

FIRST AMENDMENT TO ENERGY SALES AGREEMENT

This First Amendment to Energy Sales Agreement ("First Amendment") dated August 3, 2009 ("Effective Date") is by and between **Shell Energy North America (US), L.P.** ("Shell Energy"), and **City of Chula Vista** ("Buyer"), each a "Party" and collectively the "Parties".

RECITALS

WHEREAS, the City of Chula Vista and Coral Power, L.L.C. ("Coral Power") entered into the "Energy Sales Agreement," on June 15, 2004; and dated June 15, 2004 (the "ESA"); and

WHEREAS, Shell Energy North America (US), L.P. became the successor-in-interest to Coral Power, L.L.C. on June 1, 2008 and, as such, has assumed all of Coral Power's rights and obligations under the ESA; and

WHEREAS, the Parties wish to amend the ESA in certain respects,

NOW THEREFORE, in consideration of the premises, the mutual obligations undertaken pursuant to the ESA, and the mutual covenants set forth therein, as well as such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

1. Article 3 is hereby amended by adding the following provisions:

"3.8 Resources Adequacy Charges. If the CPUC imposes resource adequacy charges or assessments on Shell Energy as a result of Shell Energy acting as a load-servicing entity hereunder ("Resource Adequacy Charges"), Buyer shall pay Shell Energy such amounts. Buyer agrees that it is entirely liable for and shall indemnify Shell Energy and its affiliates from and against any and all surcharges, fees, costs, liabilities, expenses, and any Resource Adequacy Charges or other similar charges, imposed on direct access customers by the CPUC, the applicable UDC, or any other state, local or federal agency, imposes on load-servicing entities or direct access customers resulting from or relating to Buyer's purchase of Energy from Shell Energy. The indemnity provision set forth in the immediately preceding sentence shall survive the termination of this ESA.

3.9 Renewables Portfolio Standard ("RPS"). RPS as set forth in CPUC Decision 06-10-019, October 5, 2006 imposes requirements on Shell Energy as a result of Shell Energy acting as a load-serving entity hereunder ("Renewable Portfolio Charges"). Buyer agrees to pay Shell Energy for products to meet those requirements. Buyer agrees that it is entirely liable for and shall indemnify Shell Energy and its affiliates from and against any and all surcharges, fees, costs, liabilities, expenses, and any Renewable Portfolio Charges or other similar charges, imposed on direct access customers by the CPUC, the applicable UDC, or any other state, local or federal agency, imposes on load-servicing entities or direct access customers resulting from or relating to Buyer's purchase of Energy from Shell Energy. The indemnity provision set forth in the immediately preceding sentence shall survive the termination of this ESA.

3.10 Green House Gas Initiatives ("GHGI"). GHGI are load-based emissions caps (and/or credits) as adopted by CPUC Decision 06-02-032 that may be imposed on Shell Energy as a load-serving entity hereunder. Shell Energy cannot currently estimate the cost impacts to Buyer that may result from the proposed green house gas program currently under consideration in CPUC R. 06-04-009 and has not included such costs in this ESA or any Transaction entered into hereunder.

Notwithstanding the foregoing Sections 3.8, 3.9 and 3.10, Buyer agrees that it shall be obligated to obtain any RAR, RPS and GHGI products described above from Shell Energy at prevailing market rates for the applicable reporting period to be determined no later than thirty (30) days prior to Shell Energy's CPUC reporting deadline(s) and for a term no less than required by such reporting that may fall under the Delivery Term of Transactions hereunder."

2. Annex A is hereby amended by adding the following to DEFINITIONS

"Delivery Point" is set forth in a Confirmation; provided, however, that in the event that the Delivery Point is NP-15 or SP-15, the following definitions shall apply:

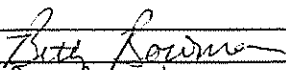
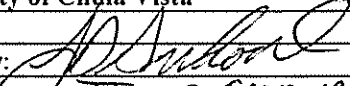
SP15/NP15 Delivery Point Language. SP15 Zone; provided, however, if the California Independent System Operator or its successor ("CAISO") implements trading hubs under a locational marginal pricing design during the Delivery Period, the Delivery Point shall be the Existing Zone Generation SP15 Trading Hub ("SP15 EZ Gen Hub"), as such trading hub is contemplated by the CAISO in its filing made to the FERC dated March 15, 2005 ("Comprehensive Design Proposal for Inter-Scheduling Coordinator Trades Under the California Independent System Operator Corporation's Market Redesign and Technology Upgrade, Docket No. ER02-1656-025"); provided further, if the SP15 EZ Gen Hub (under any name) is not established as part of a market redesign that is implemented during the Delivery Period, the parties agree to promptly work together in good faith to designate an alternate Delivery Point to reasonably approximate the characteristics of the SP15 Zone.

or

NP15 Zone; provided, however, if the California Independent System Operator or its successor ("CAISO") implements trading hubs under a locational marginal pricing design during the Delivery Period, the Delivery Point shall be the Existing Zone Generation NP15 Trading Hub ("NP15 EZ Gen Hub"), as such trading hub is contemplated by the CAISO in its filing made to the FERC dated March 15, 2005 ("Comprehensive Design Proposal for Inter-Scheduling Coordinator Trades Under the California Independent System Operator Corporation's Market Redesign and Technology Upgrade, Docket No. ER02-1656-025"); provided further, if the NP15 EZ Gen Hub (under any name) is not established as part of a market redesign that is implemented during the Delivery Period, the parties agree to promptly work together in good faith to designate an alternate Delivery Point to reasonably approximate the characteristics of the NP15 Zone."

3. The Parties hereby acknowledge and agree that except as amended by this First Amendment, the ESA shall remain in full force and effect and in accordance with its terms.

IN WITNESS THEREOF, each of the Parties has caused this First Amendment to be executed on its behalf by its duly authorized officer, all as of the day and year first above written.

Shell Energy North America (US), L.P.	City of Chula Vista
By: 	By: 
Name: Beth Rowland	Name: JAMES SAMUAL
Title: Sr. Vice President	Title: City Manager