

**Pacific Gas and Electric Company**

77 Beale Street  
P.O. Box 770000  
San Francisco, CA 94177  
415/973-7000

December 15, 2004



Mark Stokes  
Ida-West Energy Company  
3380 Americana Terrace, Suite 300  
Boise, Idaho 83706

**Via Overnight Mail**

Re: Snow Mountain Hydro - Cove Project (PG&E Log No. 13H013)

Dear Mr. Stokes:

Pacific Gas and Electric Company (PG&E) agrees to purchase Incremental Energy from the Snow Mountain Hydro (Seller) from your Facility from December 1, 2004 through November 30, 2005 at the terms outlined in this letter. Incremental Energy as defined herein refers to energy deliveries from the Cove facility exceeding the 5,000 kw Nameplate Rating of your generator. PG&E agrees to pay for Incremental Energy deliveries as follows:

Incremental Energy Price: The price for each MWh of energy delivered above the Nameplate Rating amount in each Contract Year shall be as follows:

(a) For Incremental Energy delivered Monday through Saturday, hours ending 0700-2200 (6:00 a.m. through 10:00 p.m.), excluding NERC Holidays, as defined below, the Contract Price shall be 80% of the Dow Jones Daily NP - 15 Electricity Price Index "Daily Firm On-peak" price.

(b) For Incremental Energy delivered on Monday through Saturday, hours ending 0100-0600 (midnight through 6:00 a.m) plus hours ending 2300-2400 (10:00 p.m. through midnight), excluding NERC Holidays, as defined below, the Contract Price shall be 80% of the Dow Jones Daily Electricity NP - 15 Price Index "Daily Firm Off-peak" price.

(c) For Incremental Energy delivered on Sunday or on NERC Holidays, as defined below, hours ending 0100- 2400 (midnight to midnight), the Contract Price shall be 80% of the Dow Jones Daily NP - 15 Electricity Price Index "24 - hour Firm" price.

As used herein, "NERC Holidays" include: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Three of these days, Memorial Day, Labor Day, and Thanksgiving Day occur on the same day each year. Memorial Day is the last Monday in May; Labor Day is the first Monday in September; and Thanksgiving Day is the last Thursday in November. New Year's Day, Independence Day, and Christmas Day, by definition, are predetermined dates each year. However, in the event they occur on a Sunday, the "NERC Holiday" is celebrated on the Monday immediately following that Sunday. However, if any of these days occur on a Saturday, the "NERC Holiday" remains on that Saturday.

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Settlement for Incremental Energy delivered shall be calculated on an hourly basis. That is to say, the applicable price to any hour would be applied to the volume (above the 5,000 kw level) delivered during that hour. No capacity payment shall be made for the Incremental Energy deliveries.

This agreement may be renewed annually by the mutual consent of Seller and PG&E.

Sincerely,

PACIFIC GAS AND ELECTRIC COMPANY

BY: Frank De Rosa  
Frank De Rosa  
Director, Power Contracts

ACCEPTED AND AGREED 20<sup>TH</sup> DAY OF DECEMBER, 2004

IDA-WEST ENERGY COMPANY

BY: M. Mark Stokes

PRINT: M. MARK STOKES

TITLE: PRESIDENT