



**Pacific Gas and  
Electric Company®**

Roy M. Kuga  
Vice President  
Energy Supply Management

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January 6, 2010

Tom Wicher  
Ida-West Energy Company  
205 N 10<sup>th</sup> Street, Suite 540  
Boise, Idaho 83702

**Subject:** Letter Agreement Altering Letter of Agreement to the Power Purchase Agreement between Snow Mountain Hydro, Cove Facility, Log number 13H013 and Pacific Gas and Electric Company for the purchase of Incremental Energy.

Dear Mr. Wicher:

Snow Mountain Hydro and Pacific Gas and Electric Company ("PG&E"), are parties to Interim Standard Offer No. 4 Long-Term Energy and Capacity power purchase agreement ("PPA") for a small power production hydro facility. Snow Mountain Hydro and PG&E executed a Letter of Agreement to the PPA for the purchase of Incremental Energy (as defined in the letter of agreement) from the Snow Mountain Hydro Cove Facility on December 20, 2004.

The Letter of Agreement, referred to the "Dow Jones Daily NP – 15 Electric Price Index" for pricing information. Due to changes in the market, the "Dow Jones Daily NP – 15 Daily Firm On-Peak Electric Price Index" and "Dow Jones Daily NP – 15 Daily Firm Off-Peak Electric Price Index" pricing hubs are no longer published consistently with sufficient volumes to be considered viable for pricing information.

The Parties hereby agree that starting on April 2, 2009, Pacific Gas and Electric Company will replace the original pricing of 80% of the "Dow Jones Daily NP – 15 Daily Firm On-Peak Electric Price Index" and "Dow Jones Daily NP – 15 Daily Firm Off-Peak Electric Price Index" prices with 85% of the "CAISO PNODE DA LMP hourly price" as posted by the CAISO for Incremental Energy. The CAISO PNODE DA LMP price point to be used for Incremental Energy from the Snow Mountain Hydro, Cove Facility will be "COVERD\_7\_B1" or its successor as may be renamed by the CAISO.

Except as modified by this letter agreement, no other provisions of the above-referenced agreement shall be deemed modified, amended, waived or otherwise affected.



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If you agree to the new terms specified above, please sign below and return to PG&E by fax to 415-973-9176 or e-mail to NASE@PGE.COM, and please return the signed original document by mail.

Sincerely

Roy Kuga  
VP of Energy Supply Management

1/19/10  
\_\_\_\_\_  
Date

Snow Mountain Hydro, Cove Facility  
Ida-West Energy Company

By:

Name: Tom Wicher

Date: 1/19/10

Title: President