

01W035

March 12, 1987

VIA MESSENGER AND  
VIA CERTIFIED MAIL,  
RETURN RECEIPT REQUESTED

Pacific Gas and Electric Company  
Attn: Vice President - Power Generation  
77 Beale Street  
San Francisco, California 94106

Re: Conversion from Energy Payment Option 2 to Energy Payment  
Option 1 under Power Purchase Agreement

Ladies and Gentlemen:

Reference is made to the Standard Offer #4 Power Purchase Agreement for Long-Term Energy and Capacity dated March 5, 1984, as amended by Amendment No. 1 dated as of May 18, 1984 and Amendment No. 2 dated as of December 18, 1986, each between Pacific Gas and Electric Company ("PGandE") and U.S. Windpower, Inc. ("USW") (the "Power Purchase Agreement").

Pursuant to Article 4 of the Power Purchase Agreement, and as contemplated by the letters dated October 24, 1986 and December 16, 1986, respectively, from Theodore L. Lindberg, Jr., Manager, Cogeneration and Qualifying Facilities, Contracts Department of PGandE, to Sandra J. Bodmer-Turner of USW, each of the undersigned, in its capacity as a "Seller" under the Power Purchase Agreement, hereby notifies you that it elects to convert, effective immediately, from Energy Payment Option 2 to Energy Payment Option 1 under the Power Purchase Agreement.

U.S. WINDPOWER, INC.

By: Maurice E. Miller

Maurice E. Miller,  
Treasurer

USW ALTAMONT CORPORATION

By: Maurice E. Miller

Maurice E. Miller,  
Treasurer

[signatures continued on next page]

Pacific Gas and Electric Company  
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Page Two

US WEG L.P.,  
a California Limited Partnership

By: US WEG, Inc., its General Partner

By: Maurice E. Miller  
Maurice E. Miller,  
Treasurer

USW ENERGY CORPORATION

By: Maurice E. Miller  
Maurice E. Miller,  
Treasurer

cc: Mr. Theodore L. Lindberg  
Mr. Marc Renson  
Kathleen Welsh, Esq.

AMENDMENT NO. 3  
TO  
LONG-TERM ENERGY AND CAPACITY  
POWER PURCHASE AGREEMENT  
BETWEEN  
U.S. WINDPOWER, INC.  
AND  
PACIFIC GAS AND ELECTRIC COMPANY

This Amendment No. 3, amending that certain Long-term Energy and Capacity Power Purchase Agreement, dated as of March 5, 1984, as amended by Amendment No. 1 dated as of May 18, 1984 and Amendment No. 2 dated December 18, 1986, in each case between the parties hereto ("Standard Offer #4"), relating to a 70,000 kW Facility and identifying the initial scheduled operation date of the Facility as April 1, 1987, is entered into by and between U.S. WINDPOWER, INC. ("Seller"), and PACIFIC GAS AND ELECTRIC COMPANY ("PGandE").

RECITALS

WHEREAS:

1. Seller and PGandE entered into the above-identified Standard Offer #4; and
2. Seller requests and PGandE agrees to amend said Standard Offer #4 in the manner set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Section A-1 of Appendix A is hereby amended by deleting the last sentence, "Windplants shall not exceed four (4) in number.", from the definition of "Windplant" on Page A-7.

2. Except as defined otherwise herein, all terms used in this Amendment No. 3 shall have the same meanings used in the above-identified Standard Offer #4.

3. Except as expressly amended herein, all other terms and conditions of the above-identified Standard Offer #4 remain unchanged.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment No. 3 as of the day and year last written below.

U.S. WINDPOWER, INC.

PACIFIC GAS AND ELECTRIC COMPANY

By: 

By: 

Name: Maurice E. Miller

Name: Robert J. Haywood

Title: Treasurer

Title: Vice President, Power  
Contracts Department

Date Signed: April 1, 1987

Date Signed: April 29, 1987