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This confirmation letter is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated December 20, 2002 (the "Master Agreement") between Seller and Buyer, and constitutes part of and is subject to the terms and provisions of such Master Agreement. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

BUYER

DEPARTMENT OF WATER RESOURCES
separate and apart from its powers and
responsibilities with respect to the State Water
Resources Development System

By: 
Name: Peter S. GARRIS
Title: Deputy Director
Date: December 20, 2002

SELLER

By: 
Name: George D. Woodward
Title: General Manager
Date: December 20, 2002



*Not a CP
Party
file*

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

Party A - WHEELABRATOR SHASTA ENERGY COMPANY INC.	Party B - DEPARTMENT OF WATER RESOURCES with respect to the Department of Water Resources Electric Power Fund separate and apart from its powers and responsibilities with respect to the State Water Resources Development System
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By: *George D. Woodward*
 Name: George D. Woodward
 Title: General Manager

By: *Peter S. Garris*
 Name: Peter S. GARRIS
 Title: Deputy Director

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.