

Contract No. DE-PM-98SW00374-M002

UNITED STATES  
DEPARTMENT OF ENERGY  
SOUTHWESTERN POWER ADMINISTRATION

AMENDATORY AGREEMENT

Between

COPY

UNITED STATES OF AMERICA

and

PEOPLE'S ELECTRIC COOPERATIVE

THIS AMENDATORY AGREEMENT, made and entered into this 14th day of September, 2006, by and between the UNITED STATES OF AMERICA, represented by the Secretary of Energy, acting by and through the Administrator, Southwestern Power Administration (hereinafter "Southwestern"), an Administration within the Department of Energy, and PEOPLE'S ELECTRIC COOPERATIVE (hereinafter "PEC"), organized and existing under the laws of the State of Oklahoma, acting through its duly authorized officials WITNESSETH, That,

WHEREAS, on December 29, 1997, the parties entered into Contract No. DE-PM75-98SW00374, as amended (hereinafter "Contract-374"), which provides for PEC to tap into Southwestern's 138-kV transmission line between Weleetka, Oklahoma, and the Denison Dam in the vicinity of Denison, Texas (Southwestern's Transmission Line No. 3101), at Allen, Oklahoma; and

WHEREAS, the parties desire to amend Contract-374 to provide for a change in the reservation of capacity in Southwestern's transmission system by Contract Year.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree that Contract-374, as amended, shall be and hereby is further amended as follows:

Part 1. Delete the Reservation/Maximum Rate of Delivery table in Section 3(a) of Article II in its entirety, and insert a new Reservation/Maximum Rate of Delivery table in lieu thereof, to read as follows:

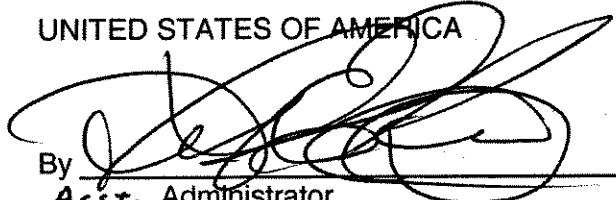
<b>Contract Year</b>	<b>Reservation/Maximum Rate of Delivery (Megawatts)</b>
1/01/98 thru 12/31/98	0
1/01/99 thru 12/31/99	0
1/01/2000 thru 12/31/2000	0
1/01/2001 thru 12/31/2001	0
1/01/2002 thru 12/31/2002	0
1/01/2003 thru 12/31/2003	0
1/01/2004 thru 12/31/2004	0
1/01/2005 thru 12/31/2005	0
1/01/2006 thru 12/31/2006	0
1/01/2007 thru 12/31/2007	20
1/01/2008 thru 12/31/2008	25

IT IS FURTHER AGREED, That, this Amendatory Agreement shall become effective as of the date of its execution by the Administrator or his authorized representative; and

That, except as herein provided, all other provisions of Contract-374, as amended, are and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have jointly executed this Amendatory Agreement in several counterparts as of the day and year first above written, each of which shall constitute and original.

UNITED STATES OF AMERICA

By   
Asst. Administrator  
Southwestern Power Administration

COPY

PEOPLE'S ELECTRIC COOPERATIVE

By R. J. Ethridge  
Title Executive Vice President

ATTEST:

I, John W. Hudson, certify that I am the Assistant Secretary for PEOPLE'S ELECTRIC COOPERATIVE, and that Randy Ethridge, who signed this Agreement on behalf of the said Cooperative, was then the Executive Vice President of said Cooperative, and that the said Agreement was duly signed for and on behalf of the said Cooperative by authority of its governing body which has within the scope of its powers the authority to legally bind said Cooperative under the foregoing Agreement.

(SEAL)

By John W. Hudson