

**FIVE-YEAR FIXED ENERGY PRICE AMENDMENT TO THE
SHASTA CONTRACT
BETWEEN
WHEELABRATOR SHASTA ENERGY CO. INC.
AND
PACIFIC GAS AND ELECTRIC COMPANY**

THIS AMENDMENT (“Amendment”) is by and between Wheelabrator Shasta Energy Co. Inc. (“Shasta”) and PACIFIC GAS AND ELECTRIC COMPANY (“PG&E”). Shasta and PG&E are sometimes referred to herein collectively as the “Parties.”

RECITALS

- A. Shasta and PG&E are parties to that contract listed in Attachment A hereto (the “Shasta Contract”).
- B. On April 6, 2001, PG&E filed a voluntary petition under chapter 11 of the United States Bankruptcy Code in the San Francisco Division of the United States Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”) (*In re Pacific Gas and Electric Company*, Bankr. Case No. 01-03923).
- C. On June 14, 2001, the Commission issued D.01-06-015, which approved as reasonable certain non-standard PPA price modifications.
- D. Shasta and PG&E now desire to enter into the PPA price modification set forth below.

AMENDMENT

In consideration of the mutual promises and covenants contained herein, PG&E and Shasta agree as follows:

1. PPA AMENDMENT

Pursuant to that certain July 12, 2001 Agreement between PG&E and Shasta (the "July 12 Agreement"), a copy of which is attached hereto as Attachment I, the Shasta Contract is hereby amended as set forth in Section 1 of the July 12 Agreement, entitled "Acceptance of the CPUC Five-Year Fixed Energy Price Option," and Attachment C of the July 12 Agreement, entitled "FIXED ENERGY PRICES FOR QUALIFYING FACILITIES UNDER D.01-06-015." No provision of the Shasta Contract other than the energy pricing term is or shall be deemed to be modified, amended, waived or otherwise affected by this Amendment.

2. SIGNATURES

IN WITNESS WHEREOF, this Amendment has been duly executed by or on behalf of Shasta and PG&E.

PACIFIC GAS AND ELECTRIC COMPANY

WHEELABRATOR SHASTA ENERGY

a California corporation

CO. INC. a Delaware corporation

By: [Signature]

By: [Signature]

Title: DIRECTOR, UEPM

Title: President

Date: 7/14/01

Date: 7/13/01

ATTACHMENT A
THE SHASTA QF FACILITY

1. **Wheelabrator Shasta Energy Co. Inc.:** Power Purchase Agreement For Long-Term Energy and Capacity Between Wheelabrator Shasta Energy Co. Inc., as successor in interest to Valley Power Associates, and Pacific Gas and Electric Company, executed by Valley Power Associates on October 12, 1984, and by Pacific Gas and Electric Company on October 22, 1984, as amended. (PG&E Log #13P045) [Shasta].