

**FOURTH AMENDMENT TO THE POWER PURCHASE AGREEMENT BETWEEN
SUNNYSIDE COGENERATION ASSOCIATES**

AND

UTAH POWER & LIGHT COMPANY

THIS FOURTH AMENDMENT is entered into this 11th day of May, 2005, by and between SUNNYSIDE COGENERATION ASSOCIATES, a joint venture (partnership) organized and existing under the laws of the State of Utah and the owner of a qualifying facility as defined in 18 CFR § 292.101(b)(1), hereinafter referred to as “Seller,” and UTAH POWER & LIGHT COMPANY, an assumed business name of PACIFICORP, a corporation organized and existing under the laws of the State of Oregon, hereinafter referred to as “Buyer”, and effective after execution by both Parties and after the order approving this Fourth Amendment by the Public Service Commission of Utah (the “Commission”) is no longer subject to judicial review (the “Effective Date”). Seller and Buyer are sometimes referred to collectively as “Parties” and individually as “Party.” The term “Power Purchase Agreement” as used in this Fourth Amendment, shall refer to the January 30, 1987, power purchase agreement between the Parties, as amended on April 28, 1987, May 3, 1989, and February 16, 1993, together with Appendices A through K and Exhibits 1 through 14.

BACKGROUND

Whereas, on January 16, 1987, the Commission issued an order in Case No. 86-2018-01 setting the prices for capacity and energy purchases by Buyer, from Seller, approving the terms

of a draft power purchase agreement to be entered into between Seller and Buyer and directing Buyer to enter into the power purchase agreement (“Order”); and

Whereas, on January 30, 1987, Buyer and Seller executed the power purchase agreement and on April 28, 1987, May 3, 1989, and February 16, 1993, Seller and Buyer executed the First Amendment, Second Amendment and Third Amendment, respectively, to the Power Purchase Agreement; and

Whereas, a dispute developed between the Parties regarding certain matters under the Power Purchase Agreement including the calculation of avoided energy prices;

Whereas, on March 29, 1996, Seller filed a Petition for Contract Enforcement with the Commission seeking enforcement of the provisions of the Power Purchase Agreement. This matter was assigned Commission Docket No. 96-2018-01.

Whereas, the Parties have now conditionally reached agreement on a settlement of their dispute in accordance with the terms and conditions set forth in that certain Term Sheet dated June 3, 2004. The Buyer and Seller enter into this Fourth Amendment to the Power Purchase Agreement incorporating the terms thereof.

NOW, THEREFORE, in order to effectuate the Term Sheet and in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

I. The first paragraph of Section 1 (Definitions) of the Power Purchase Agreement shall be amended to read as follows:

When used herein, the term “Agreement” shall mean the January 30, 1987, power purchase agreement between the Parties, as amended on April 28, 1987, May 3, 1989, February 15, 1993, and May 11, 2005, together with Appendices A through

M and the Exhibits to those Appendices which are incorporated herein by this reference. When used in this Agreement, the terms “month”, “months”, and “monthly” shall refer to a calendar month or months as appropriate. When used in this Agreement, the following terms shall have the respective meanings set forth below (such definition to be applicable to both the singular and plural forms of the terms defined).

II. Section 2.1 (Term) of the Power Purchase Agreement shall be amended to read as follows:

2.1 The provisions of this Agreement shall be in effect through August 31, 2023. At the end of said initial term, this Agreement can be renewed for additional five (5) year periods upon mutual agreement of the Parties.

III. Section 3.1 (Definitions) of the Power Purchase Agreement shall be amended by adding the following to the end of the section:

3.1(p) On-Peak Energy – On-Peak Energy shall be that physical energy delivered between hours ending 0700 – 2200 (6:00 AM – 10:00 PM where such time shall be determined in accordance with Pacific Prevailing Time) for Monday through Saturday but excluding Sundays and holidays designated by the North American Electric Reliability Council (“NERC”).

3.1(q) Off-Peak Energy – Off-Peak Energy shall be that physical energy delivered between hours ending 2300 – 0600 (10:00 PM – 6:00 AM where such

time shall be determined in accordance with Pacific Prevailing Time) for Monday through Saturday but excluding Sundays and NERC holidays.

3.1(r) 24-Hour Energy – 24-Hour Energy shall be that physical energy delivered between hours ending 0100 – 2400 (12:00 AM – 12:00 AM where such time shall be determined in accordance with Pacific Prevailing Time) for Sundays and NERC holidays.

3.1(s) Monthly Floor Price – The Monthly Floor Price shall be the minimum price Buyer shall pay Seller for Base Energy and Additional Energy delivered in any month. The Monthly On-Peak Energy Floor Price shall be set at \$32.33/MWh for calendar year 2004 and escalate as specified in Appendix L. The Monthly Off-Peak Energy Floor Price shall be set at \$25.40/MWh for calendar year 2004 and escalate as specified in Appendix L. The Monthly 24-Hour Energy Floor Price shall be set at \$30.02/MWh for calendar year 2004 and escalate as specified in Appendix L.

3.1(t) Monthly Ceiling Price – The Monthly Ceiling Price shall be the maximum price Buyer shall pay Seller for Base Energy and Additional Energy delivered in any month. The On-Peak Energy Ceiling Price shall be \$41.98/MWh for calendar year 2004 and escalate as specified in Appendix M. The Off-Peak Energy Ceiling Price shall be \$32.35/MWh for calendar year 2004 and escalate as specified in Appendix M. The Monthly 24-Hour Energy Ceiling Price shall be \$38.77/MWh for calendar year 2004 and escalate as specified in Appendix M.

3.1(u) Base Energy Factor, Additional Energy Factor, and Excess Energy Factor – Base Energy Factor, Additional Energy Factor, and Excess Energy

Factor are respectively the relevant calculated percentages of Base Energy, Additional Energy and Excess Energy produced in any month versus the total energy produced in that month.

IV. A new Section 3.5 shall be added to the Power Purchase Agreement as follows:

If any Dow Jones Palo Verde index applicable to this Power Purchase Agreement ceases to be published during the Term of the Agreement, Buyer shall select as a replacement a substantially equivalent index that, after any appropriate or necessary adjustments, provides a reasonable substitute for the index. Buyer's selection shall be subject to Seller's consent, which Seller shall not unreasonably withhold, condition or delay.

V. Section 3A.2 (Sale of Power – Base Energy) of the Power Purchase Agreement shall be amended by:

(1) Adding to the ninth line, after the phrase, “third anniversary of the Operating Date” the phrase “and to, but not including, the Effective Date;

(2) Adding the following language to the end of Section 3A.2.

For any month (or part thereof) commencing on the Effective Date, Buyer shall pay Seller monthly for Base Energy at the rate as follows:

(a) On-Peak Energy – Buyer shall pay Seller for Base Energy produced in a month as On-Peak Energy an amount equal to the product of the On-Peak Energy delivered multiplied by the Base Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde

Electricity Price Index for Firm Daily On-Peak power, excluding Sundays and NERC holidays.

(b) Off-Peak Energy – Buyer shall pay Seller for Base Energy produced in a month as Off-Peak Energy an amount equal to the product of the Off-Peak Energy delivered multiplied by the Base Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for Firm Daily Off-Peak power, excluding Sundays and NERC holidays.

(c) 24-Hour – Buyer shall pay Seller for Base Energy produced in a month as 24-Hour Energy an amount equal to the product of the 24-Hour Energy delivered multiplied by the Base Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for 24-Hour Firm power applicable to Sundays and NERC holidays.

(d) In all cases, the calculations set forth in Sections 3A.2(a), (b) and (c) for On-Peak Energy, Off-Peak Energy and 24-Hour Energy, respectively, shall be completed prior to the application of the Monthly Floor Price or the Monthly Ceiling Price.

(e) For Base Energy delivered as On-Peak Energy, Off-Peak Energy or 24-Hour Energy, Buyer shall pay Seller at least the Monthly Floor Price, but not more than the Monthly Ceiling Price in any given month for each of the energy products respectively.

VI. Section 3A.3 of the Agreement is deleted and the following language is substituted:

Seller's Base Monthly Revenues, including Base Energy, shall be increased by 5% to reflect capacity and energy loss savings to Buyer; provided, however, the energy prices paid for the Additional and Excess Energy are not subject to the application of the 5% increase.

VII. Section 3B.2 (Sale of Power – Additional Energy) of the Power Purchase Agreement shall be amended by:

- (1) Adding to the beginning of the first sentence, "Before the Effective Date"
- (2) Adding the following language to the end of Section 3B.2

For any month (or part thereof) commencing on the Effective Date, Buyer shall pay Seller monthly for Additional Energy at the rate as follows:

(a) On-Peak Energy – Buyer shall pay Seller for Additional Energy produced in a month as On-Peak Energy an amount equal to the product of the On-Peak Energy delivered multiplied by the Additional Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for Firm Daily On-Peak power, excluding Sundays and NERC holidays.

(b) Off-Peak Energy – Buyer shall pay Seller for Additional Energy produced in a month as Off-Peak Energy an amount equal to the product of the Off-Peak Energy delivered multiplied by the Additional Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for Firm Daily Off-Peak power, excluding Sundays and NERC holidays.

(c) 24-Hour – Buyer shall pay Seller for Additional Energy produced in a month as 24-Hour Energy an amount equal to the product of the 24-Hour Energy delivered multiplied by the Additional Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for 24-Hour Firm power applicable to Sundays and NERC holidays.

(d) In all cases, the calculations set forth in Sections 3A.2(a), (b) and (c) for On-Peak Energy, Off-Peak Energy and 24-Hour Energy, respectively, shall be completed prior to the application of the Monthly Floor Price or the Monthly Ceiling Price.

(e) For Additional Energy delivered as On-Peak Energy, Off-Peak Energy or 24-Hour Energy, Buyer shall pay Seller at least the Monthly Floor Price, but not more than the Monthly Ceiling Price in any given month for each of the energy products respectively.

VIII. Section 3C.1 (Sale of Power – Excess Energy) of the Power Purchase Agreement shall be amended by:

- (1) Adding at the beginning of the first sentence “Before the Effective Date,
- (2) Adding the following language at the end of Section 3C.1

For any month (or part thereof) on and after the Effective Date, Buyer shall pay Seller monthly for Excess Energy at the rate that is the lower of 1) \$10/MWh, or 2) at the rate calculated below for such hour using the Dow Jones Palo Verde Electricity Index:

(a) On-Peak Energy – Buyer shall pay Seller for Excess Energy produced in a month as On-Peak Energy an amount equal to the product of the On-Peak Energy delivered multiplied by the Excess Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for Firm Daily On-Peak power, excluding Sundays and NERC holidays.

(b) Off-Peak Energy – Buyer shall pay Seller for Excess Energy produced in a month as Off-Peak Energy an amount equal to the product of the Off-Peak Energy delivered multiplied by the Excess Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for Firm Daily Off-Peak power, excluding Sundays and NERC holidays.

(c) 24-Hour – Buyer shall pay Seller for Excess Energy produced in a month as 24-Hour Energy an amount equal to the product of the 24-Hour Energy delivered multiplied by the Excess Energy Factor multiplied by .85 multiplied by the simple average for the month of the Dow Jones Palo Verde Electricity Price Index for 24-Hour Firm power applicable to Sundays and NERC holidays.

IX. Section 20 (Entire Agreement) of the Power Purchase Agreement shall be amended by adding the following appendices at the end thereto:

Appendix L – Monthly Floor Price

Appendix M – Monthly Ceiling Price

X. A new Appendix L – Monthly Floor Price is added to the Power Purchase Agreement which is attached hereto and incorporated by reference herein.

XI. A new Appendix M – Monthly Ceiling Price is added to the Power Purchase Agreement which is attached hereto and incorporated by reference herein.

XII. Base Billing Capacity and Additional Billing Capacity shall continue to be paid for as set forth in Section 3 of the Agreement. Seller agrees it will take no actions to increase the generating capacity of Seller's facility above the amount set forth in the Agreement.

XIII. This Fourth Amendment to the Power Purchase Agreement shall become effective on the Effective Date; provided, however, this Agreement shall not become effective until the Commission has determined that the prices to be paid for energy and capacity are just and reasonable, and in the public interest. In the event that the Commission order approving this Agreement contains any condition, that is materially adverse to either party, the party adversely impacted by the condition may terminate this Agreement by providing the other party notice within thirty (30) days of the entry of the Commission's order.

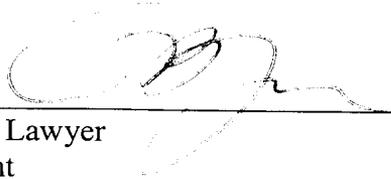
XIV. Approval by the Commission of this Fourth Amendment to the Power Purchase Agreement shall release and discharge both parties from any and all claims, demands and causes of action of any kind whatsoever, whether or not known, suspected or claimed, which either Party ever had, now has, or claims to have had relating to or connected to or arising out of the Agreement as of the Effective Date of the Fourth Amendment to the Power Purchase Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Fourth Amendment to the Power Purchase Agreement to be executed by their duly authorized representatives as of the first date hereinabove set forth.

SELLER:

SUNNYSIDE COGENERATION ASSOCIATES,
a Utah joint venture, composed of:

By: SUNNYSIDE HOLDINGS I, INC.,
a Delaware corporation, a joint venture partner

By: 
Name: Greg B. Lawyer
Title: President

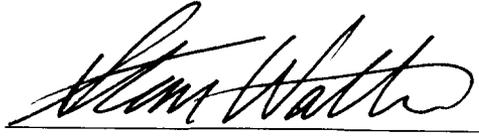
By: SUNNYSIDE II, L.P.
a Delaware limited partnership, a joint venture partner

By: SUNNYSIDE II, INC.,
Delaware corporation, the general partner of
Sunnyside II, L.P.

By: 
Name: Robert V. Escalante
Title: Vice President

BUYER:

PACIFICORP, operating under the assumed name of UTAH
POWER & LIGHT COMPANY

By: 
Name: Stan Watters
Title: Senior Vice President

Appendix L

Monthly Floor Price

	<i>Floor \$ per MWH</i>				
Year		On- Peak Rate		Off- Peak Rate	24-Hour Rate
2004		32.33		25.40	30.02
2005		33.14		26.04	30.77
2006		33.97		26.69	31.54
2007		34.82		27.35	32.33
2008		35.69		28.04	33.14
2009		36.58		28.74	33.97
2010		37.49		29.46	34.81
2011		38.43		30.19	35.68
2012		39.39		30.95	36.58
2013		40.38		31.72	37.49
2014		41.39		32.51	38.43
2015		42.42		33.33	39.39
2016		43.48		34.16	40.37
2017		44.57		35.01	41.38
2018		45.68		35.89	42.42
2019		46.82		36.79	43.48
2020		47.99		37.71	44.56
2021		49.19		38.65	45.68
2022		50.42		39.62	46.82
2023		51.68		40.61	47.99

Appendix M

Monthly Ceiling Price

	<i>Cap \$ per MWH</i>			
		On-Peak	Off-Peak	24-Hour
Year		Rate	Rate	Rate
2004		41.98	32.35	38.77
2005		41.82	32.31	38.65
2006		41.67	32.25	38.53
2007		41.51	32.74	38.59
2008		42.31	33.37	39.33
2009		43.13	34.02	40.09
2010		43.98	34.68	40.88
2011		44.85	35.37	41.69
2012		45.74	36.07	42.52
2013		46.65	36.78	43.36
2014		47.58	37.52	44.23
2015		48.54	38.27	45.12
2016		49.52	39.04	46.03
2017		50.53	39.83	46.96
2018		51.56	40.64	47.92
2019		52.62	41.47	48.90
2020		53.70	42.32	49.91
2021		54.81	43.20	50.94
2022		55.95	44.09	52.00
2023		57.12	45.01	53.08