Appendix 912

POWER CONTRACTS:

1945 RESALE CONTRACT (METROPOLITAN WATER DISTRICT UNUSED ENERGY), MAY 31, 1945

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

BOULDER CANYON PROJECT

ARIZONA-CALIFORNIA-NEVADA

CONTRACT FOR RESALE OF ELECTRIC ENERGY AT BOULDER DAM POWER PLANT

1. THIS CONTRACT, made this 31st day of May 1945, between THE UNITED STATES OF AMERICA (hereinafter referred to as the "United States"), acting for this purpose by Harold L. Ickes, Secretary of the Interior (hereinafter referred to as the "Secretary"); and, severally RECONSTRUCTION FINANCE CORPORATION (hereinafter referred to as "RFC"), a corporation created by the Reconstruction Finance Corporation Act, as amended; THE CITY OF LOS ANGELES, a municipal corporation of the State of California, and its DEPARTMENT OF WATER AND POWER (said Department acting herein in the name of the City, but as principal in its own behalf, as well as in behalf of the City, the term "City" as herein used being deemed to include both The City of Los Angeles and its Department of Water and Power); SOUTHERN CALIFORNIA EDISON COMPANY LTD., a private corporation organized and existing under the laws of the State of California (hereinafter referred to as "Edison Company"); CALIFORNIA ELECTRIC POWER COMPANY (formerly The Nevada-California Electric Corporation, and successor to The Southern Sierras Power Company), a private corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as "California Electric"); and THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, a public corporation organized and existing under the laws of the State of California (hereinafter referred to as the "District");

Witnesseth that:

EXPLANATORY RECITALS

2. Whereas, pursuant to the provisions of the Act of Congress, approved December 21, 1928 (45 Stat. 1057), designated the "Boulder

Canyon Project Act" (hereinafter referred to as the "Project Act"), the United States heretofore entered into a contract with the District, dated April 26, 1930 (Symbol and No. Ilr–647), for the purchase by, and delivery to, the District, under the terms and conditions therein stated, of certain electrical energy to be delivered at Boulder Power Plant, which said contract was amended by supplemental contracts, dated May 31, 1930, and July 13, 1938; and

3. Whereas, pursuant to the Act of Congress approved July 19, 1940 (54 Stat. 774), designated the "Boulder Canyon Project Adjustment Act" (hereinafter referred to as the "Adjustment Act"), the United States entered into a contract with the District, dated May 29, 1941 (Symbol and No. Ilr–1336) (which contract superseded the contracts referred to in Article 2 above, and is herein referred to as "District's Energy Contract"), providing for the delivery of certain electrical energy to the District, and the United States also entered into contracts, severally, with City, Edison Company, and California Electric, dated May 29, 1941 (Symbols and Nos. Ilr–1334, Ilr–1335, and Ilr–1341), providing for delivery to them, respectively, of electrical energy at Boulder Power Plant; all of said contracts being under the terms and provisions of the Project Act and Adjustment Act; and

4. Whereas, pursuant to said Adjustment Act, the Secretary promulgated General Regulations (hereinafter referred to as the "Regulations") for the generation and sale of power at the Boulder Power Plant; and

5. Whereas, under date of November 21, 1941, the United States entered into a contract with California-Pacific Utilities Company for the resale of Boulder firm energy contracted for by the District, but unused by it (Symbol and No. Ilr–1366), not exceeding 20,000,000 kwh. annually, and under date of December 2, 1941, the United States entered into a contract with Citizens Utilities Company for the resale of Boulder firm energy contracted for by District, but unused by it (Symbol and No. Ilr–1368), not exceeding 50,000,000 kwh. annually; said energy under both of said contracts to be generated on Section G–3 (Units A–1 and A–2), provided the Secretary may transfer said generation to Section G–2 (Units N–5 and N–6); said energy to be delivered at points near Boulder Dam; and

6. Whereas City, Edison Company, and California Electric desire to purchase all Boulder firm energy contracted for by District but unused by it, for pumping Colorado River water into and in its aqueduct and unused by the resale consumers under contracts referred to in Article 5 hereof; and

7. Whereas in order that said unused District firm energy may be available at times and in amounts required for the effective utilization thereof, City and Edison Company will, for periods of time during

which this contract is in effect, require for the generation thereof the use of generating capacity in Sections G–2 (Units N–5 and N–6) and G–7 (Unit N–7), and Transformer Sections T–2 and T–7; and

8. Whereas, that certain contract (hereinafter referred to as "Defense Plant Contract"), dated the 9th day of May 1942 (Symbol and No. Ilr–1387), was entered into between Defense Plant Corporation, a corporation created by RFC pursuant to Section 5 (d) of the Reconstruction Finance Corporation Act, as amended (which said corporation, pursuant to Public Law No. 109 approved on June 30, 1945, was dissolved effective July 1, 1945, and all of its functions, powers, duties, and authority, together with its documents, books of account, records, assets, and liabilities of any kind and nature, were transferred to RFC to be performed, exercised, and administered by RFC in the same manner and to the same extent and effect as if originally vested in RFC) and, severally, the United States, City, Edison Company, California Electric, District, and Nevada, wherein a power supply, consisting chiefly of District unused energy, was made available for Defense Plant Corporation, for use at its Magnesium Plant (hereinafter referred to as "Basic Magnesium Project") near Las Vegas, Nevada, and such contract terminates as to such power supply as of midnight, May 31, 1945; and

9. Whereas RFC desires to make arrangements herein for a power supply for Basic Magnesium Project, for the year commencing at midnight, May 31, 1945, and for the pumping of water from Lake Mead incidental thereto; and

10. Whereas, pursuant to said Defense Plant Contract, generator Unit N–7 (hereinafter referred to as "Section G–7") and transformer Unit T–7 (hereinafter referred to as "Section T–7") were installed at Boulder Power Plant and segregated for the sole use of Defense Plant Corporation until such time as the generating costs of said sections are, pursuant to said contract, assumed by District; and

11. Whereas Defense Plant Contract provides that, during the period that said Sections G–7 and T–7 are segregated for the use of Defense Plant Corporation, the Secretary may arrange for the use of the same for other parties;

12. Now, therefore, in consideration of the covenants herein contained, the parties hereto agree as follows, to wit:

DEFINITIONS

13. All words used herein shall have the meanings ascribed to them in the Boulder Canyon Project Adjustment Act, the Regulations, and in the several contracts of May 29, 1941, herein referred to.

RELEASE BY DISTRICT

14. (a) During the term of this contract, District hereby releases and hereby agrees to the disposal, as herein provided, of all firm energy allotted to it under the Regulations and contracted for by District under District's Energy Contract, which shall be unused by District for pumping Colorado River water into and in its aqueduct, and unused by resale consumers under contracts referred to in Article 5 hereof. During the term of this contract, District will not exercise its right to take or use any secondary energy or any energy allotted to but unused by the States of Arizona and Nevada.

(b) During the term of this contract District will so operate its aqueduct, pumping and water supply system that maximum practicable amounts of generating capacity in the Boulder Power Plant and energy from Boulder Power Plant will be available to City, Edison Company, and California Electric, consistent with the proper operation of said pumping and water supply system as determined by District.

SALE OF ENERGY

15. (a) Subject to the terms and conditions of District's Energy Contract, the United States will cause the firm energy released by District under Article 14 hereof to be delivered annually during the period of this contract, to the parties hereto as follows: (1) to City 55 per centum thereof; (2) to Edison Company 40 per centum thereof; (3) to California Electric 5 per centum thereof; provided that during the year of operation ending May 31, 1946, the United States will cause to be delivered to RFC at the points where its 230,000-volt transmission lines connect with the 230,000-volt switchyard of District at Boulder Power Plant, at approximately 220,000 volts in the form of three (3) phase alternating current at a frequency of approximately 60 cycles per second, for use exclusively in the operation of Basic Magnesium Project, and for the pumping of water from Lake Mead incidental thereto, not to exceed 500,000,000 kilowatt-hours of said released firm energy at a maximum demand of 65,000 kilowatts. In the event supplies of electric energy are required at Basic Magnesium Project, and for the pumping of water from Lake Mead incidental thereto, subsequent to May 31, 1946, provided necessary agreements shall have been made by City and/or Edison Company for the use of Sections G–7 and T–7, RFC shall have the option to obtain further supplies of energy in the manner, in the quantity and at the maximum demand aforesaid for additional periods of one year each at rates and charges to be agreed upon in writing between RFC and City, Edison Company, and California Electric. Said option shall be exercised in each instance by written notice thereof to the Secretary, served not later than May 31st of any year, together with

an original counterpart of the written agreement between RFC and City, Edison Company, and California Electric as to rates and charges to be paid by RFC during the next succeeding year.

(b) Nothing in this article or any extension of the rights of RFC hereunder shall entitle RFC to supplies of electric energy hereunder beyond a period ending six (6) months after the cessation of hostilities in the existing war against Japan, as announced by proclamation of the President or by Concurrent Resolution of the Congress.

(c) Said firm energy released by District under Article 14 hereof, including energy made available to RFC, shall be taken and/or paid for as follows: 55 per centum thereof by City; 40 per centum thereof by Edison Company; 5 per centum thereof by California Electric. Such payments shall be made to the United States for the credit of District and at rates and in the manner provided in Articles 21, 22, and 23 hereof.

(d) RFC shall pay the United States for such released firm energy as shall be delivered to it hereunder, such payment to be for the credit of City, Edison Company, and California Electric, in the proportions hereinabove referred to and at the rates and in the manner provided in Article 21 (b) hereof.

DELIVERY OF ENERGY

16. (a) The energy released, sold, and delivered to City, Edison Company, and California Electric, pursuant to this contract, will be delivered to each of the said parties at Boulder Power Plant, at a frequency of approximately 60 cycles; provided that (1) deliveries to Edison Company at Boulder Power Plant may be at a frequency of approximately 50 cycles; (2) deliveries to Edison Company may be at the points of connection of hydroelectric plants of the United States on the Colorado River below Boulder Dam, with the District's transmission line at a frequency of approximately 60 cycles, in the same manner and under the same conditions as are provided for deliveries to District in District's Energy Contract, all of said deliveries to be at transmission voltage; and (3) deliveries to City, Edison Company, or California Electric may be at such points of connection with hydroelectric plants of the United States on the Colorado River below Boulder Dam as may be established by mutual agreement between the United States and City, Edison Company, or California Electric.

(b) The phrase "which for the time being may be in excess of District's requirements" as used in Article 9 (a) of District's Energy Contract shall be interpreted to include the requirements in connection with transmission of energy allotted to but unused by District and resold for its credit.

(c) The energy released and sold hereunder, subject to the provisions of subdivision (d) of this Article, shall be delivered under the same conditions as are provided in the respective contracts of City and Edison Company for the delivery of their respective allotments of firm energy from Boulder Power Plant.

(d) Energy released and sold hereunder shall be subject to the interchange privilege permitted to the United States under Article 9 (a) of the District's Energy Contract and Article 20 (a) of the Agency Contract (Exhibit 1 of District's Energy Contract); provided, that the substitution of energy from sources other than Boulder Power Plant, and the replacement thereof, shall be accomplished without interfering with the service to, or increasing the charges against, City, Edison Company, or California Electric, and without impairing or extending the rights or obligations respectively of the other allottees.

USE OF SECTIONS G–7 AND T–7

17. (a) Pursuant to the provisions of Defense Plant Contract, and particularly Article 305 thereof, the Secretary agrees that Edison Company shall, commencing at midnight, May 31, 1945, and upon the terms and conditions in paragraph (b) of this Article provided, have the exclusive right to the use, as a Boulder Power Contractor, of Sections G–7 and T–7, for a period ending at midnight, May 31, 1946.

(b) Edison Company, in consideration of the exclusive right to the use of said sections and in consideration of the payment by RFC for energy as provided in Article 21 (b) hereof, will, to the extent hereinafter provided, for the period ending at midnight, May 31, 1946, be responsible for providing generating capacity at Boulder Power Plant, up to 65,000 kilowatts for the generation of energy made available to RFC hereunder.

In no event shall any liability accrue against Edison Company or any of its officers, agents or employees for any damage, direct or indirect, arising on account of a failure of Edison Company to provide said generating capacity if said failure be due to drought, hostile diversion, Act of God, Government, the public enemy or other forces beyond their reasonable control.

(c) For the period ending at midnight, May 31, 1946, Edison Company agrees that each hour it has exclusive use of Section G–7 with or without T–7, it will pay to the United States for the credit of RFC $22.50. In the event that said Section G–7 shall be available to it at least 6,000 hours during said period ending May 31, 1946, Edison Company will pay an aggregate of not less than $135,000 for the right to use the same. Section G–7 shall be deemed available for the purpose of this subsection when Sections G–7 and T–7 are in operation or are ready for operation. In the event that said

Section G–7, with the consent of Edison Company, shall be used for service of another power contractor such contractor, except as may be by agreement elsewhere provided, shall be charged at the rate of $22.50 per hour, and any amount received by the Secretary for such use shall be credited as received to the RFC and shall be applied to reduce the minimum obligation of Edison Company as to Sections G–7 and T–7 specified in this subdivision (c).

(d) In the event the generation of electric energy on Section G–7 for Edison Company at fifty cycles shall result in cavitation of the runner at a rate in excess of twenty-five cubic inches per month, Edison Company shall pay to the United States the additional cost of repairs resulting from such excess cavitation.

PLACE OF GENERATION

18. (a) Subject to Article 9 (b) of District's Energy Contract any energy which Edison Company and/or RFC has the right to take from Boulder Power Plant, and any energy which California Electric has the right to take hereunder from Boulder Power Plant, may be generated in Section G–2; provided that the execution of this contract by City is with the understanding and agreement between City and California Electric that the generation of energy for California Electric in Section G–2 and/or the transmission of the same, which results in parallel operation, or otherwise, shall neither prejudice or limit the rights of the City or California Electric under that certain Power Transmission Agreement between the Los Angeles Gas and Electric Corporation, Southern Sierras Power Company, and Nevada California Power Company dated May 18, 1932, nor modify or affect the relative rights of City and/or California Electric with regard to Sections G–5, T–5, and C. F. at Boulder Power Plant and/or the transmission lines referred to in said transmission agreement as "Boulder Canyon Line" and "Seal Beach Line." Any energy which City has the right to take from Boulder Power Plant may likewise, with the consent of District and Edison Company, be generated on Section G–2.

(b) City shall act as operating agent as to energy generated for Edison Company and California Electric on Sections G–2 and G–7.

(c) Any energy, including energy purchased hereunder, may be generated for City, Edison Company, California Electric, or RFC in sections assigned by contract to said parties respectively, or made available to them, respectively, under the Regulations, subject to agreements as to the use of such sections not inconsistent with the Regulations and not determined and announced by the Secretary to be detrimental to the interests of the United States as provided in Article 18 (e) of the Regulations.

DELIVERY OF WATER FOR GENERATION OF ELECTRICAL ENERGY

19. (a) Subject to—

(i) The statutory requirement that Boulder Dam and the reservoir created thereby shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of perfected rights mentioned in Section 6 of the Project Act; and third, for power; and

(ii) The further statutory requirement that this contract is made upon the express condition and with the express covenant that the rights of City, Edison Company, California Electric, and RFC, as contractors for electrical energy, to the use of the waters of the Colorado River, or its tributaries, shall be subject to and controlled by the Colorado River Compact;

the United States will deliver water in the quantity, in the manner, and at the times necessary for the generation of the energy to which City, Edison Company, California Electric, and RFC are entitled under this contract, in accordance with the provisions of Article 20 of the Agency Contract, entitled "Integration of Operations." If said Agency Contract should be terminated as to City or as to Edison Company prior to the termination of this contract, the United States will itself generate and deliver energy, subject to (i) and (ii) above, in the manner required by this contract, in the quantity to which either City, Edison Company, California Electric, or RFC is entitled hereunder, and in accordance with their respective load requirements.

(b) The United States reserves the right temporarily to discontinue or reduce the delivery of water for the generation of electrical energy at any time for the purpose of maintenance, repairs, and/or replacements, or installation of equipment, at the Project, and for investigations and inspections necessary thereto; provided, however, that the United States shall, except in case of emergency, give to City, to Edison Company, to California Electric, and to RFC reasonable notice in advance of such temporary discontinuance or reduction, and that the United States shall make such inspections and perform such maintenance and repair work, after consultation with City, Edison Company, California Electric, and/or RFC, at such times and in such manner, consistent with any program of integrated operations established under the provisions of Article 20 of said Agency Contract, as to cause the least inconvenience to City, Edison Company, California Electric, and/or RFC, and that the United States shall prosecute such work with diligence, and, without unnecessary delay, resume delivery of water so discontinued or reduced.

(c) Should the delivery of water, for any reason or cause, other than any act or omission of City, Edison Company, California Electric, or RFC, be discontinued or reduced below the amount required for the generation of firm energy in accordance with the provisions of this contract, the total number of hours of such discontinuance or reduction in any year shall be determined by taking the sum of the number of hours during which the delivery of water is totally discontinued, plus the product of the number of hours during which the delivery of water is partially reduced and the percentage of said partial reduction below the actual quantity of water required for generation of firm energy. Total or partial reductions in the delivery of water which do not reduce the power output below the amount required at the time for generation of firm energy under any program of integrated operations established under Article 20 of said Agency Contract, or if said Agency Contract be terminated as to either City of Edison Company, below the amount required at the time for the load requirements of City, Edison Company, California Electric, and/or RFC, as the case may be, will not be considered in determining the total hours of discontinuance in any year of operation. The minimum annual payments specified in Article 23 hereof shall be reduced by the ratio that the total number of hours of such discontinuance bears to eight thousand seven hundred sixty (8,760).

(d) In no event shall any liability accrue against the United States, its officers, agents, and/or employees, for any damage, direct or indirect, arising on account of drought, hostile diversion, Act of God or the public enemy, or other similar cause; nevertheless, interruptions in delivery of water occasioned by such causes shall be governed as provided in this Article 19.

MEASUREMENT OF ENERGY

20. (a) The amount of electric energy delivered to City, Edison Company, and California Electric, respectively, including energy purchased hereunder, shall be determined in the manner provided for the measurement of energy in their respective contracts for firm energy from Boulder Power Plant referred to in Article 3 hereof.

(b) All electric energy delivered to RFC and the maximum demand of RFC will be measured at approximately thirteen thousand two hundred (13,200) volts at the Basic Magnesium Project, and RFC, at its sole cost and expense, shall furnish and install suitable metering equipment of a type and in manner satisfactory to the Chief Engineer of the Bureau of Reclamation for this purpose. For the purpose of computing the maximum demand and the amount of energy delivered to the 230,000-volt lines of RFC, at the 230,000-volt switchyard at Boulder Power Plant one and one-quarter per centum (1¼%) shall be added to the meter readings to cover line and transformer losses. The said metering equipment shall be maintained by and at the expense of RFC. Meters shall be tested by the United States at any reasonable time upon the request of either City, Edison Company, the United

States, or RFC, and in any event they shall be tested at least once each year. If the test discloses that the error of any meter exceeds one per centum (1%), such meter shall be adjusted so that the error does not exceed one-half of one per centum (½%). Meter equipment shall be tested by means of suitable testing equipment which will be provided by the United States and which shall be calibrated by the National Bureau of Standards. Meters shall be kept sealed, and the seals shall be broken only in the presence of representatives of both the United States and RFC, and likewise all tests of meter equipment shall be conducted only when representatives of both the United States and RFC are present. The electric energy delivered hereunder during any period in which the meters furnished to measure such electric energy fail to register shall, for billing purposes, be estimated from the best information available.

(c) Delivery of electric energy to District's transmission line at points other than Boulder Power Plant shall be measured by meters furnished and maintained by the United States. The electric energy so delivered during any period in which the meters so furnished fail to register shall, for billing purposes, be estimated from the best information available. The testing of such meters and calibration of testing equipment shall be in accordance with Article 19 of the Agency Contract, being Exhibit 1 of District's Energy Contract referred to in Article 3 hereof. If said Agency Contract should be terminated, the same provisions shall apply as nearly as may be.

(d) The apportionment of electric energy delivered to District's transmission line, as between Edison Company, California Electric, and District, shall be determined by Edison Company and District (Edison Company being hereby designated as the representative of California Electric for that purpose), taking into consideration line, transformer, and other losses, and the United States, and City as operating agent, shall be advised of such determination by the fourth day of the following month. Billings by the United States for energy on the basis of such determination shall be accepted and paid by District, Edison Company, and California Electric, respectively. In the event that for any reason Edison Company and District shall fail or refuse to make or report such joint determination to the United States and City, as operating agent, within said time, District shall forthwith report its determination of such apportionment to the United States, City as operating agent, and to Edison Company and California Electric, and billing on the basis of such determination by District shall be accepted and paid by District, Edison Company, and California Electric, but in no event shall the aggregate amount payable to the United States be reduced. Such acceptance and payment shall be without prejudice to adjustment of any differences that may exist or arise between District, Edison Company, and California Electric.

RATES AND CHARGES

21. (a) The rate to be paid to the United States, for credit to District, by City, Edison Company, and California Electric for electric energy purchased under this contract shall be the rate for firm energy determined in accordance with the Regulations, except that for the period commencing at midnight, May 31, 1945, and ending at midnight, May 31, 1950, such annual rate shall be the following percent of such rate for firm energy:

Year of operation:	*Percent of the rate for Firm Energy*
1945–46	40
1946–47	50
1947–48	65
1948–49	80
1949–50	95

(b) The energy rate to be paid by RFC for electric energy delivered to it hereunder shall be the energy rate for firm energy determined in accordance with the Regulations, and RFC shall pay to the United States in addition thereto for the credit of City, Edison Company, California Electric and District, in such proportions and amounts as shall be agreed upon and provided by the 1945 Collateral Contract referred to in Article 28 hereof filed with the Secretary, a monthly charge of fifty cents (50¢) per kilowatt of 30-minute maximum demand created by RFC during such month. The minimum aggregate of such monthly demand charges for the period commencing June 1, 1945, and ending May 31, 1946, shall be $135,000, provided, however, that RFC shall have the right to terminate its rights and obligations to take and pay for energy under this contract by giving thirty (30) days written notice to the Secretary and to City and Edison Company. Such notice, however, shall not be given prior to December 1, 1945. In the event of termination upon such notice, the minimum obligation of $135,000 hereinabove set out shall be reduced at the rate of $10,000 per month for the period between the effective date of such termination notice and June 1, 1946. RFC shall pay monthly for electric energy delivered to it in accordance with the foregoing rates and charges. The United States will submit bills to RFC by the tenth of each month immediately following the month during which energy was delivered to it, and payments shall be due on the twenty-fifth day of the same month. If such rates and charges are not paid when due, an interest charge of one per centum (1%) of the amount unpaid shall be added thereto, and thereafter an additional interest charge of one per centum (1%) of the principal sum unpaid shall be added on the twenty-fifth day of each succeeding calendar month until the amount due, including such interest, is paid in full.

BILLING AND PAYMENTS

22. (a) For the year of operation beginning at midnight, May 31, 1945, and ending at midnight, May 31, 1946, District estimates that the energy heretofore contracted for by District under District's Energy Contract and unused by District for pumping Colorado River water into and in its aqueduct and unused by resale consumers under contracts referred to in Article 5 hereof, will be 1,358,000,000 kilowatt-hours. District agrees to advise the Director of Power at Boulder Power Plant, and City, Edison Company, and California Electric, respectively, in writing, not later than the 1st day of February of each year, as to the amount of energy heretofore contracted for by District which District estimates will be unused by it for pumping Colorado River water into and in its aqueduct and unused by resale consumers under contracts referred to in Article 5 hereof, during the next succeeding year of operation.

(b) The electric energy agreed to be taken and/or paid for by City, Edison Company, and California Electric under this contract, as estimated for the then current year of operation pursuant to subdivision (a) of this article, shall, for billing purposes, be in addition to the respective minimum quantities of firm energy which said purchasers are respectively required to take and/or pay for during such year of operation under the terms of their respective energy contracts referred to in Article 3 hereof, and shall be billed to them and paid in the same manner as is provided in their respective energy contracts.

(c) (i) The energy billed to City, Edison Company, and California Electric each month, up to one-twelfth (1/12) of their respective minimum obligations under their several contracts of May 29, 1941, referred to in Article 3 hereof, multiplied by the number of months which shall have elapsed since the 31st day of May next preceding shall be deemed to have been taken under said contracts, respectively.

(ii) The energy billed to City, Edison Company, and California Electric each month, in addition to that classified under (i) of this subdivision (c), up to one-twelfth (1/12) of the respective minimum obligations of City, Edison Company, and California Electric under this contract (as established for the then current year under the provisions of subdivision (a) of this article) multiplied by the number of months which shall have elapsed since the 31st day of May next preceding, shall be deemed to have been taken under this contract, and the moneys paid on account thereof shall be credited to the District.

(iii) For energy classified under (ii) of this subdivision (c), during the period beginning at midnight, May 31, 1945, and ending at midnight, May 31, 1950, City, Edison Company, and

California Electric shall be billed monthly and shall pay the percentage of the firm energy rate established for the then current year by Article 21 hereof.

(iv) No energy will be billed to any party hereto at the rate for secondary energy until and unless such party shall have taken energy and paid the firm energy rate for one-twelfth ($\frac{1}{12}$) of the aggregate firm energy referred to in (i) and (ii) of this subdivision (c), multiplied by the number of months which shall have elapsed since May 31 last preceding.

(d) At the close of each year of operation the exact amounts of money chargeable to the respective parties hereto shall be determined, and adjustment shall be made by additional payments or by credits to correct for any deviation from the estimates in the actual amounts chargeable to each thereof.

(e) In the event that either City, Edison Company, or California Electric in any year of operation shall take less than its annual obligation to take and/or pay for firm energy under this contract and during said year of operation any one or more of said three purchasers shall take and pay for energy at the rate for secondary energy, the purchaser or purchasers taking less than its or their full annual obligation of such firm energy under this contract, shall receive a credit out of, but not exceeding, the proceeds of the sale of energy to any other purchaser or purchasers, at the rate for secondary energy and in an amount not exceeding the product of the number of kilowatt hours of firm energy not taken hereunder times the current rate for secondary energy. If two of said purchasers are entitled to such credit, the credit shall be apportioned in the ratio that the kilowatt hours of firm energy not taken hereunder by each thereof shall bear to the total kilowatt hours of firm energy not taken under this contract by all of the said purchasers entitled to credit under this subdivision (e).

(f) The apportionment of and billing for the generating charges assigned in connection with the generation of energy purchased hereunder shall be in accordance with the Regulations, except in so far as such apportionment may be expressly modified by this contract or any other contract between the parties affected, on file with the Secretary and not determined and announced by him to be detrimental to the interests of the United States, as provided in Section 18 (e) of the Regulations.

(g) No interest charge shall attach against the parties hereto for nonpayment of bills for energy sold under this contract during the period after May 31, 1945, pending notification in writing from the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, that this contract has been executed, but after such notification all charges for energy taken during such period for which bills have been rendered shall become subject to such interest charge if payment thereof is not made within twenty (20) days after receipt of such notification.

MINIMUM ANNUAL PAYMENTS

23. The minimum quantities of energy which City, Edison Company, and California Electric shall each take and/or pay for annually under the terms of this contract shall be their respective percentages, as provided in Article 15 hereof, of energy heretofore allotted to and contracted for by the District and released, as provided in Article 14 hereof, as determined from time to time. The minimum annual payment in each instance shall be reduced in case of interruptions or curtailment of delivery of water as provided in Article 19 hereof.

REMEDIES UNDER CONTRACT NOT EXCLUSIVE

24. Nothing contained in this contract shall be construed as in any manner abridging, limiting or depriving the United States of any means of enforcing any remedy either at law or in equity for the breach of any of the provisions hereof which it would otherwise have. The waiver of a breach of any of the provisions of this contract shall not be deemed to be a waiver of any provision hereof, or of any other subsequent breach of any provision hereof.

TRANSFER OF INTEREST IN CONTRACT

25. No voluntary transfer of this contract, or of the rights of any of the parties hereunder, shall be made without the written approval of the Secretary, except that RFC may transfer this contract or its rights hereunder to the United States or any Department or Independent Establishment thereof without such approval, and any successor or assign of the rights of any of the parties hereto, whether by voluntary transfer, judicial sale, trustee's sale, or otherwise, shall be subject to all the conditions of the Project Act, as modified by the Adjustment Act, and of the Adjustment Act, and also subject to all the provisions and conditions of this contract to the same extent as though such successor or assign were the original contractor hereunder: provided, that the execution of a mortgage or trust deed, or judicial or trustee's sale made thereunder, shall not be deemed a voluntary transfer within the meaning of this article.

DISPUTES AND DISAGREEMENTS

26. Disputes or disagreements between the United States and any party to this contract as to the interpretation or performance of the provisions hereof shall be determined either by arbitration or court

proceedings. If in any such arbitration or court proceedings, or otherwise, any sum or amount paid by City, by Edison Company, or by California Electric on the demand or bill of the United States under this contract shall be held not to have been due or owing, payment shall not be deemed to have been voluntary, and such sum or amount shall be refunded. Whenever a controversy between the United States and any party hereto arises out of this contract, and the disputants agree to submit the matter to arbitration, the Secretary shall name one arbitrator and the other party to such dispute or disagreement shall name one arbitrator and the two arbitrators thus chosen shall select a third arbitrator, but in the event of their failure to name such third arbitrator within five (5) days after their first meeting, such third arbitrator shall be named by the Chief Justice of the Supreme Court of the United States. The decision of any two of such arbitrators shall be a valid award of the arbitrators, and shall be final and binding as to the disputants.

NOTICES

27. (a) Any notice, demand, or request required or authorized by this contract to be given or made to or upon the United States shall be delivered, or mailed postage prepaid to the Director of Power, United States Bureau of Reclamation, Boulder City, Nevada, except where, by the terms hereof, the same is to be given or made to or upon the Secretary, in which event it shall be delivered, or mailed postage prepaid, to the Secretary, at Washington, D. C.

(b) Any notice, demand, or request required or authorized by this contract to be given or made to or upon the City shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer, Department of Water and Power, Los Angeles, California.

(c) Any notice, demand, or request required or authorized by this contract to be given or made to or upon Edison Company shall be delivered, or mailed postage prepaid, to the President, Southern California Edison Company Ltd., Los Angeles, California.

(d) Any notice, demand, or request required or authorized by this contract to be given or made to or upon California Electric shall be delivered, or mailed postage prepaid, to the General Manager, California Electric Power Company, Riverside, California.

(e) Any notice, demand, or request required or authorized by this contract to be given or made to or upon District shall be delivered, or mailed postage prepaid, to the General Manager and Chief Engineer of The Metropolitan Water District of Southern California, Los Angeles, California.

(f) Any notice, demand or request required or authorized by this contract to be given or made to or upon RFC shall be delivered, or mailed postage prepaid, to the Executive Director, Office of Defense Plants, Reconstruction Finance Corporation, 811 Vermont Avenue NW., Washington, D. C., with copy thereof to the Manager, Basic Magnesium Project, Las Vegas, Nevada.

(g) The designation of any person specified in this article or in any demand or request, or the address of any such person, may be changed at any time by notice given in the same manner as provided in this article for other notices.

TERM

28. The term of this contract shall commence at midnight, May 31, 1945, and shall continue to midnight, May 31, 1987, except that if in any year of operation firm energy at Boulder Power Plant allotted to but unused by District for pumping water into and in its aqueduct and unused by resale consumers under contracts referred to in Article 5 hereof, shall be less than 50,000,000 kilowatt-hours, or if as of the close of any year of operation the annual average of such energy for the next preceding five years shall have been less than 150,000,000 kilowatt-hours, either District, City, Edison Company, or California Electric, may, upon written notice to the other parties hereto, terminate this contract as to all parties, and in the event of such notice the end of the term hereof shall be the end of the second year of operation after the delivery of such notice, provided, however, that this contract shall be ineffective, and no rights or obligations shall arise hereunder until and unless that certain contract executed of even date herewith between City, Edison Company, California Electric, and the District, relating, among other things, to the use of generating equipment and the apportionment of generating charges at Boulder Power Plant (herein referred to as the 1945 Collateral Contract), shall become effective in the manner provided in Article 18 of the Regulations.

CONTRACT CONTINGENT UPON APPROPRIATIONS

29. This contract is subject to appropriations being made by Congress from time to time of money sufficient to make all payments and to provide for the doing and performance of all things on the part of the United States to be done and performed under the terms hereof, and to there being sufficient money available in the Colorado River Dam fund for such purposes. No liability shall accrue against the United States, its officers, agents or employees, by reason of sufficient money not being so appropriated or on account of there not being sufficient money in the Colorado River Dam fund for such purposes.

PRIORITY OF CLAIMS OF THE UNITED STATES

30. Claims of the United States arising out of this contract shall have priority over all others, secured or unsecured.

TITLE TO REMAIN IN THE UNITED STATES

31. As provided in Section Six (6) of the Project Act, the title to Boulder Dam, Lake Mead, Boulder Power Plant, and incidental works, shall forever remain in the United States.

OUTSTANDING CONTRACTS

32. Except as expressly modified by the terms hereof, outstanding contracts between the United States and the respective parties hereto shall be and remain in full force and effect, and nothing contained herein shall be construed as diminishing the obligations to the United States of the City, District, Edison Company, and California Electric, or any of them, under existing contracts.

OFFICIALS NOT TO BENEFIT

33. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

NATURE OF OBLIGATIONS HEREUNDER

34. All of the obligations, responsibilities, rights, and duties under this contract shall be several and not joint, except in instances where such obligations, responsibilities, rights, and duties are specifically made joint by the terms hereof.

IDENTIFICATION OF CONTRACT

35. This contract shall be known as "District's 1945 Resale Contract."

In witness whereof the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA,
By HAROLD L. ICKES, *Secretary of the Interior.*
RECONSTRUCTION FINANCE CORPORATION,
By FRANK T. ROWAN,
Attest:
LEO NIELSON, *Secretary.*
THE CITY OF LOS ANGELES, acting by and through its Board of Water and Power Commissioners,
By R. A. HEFFNER, *President.*
Attest:
[SEAL] JOSEPH L. WILLIAMS, *Secretary.*
DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, by the Board of Water and Power Commissioners,
By R. A. HEFFNER, *President.*
Attest:
[SEAL] JOSEPH L. WILLIAMS, *Secretary.*
SOUTHERN CALIFORNIA EDISON COMPANY LTD.,
By HARRY J. BAUER, *Chairman.*
Attest:
[SEAL] O. V. SHOWERS, *Secretary.*
CALIFORNIA ELECTRIC POWER COMPANY,
By A. B. WEST, *President.*
Attest:
[SEAL] H. DEWES, *Secretary.*
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
By JULIAN HINDS, *General Manager and Chief Engineer.*
Attest:
[SEAL] A. L. GRAM, *Ex. Secretary.*

Approved as to form and execution:
JAMES H. HOWARD,
General Counsel.

Approved as to form and legality this 20th day of November 1945:
RAY L. CHESEBRO,
City Attorney.
By JOHN H. MATHEWS,
Deputy.

Approved as to form, January 20, 1945:
GAIL C. LARKIN,
General Counsel.

Legal features approved:
COIL, *General Counsel, FOD.*

Part X

THE HOOVER DAM WATER CONTRACTS AND RELATED DATA

CALIFORNIA

ADJUSTMENTS OF PRIORITIES

ARIZONA

NEVADA

Appendix 1001

WATER: CALIFORNIA

PRELIMINARY AGREEMENT, FEBRUARY 21, 1930

Whereas the undersigned, Colorado River Commissioners of California, representatives of the Governor of California, representatives of the Metropolitan Water District, the Coachella Valley County Water District, the Imperial Irrigation District, the Palo Verde Irrigation District, and the Boulder Dam Association have reached an understanding for the division of Colorado River water which will be available to California upon the following basis:

Class A water: Agricultural groups, 3,850,000 acre-feet per annum; Metropolitan District, 550,000 acre-feet per annum; total, 4,400,000 acre-feet per annum.

Next 550,000 acre-feet per annum, available for California use; Metropolitan District, 550,000 acre-feet per annum.

All water in river available for California use in excess of above 4,950,000 acre-feet per annum: Agricultural group, all.

And have studied in great detail the available water supply from the Colorado River and the water requirements of California from that source, and while we recognize that California has been so limited as to make infeasible otherwise feasible projects, including several hundred thousand acres of land, we do find that if there are no further limitations then upon the construction of the Boulder Dam the supply will be ample for the now going concerns using water from the Colorado and also for the Colorado River Aqueduct to serve the Metropolitan Water District of Southern California; the Palo Verde Valley lands and the All-American Canal to serve the enlarged development in the Imperial and Coachella valleys; and we further find that the Colorado River Aqueduct and the All-American Canal will constitute extremely important factors in the growth, protection, and prosperity of southern California, and both of these projects ought to be consummated at the earliest possible time.

Now, therefore, be it *resolved,* That we request all those in authority to expedite as much as reasonably possible all steps leading up to the construction of the Boulder Dam, the Colorado River Aqueduct, and the All-American Canal, and we urge upon the people of southern California that they give these three great projects their moral and financial support, to the end that each of them may be an accomplished fact in the very near future.

Dated February 21, 1930.

(Signed)	W. J. CARR.	JOHN G. BULLOCK.
	A. P. CURRAN.	FRANKLIN THOMAS.
	JOHN L. BACON.	S. H. FINLEY.
	W. B. MATHEWS.	W. O. BLAIR.
	EARL C. POUND.	R. W. BLACKBURN.
	S. C. EVANS.	THOS. C. YAGER.
	W. P. WHITSETT.	MARK ROSE.
	HARRY L. HEFFNER.	M. J. DOWD.
	F. E. WEYMOUTH.	CHAS. L. CHILDERS.
	L. A. HAUSER.	