

**SCHEDULE A**  
**to the**  
**PG&E EEI Master Agreement (11.05.02)**

The following sections are deleted in their entirety and are replaced with a statement that they are "Intentionally deleted": 1.13, 1.34-1.44 inclusive, 1.48, 1.50, and 1.57.

Section 1.19 is amended by replacing the words "on the Cover Sheet" with "in Section 10.1".

The phrase "at Buyer's option" in the fifth line of the definition of "Replacement Price" in section 1.51 is deleted and replaced by the following: "absent a purchase (Buyer shall have no obligation to enter into actual replacement transactions)...."

Section 2.2 is amended by adding the following sentence at the end of the current section:

Notwithstanding the foregoing or any other provisions of the Agreement, each Transaction shall be treated as a stand-alone contract, separately assignable in accordance with the requirements of the Agreement, and accordingly (a) provisions in the Master Agreement referring to offsetting or netting multiple Transactions shall not be applicable, (b) an Event of Default or Potential Event of Default with respect to a Transaction shall not independently constitute an Event of Default or Potential Event of Default under any other Transaction, and (c) any event permitting suspension of performance with respect to a Transaction shall not permit suspension of performance under any other Transaction. For the avoidance of doubt, the rights and remedies of the Non-Defaulting Party under Sections 5.2 and 5.7 shall only be applicable to the specific Transactions that are in default, not to any Transactions that are not in default or to all Transactions regardless of default. No provision of any Confirmation entered into pursuant to Section 2.4 with respect to a Transaction shall affect any other Transaction.

Section 2.4 is amended by replacing the word "orally" with the phrase "in a Recording".

The last two sentences of Section 2.5 are deleted and are replaced by the following: "The Recording, if admissible, shall be evidence of the Parties' agreement with respect to the matters discussed therein, including, without limitation, scheduling and dispatch."

Section 5.1(d) shall not apply to PG&E if PG&E is still in bankruptcy when PG&E assumes the role of Buyer; provided that, any subsequent bankruptcy filing by PG&E will be subject to section 5.1(d).

Section 5.1(h)(iii) shall be amended by adding the following words after the word "Bankrupt": "unless substitute Performance Assurance approved by PG&E has been provided, such approval not to be unreasonably withheld."

The following words are deleted from the end of the next-to-last sentence of Section 5.3: "...payable by one Party to the other...."

A new section 5.8 is added, which states: "5.8 Determination of Market Price. For any provision of this agreement that permits or requires the determination of market price, including without limitation sections 1.51 and 5.2, such price may, at the option of the Party whose right it is to use the market price, be determined by reference to exchange prices, by the average of market quotations provided by at least five bona fide unaffiliated market participants (the high and low quotations shall be excluded and a simple average of the other three quotations shall be used for this purpose) for (a) a like amount (b) of the same Product (c) at the same Delivery Point (d) on the same day and (e) for the remaining term of the Transaction(s), or in any other commercially reasonable manner. The Gains and Losses for each affected Transaction shall be calculated as the difference, plus or minus, between the contract value of the remaining term of that Transaction and the equivalent quantities and relevant market prices for the same term that either are quoted by a bona fide market participant or which are reasonably expected to be available in the market for a replacement contract for the Transaction. It is expressly agreed that neither Party shall be required to enter into a replacement transaction in order to determine the market price."

Sections 8.1(b) through (d), and 8.2(b) through (d) are deleted.

Section 10.1 is deleted in its entirety and is replaced by the following: "The term of this Master Agreement shall commence immediately on the date it is fully executed."

Section 10.2(v) shall not apply to Buyer.

Section 10.6 is modified by deleting the words "NEW YORK" and replacing them with "CALIFORNIA...."

Section 10.9 is amended by adding the following words to the end of the first sentence: "..., and Buyer may, under the same conditions and reasonable advance notice, enter Seller's facilities to audit and/or examine those facilities to confirm and/or verify Seller's performance".

The EEI Master Agreement is hereby incorporated into and made part of this Schedule A, which modifies that Master Agreement as indicated herein.

PACIFIC GAS AND ELECTRIC COMPANY

CALPINE ENERGY SERVICES, L.P.

By:



By:



Name:

GORDON R. SMITH

Name:

Jacob M. Rudisill

Title:

President + CEO

Title:

Senior Vice President

Date:

11/14, 2002

Date:

November 5, 2002