



Pacific Gas and
Electric Company[®]

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Portfolio Management

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January 30, 2015

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Mr. Doug Welch
General Manager
Madera - Chowchilla Water & Power Authority
327 S. Chowchilla Blvd
Chowchilla, CA 93610

Re: Letter Agreement Extending QF Contract Log No. 25H036 ("Extension Agreement")

Dear Doug:

As you know, the Madera - Chowchilla Water & Power Authority ("Madera") has requested Pacific Gas and Electric ("PG&E") to extend its Qualifying Facility Power Purchase Agreement ("QF PPA") with Madera to allow sufficient time for Madera to complete its generator interconnection process with the California Independent System Operator ("CAISO") and begin deliveries under its ReMAT Tariff PPA ("ReMAT PPA"). The QF PPA is that certain contract designated by PG&E QF Contract Log No. 25H036, dated July 6, 1987 with an expiration date of February 1, 2015, as amended. Madera and PG&E are referred to individually as "Party" and together as "Parties."

Madera states that all documentation to obtain interconnection and metering in accordance with the CAISO Tariff has been submitted to and is being reviewed by the CAISO; however, it expects the QF PPA to terminate before CAISO completes its review. Madera indicates that the Facility is not currently producing due to lack of water and it is unclear whether any deliveries will occur in the next three months. Madera wishes to maintain the right to sell electricity to PG&E pursuant to the QF PPA until it receives all of the CAISO approvals required to begin deliveries under its ReMAT PPA. Parties intend that the QF PPA should remain an Existing QF Contract during the Extension Term and have requested the CAISO to grant an extension of the QF PPA's status as an Existing QF Contract while CAISO completes its approval process.

Therefore, Parties agree to this Extension Agreement as follows:

1. Effective Date. This Extension Agreement is effective on February 2, 2015.
2. Defined Terms. Capitalized terms not defined by the QF PPA or herein shall have the meaning provided by the CAISO Tariff, as may be amended from time to time.
3. Extension of QF PPA. This Extension Agreement extends the QF PPA through March 31, 2015 ("Extension Term"). As of midnight on that date, the QF PPA shall terminate automatically and neither Party shall have any further obligations under either the QF PPA or this Extension Agreement, except for obligations already owing at the time of such termination.

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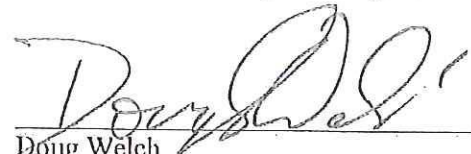
4. Termination. Either Party may terminate this Extension Agreement upon 5 business days' written notice to the other Party.
5. Capacity Price. The As-Delivered capacity price in Article 5 shall be deleted and replaced with "\$0."
6. Energy Price. PG&E shall pay Seller for energy delivered and accepted as of each metered settlement interval at 95% of the average CAISO Day-Ahead Market Locational Marginal Price specific to Facility for the settlement interval.
7. Seller's Obligation. Madera will resolve any additional issues to obtain all CAISO approvals necessary to begin deliveries under the ReMAT PPA as soon as reasonably possible.
8. Contract Status and Terms. All other provisions of the QF PPA, except as amended herein, shall remain valid and in force during the term of this Extension Agreement.
9. Applicability of CAISO Tariff. The following shall be added as a new Section A-19 to the QF PPA:

(a) If CAISO or the Federal Energy Regulatory Commission ("FERC") determines that the terms and conditions of this Extension Agreement terminate the Existing QF Contract status of this Agreement, within 5 (five) business days the Seller shall cease deliveries and this Extension Agreement shall automatically terminate.

(b) If CAISO determines that Seller is subject to the CAISO Tariff, Seller shall indemnify and compensate Buyer for any costs, expenses, charges, fees, incurred by Buyer due to Seller's actions or failure to act relative to the applicable terms of the CAISO Tariff, including but not limited to Energy, Grid Management Charges, charges due to Uninstructed Deviations or Forced Outages, Standard Capacity Product Charges, Deviation Charges, Forced Outage Compensation, and Ancillary Services Charges. Seller shall also compensate Buyer for any penalties resulting from Seller's violation of the CAISO Tariff.

10. No Other Changes. All other provisions of the QF PPA shall remain in effect until this Extension Agreement terminates.

The Parties acknowledge their agreement to this Extension Agreement by their below signatures.



 Doug Welch
 General Manager
 Madera - Chowchilla Water & Power Authority



 Marino Monardi
 Director, Portfolio Management
 Pacific Gas & Electric Company

Date: Jan 30, 2015

Date: 30 Jan 2015