



33R004 2003  
First Amendment  
Calpine Unit 20  
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October 31,2003

**First Amendment to Confirmation for Geysers Unit 20 (GEYS20 7 Unit20)**

This First Amendment ("First Amendment") amends and modifies the Confirmation entered into by and between Calpine Energy Services, L.P. ("CES") and Pacific Gas and Electric Company ("PG&E") for Geysers Unit 13., dated November 14, 2002 (the "Confirmation"). In consideration of the mutual premises and covenants contained herein, PG&E and CES agree to amend the Confirmation as follows:

- 1. Buyer. Section 2 of the Confirmation is amended by deleting the text in such section in its entirety and substituting therefore the following:

Buyer: PG&E.

- 2. Term. Section 7 of the Confirmation is amended by deleting the text in such section in its entirety and substituting therefore the following:

Term: Except as the parties may mutually agree as described in clause (c) below, the term of this Confirmation shall be from November 1, 2003 through December 31, 2007. However, Seller and Buyer shall only be obligated to purchase and sell Product hereunder and to comply with their respective obligations related thereto during Period 1 and Period 2, as described below.

- a. Period 1: Period 1 shall commence on November 1, 2003 and shall continue through the earlier of: (1) the commencement of Period 2; or (2) December 31, 2004. If Period 2 has not begun by January 1, 2005, the Parties may mutually agree to extend Period 1.
- b. Period 2 shall automatically begin on the first day after the day PG&E attains an investment-grade credit rating and shall continue through December 31, 2007. PG&E shall notify Seller of the change in its credit rating. . As used in this First Amendment, investment-grade credit rating means that at least two major ratings agencies have rated PG&E investment grade or better (BBB minus or better by Standard and Poor's or Fitch or Baa3 or better by Moody's).



CES/PG&E

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- c. Period 3. The Parties may mutually agree upon a five or ten year extension of the Term. Under any such extension, Seller shall have the option to supply the capacity and energy requirements from any Geysers generation unit(s) on mutually-agreeable prices and terms.
  - d. Notwithstanding the foregoing, either Party shall be entitled exercise its remedies, including, if applicable, to terminate this Transaction, upon the occurrence of an Event of Default during any Period, pursuant to the terms of this Confirmation and the Master Agreement.
3. The Credit and Collateral Requirements in the Master Agreement apply throughout the Term of this Confirmation. Failure of either Party to meet such requirements shall constitute an Event of Default
  4. No provision of the Confirmation other than those addressed in this First Amendment shall be deemed modified, amended, waived or otherwise affected by this First Amendment. If there is a conflict between the terms of the Confirmation and those of this First Amendment, this First Amendment shall control.

IN WITNESS WHEREOF, each of PG&E and CES has caused mis First Amendment to be duly executed and delivered by its proper and duly authorized agent as of the date set forth below.

PACIFIC GAS AND ELECTRIC COMPANY

CALPINE ENERGY SERVICES, L.P.

By: [Signature]

By: [Signature]

Name: GORDON R. SMITH

Name: CURT HILDEBRAND

Title: PRESIDENT AND CEO

Title: VICE PRESIDENT  
MARKETING & SALES

Date: NOVEMBER 4, 2003

Date: 10/31, 2003