

**FIRST AMENDMENT
TO THE
MASTER POWER PURCHASE AND SALE AGREEMENT**

This First Amendment dated November 7, 2003 to the Master Power Purchase and Sale Agreement (“**First Amendment**”) shall confirm changes to the Master Power Purchase and Sale Agreement (Wind Project), including all exhibits and confirmations thereto dated October 31, 2002 between PPM Energy, Inc (formerly known as PacifiCorp Power Marketing, Inc.) (“**Party A**”) and San Diego Gas & Electric Company (“**Party B**”) (“the Agreement”)

Defined

Terms: Unless otherwise noted, defined terms (as indicated by initial capitalization) shall have the meaning given to them in the Agreement.

Contract

Quantity: Delete the third paragraph under Contract Quantity and replace with the following:

Pursuant to Amendment 42 of the CAISO tariff, Party A shall use commercially reasonable efforts to match schedules to actual generation on a monthly basis. Party B shall pay on a monthly basis the Contract Price for the lower of the monthly aggregate quantity of Output scheduled or actually metered in each calendar month. For Output produced by the Project, Party B shall pay on a monthly basis the Contract Price for the lower of 1) the Output scheduled from this Project or 2) the actually metered quantity from this Project. The quantity determined in the preceding sentence will be aggregated with the quantity determined under the separate confirmation letter with respect to the Phoenix Wind Turbines (2.1 MW) dated November 7, 2003. Party A shall send Party B a single monthly invoice for both this Project and the 2.1 MW project, and Party A shall act as the agent of Phoenix Wind Power LLC for purposes of invoicing and receipt of payment.

Date

Change: In the paragraph labeled “**Exclusion**” in the confirmation letter dated October 31, 2002, the date “December 31, 2003” is hereby amended to “March 31, 2004,” and the date “January 31, 2004” is hereby amended to “April 30, 2004.”

CPUC

Approval: The Parties hereby acknowledge and agree that SDG&E shall submit this First Amendment to the CPUC for approval within a reasonable time after execution of this First Amendment. This First Amendment and the Parties’ obligations under

this First Amendment are subject to SDG&E first receiving CPUC Approval. "CPUC Approval" shall mean: Party B shall have received a final, non-appealable order from the CPUC (i) approving the terms and conditions of this First Amendment without material alteration of the commercial aspects described herein in form and substance acceptable to Party B in its sole discretion, (ii) allowing Party B full rate recovery of the costs associated under this First Amendment through any existing or future cost recovery mechanism that may be developed or instituted by the CPUC, in form and substance acceptable to Party B in its sole discretion, (iii) a finding by the CPUC that the payments under this First Amendment are just and reasonable, and (iv) a finding by the CPUC that this First Amendment complies with California state's RPS requirements and the energy delivered will count toward Party B's annual procurement target. The Parties agree to cooperate and use all reasonable efforts to obtain the CPUC order as soon as is practicable. Should the CPUC issue a decision approving this First Amendment with conditions or modifications that materially alter the commercial aspects of this First Amendment, the Parties shall have ten (10) Business Days from the mailing date of such decision to provide the other Party written notice of the issuing Party's acceptance or rejection of the CPUC conditions or modifications; provided however, if a Party fails to provide written notification of its acceptance or rejection to the other Party within such ten (10) day period, that Party's silence shall be deemed to constitute acceptance of the condition or modification and agreement by such Party, effective as of the CPUC Approval Date. If a notice of rejection is sent, the parties agree to use good faith efforts to renegotiate the First Amendment. For purposes of this First Amendment, the CPUC Approval Date shall be defined as the first Business Day after the date on which the CPUC issues a final, non-appealable order approving this First Amendment. The CPUC approval process contemplated by this paragraph applies only to this First Amendment, the underlying Agreement having already received CPUC Approval. If CPUC Approval is not obtained for this First Amendment, the Agreement shall remain in full force and effect.

Effect of
First Amendment
On

Agreement: Except as modified by this First Amendment, all terms and conditions of the Agreement shall remain in full force and effect. This First Amendment shall be subject to all of the terms and conditions of the Agreement as if it were a part thereof, including, without limitation, any provision with respect to choice of law, venue, and/or jurisdiction.

[signature page follows]

PPM Energy, Inc.

Peter van Alderwerelt

*BCJ
PSK*

By: Peter C. van Alderwerelt

Title: Sr. Vice President

Phone No: 503-796-7090

Fax: 503-796-6901

San Diego Gas & Electric Company

Lad Lorenz

By: Lad Lorenz

Title: V.P. Electric and Gas Procurement

Phone No: (858) 650-6150

Fax: (858) 650-6191

A.S.