacity and energy under this Agreement. Energy delivered to a Water Utility designated by District at Vincent 500-kV bus and any associated payment adjustments pursuant to Section 9, Section 10, or Section 16 shall be in accordance with procedures agreed to by the Operating Committee. Among other things, the Operating Committee shall agree upon further accommodations necessitated by the CAISO Tariff including scheduling timelines and modifications to the CAISO LMP pricing nodes.

   20.2 The Operating Committee shall be composed of one representative of each of the Parties. Upon execution of this Agreement each Party by notice to the other Party shall designate such representative. Promptly after such notification, the Operating Committee shall establish in writing the initial operating procedures to govern the operation under, and administration of, this Agreement. Such procedures are subject to change by agreement of the Operating Committee and shall be consistent with the rights of the Parties under this Agreement.

   20.3 Each Party shall notify the other Party promptly of each change in the designation of its representative on the Operating Committee.

21. **Liability:**

   21.1 Except as provided in Section 21.2, each Party agrees to accept to the extent provided or required by law the legal liability and financial responsibility, including any duty to indemnify the other Party, for any of its activities and conduct under this Agreement which cause damage or injury to either Party or any other person, or property. Other than as so provided or required by law, nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to either Party or any person or entity not a Party to this Agreement.

   21.2 Except for that resulting from its own fraud, willful injury to person or property, or violation of law, as used in California Civil Code Section 1668, neither Party shall be liable to the other
Party for consequential loss, damage, claim, cost, charge or expense including, but not limited to, loss of use of a Party’s facilities, loss of revenue, loss of anticipated profits, cost of replacement power or water, and claims of any person or entity other than the Parties including any customer of the other Party.

22. **Waivers:** Any waiver at any time by either Party hereto of its rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

23. **Uncontrollable Forces:** Neither Party shall be considered to be in default in the performance of any of its obligations under this Agreement, other than an existing obligation to pay money, when and to the extent failure of performance shall be due to an uncontrollable force. The term “uncontrollable force” means any cause beyond the control of the Party failing to perform including, but not restricted to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, restraint by court order or public authority, and action or non-action by, or inability to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by the exercise of due diligence such Party could reasonably have been expected to avoid and which by exercise of due diligence it has not overcome. Either Party rendered unable to fulfill any of its obligations under this Agreement 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. Nothing contained herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved.

24. **Assignment Or Transfer Of Interest In Agreement:**

Neither this Agreement nor any part thereof shall be assigned or transferred by either Party without the prior written consent of the other Party. Neither the District’s nor Edison's exercise of its rights under this Agreement or delivery of power to a Water Utility pursuant thereto shall be or be deemed to be an assignment or transfer within the meaning of this section 24.

25. **Rights And Obligations Limited To Parties:** This Agreement is for the sole benefit of the Parties and shall not be construed as granting rights to any person or entity, other than the Parties or imposing obligations on either Party to any person or entity other than the Parties.
26. **Non-Dedication of Facilities**: The Parties do not intend to dedicate, and nothing in this Agreement and no undertaking under this Agreement shall be construed as constituting a dedication by either Party of any of its properties or facilities, or any part thereof, to the other Party or to the customers of a Party, or to the public.

27. **Equal Employment Practices**: Pursuant to the Parties’ contracts with the Western Area Power Administration of the Department of Energy for power from the Boulder Canyon Project to be delivered on and after June 1, 1987, each Party hereto, as a subcontractor under such contracts pursuant to this Agreement, shall also be bound as a subcontractor by the provisions of Article 40 of the General Power Contract Provisions of said contracts, which, by this reference, is included herein as if fully set forth.

28. **Rights And Obligations Under Contracts With The United States**: Nothing contained herein shall be construed as diminishing or otherwise affecting the rights and obligations of the respective Parties hereto under existing contracts with the United States.

29. **Regulatory Approval**: Edison shall, promptly upon execution of this Agreement, submit this Agreement for filing with FERC. District shall use its best efforts to support Edison’s filing.

30. **Notices**: Any notice, demand, or request required or authorized by this Agreement if to be given to Edison shall be mailed to Southern California Edison Company, c/o Secretary, P.O. Box 800, Rosemead, California 91770, or if to be given to District shall be mailed to the General Manager, The Metropolitan Water District of Southern California, P.O. Box 54153, Los Angeles, California 90054. The designation of the person to be notified or the address of such person may be changed by a similar notice.
31. **Signature Clause:** The signatories to this District-Edison 1987 Service and Interchange Agreement represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. This Agreement is hereby executed as of the 1st day of April, 1987.

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<th>Executive Secretary</th>
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<td>Vice President and General Counsel</td>
<td>s/Jerry Brody</td>
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