

FIRST AMENDMENT
TO THE
AGREEMENT
BETWEEN
MR. AL FORWARD
AND
PACIFIC GAS AND ELECTRIC COMPANY

WHEREAS, there is an Agreement signed on September 3, 1985 by Pacific Gas and Electric Company ("PG&E") and on August 16, 1985 by Mr. Al Forward ("Seller") concerning the Ponderosa/Bailey Creek Hydroelectric Project located at Bailey Creek, Shasta County, California (the "Agreement"), and

WHEREAS, PG&E and Seller now wish to amend the Agreement and revise certain provisions therein, now

THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

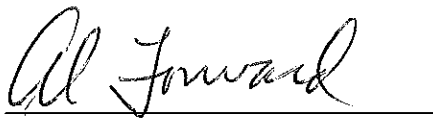
1. Page 1, line 14 shall read,
"Project (Project) which would divert 90 cubic feet per"

2. Page 5, paragraph "e", line 21 shall read,
"maximum of 90 cubic feet per second of water from"
3. Page 12, paragraph "q" shall read,
"In the event, in the sole opinion of PG&E, Seller fails
by April 17, 1990 to complete said facilities pursuant
to the terms and conditions of this Agreement, this
Agreement shall become void."

All other provisions of the Agreement shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their duly authorized representatives, and it is effective as of the last date set forth below.

MR. AL FORWARD



AL FORWARD

Date September 16, 1988

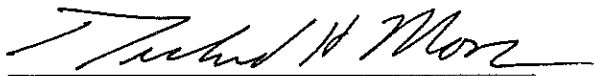
PACIFIC GAS AND ELECTRIC COMPANY



PAULA G. ROSPERT JUNONA A. JONAS

Manager, QF Contracts

Date Oct 19, 1988



Attorney for Pacific Gas and

Electric Company

Date Oct. 18, 1988