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HL Power Company, a California Limited Partnership Attention: Hugh Smith C/o 2600 Capitol Avenue Suite 430 Sacramento, California 95816

Re: Extension of the Second Amendment executed on 9/12/2011 by Roy Kuga from Pacific Gas and Electric Company (PG&E) and Hugh Smith from HL Power Company. (PG&E Log No. 10P005)

This agreement (Extension Agreement) sets forth the Parties' agreement to extend the Second Amendment executed on 9/12/2011 between Pacific Gas and Electric Company and HL Power Company for one year (the Extension Period), subject to CPUC Approval as specified herein.

- From the termination date set forth in the Second Amendment until PG&E obtains CPUC Approval for this Extension Agreement (the Pre-Extension Period), HL Power Company shall be paid per the "Prior to CPUC Approval" section of the Second Amendment (Section 3.1(f)(i)), which section is hereby incorporated into and made part of this Extension Agreement solely to the extent necessary to accomplish this purpose.
- 2. For this Extension Agreement to become effective, CPUC Approval must include a finding that payments made by PG&E under this Extension Agreement are reasonable and are recoverable in rates by PG&E.
- 3. PG&E shall make good faith efforts to file this Extension Agreement in a timely manner. If CPUC Approval is not obtained on or before two hundred forty (240) days from the date on which PG&E files this Extension Agreement for CPUC Approval, then (i) either Party may terminate this Extension Agreement effective upon receipt of notice by the other Party and (ii) if a Party terminates this Extension Agreement, neither Party shall have any obligation or liability to the other hereunder, including for a termination payment or otherwise, by reason of a termination made pursuant to this provision.
- 4. If CPUC Approval is obtained, PG&E shall pay to HL Power Company a one-time lump-sum true-up of the difference between the price paid during the Pre-Extension Period referenced in

section 1, above, and the agreed-upon price for the Extension Period (the Extension Period Price). Thereafter, for the remainder of the one-year Extension Period, Seller shall receive the Extension Period Price.

Best regards,

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Director, Portfolio Management Pacific Gas and Electric Company

AGREED AND ACCEPTED DATE:

19 Nov 213

Concurring Statement

ACCEPTED AND AGREED:

HL POWER COMPANY, a California Limited Partnership

By: ____

Hugh Smith, President