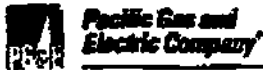


MR-7014



Greg M. Kapp
Vice President
Energy Supply

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VIA PDF EMAIL

July 9, 2007

Mr. Jeffrey Dasovich
Microgy, Inc.
900 Larkspur Landing Circle, Suite 230
Larkspur, CA 94939

Dear Mr. Dasovich: *JDH*

RE: Agreement for the Sale and Purchase of Gas Between Microgy, Inc. ("Microgy" or "Seller") and Pacific Gas and Electric Company ("PG&E" or "Buyer") dated July 9, 2007 ("Agreement")

As PG&E and Microgy have discussed, the California Public Utility Commission asked the parties to address several issues by amending the Agreement. To that end, PG&E suggests the following:

1. The definition of "CEC" shall be deleted in its entirety.
2. The definition of "CEC Approval" shall be deleted in its entirety.
3. Section 2(a) of the Agreement shall be deleted in its entirety and replaced with the following:
 - (a) **Initial Delivery Date.** The initial delivery date shall be that date on which the first delivery of Gas from a Site to a Delivery Point for Buyer's account is first made ("Initial Delivery Date"). The Initial Delivery Date shall not occur until Buyer has received or waived CPUC Approval. Buyer represents and warrants that it will use commercially reasonable efforts to obtain CPUC Approval and, and Seller agrees to cooperate with Buyer in preparing and filing documentation necessary to receive CPUC Approval, as reasonably requested by Buyer. Buyer will promptly inform Seller when Buyer has received or waived CPUC Approval.
4. The phrase "and CEC Approval" shall be deleted from Section 3(c)(1).

Mr. Jeffrey Dasovich
July 9, 2007
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5. Section 7(a)(1) of the Agreement shall be deleted in its entirety and replaced with the following:

(1) Contract Price:

For each Decatherm of metered Accepted Gas, Buyer shall pay to Seller for the Product as follows:

Volume	Price
Accepted Gas volume less than or equal to 500 Dct	\$ 10.00
Accepted Gas volume above 500 Dct	\$ 8.80

6. A new Section 12(m) is added to the Agreement as follows:

(m) Seller Representation and Warranty. On the Effective Date and the date of entering into this Agreement, Seller represents and warrants to buyer that the Gas sold to Buyer pursuant to this Agreement is RPS-eligible "biogas", as such term is used by the California Energy Commission *Renewables Portfolio Standard Eligibility* Guidebook, issued March 2007.

7. All other terms and conditions contained in the Agreement remain in full force and effect.

If Microgy agrees with the foregoing, please acknowledge so by signing where indicated below and returning to me at the address listed above.

Sincerely,



ACKNOWLEDGMENT:

Microgy, Inc.

By:

(Signature)

Name:

(Type or Print)

Date:

JEFFREY DASOVICH
7.11.07