

CONFORMED COPY

INTERAGENCY AGREEMENT NO. 87-SLC-0029
AMENDMENT NO. 2

AMENDMENT NO. 2
TO INTERAGENCY AGREEMENT
BETWEEN
UNITED STATES DEPARTMENT OF DEFENSE - KIRTLAND AIR FORCE BASE
AND
UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS
FOR
FIRM ELECTRIC SERVICE

AMENDMENT NO. 2
TO INTERAGENCY AGREEMENT
BETWEEN

UNITED STATES DEPARTMENT OF DEFENSE - KIRTLAND AIR FORCE BASE

AND

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS

FOR

FIRM ELECTRIC SERVICE

Table of Contents

<u>Section</u>	<u>Title</u>	<u>Page No.</u>
1	Preamble.....	1
2	Explanatory Recitals.....	1
3	Agreement.....	3
4	Firm Electric Service.....	3
5	Pass Through of Costs.....	5
6	Agreement Modifications.....	6
7	Term of Amendment.....	6
8	Termination of Amendment No. 1.....	7
9	Original Agreement to Remain in Effect.....	7
	Signature Clause.....	7
	Certificate	

AMENDMENT NO. 2
TO INTERAGENCY AGREEMENT
BETWEEN

UNITED STATES DEPARTMENT OF DEFENSE - KIRTLAND AIR FORCE BASE

AND

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SALT LAKE CITY AREA INTEGRATED PROJECTS

FOR

FIRM ELECTRIC SERVICE

1. PREAMBLE: THIS AMENDMENT is made this 13th day of April 1990,
between THE UNITED STATES OF AMERICA, Western Area Power Administration,
an agency of the Department of Energy, hereinafter called Western, and
UNITED STATES DEPARTMENT OF DEFENSE - KIRTLAND AIR FORCE BASE
(Contractor), as part of Interagency Agreement No. 87-SLC-0029 as amended
(Original Agreement) pursuant to the same authorities as the Original
Agreement, and subject to all of the provisions of the Original Agreement
except as herein amended.

2. EXPLANATORY RECITALS:

2.1 Western offered and the Contractor executed the Original Agreement
which provides, among other things, for the sale of firm electric
service from the Salt Lake City Area Integrated Projects (SLCA
Integrated Projects).

2.2 At the time the Contractor initially signed the agreement, there was
a stipulation in place in the case of Salt Lake City, et al. v.
Western Area Power Administration, et al., Civil

1 No. 86-C-1000-G, D. Utah, filed on October 31, 1986 (SLC Lawsuit),
2 prohibiting Western from signing said agreement.

3
4 2.3 On February 22, 1989, the United States District Court for the
5 District of Utah, Central Division (Court) in the consolidated cases
6 of the SLC Lawsuit and National Wildlife Federation, et al. v.
7 Western Area Power Administration, et al., Civil No. 88-C-1175-J, D.
8 Utah, filed on December 20, 1988 (NWF Lawsuit), issued an order
9 modifying the stipulation and allowing execution of said agreement
10 by Western subject to certain conditions.

11
12 2.4 On September 18, 1989, the Administrator of Western notified the
13 Court of Western's decision to prepare an Environmental Impact
14 Statement (EIS) on the Criteria.

15
16 2.5 On September 29, 1989, the Court, in the NWF Lawsuit, issued an
17 order of injunction enjoining Western from implementing the Criteria
18 and suspended firm electric service contracts for SLCA Integrated
19 Projects scheduled to take effect October 1, 1989, until the interim
20 plan ordered to be submitted to the Court is approved.

21
22 2.6 The interim plan, approved by the Court on November 6, 1989,
23 requires that changes be made in the Contract Rates of Delivery and
24 Seasonal Energy under the Original Agreement on an interim basis
25 until completion of an EIS on the Criteria.
26

1 3. AGREEMENT: The Parties agree to the terms and conditions set forth
herein.

3
4 4. FIRM ELECTRIC SERVICE: Article 5.1 to the Original Agreement is hereby
5 replaced as follows:

6 "5. FIRM ELECTRIC SERVICE

7 5.1 Western's Energy and Capacity Obligations: Western, under the
8 terms and conditions set forth herein, and within the available
9 capacity of substation and transmission facilities to deliver
10 the firm electric service at specific Designated Points of
11 Delivery, will furnish firm electric service to the Contractor
12 at the mutually agreed upon Monthly Energy and Monthly Capacity
13 set forth in Exhibit A up to the Seasonal Energy and the
14 Contract Rates of Delivery. Except as modified by Sections
15 5.1.3, 5.1.5, and 5.1.6, the Seasonal Energy, shall be as
16 follows, with the Monthly Energy patterned upon the basis set
17 forth in Section 5.2.

18 Winter Season 7,787,206 kWh

19 Summer Season 9,482,055 kWh

20 Except as modified by Sections 5.1.3, 5.1.4, and 5.1.6, the
21 Contract Rates of Delivery, shall be as follows, with the
22 Monthly Capacity patterned upon the basis set forth in
23 Section 5.2.

24 Winter Season 3,296 kW

25 Summer Season 3,433 kW

26 The Contractor shall not claim as operating reserves any portion
27 of its Contract Rate of Delivery or its Monthly Capacity.

1 5.1.1 The PTC Energy for the Summer Season and for the Winter Season
2 equals zero kWh.

3
4 5.1.2 The PTC Capacity for the Summer Season and Winter Season
5 equals zero kW.

6
7 5.1.3 If the Seasonal Energy and the Contract Rates of Delivery are
8 changed due to exchanges of energy and capacity in accordance
9 with Section 7, any such changes will be reflected prior to
10 the beginning of each season in a revision to Exhibit A.

11
12 5.1.4 In the determination of the marketable capacity of the SLCA
13 Integrated Projects, Western presumed that transmission system
14 capacity losses would be offset by diversity. If diversity is
15 insufficient to provide actual total SLCA Integrated Projects
16 capacity losses, including those losses experienced on non-
17 Federal transmission systems, all contractors' Contract Rates
18 of Delivery may, at the discretion and sole determination of
19 the Contracting Officer be reduced in each season on a
20 prorated basis. If Western determines a reduction is
21 necessary, all contractors will be given written notice that
22 SLCA Integrated Projects diversity has been insufficient to
23 cover total losses. The Contractor will be given 30 days to
24 comment prior to the effective date of any such reduction.

25
26 5.1.5 The Monthly Energy may be increased from time-to-time at
Western's discretion, should short-term conditions allow. If

1 the Monthly Energy is increased for any month, it will revert
2 in subsequent months to the Monthly Energy as set forth in
3 Exhibit A, unless Western agrees otherwise in writing.
4

5 5.1.6 At the end of the September 1999 billing period, the
6 marketable resources for the remainder of the contract period
7 will be subject to adjustment at the discretion and sole
8 determination of Western in accordance with the Criteria and
9 if determined necessary by Western, each Contractor's Seasonal
10 Energy and its Contract Rates of Delivery will be adjusted
11 proportionately; Provided, That the Contractor will be given
12 90 days to comment prior to the effective date of the advance
13 notice of any such adjustment deemed necessary by Western;
14 Provided further, That Western gives the Contractor 3 years'
15 advance notice of such adjustments.
16

17 5.1.7 The marketable resources for the remainder of the contract
18 period are subject to adjustment upon completion of the EIS."
19

20 5. PASS THROUGH OF COSTS: Section 6 of the Original Agreement is hereby
21 replaced as follows:
22

23 "6. PASS THROUGH OF COSTS: For the period until completion of the EIS,
24 subsequent order of the Court, and termination of this Amendment,
25 and/or revision of the Original Agreement, Section 6 of the Original
26 Agreement shall not apply."
27

1 6. AGREEMENT MODIFICATIONS: The following new Article 16 is hereby added to
2 the Original Agreement:

3
4 "16. AGREEMENT MODIFICATIONS: Western may modify this Agreement in any
5 respect as a result of the EIS process now being engaged in by
6 Western and the Department of Interior in its EIS, including
7 modification of the amount of the Seasonal Energy and the Contract
8 Rate of Delivery, based on (i) any final decisions made by Western
9 in light of Western's Environmental Impact Statement (EIS) on the
10 Criteria or (ii) the Court's order of Injunction for Western Area
11 Power Administration dated September 29, 1989, or (iii) any final
12 administrative decision requiring changes in Colorado River Storage
13 Project operations resulting from the Secretary of the Department of
14 the Interior's EIS ordered on July 26, 1989 or from the current
15 Recovery Implementation Program for Endangered Species in the Upper
16 Colorado River Basin. The Agreement is also subject to further
17 order of the Court in the NWF lawsuit consistent with the National
18 Environmental Policy Act of 1969 and prior orders of the Court."
19


20 7. TERM OF AMENDMENT: This Amendment shall become effective on December 1,
21 1989, and shall remain in effect until terminated upon at least 60 days
22 advance notice given by Western following completion of the EIS discussed
23 in Article 16 as added to the Original Agreement by Amendment No. 2,
24 preparation of the record of decision, and further order of the Court with
25 respect to the NWF Lawsuit.
26
27

1 8. TERMINATION OF AMENDMENT NO. 1: Amendment No. 1 to the Original Agreement
3 is hereby terminated.

4 9. ORIGINAL AGREEMENT TO REMAIN IN EFFECT: Except as expressly modified
5 herein, the Original Agreement shall remain in full force and effect, and
6 this Amendment shall be subject to all the provisions of said Original
7 Agreement as modified herein.

8
9 IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed the
10 day and year first above written.

11 WESTERN AREA POWER ADMINISTRATION

12
13 By: 
14 Area Manager
Salt Lake City Area Office
Western Area Power Administration
Salt Lake City, Utah 84147


16 (SEAL)

17 ATTEST:

18 UNITED STATES DEPARTMENT OF DEFENSE
19 KIRTLAND AIR FORCE BASE

20 By: _____

21 Title: _____

20 By: 
21 MICHAEL H. WIELAND, Colonel, USAF
22 Title: Vice Commander, 1606 Air Base Wing
23 Address: Kirtland AFB NM 87117
24 _____
25 _____




DEPARTMENT OF THE AIR FORCE
 HEADQUARTERS 1606TH AIR BASE WING (MAC)
 KIRTLAND AIR FORCE BASE, NEW MEXICO 87117-5000

27 MAR 1990

Interagency Agreement No. 87-SLC-0029
 Amendment No. 2

CERTIFICATE

I, Ralph Fehr, certify that I am the Deputy Associate Director for Energy Matters of Kirtland AFB, NM, the Agency named as Contractor herein, and that Col Michael Wieland, who signed the above Amendment on behalf of said Agency, was then its Vice Commander.


 RALPH E. FEHR, III, PE
 Deputy Associate Director
 Energy Matters

SLCAO		
OFFICIAL FILE COPY		
MAR 30 1990		
No Reply Necessary	Initials	Date
Reply or Other Action Taken	Org Code	Case
Info. Copy To:		
WRITE TO	DETAILS	DATE
6160		