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PACIFIC GAS AND ELECTRIC COMPANY

STANDARD OFFER #3

POWER PURCHASE AGREEMENT

FOR

AS-DELIVERED CAPACITY AND ENERGY

FROM

FACILITIES OF 100 KILOWATTS OR LESS

FEBRUARY 1983

AS-DELIVERED CAPACITY AND ENERGY FROM FACILITIES OF 100 KILOWATTS OR LESS

POWER PURCHASE AGREEMENT BETWEEN NEOCENE EXPLORATIONS, INC. AND PACIFIC GAS AND ELECTRIC COMPANY

NEOCENE EXPLORATIONS, INC. (A California Corporation)

("Seller"), and PACIFIC GAS AND ELECTRIC COMPANY ("PGandE"),

referred to collectively as "Parties" and individually as "Party", agree as follows:

1. Seller states that its facility located at Highway 49, four miles west of Sierra City and described as Make TOSHIBA, Model, Serial No., fuel or energy source Hydro, and having a nameplate output rating of 75 kw, 480 volts, 3 phase, 60 hertz will be ready to deliver power for sale on or about. Seller has chosen to sell PGandE net energy output.*

2. Seller has two options for payment for as-delivered capacity and energy delivered to PGandE. They are: Option No. 1: Seller elects to have the value of the purchased power credited to its monthly bill from PGandE for electric service in the next billing period (assumes electric service account). Option No. 2: Seller elects to receive payment check within approximately 30 days of the meter reading date if the value of the purchased power is at least \$50, and if less, to have the value of the purchased power credited to its monthly bill from PGandE for electric service in the next billing period.

Seller has selected Option No. 2.

- 3. On and after the date PGandE gives its written approval for parallel operation, PGandE shall pay Seller for as-delivered capacity at prices authorized from time to time by the California Public Utilities Commission (CPUC) and for energy at prices equal to PGandE's full short run avoided operating costs as approved by the CPUC.
4. Seller shall pay for designing, installing, operating, and maintaining the facility in accordance with all applicable laws and regulations and shall comply with PGandE's electric Rule No. 21.
5. Seller shall deliver the as-delivered capacity and energy at the agreed point of interconnection with PGandE's system as shown in Appendix A.
6. PGandE shall, at its expense, furnish and install a standard watt-hour meter (and current transformers if required) in a meter socket and enclosure equipment provided and installed by Seller at or near the point of interconnection. At Seller's option and expense, PGandE shall furnish and install a time-of-delivery meter pursuant to a separate special facilities agreement referred to in PGandE's electric Rule No. 21.
7. Seller shall (a) maintain the facility and interconnection facilities, except facilities installed by PGandE, in conformance with all applicable laws and regulations, (b) obtain any governmental authorization and permits required for the construction and operation thereof, and (c) manage the facility and interconnection facilities in a safe and prudent manner. If at any time Seller does not hold such authorizations and permits, PGandE may refuse to accept deliveries of power hereunder.

* Insert either "net energy output" or "surplus energy output" to show the energy sale option selected by Seller.

- (a) PGandE may enter Seller's premises (1) to inspect at any reasonable times Seller's protective devices and read or test meters, and (2) to disconnect, without notice, the interconnection facilities if, in PGandE's opinion, a hazardous condition exists and such immediate action is necessary to protect persons, or PGandE's facilities, or other customers' facilities from damage or interference caused by Seller's facility, or lack of properly operating protective devices.
 - (b) PGandE shall not be obligated to accept or pay for and may require Seller to interrupt or reduce deliveries of as-delivered capacity and energy (1) when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system, or (2) if it determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices.
 - (c) Whenever possible, PGandE shall give Seller reasonable notice of the possibility that interruption or reduction of deliveries may be required.
9. Each Party as indemnitor shall save harmless and indemnify the other Party and the directors, officers, and employees of such other Party against and from any and all loss and liability for injuries to persons including employees of either Party, and damages, including property of either Party, resulting from or arising out of (a) the engineering, design, construction, maintenance, or operation of or (b) the making of replacements, additions, or betterments to the indemnitor's facilities. This indemnity and save harmless provision shall apply notwithstanding the active or passive negligence of the indemnitee. Neither Party shall be indemnified for liability or loss resulting from its sole negligence or willful misconduct. The indemnitor shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity and shall pay all costs, including reasonable attorney fees, that may be incurred by the other Party in enforcing this indemnity.
 10. Nothing in this Agreement shall create any duty to, any standard of care with reference to, or any liability to any person not a Party to it. Neither Party shall be liable to the other Party for consequential damages.
 11. Each Party shall be responsible for protecting its facilities from possible damage by reason of the electrical disturbances or faults caused by the operation, faulty operation, or nonoperation of the other Party's facilities, and such other Party shall not be liable for any such damages so caused.
 2. This Agreement shall be in effect when signed by the Seller and PGandE for an initial term of one year and shall remain in effect thereafter month to month unless terminated by either Party on 30 (thirty) days advance written notice to the other.
 13. Any notice required under this Agreement shall be in writing and mailed at any United States Post Office with postage prepaid for transmission by certified mail, return receipt requested, addressed to the Party, or personally delivered to the Party, at the address below. Changes in such designation may be made by notice similarly given.

All written notice shall be directed as follows:

to PGandE: Pacific Gas and Electric Company
 Attention: Manager, Commercial Department
 77 Beale Street
 San Francisco, CA 94106

to Seller: NEOCENE EXPLORATIONS, INC.
1216 Upper Valley Road
Lafayette, CA 94549

14. This Agreement includes the following appendix which is attached and incorporated by reference:

Appendix A - POINT OF INTERCONNECTION LOCATION SKETCH

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the last date set forth below.

Neocene Explorations Inc. PACIFIC GAS AND ELECTRIC COMPANY
(SELLER)

BY: Charles J. Richard

BY: R. E. Metzker

John Y. Richard, Sec. Treas.
(Type Name)

R. E. METZKER

(Type Name)

TITLE: PRESIDENT, SECT./TREASURY

TITLE: Division Manager

DATE SIGNED: Sept 26, 1983

DATE SIGNED: September 26, 1983

Mailing Address:

1216 Upper Valley Road

Lafayette, CA 94549