

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This Master Power Purchase and Sale Agreement, dated November 9, 2002 ("Master Agreement"), together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement"; provided that, the provisions of each Confirmation shall control if and to the extent that there is a conflict between the provisions of the Master Agreement, as modified by the Schedules, and the Confirmation. The Parties to this Master Agreement are the following:

Name: Wheelabrator Shasta Energy Company Inc. or "Party A")

Name ("Pacific Gas and Electric Company" or "Party B")

All Notices: P.O. Box 7000
Anderson, CA 96007

All Notices: P. O. Box 770000, MCN12E
San Francisco, CA 94177

Street: 20811 Industry Rd.

Street: 245 Market Street

City: Anderson Zip: 96007

City: San Francisco Zip: 94105

Attn: General Manager
Phone: (530) 365-9172
Facsimile: (530) 365-2035
Duns: 18-284-5313
Federal Tax ID Number: [REDACTED]

Attn: Contract Administration
Phone: 415/973-4941
Facsimile: 415/973-9176
Duns: 556650034
Federal Tax ID Number: [REDACTED]

Invoices:

Attn: Controller
Phone: (530) 365-9172
Facsimile: (530) 365-2035

Invoices:

Attn: Director, Utility Electric Supply Settlement
Phone: (415) 973-1340
Facsimile: (415) 973-5507

Scheduling:

Attn: Operations Superintendent
Phone: (530) 365-9172
Facsimile: (530) 365-2035

Scheduling:

Attn: Manager, Forecasting, Bidder & Scheduling
Phone: (415) 973-5994
Facsimile: (415) 973-5333

Payments:

Attn: Controller
Phone: (530) 365-9172
Facsimile: (530) 365-2035

Payments:

Attn: Director, Utility Electric Supply Settlements
Phone: (415) 973-1340
Facsimile: (415) 972-5507

Wire Transfer:

Attn: [REDACTED]
Phone: (530) 365-9172
Facsimile: (530) 365-2035

Wire Transfer:

BNK: [REDACTED]

Credit and Collections:

Attn: Controller
Phone: (530) 365-9172
Facsimile: (530) 365-2035

Credit and Collections:

Attn: Manager, Credit Risk Management
Phone: (415) 972-5422
Facsimile: (415) 973-7031

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: General Counsel
Phone: (603) 929-3000
Facsimile: (603) 929-3365

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: Director, Utility Electric Portfolio Management
Phone: 415/973-4941
Facsimile: 415/973-9176

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff Tariff _____ Dated _____ Docket Number _____
Party B Tariff Tariff _____ Dated _____ Docket Number _____

Article Two

Transaction Terms and Conditions Optional provision in Section 2.4. If not checked, inapplicable.

Article Four

Remedies for Failure to Deliver or Receive Accelerated Payment of Damages. If not checked, inapplicable.

Article Five

Events of Default; Remedies Cross Default for Party A:
 Party A Cross Default Amount \$100 million
 Other Entity: Waste Management, Inc.
Cross Default Amount
Cross Default for Party B:
Party B: _____ Cross Default Amount \$100 million
 Other Entity: _____ Cross Default Amount \$ _____

5.6 Closeout Setoff

- Option A (Applicable if no other selection is made.)
- Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: _____
- Option C (No Setoff)

Article 8

Credit and Collateral Requirements

8.1 Party A Credit Protection:

(a) Financial Information:

- Option A
- Option B Specify: _____
- Option C Specify: When publicly available

(b) Credit Assurances:

[select one of the following, but the same selection must be made under both 8.1(b) and 8.2(b)]

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

If applicable, complete the following:

Party B Collateral Threshold:

Party B Independent Amount:

Party B Rounding Amount:

(d) Downgrade Event:

- Not Applicable
- Applicable

If applicable, complete the following:

- It shall be a Downgrade Event for Party B if Party B's Credit Rating falls below BBB- from S&P or Baa3 from Moody's or if Party B is not rated by either S&P or Moody's
- Other:
- Specify: _____

(e) Guarantor for Party B: Not Applicable

Guarantee Amount: _____

8.2 Party B Credit Protection:

(a) Financial Information:

- Option A
- Option B Specify:
- Option C Specify:

(b) Credit Assurances:

- Not Applicable
- Applicable

(c) Collateral Threshold:

- Not Applicable
- Applicable

If applicable, complete the following:

Party A Collateral Threshold:

Party A Independent Amount:

Party A Rounding Amount:

(d) Downgrade Event:

- Not Applicable
 Applicable

If applicable, complete the following:

- It shall be a Downgrade Event for Party A if Party A's or Party A's Guarantor's Credit Rating falls below [TBD] from S&P or [TBD] from Moody's or if Party A is not rated by either S&P or Moody's
- Other:
 Specify: _____

(e) Guarantor for Party A: Waste Management, Inc.

Guarantee Amount: \$10 million

Article 10

Confidentiality

Confidentiality Applicable If not checked, inapplicable.


Schedule M

- Party A is a Governmental Entity or Public Power System
 Party B is a Governmental Entity or Public Power System
 Add Section 3.6. If not checked, inapplicable
 Add Section 8.6. If not checked, inapplicable

Other Changes

Specify, if any: _____

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party A Name: Wheelabrator Shasta Energy Company Inc.
By: 
Name: George D. Woodward
Title : General Manager

Pacific Gas and Electric Company
By: 
Name: GORDON R. SMITH
Title : President + CEO

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.